

# Annexure 4 (iii)

## ANNUAL REPORT

2018-19

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BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
[formerly Barclays Investments & Loans (India) Limited]

CORPORATE IDENTIFICATION NUMBER (CIN)

U93090MH1937FTC291521

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Rakesh Kripalani, Non-Executive Director

Mr. Rajeev Ghadi, Non-Executive Director

Mr. Gurupad Pavan, Non-Executive Director

Mr. Nirav Mody, Non-Executive Director

Mr. Ruzbeh Sutaria, Whole-time Director

Ms. Ritika Mehrotra, Chief Financial Officer

Ms. Noopur Gupta, Company Secretary

STATUTORY AUDITORS

Messrs BSR & Co. LLP, Chartered Accountants

REGISTERED OFFICE

Nirlon Knowledge Park, Level 10,  
Block B-6, Off Western Express Highway,  
Goregaon (East),  
Mumbai 400063,  
Maharashtra

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## CONTENTS

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|   |            |
|---|------------|
| <i>Notice of the 82<sup>nd</sup> Annual General Meeting.....</i>              | <i>4</i>   |
| <i>Directors' Report and Management Discussion &amp; Analysis Report.....</i> | <i>5</i>   |
| <i>Auditor's Report on Standalone Financial Statements.....</i>               | <i>32</i>  |
| <i>Standalone Financial Statements and Notes to Accounts.....</i>             | <i>41</i>  |
| <i>Auditor's Report on Consolidated Financial Statements.....</i>             | <i>118</i> |
| <i>Consolidated Financial Statements and Notes to Accounts.....</i>           | <i>124</i> |
| <i>Form AOC-1.....</i>  | <i>191</i> |
| <i>Attendance slip.....</i>   | <i>193</i> |
| <i>Proxy form.....</i>  | <i>194</i> |
| <i>Route Map to the venue of the Annual General Meeting.....</i>              | <i>196</i> |

## NOTICE OF THE ANNUAL GENERAL MEETING

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Notice is hereby given that the 82<sup>nd</sup> Annual General Meeting of Barclays Investments & Loans (India) Private Limited ("the Company" / "BILIPL") will be held on Monday, the 30<sup>th</sup> day of September, 2019, at 02:00 p.m. at the registered office of the Company at Nirlon Knowledge Park, Level 10, Block B-6, Off Western Express Highway, Goregaon (E), Mumbai- 400063, to transact the following business:

### AS ORDINARY BUSINESS:

1. To consider and adopt:
  - a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2019 together with the Reports of the Directors and Auditors thereon; and
  - b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019 together with the Report of the Auditors thereon.

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORMS IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. A person can act as a Proxy for not more than 50 Members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. However, a single person may act as a proxy for a Member holding more than 10% of the total share capital of the Company carrying voting rights provided that such person shall not act as a proxy for any other person.
3. In case of joint holders attending the Meeting, the first holder will be entitled to vote.
4. Physical copies of the Annual Report for 2018-19 are being sent to all the members in the permitted mode.
5. Members may also note that the Notice of the 82<sup>nd</sup> Annual General Meeting will also be available on the Company's website [www.barclays.in/bilil](http://www.barclays.in/bilil) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [bililcompliance@barclayscapital.com](mailto:bililcompliance@barclayscapital.com).
6. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

By Order of the Board  
For Barclays Investments & Loans (India) Private Limited

Sd/-  
Noopur Gupta  
Company Secretary  
ACS No.: 27413

Place: Mumbai  
Date: September 20, 2019

## DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS REPORT

To the Members,

The Directors of the Company are pleased to present the 82<sup>nd</sup> Annual Report of Barclays Investments & Loans (India) Private Limited ('BILIPL' or the 'Company'), together with the annual audited consolidated and standalone financial statements for the financial year ended March 31, 2019.

### 1. FINANCIAL PERFORMANCE AND STATE OF THE COMPANY'S AFFAIRS

The summary of the consolidated and standalone financial performance of the Company for the financial year ended March 31, 2019 and the previous financial year ended March 31, 2018 is given below:

(Rupees in millions)

| Particulars  | Standalone |            | Consolidated |            |
|--|------------|------------|--------------|------------|
|  | FY 2018-19 | FY 2017-18 | FY 2018-19   | FY 2017-18 |
| Revenue from Operations  | 1,594.55   | 1,773.47   | 1,581.05     | 1,773.47   |
| Other income   | 0.13       | 13.87      | 0.13         | 13.87      |
| Total Income   | 1,594.68   | 1,787.34   | 1,581.18     | 1,787.34   |
| Total Expenses   | 1,032.36   | 1,236.85   | 1,032.36     | 1,236.85   |
| Profit/(Loss) Before Taxation  | 562.32     | 550.49     | 548.82       | 550.49     |
| Less: Tax expense  | 136.34     | 124.26     | 136.34       | 124.26     |
| Profit after tax for the year  | 425.98     | 426.23     | 412.48       | 426.23     |
| Add: Share of net loss in Associate Company  | -          | -          | (23.92)      | (23.48)    |
| Profit for the year  | 425.98     | 426.23     | 388.56       | 402.75     |
| Other comprehensive income   | (0.42)     | 0.03       | (0.42)       | 0.03       |
| Add: Share of net other comprehensive income in Associate Company                  | -          | -          | (1.12)       | 1.20       |
| Total comprehensive income for the year  | 425.56     | 426.26     | 387.02       | 403.98     |
| Add: Balance brought forward from previous year                                    | (4,763.89) | (5,098.34) | (4,554.50)   | (4,866.67) |
| Less: Appropriations   |            |            |              |            |
| Transfer to Special Reserve under Section 45-IC of Reserve Bank of India Act, 1934 | (85.20)    | (91.81)    | (85.20)      | (91.81)    |
| Balance carried to Balance Sheet   | (4,423.53) | (4,763.89) | (4,252.68)   | (4,554.50) |

The Company has prepared its financial statements for the year ended March 31, 2019 in accordance with the Indian Accounting Standards ('IndAS') as prescribed under Section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act and accounting principles generally accepted in India. The financial statements for the year ended March 31, 2018 and the opening Balance Sheet as at April 1, 2017 have been restated in accordance with IndAS for comparative information. Information on accounting policies applied have been provided in the Notes to Accounts attached to the financial statements.

The net worth of the Company as at March 31, 2019, calculated in accordance with IndAS financials, is Rs. 7,098.98 million (Rs. 6,673.40 million as at March 31, 2018). The Company's Capital Adequacy Ratio calculated in line with the Reserve Bank of India ('RBI') directions for Non-Banking Financial Companies ('NBFCs') stood at 40.70% as at March 31, 2019 (35.24% as at March 31, 2018), which is well above the minimum regulatory requirement.

#### Transfer to Reserves

During the period under review, the Company has not transferred any amount to the Reserves except Special Reserve under Section 45-IC of Reserve Bank of India Act, 1934.

## 2. HIGHLIGHTS OF THE PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES AND THEIR CONTRIBUTION TO THE OVERALL PERFORMANCE OF THE COMPANY

There were no companies which have become or ceased to become the Subsidiaries, Joint Ventures or Associates of the Company during the year under review. As on March 31, 2019, the Company continues to have only one Associate Company viz Barclays Securities (India) Private Limited ('BSIPL'). A brief summary of the performance of BSIPL is as under:

| Name of the Associate Company               | Corporate Identification Number (CIN) |
|---|---------------------------------------|
| Barclays Securities (India) Private Limited | U67120MH2006PTC161063                 |

| Particulars  | (Rupees in millions) |              |
|--|----------------------|--------------|
|  | As on March 31, 2019 |              |
|  | Standalone           | Consolidated |
| Profit before Taxation   | (106.11)             | (53.20)      |
| Less: Provision for Taxation (net of MAT and deferred tax)     | -                    | 31.37        |
| Profit after Taxation  | (106.11)             | (84.57)      |
| Other comprehensive income                                     | (4.56)               | (4.49)       |
| DDT paid from reserves   | (11.10)              | (11.10)      |
| Total comprehensive income                                     | (121.76)             | (100.16)     |
| Total Assets   | 8,342.01             | 8,677.22     |
| Total Liabilities  | 6,031.97             | 6,179.87     |
| Net Worth  | 2,310.04             | 2,497.35     |
| Contribution of net profit of Associate Company at group level | -                    | (25.04)      |

In accordance with Section 129(3) of the Act, the consolidated financial statements of the Company with its associate company, have been prepared in the same form and manner as that of the Company and in accordance with applicable accounting standards, which shall be also be laid before the ensuing Annual General Meeting ('AGM') of the Company along with the standalone financial statements of the Company. A statement containing salient features of the financial statements of associate company is stated in Form AOC-1, attached to the financial statements of the Company.

## 3. DISCUSSION ON FINANCIAL PERFORMANCE VIS-À-VIS OPERATIONAL PERFORMANCE

A brief summary of the operational performance of the Company is as under:

| Particulars  | (Rupees in millions) |                |
|--|----------------------|----------------|
|  | March 31, 2019       | March 31, 2018 |
| Interest Income                                      | 1594.55              | 1,773.47       |
| Other Income   | 0.13                 | 13.87          |
| Total Income   | 1,594.68             | 1,787.34       |
| Interest Expended                                    | 929.09               | 1,139.50       |
| Operating Expenses                                   | 103.27               | 97.35          |
| Total Expenditures                                   | 1,032.36             | 1,236.85       |
| Operating Profit before Provisions and Contingencies | 562.32               | 550.49         |
| Provisions (other than tax) and Contingencies (Net)  | -                    | -              |
| Profit from Ordinary Activities before tax           | 562.32               | 550.49         |
| Tax expenses   | 136.34               | 124.26         |
| Net Profit from Ordinary Activities after tax        | 425.98               | 426.23         |
| Extraordinary items (net of tax expense)             | -                    | -              |
| Net Profit for the period                            | 425.98               | 426.23         |

|   |        |        |
|---|--------|--------|
| Other comprehensive income                | (0.42) | 0.03   |
| Total Comprehensive Income for the period | 425.56 | 426.26 |

The total income of the Company decreased by 10.78% as compared to previous year due to decline in income from Loans against Securities ('LAS') portfolio. The decline in LAS income was driven by reduction in average balance outstanding during the year, though the actual yield increased as compared to previous year. However, the cost also decreased but not in the same proportion as revenue, leading to maintaining profit approximately at the same as level as previous year.

#### 4. DIVIDEND

Your Directors do not recommend payment of dividend on equity shares of the Company for the year ended March 31, 2019.

#### 5. SHARE CAPITAL

As on March 31, 2019, the issued, subscribed and paid-up equity share capital of the Company stands at Rs. 10,903,285,600 (comprising 218,065,712 equity shares of Rs. 50 each), and the preference share capital of the Company stands at Rs. 458,875 (comprising 458,875 0.01% cumulative preference shares of Re. 1 each). There wasn't any change in the structure of equity and preference share capital of the Company during the year under review.

Also, the Company has neither issued any sweat equity shares or equity shares with differential voting rights or stock option schemes nor has made any offer to buy back its shares in the financial year 2018-19.

#### 6. DEPOSITS

During the year under review, the Company has neither invited nor accepted any deposits from public within the meaning of Section 73 of the Act or as provided in Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016.

#### 7. INDUSTRY STRUCTURE AND DEVELOPMENTS

Non-Banking Financial Companies are categorized:

- in terms of the type of liabilities into Deposit and Non-Deposit accepting NBFCs;
- non deposit taking NBFCs by their size into systemically important and other non-deposit holding companies (NBFC-NDSI and NBFC-ND); and
- by the kind of activity, they conduct.

Within this broad categorization the different types of NBFCs are as follows:

- Investment and Credit Company
- Infrastructure Finance Company
- Systemically Important Core Investment Company
- Infrastructure Debt Fund: Non - Banking Financial Company
- Non-Banking Financial Company - Micro Finance Institution
- Non-Banking Financial Company - Factors
- Mortgage Guarantee Companies (MGC)
- NBFC- Non-Operative Financial Holding Company (NOFHC)

BILIPL is registered with RBI as a Non-Banking Financial Company without accepting public deposits.

NBFCs are integral part of the Indian financial system, enhancing competition and diversification in the financial sector, spreading risks specifically at times of financial distress and have been increasingly recognized as complementary of banking system at competitive prices.

The year 2018-19 was earmarked by numerous key structural initiatives to strengthen the macro-economic parameters for sustainable growth in the future. India has emerged as the fastest growing major economy in the world and trading on the growth path with various economic reforms including increased focus on supporting the rural agrarian economy and economically less privileged and workers in the un-organized sector, digitalization transport, infrastructure creation, healthcare, renewable energy, education, and manufacturing. The enhanced focus to boost domestic demand and increase in the purchasing power of an average Indian consumer, through Government initiated programs, will spur development.

However, the NBFC sector is facing a credit crunch in the backdrop of increasing gross non-performing assets (NPAs) of NBFCs and defaults by some NBFCs in the last financial year. This has led to general risk aversion from institutional investors and triggered a distort in funding towards big-name NBFCs/HFCs that had skewed ALM profile. Additionally, the economic growth has also reduced in the last few months – recent GDP growth figures have come lower than expected - several sectors like automobile, real estate are witnessing this slowdown. This has impacted confidence but the government has recognized the issue and several measures have been announced in recent weeks by the government to support growth.

In conclusion, overall inflation is expected to remain stable and with government efforts to revive the slowdown, it should yield results leading to restoration of higher growth of the economy in the coming quarters.

## 8. OPPORTUNITIES AND THREATS

### Opportunities:

In view of the overall deterioration in the asset quality in the financial system, the NBFC sector has taken a beating in the stock market with defaults and liquidity challenges.

NBFCs with a robust business model, strong governance standards, solid risk management policies, coupled with sturdy liquidity mechanisms, and sound operating and vigilant monitoring systems hold a good stead to take advantage of the volatile market situation to not only increase business opportunities but also increase margins and the bottom line, BILIPL, with a capital adequacy ratio being much higher than the minimum regulatory requirement of 15% and whose assets are fully secured by liquid financial assets with adequate margins and with zero non-performing assets since launch of the LAS product 9 years ago is well placed to do just that.

### Threats:

Competitive pricing, maintaining sufficient liquidity at right cost and tenure, constant endeavor to retain and tap the right talented personnel, volatility in commodity and oil prices, unforeseen climatic and natural disasters, lower than expected rainfall are some of the perceived challenges and threats to the growth of business.

## 9. PERFORMANCE

The Company continues to focus on its LAS business. The Company launched the LAS business in May 2009. The business has been built on a robust model pertaining to secured lending to High Net-worth Individuals and their individual centric holding or commercial entities. Credit facilities are specifically designed to meet clients' need for liquidity support against financial assets. All loans are fully secured against financial assets comprising either, equity shares, mutual fund units, bonds or debentures.

With the turnaround in economic growth, the LAS Credit book remained stable with more diversification in client base and without any compromise to the credit quality. This is backed by a very sound business model, robust governance structure, efficient liquidity standards, strong risk management with vigilant operations lays down a clear path for sustainable and successful business.

Stringent credit appraisal and monitoring process is the backbone of a robust LAS business. Apart from the quality of security, importance is given to the borrower's background, purpose of the loan, ability to service interest and source of principal repayment on a case by case basis.



Consequently, the portfolio quality continues to remain good with zero non-performing assets.

#### 10. CHANGE IN THE NATURE OF BUSINESS AND FUTURE OUTLOOK

There was no change in the nature of business of the Company during the year under review. The Company's strategy is to continue to offer the LAS product and maintain the quality of the portfolio by continuing to conduct rigorous borrower and security analysis before extending the loan and strong vigilance process of collateral and cash flow management thereafter.

With the government initiating reforms to stimulate economic growth, expected normal monsoon and stable inflationary trend, the future outlook of the Company looks positive for growth of credit assets business.

#### 11. BORROWINGS AND DEBT CAPITAL MARKET UPDATE

The Company manages various risks on its Balance Sheet and optimizes its funding cost. Treasury generally funds the Balance Sheet through various products viz., Commercial Papers ('CPs') and Bank credit lines.

The Company is actively engaged in raising short term funds in the nature of CPs from the capital markets. During the year under review, your Company issued Rs. 23,650 million of CPs and most of the funding requirements have been met through this mode. Your Company has diversified its investor base to a large number of asset management companies and a couple of large corporate investors. The spread provided by the Company over the other bigger NBFCs in the market has also subsequently shrunk, thereby reducing the cost of funds for the Company.

#### 12. RISKS AND CONCERNS

Risk is an integral part of business and almost every business decision requires the management to balance risk and reward. Maintaining our risk profile at an acceptable and appropriate level is essential to ensure our continued performance. The inability to manage these risks can cause permanent damage. As a result, today's operating environment demands a rigorous and integrated approach to risk management. There are different types of risk that the Company is exposed to such as Credit risk, Market risk, Treasury and Capital risk, Operational risk, Model risk, Reputation risk, Conduct risk and Legal Risk. The Company has an Enterprise Risk Management Framework and risk management strategy is based on a clear understanding of various risks, periodic risk assessments and measurement practices and continuous monitoring. Report of top risks and risk event update is periodically placed before the Audit Committee of the Board of Directors of the Company. The Directors review these reports and the course of action taken or to be taken to manage and mitigate the risks. Additionally, the report of internal auditors is reviewed and discussed by the Audit Committee. Since your Company follows the inherent risk management approach and the risks are managed well within the entity, currently your Directors do not foresee any risk that may threaten the existence of the Company.

#### 13. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal control system is designed to ensure proper management of principal risks faced by the company, operational efficiency, accuracy and promptness of accounting records and compliance with laws and regulations. The Company has adopted Group's Enterprise Risk Management Framework and the risk management strategy is based on a clear understanding of various risks, periodic risk assessments and measurement practices and continuous monitoring.

The Company's Management and Risk Control Committee reviews risks and its management on a regular basis, and the Company is subject to an independent risk based Internal Audit for reviewing adequacy and efficacy of the Company's internal controls. The Internal Auditor presents the Internal Audit Reports to the BIL IPL Audit Committee which also reviews the adequacy and effectiveness of the internal controls in the Company.

#### 14. INTERNAL FINANCIAL CONTROLS ADEQUACY WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has adequate internal controls and processes in place with respect to its financial statements which provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement. These controls and processes are driven through various policies, procedures and attestation. The processes and controls are reviewed periodically. The Company has a mechanism of testing the controls at regular intervals for their design and operating effectiveness to ascertain the reliability and authenticity of financial information.

#### 15. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year to which the financial statements relate and the date of this report.

#### 16. SIGNIFICANT OR MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the year under review, there were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and operations of the Company in future.

#### 17. CONVERSION OF COMPANY INTO A PRIVATE LIMITED COMPANY

During the year under review, the Company's status changed from 'Public Limited Company' to 'Private Limited Company'. Consequently, the Company has been renamed as 'Barclays Investments & Loans (India) Private Limited' effective April 4, 2018, being the date on which the fresh Certificate of Incorporation was issued by the Registrar of Companies, Mumbai.

#### 18. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors

The Board of Directors, along with its Committees, provides leadership and guidance to the Company's management and directs, supervises and controls the activities of the Company. The size of the Board is commensurate with the size and business of the Company.

The details of the Board of Directors as on March 31, 2019 is given below:

| Name of the Director      | Designation            | Date of Appointment / Re-appointment | Whether Appointment / Re-appointment | Tenure of Appointment / Re-appointment |
|---------------------------|------------------------|--------------------------------------|--------------------------------------|--|
| Mr. Rakesh Kripalani      | Non-Executive Director | August 28, 2012                      | Appointment                          | -                                      |
| Ms. Deepa Dev**           | Non-Executive Director | May 27, 2014                         | Appointment                          | -                                      |
| Mr. Harish H. Engineer**  | Independent Director   | May 27, 2017                         | Re-appointment                       | 2 years                                |
| Dr. Dharmendra Bhandari** | Independent Director   | September 2, 2017                    | Re-appointment                       | 2 years                                |
| Mr. Gurupad Pavan         | Non-Executive Director | September 2, 2014                    | Appointment                          | -                                      |
| Mr. Nirav Mody            | Non-Executive Director | April 27, 2015                       | Appointment                          | -                                      |
| Mr. Ruzbeh Sutaria        | Whole-time Director    | June 8, 2018                         | Appointment                          | 3 years                                |
| Mr. Rajeev Ghadi          | Non-Executive Director | September 4, 2018                    | Appointment                          | -                                      |

\*\* Resigned from the Board of Directors during the Financial Year 2018-19.

Mr. Ruzbeh Sutaria was appointed by the Board as an (Additional) Whole-Time Director for a period of three years effective June 8, 2018. Mr. Rajeev Ghadi was appointed by the Board as an (Additional) Non-Executive Director effective September 4, 2018. They were appointed as Directors at the AGM held on September 27, 2018, pursuant to Section 152 of the Act.

### Declaration by Independent Directors

The Independent Directors have given declaration to the Board stating that they meet the criteria of independence (for the period they served on the Board) as mentioned under Section 149(6) of the Act.

### Resignation of Directors from the Board:

The following Directors have resigned from the Board during the financial year 2018-19:

| Name of the Director    | Date of cessation from Directorship |
|-------------------------|-------------------------------------|
| Mr. Harish Engineer     | Resigned effective May 25, 2018     |
| Dr. Dharmendra Bhandari | Resigned effective May 25, 2018     |
| Ms. Deepa Dev           | Resigned effective July 19, 2018    |

The Board placed on record its sincere appreciation for the valuable contribution made by the Directors stated above to the growth and development of the Company.

### Key Managerial Personnel ('KMP')

Ms. Noopur Gupta, Company Secretary and Ms. Ritika Mehrotra, Chief Financial Officer, continue to be KMP of the Company during the year under review.

Due to change in organization structure, Mr. Ruzbeh Sutaria resigned as the Manager and Chief Executive Officer of the Company effective May 31, 2018 (close of business hours). He was later appointed as the Whole-Time Director of the Company for a period of three years as stated above.

## 19. BOARD MEETINGS

The Board Meetings are pre-scheduled and a tentative annual calendar of the Board Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is noted and confirmed in the subsequent Board meeting.

During the financial year 2018-19, four Board Meetings were held on June 8, 2018, September 12, 2018, December 4, 2018 and March 8, 2019. The maximum interval between any two meetings was well within the maximum allowed gap of 120 days.

Mr. Rakesh Kripalani, Mr. Gurupad Pavan, Mr. Nirav Modi, Mr. Rajeev Ghadi and Mr. Ruzbeh Sutaria attended the AGM held on September 27, 2018.

## 20. COMMITTEES

The Board Committees focus on specific areas mentioned in their terms of reference and make informed decisions within the authority delegated to them. Each Committee of the Board is guided by its terms of reference. The Committees also make specific recommendations to the Board on various matters required. All observations, recommendations and decisions of the Committees are placed before the Board for its information or approval. The minutes of Committee meetings are placed before the Board for its noting.

### Details of Committees of the Directors

The Board has, at present, following Committees of the Directors:

### Audit Committee

The Audit Committee has been formed to review Company's internal control process, accounting policies, the contents of the financial reports, disclosure controls and procedures, management's approach to internal controls, the adequacy and scope of the external and internal audit functions, compliance with regulatory and financial reporting requirements, oversee the relationship with the Company's external auditors and to provide assurance to the Board that executive management's control assurance processes are implemented and are complete and effective.

The Audit Committee of the Board presently comprises of the following Directors:

- Mr. Rajeev Ghadi, Non-Executive Director (Chairman)
- Mr. Rakesh Kripalani, Non-Executive Director
- Mr. Nirav Mody, Non-Executive Director

The Audit Committee met four times during the financial year 2018-19 on June 8, 2018, September 12, 2018, December 4, 2018 and March 8, 2019. During the financial year 2018-19, there have been no instances where the Board of Directors of the Company has not accepted the recommendations of the Audit Committee.

### Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been formed to ensure good governance in the appointment of directors and senior management who are best able to discharge their duties and responsibilities as such; formulating a policy relating to the remuneration of directors, key managerial personnel and other employees and to ensure 'fit and proper' status of directors.

The Nomination and Remuneration Committee of the Board presently comprises of the following Directors:

- Mr. Rajeev Ghadi, Non-Executive Director (Chairman)
- Mr. Gurupad Pavan, Non-Executive Director
- Mr. Rakesh Kripalani, Non-Executive Director

The Nomination and Remuneration Committee met twice during the financial year 2018-19 on June 8, 2018 and December 4, 2018.

### Corporate Social Responsibility ('CSR') Committee

The CSR Committee has been formed for the development and consistent execution of the CSR policy, ensuring alignment with the global community investment, citizenship strategy and enhanced reputational impact.

The CSR Committee of the Board presently comprises of the following Directors:

- Mr. Rakesh Kripalani, Non-Executive Director (Chairman)
- Mr. Nirav Mody, Non-Executive Director
- Mr. Gurupad Pavan, Non-Executive Director

The CSR Committee met three times during the financial year 2018-19 on June 12, 2018, September 4, 2018, and February 28, 2019.

### Details of other Committees comprising of the Directors and Senior Management

The Board has at present the following Committees comprising of the Directors and members of Senior Management:

#### Asset and Liability Committee

The Asset and Liability Committee has been formed to create value and control risk by providing management oversight of balance sheet structure, liquidity, market and financial risk, capital and dividends, regulatory compliance and reporting and compliance with internal controls.

### Management and Risk Control Committee

The Management and Risk Control Committee has been formed to exercise strategic control and direction; embed and maintain effective control of risks in the entity; oversee the management of the entity's Business risk profile and provide assurance as to the design of the governance and control framework and the operational effectiveness of internal controls.

### High Level Monitoring Committee

The High Level Monitoring Committee has been formed to monitor the reporting made under the Foreign Account Tax Compliance Act and Common Reporting Standards and to further ensure that the Company is in a position to meet the deadlines for completing due diligence procedure and reporting requirements or such other deadlines as may be prescribed under the law.

### Information Technology ('IT') Strategy Committee

The IT Strategy Committee has been formed to approve IT Strategy and Policy Documents and amend the IT strategies in line with the Company's strategy, Board Policy reviews, cyber security arrangements and any other matters related to IT Governance.

## 21. MANNER OF EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Board carried out annual evaluation of its own performance and that of its Committees and individual directors. A structured evaluation feedback form was prepared covering various aspects such as board structure and composition, its roles and responsibilities, meetings and procedures, strategy and performance, board and management relations, structure and operation of the committees etc. Also, a separate questionnaire was prepared to evaluate the performance of individual directors, which had parameters such as focus on critical issues, skills, attributes and experience, effective conclusion of matters on hand, safeguarding the interest of the Company etc.

In accordance with the Barclays Group requirements, the Audit Committee of the Board carried out evaluation of its performance, the Internal Auditors and the Statutory Auditors.

## 22. COMPANY'S POLICIES

### Corporate Social Responsibility ('CSR') Policy

The CSR Policy of the Company lays down the principles and mechanism for undertaking various programmes for the community at large, areas of CSR projects, composition and meetings of CSR Committee, modalities of implementation of CSR activities and the monitoring mechanism. The Company is committed to play a broader role in the communities in which it operates by way of supporting various initiatives through funding, fund raising and/or volunteering activities. The latest CSR Policy is hosted on the Company's website: [www.barclays.in/bilil](http://www.barclays.in/bilil).

The details of CSR activities undertaken by the Company is provided in "[Annexure A](#)" appended to this Report.

### Nomination and Remuneration Policy

The Nomination and Remuneration Policy of the Company formulates criteria for identification of persons who are qualified to become directors and who may be appointed in senior management and recommend their appointment to the Board, determine remuneration payable to them and put forth other relevant measures for evaluating 'fit and proper' status of the Directors.

During the year under review, the Policy was revised to incorporate the changes pursuant to amendments made to applicable provisions of the Act. The latest Nomination and Remuneration Policy is hosted on the Company's website: [www.barclays.in/bilil](http://www.barclays.in/bilil).

### Related Party Transactions ('RPT') Policy

The RPT Policy of the Company has been framed to ensure proper approval and reporting of transactions between the Company and its Related Parties. The Policy specifies the criteria to determine whether the transaction is in the ordinary course of business and at arm's length and the approach for obtaining approvals of the Audit Committee, Board or the Shareholders of the Company, as the case may be. The latest RPT Policy is hosted on the Company's website: [www.barclays.in/bilil](http://www.barclays.in/bilil).

### Vigil Mechanism

The Company has adopted Raising Concerns (Whistleblowing) Group-Wide Policy with associated Standards and Procedures as its Vigil Mechanism, to ensure that Barclays provides a process for individuals to raise whistleblowing concerns without fear of retaliation and with confidence that the concern will be taken seriously and a meaningful review will be conducted.

### Risk Management Policy

The Company has adopted Group Enterprise Risk Management Framework ('Framework') as its Risk Management Policy. The said framework covers Principal Risk, Risk appetite, Risk Management and Segregation of Duties, Governance and Responsibilities, Framework, Policies and Standards. The Framework applies globally and throughout the Barclays Group.

Apart from the policies mentioned above, there are several other policies adopted by the Board as per the Regulatory, Group and Business requirements.

### 23. SECRETARIAL STANDARDS

The Company has complied with the applicable clauses of Secretarial Standards on Meetings of the Board of Directors and General Meetings, issued by the Institute of Company Secretaries of India.

### 24. EXTRACT OF ANNUAL RETURN

Pursuant to the requirements under Section 92(3) and Section 134(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in prescribed Form MGT-9 is annexed as "Annexure B" to this Report and also available on the website of the Company at [www.barclays.in/bilil](http://www.barclays.in/bilil).

### 25. STATUTORY AUDITORS

In terms of Section 139 of the Act, M/s. BSR & Co. LLP, Chartered Accountants (Firm Registration Number: 101248W/W-100022) were appointed as statutory auditors of the Company for a period of five consecutive years i.e., from the conclusion of Eightieth AGM held in 2017 till the conclusion of Eighty-Fifth AGM to be held in 2022, subject to ratification of their appointment by the Members at every AGM. Members may note that the first provision to Section 139 of the Act, which required ratification of appointment of auditors by the Members at every AGM has been omitted by the Companies (Amendment) Act, 2017. Accordingly, the matter for ratification has not been placed at the ensuing AGM.

### 26. BOARD'S EXPLANATION ON STATUTORY AUDITORS' REPORT

There are no qualifications, reservations, adverse remarks or disclaimers made by the Statutory Auditors, in their Audit Report for the financial year 2018-19. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company during the financial year 2018-19.

## 27. MAINTENANCE OF COST ACCOUNTING RECORDS

The maintenance of cost records, for the business activities carried out the Company, is not required pursuant to Section 148(1) of the Act.

## 28. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

The operations of the Company are not energy intensive as the Company is not engaged in any manufacturing business. Accordingly, no specific energy conservation measures have been taken by the Company during the financial year 2018-19.

With respect to technology absorption, the Company has not imported any technology during the financial year under review. However, being part of the Barclays Group, the Company leverages on few applications provided by the Group to its affiliates as part of the Group support and follows the internal guidelines/policies framed by the Group in this regard.

The details of foreign exchange earnings and outgo are given below:

| (Rupees in millions)     |              |               |
|--------------------------|--------------|---------------|
| Particulars              | Current Year | Previous Year |
| Foreign Exchange Earning | Nil          | Nil           |
| Foreign Exchange Outgo   | 1.74         | 0.04          |

## 29. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, the Company has not made any investment in terms of provisions of Section 186(1) of the Act. The particulars of loans, guarantees or investments are not furnished since the provisions of Section 186 except sub-section (1) of that section is not applicable to the Company, being a Non-Banking Financial Company registered with RBI.

## 30. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

A statement in Form AOC-2, containing details of contracts or arrangements or transactions carried out on an arm's length basis with related parties, is provided in "Annexure C" appended to this Report.

## 31. HUMAN RESOURCES

There have not been any material developments in HR/Industrial Relations front during the year. The number of permanent employees on the rolls of the Company as on March 31, 2019 is 9 (Nine) and the number of employees seconded on a full-time basis to the Company as on March 31, 2019 is 2 (Two).

### Remuneration of Directors

During the year under review, the Non-Executive or Independent Directors did not have any pecuniary relationship or transaction with the Company.

## 32. PARTICULARS OF EMPLOYEES AND RELATED INFORMATION

The requirement of disclosures as specified under Section 197(12) of the Act and rules made thereunder is not applicable to the Company.

## 33. DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a Policy on 'Prevention and Redressal of Sexual Harassment of Women at Workplace' and an Internal Complaints Committee has been set up to redress the complaints received regarding sexual harassment. There

were no complaints reported under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, during the period under review.

#### 34. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that –

- i. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- iii. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. the directors had prepared the annual accounts on a going concern basis; and
- v. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### 35. ACKNOWLEDGEMENTS

Your Directors place on record their gratitude to the shareholders, government, regulators, statutory bodies, customers, bankers, lenders, vendors and all other business associates for the continuous support given by them to the Company. The Directors also place on record sincere appreciation of the employees for their dedicated and unstinted efforts.

For and on behalf of the Board of Directors

Sd/-

RAKESH KRIPALANI  
CHAIRMAN  
(DIN: 02877283)

Place: Mumbai

Date: September 20, 2019



## ANNEXURE - A

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

{Pursuant to Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014}

1. A brief outline of the Company's CSR policy, including overview of the projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

The CSR Policy of the Company lays down the principles and mechanisms for undertaking various programmes in accordance with section 135 of the Companies Act, 2013 ("Act"). The Company is committed to play a broader role in the communities in which it operates by way of supporting various initiatives through funding, fund raising and/or volunteering activities. As per the CSR policy of the Company, the Company is supporting the following initiative as its CSR project for the financial year 2018-19:

Global Youth Employability Programme: The Company intends to provide employment enhancing soft skill training to students to help them be job-ready. This will help the beneficiaries in improving their employability and improve their prospects economically. The programme will also have a positive impact on the confidence of the young beneficiaries and enhance their ability to face various challenges in life.

The Company, through its implementing agency International Association for Human Values (IAHV), is engaged in providing last-mile skills to young graduates, ITIs and engineering students through Barclays Life-Skills, work-skills and employability programmes such that young people in the age group of 18-24 find jobs.

The Company may undertake any other programme or project in areas enumerated in Schedule VII referred in section 135 of the Act.

The CSR Policy of the Company can be found at <https://www.barclays.in/personal-banking/bilil/policies/>

2. The composition of the CSR Committee as on March 31, 2019:

| Sr. No. | Name                 | Role in the Committee                          |
|---------|----------------------|--|
| 1       | Mr. Rakesh Kripalani | Chairman of the Committee                      |
| 2       | Mr. Gurupad Pavan    | Member of the Committee (w.e.f. May 25, 2018)  |
| 3       | Mr. Nirav Mody       | Member of the Committee (w.e.f. July 19, 2018) |

\* Mr. Harish H. Engineer and Ms. Deepa served as Members of the Committee upto May 24, 2018 and July 18, 2018 respectively.

3. Average net profit of the company for the last three financial years (computed as per section 198 of the Companies Act, 2013) – Rs. 525,420,302/-
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) – Rs. 10,508,406/-
5. Details of CSR spent during the financial year:
  - a. Total amount spent for the financial year – Rs. 10,550,000/- (rounded off on a higher side)
  - b. Amount unspent, if any – Nil
  - c. Manner in which the amount spent during the financial year is detailed below.

| (1)     | (2)                                | (3)                                    | (4)  | (5)  | (6)  | (7)   | (8)   |
|---------|------------------------------------|--|--|--|--|---|---|
| Sr. No. | CSR Project or activity identified | Sector in which the project is covered | Project or programs<br>(1) Local area or other<br>(2) Specify state and district where project or program was undertaken | Amount outlay (budget) project or program wise | Amount spent on the projects or programs<br>Sub-heads<br>(1) Direct expenditure on project or program<br>(2) Overheads | Cumulative expenditure up to the reporting period | Amount spent : Direct or through implementing agency                    |
| 1       | Youth Employability                | Skilling                               | Mumbai, Maharashtra  | Rs. 10,550,000                                 | Rs. 10,550,000   | Rs. 10,550,000                                    | Implementing Agency - International Association for Human Values (IAHV) |

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide reasons for not spending the amount in its Board Report – Not Applicable

7. Responsibility statement of the CSR Committee:

The CSR Committee confirms that the implementation and monitoring of the CSR policy, is in compliance with CSR objectives and policy of the Company.

Sd/-

Rakesh Kripalani  
Chairman – CSR Committee

Sd/-

Ruzbeh Sutaria  
Director

# ANNEXURE - B

Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I REGISTRATION AND OTHER DETAILS:

|      |   |   |
|------|---|---|
| i)   | CIN   | U93090MH1937FTC291521 w.e.f. April 4, 2018<br>(Previously U93090MH1937FLC291521)  |
| ii)  | Registration Date   | January 7, 1937   |
| iii) | Name of the Company   | Barclays Investments & Loans (India) Private Limited w.e.f. April 4, 2018<br>(Previously known as Barclays Investments & Loans (India) Limited)   |
| iv)  | Category / Sub-Category of the Company                                    | Private Company limited by Shares w.e.f. April 4, 2018 and Subsidiary of Foreign Company<br>(Previously Public Company limited by Shares)   |
| v)   | Address of the Registered office and contact details                      | Level 10, Block B-6, Nirlon Knowledge Park,<br>Off Western Express Highway, Goregaon (East), Mumbai-400063<br>Tel.: +91 22 61754000 Fax: +91 22 61754099<br>Email: <a href="mailto:noopur.x.gupta@barclays.com">noopur.x.gupta@barclays.com</a>   |
| vi)  | Whether listed company (Yes/No)   | No  |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent, if any | <u>For Commercial Papers:</u><br>Link Intime India Private Limited<br>C-13, Pannalal Silk Mills Compound,<br>L.B.S Marg, Bhandup (West), Mumbai - 400078<br>Tel. No.: 022 25963838 Fax No.: 022 25946979<br>Email id : <a href="mailto:ganesh.jadhav@linkintime.co.in">ganesh.jadhav@linkintime.co.in</a> |

### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| S. No. | Name and Description of main products / services   | NIC Code of the Product / service | % to total Turnover of the Company |
|--------|--|-----------------------------------|------------------------------------|
| 1      | NBFC activities - Loan against Securities business | 64990                             | 99.15%                             |

### III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES\*

| S. No. | Name and Address of the Company  | CIN / GLN                 | Holding / Subsidiary / Associate | % of shares held | Applicable Section |
|--------|--|---------------------------|----------------------------------|------------------|--------------------|
| 1      | Barclays Bank PLC, United Kingdom<br>1 Churchill Place, London E145HP  | -                         | Holding                          | 57.84%           | Section 2(46)      |
| 2      | Barclays Securities (India) Private Limited<br>208, Ceejay House, Shivsagar Estate,<br>Dr. A Beasant Road, Worli, Mumbai - 400018, Maharashtra | U67120MH2006<br>PTC161063 | Associate                        | 25%              | Section 2(6)       |

\* The Company doesn't have any Subsidiaries as defined under section 2(87) of the Companies Act, 2013

#### IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding:

|  | Category of Shareholders                             | No. of Shares held at the beginning of the year |             |             |                   | No. of Shares held at the end of the year |             |             |                   | % change during the year |
|--|--|---|-------------|-------------|-------------------|---|-------------|-------------|-------------------|--------------------------|
|  |  | Demat   | Physical    | Total       | % of Total Shares | Demat                                     | Physical    | Total       | % of Total Shares |                          |
| A.   | Promoters  |   |             |             |                   |   |             |             |                   |                          |
| (1)  | Indian   |   |             |             |                   |   |             |             |                   |                          |
| a)   | Individual / HUF                                     | -   | -           | -           | -                 | -   | -           | -           | -                 | -                        |
| b)   | Central Govt   | -   | -           | -           | -                 | -   | -           | -           | -                 | -                        |
| c)   | State Govt (s)                                       | -   | -           | -           | -                 | -   | -           | -           | -                 | -                        |
| d)   | Bodies Corp.   | -   | -           | -           | -                 | -   | -           | -           | -                 | -                        |
| e)   | Banks / FI   | -   | -           | -           | -                 | -   | -           | -           | -                 | -                        |
| f)   | Any Other  | -   | -           | -           | -                 | -   | -           | -           | -                 | -                        |
|  | Sub Total (A)(1)                                     | -   | -           | -           | -                 | -   | -           | -           | -                 | -                        |
|  |  |   |             |             |                   |   |             |             |                   |                          |
| (2)  | Foreign  |   |             |             |                   |   |             |             |                   |                          |
| a)   | NRIs - Individuals                                   | -   | -           | -           | -                 | -   | -           | -           | -                 | -                        |
| b)   | Others - Individuals                                 | -   | -           | -           | -                 | -   | -           | -           | -                 | -                        |
| c)   | Bodies Corp.*  | -   | 218,064,603 | 218,064,603 | 99.9995%          | -   | 218,064,603 | 218,064,603 | 99.9995%          | 0%                       |
| d)   | Banks / FI   | -   | -           | -           | -                 | -   | -           | -           | -                 | -                        |
| e)   | Any Other  | -   | -           | -           | -                 | -   | -           | -           | -                 | -                        |
|  | Sub Total (A)(2)                                     | -   | 218,064,603 | 218,064,603 | 99.9995%          | -   | 218,064,603 | 218,064,603 | 99.9995%          | 0%                       |
|  |  |   |             |             |                   |   |             |             |                   |                          |
|  | Total Shareholding of Promoter (A) = (A)(1) + (A)(2) | -   | 218,064,603 | 218,064,603 | 99.9995%          | -   | 218,064,603 | 218,064,603 | 99.9995%          | 0%                       |
| * Includes Equity Shares held by Six Nominees of Barclays Bank PLC, United Kingdom holding 1 Share each. |  |   |             |             |                   |   |             |             |                   |                          |
| B.   | Public Shareholding                                  |   |             |             |                   |   |             |             |                   |                          |
| (1)  | Institutions   |   |             |             |                   |   |             |             |                   |                          |
| a)   | Mutual Funds   | -   | -           | -           | -                 | -   | -           | -           | -                 | -                        |

|     |  |   |             |             |         |   |             |             |         |    |
|-----|--|---|-------------|-------------|---------|---|-------------|-------------|---------|----|
| b)  | Banks/FI   | - | -           | -           | -       | - | -           | -           | -       | -  |
| c)  | Central Govt   | - | -           | -           | -       | - | -           | -           | -       | -  |
| d)  | State Govt (s)   | - | -           | -           | -       | - | -           | -           | -       | -  |
| e)  | Venture Capital Funds  | - | -           | -           | -       | - | -           | -           | -       | -  |
| f)  | Insurance Companies  | - | -           | -           | -       | - | -           | -           | -       | -  |
| g)  | FIs  | - | -           | -           | -       | - | -           | -           | -       | -  |
| h)  | Foreign Venture Capital Funds  | - | -           | -           | -       | - | -           | -           | -       | -  |
| i)  | Others (specify)   | - | -           | -           | -       | - | -           | -           | -       | -  |
|     | Sub Total (B)(1)   | - | -           | -           | -       | - | -           | -           | -       | -  |
|     |  |   |             |             |         |   |             |             |         |    |
| (2) | Non-Institutions   |   |             |             |         |   |             |             |         |    |
| a)  | Bodies Corp.   |   |             |             |         |   |             |             |         |    |
| i)  | Indian   | - | -           | -           | -       | - | -           | -           | -       | -  |
| ii) | Overseas   | - | -           | -           | -       | - | -           | -           | -       | -  |
| b)  | Individuals  |   |             |             |         |   |             |             |         |    |
| i)  | Individual shareholders holding nominal share capital up to Rs. 1 lakh       | - | 1,109       | 1,109       | 0.0005% | - | 1,109       | 1,109       | 0.0005% | 0% |
| ii) | Individual shareholders holding nominal share capital in excess of Rs 1 lakh | - | -           | -           | -       | - | -           | -           | -       | -  |
| c)  | Others (specify)   | - | -           | -           | -       | - | -           | -           | -       | -  |
|     | Sub Total (B)(2)   | - | 1,109       | 1,109       | 0.0005% | - | 1,109       | 1,109       | 0.0005% | 0% |
|     |  |   |             |             |         |   |             |             |         |    |
|     | Total Public Shareholding (B)=(B)(1)+(B)(2)                                  | - | 1,109       | 1,109       | 0.0005% | - | 1,109       | 1,109       | 0.0005% | 0% |
|     |  |   |             |             |         |   |             |             |         |    |
| C.  | Shares held by Custodian for GDRs & ADRs                                     | - | -           | -           | -       | - | -           | -           | -       | -  |
|     |  |   |             |             |         |   |             |             |         |    |
|     | Grand Total (A+B+C)  | - | 218,065,712 | 218,065,712 | 100%    | - | 218,065,712 | 218,065,712 | 100%    | 0% |

ii) Shareholding of Promoters:

| S. No. | Shareholder's Name                                      | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % change in shareholding during the year |
|--------|---|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
|        |   | No. of Shares                             | % of total shares of the Company | % of Shares pledged / encumbered to total shares | No. of Shares                       | % of total shares of the Company | % of Shares pledged / encumbered to total shares |  |
| 1      | Barclays Bank PLC, United Kingdom*                      | 126,134,137                               | 57.84%                           | 0%   | 126,134,137                         | 57.84%                           | 0%   | 0%                                       |
| 2      | Barclays Mauritius Overseas Holdings Limited, Mauritius | 91,930,466                                | 42.15%                           | 0%   | 91,930,466                          | 42.15%                           | 0%   | 0%                                       |

\* Includes Equity Shares held by Six Nominees of Barclays Bank PLC, United Kingdom holding 1 Share each.

iii) Change in Promoters' Shareholding (please specify, if there is no change): *No change*

| S. No. |  | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|--------|--|---|----------------------------------|---|----------------------------------|
|        |  | No. of Shares                             | % of total shares of the Company | No. of Shares                           | % of total shares of the Company |
| 1      | At the beginning of the year*  | 218,064,603                               | 99.9995%                         | 218,064,603                             | 99.9995%                         |
| 2      | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0   | 0%                               | 0                                       | 0%                               |
| 3      | At the end of the year*  | 218,064,603                               | 99.9995%                         | 218,064,603                             | 99.9995%                         |

\* Includes Equity Shares held by Six Nominees of Barclays Bank PLC, United Kingdom holding 1 Share each.

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| S. No. | For Each of the Top 10 Shareholders        | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|--------|--|---|----------------------------------|---|----------------------------------|
|        |  | No. of Shares                             | % of total shares of the Company | No. of Shares                           | % of total shares of the Company |
| 1      | Mr. Potti Srinivasa Ramanuja Sampath Kumar |   |                                  |   |                                  |
|        | At the beginning of the year               | 82  | 0%                               | 82                                      | 0%                               |
|        | Increase during the year                   | 0   | 0%                               | 82                                      | 0%                               |
|        | Decrease during the year                   | 0   | 0%                               | 82                                      | 0%                               |
|        | At the end of the year                     | 82  | 0%                               | 82                                      | 0%                               |
| 2      | Mr. S.B.P. Ananda Mohan                    |   |                                  |   |                                  |
|        | At the beginning of the year               | 60  | 0%                               | 60                                      | 0%                               |
|        | Increase during the year                   | 0   | 0%                               | 60                                      | 0%                               |
|        | Decrease during the year                   | 0   | 0%                               | 60                                      | 0%                               |
|        | At the end of the year                     | 60  | 0%                               | 60                                      | 0%                               |
| 3      | Mr. S.B.P.B.K.Satyanarayana Rao            |   |                                  |   |                                  |
|        | At the beginning of the year               | 60  | 0%                               | 60                                      | 0%                               |
|        | Increase during the year                   | 0   | 0%                               | 60                                      | 0%                               |
|        | Decrease during the year                   | 0   | 0%                               | 60                                      | 0%                               |
|        | At the end of the year                     | 60  | 0%                               | 60                                      | 0%                               |
| 4      | Mr. R. Ahikrishna                          |   |                                  |   |                                  |
|        | At the beginning of the year               | 50  | 0%                               | 50                                      | 0%                               |
|        | Increase during the year                   | 0   | 0%                               | 50                                      | 0%                               |
|        | Decrease during the year                   | 0   | 0%                               | 50                                      | 0%                               |
|        | At the end of the year                     | 50  | 0%                               | 50                                      | 0%                               |
| 5      | Mrs. Swarnabai M.Pawar                     |   |                                  |   |                                  |
|        | At the beginning of the year               | 50  | 0%                               | 50                                      | 0%                               |
|        | Increase during the year                   | 0   | 0%                               | 50                                      | 0%                               |
|        | Decrease during the year                   | 0   | 0%                               | 50                                      | 0%                               |
|        | At the end of the year                     | 50  | 0%                               | 50                                      | 0%                               |

|    |                                |    |    |    |    |
|----|--------------------------------|----|----|----|----|
| 6  | Mr. K.V.Ramichattiar           |    |    |    |    |
|    | At the beginning of the year   | 41 | 0% | 41 | 0% |
|    | Increase during the year       | 0  | 0% | 41 | 0% |
|    | Decrease during the year       | 0  | 0% | 41 | 0% |
|    | At the end of the year         | 41 | 0% | 41 | 0% |
| 7  | Mr. S. Ranga Rao               |    |    |    |    |
|    | At the beginning of the year   | 30 | 0% | 30 | 0% |
|    | Increase during the year       | 0  | 0% | 30 | 0% |
|    | Decrease during the year       | 0  | 0% | 30 | 0% |
|    | At the end of the year         | 30 | 0% | 30 | 0% |
| 8  | Mr. C.Subba Rao                |    |    |    |    |
|    | At the beginning of the year   | 22 | 0% | 22 | 0% |
|    | Increase during the year       | 0  | 0% | 22 | 0% |
|    | Decrease during the year       | 0  | 0% | 22 | 0% |
|    | At the end of the year         | 22 | 0% | 22 | 0% |
| 9  | Mr. G C Poornaiah*             |    |    |    |    |
|    | At the beginning of the year   | 20 | 0% | 20 | 0% |
|    | Increase during the year       | 0  | 0% | 20 | 0% |
|    | Decrease during the year       | 0  | 0% | 20 | 0% |
|    | At the end of the year         | 20 | 0% | 20 | 0% |
| 10 | M/s Bimala Balachandra & Bros* |    |    |    |    |
|    | At the beginning of the year   | 20 | 0% | 20 | 0% |
|    | Increase during the year       | 0  | 0% | 20 | 0% |
|    | Decrease during the year       | 0  | 0% | 20 | 0% |
|    | At the end of the year         | 20 | 0% | 20 | 0% |

\* Please note that Mr. Mamidi Venkata Sarangapani, Ms. Narayani Krishnan, Mr. P.T. Joseph and Mrs. Raja Rajeswari Sriram also holds 20 shares each as on March 31, 2019.



v) Shareholding of Directors and Key Managerial Personnel: As on March 31, 2019

| S. No. | For Each of the Directors and KMPs   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|--------|--|---|----------------------------------|---|----------------------------------|
|        |  | No. of Shares                             | % of total shares of the Company | No. of Shares                           | % of total shares of the Company |
| 1      | Mr. Rakesh Kripalani, Non-Executive Director (Equity share held as Nominee of Barclays Bank PLC, United Kingdom) |   |                                  |   |                                  |
|        | At the beginning of the year (as on April 1, 2018)   | 1   | 0%                               | 1                                       | 0%                               |
|        | Increase during the year   | 0   | 0%                               | 1                                       | 0%                               |
|        | Decrease during the year   | 0   | 0%                               | 1                                       | 0%                               |
|        | At the end of the year (as on March 31, 2019)  | 1   | 0%                               | 1                                       | 0%                               |
| 2      | Mr. Gurupad Pavan, Non-Executive Director (Equity share held as Nominee of Barclays Bank PLC, United Kingdom)    |   |                                  |   |                                  |
|        | At the beginning of the year (as on April 1, 2018)   | 1   | 0%                               | 1                                       | 0%                               |
|        | Increase during the year   | 0   | 0%                               | 1                                       | 0%                               |
|        | Decrease during the year   | 0   | 0%                               | 1                                       | 0%                               |
|        | At the end of the year (as on March 31, 2019)  | 1   | 0%                               | 1                                       | 0%                               |
| 3      | Mr. Nirav Mody, Non-Executive Director (Equity share held as Nominee of Barclays Bank PLC, United Kingdom)       |   |                                  |   |                                  |
|        | At the beginning of the year (as on April 1, 2018)   | 1   | 0%                               | 1                                       | 0%                               |
|        | Increase during the year   | 0   | 0%                               | 1                                       | 0%                               |
|        | Decrease during the year   | 0   | 0%                               | 1                                       | 0%                               |
|        | At the end of the year (as on March 31, 2019)  | 1   | 0%                               | 1                                       | 0%                               |
| 4      | Ms. Deepa Dev, Non-Executive Director (Equity share held as Nominee of Barclays Bank PLC, United Kingdom)        |   |                                  |   |                                  |
|        | At the beginning of the year (as on April 1, 2018)   | 1   | 0%                               | 1                                       | 0%                               |
|        | Increase during the year   | 0   | 0%                               | 1                                       | 0%                               |
|        | Decrease during the year (via transfer on July 20, 2018)   | 1   | 0%                               | 0                                       | 0%                               |
|        | At the end of the year (as on March 31, 2019)  | 0   | 0%                               | 0                                       | 0%                               |
| 5      | Mr. Ruzbeh Sutaria, Whole-time Director (Equity share held as Nominee of Barclays Bank PLC, United Kingdom)      |   |                                  |   |                                  |
|        | At the beginning of the year (as on April 1, 2018)   | 1   | 0%                               | 1                                       | 0%                               |
|        | Increase during the year   | 0   | 0%                               | 1                                       | 0%                               |
|        | Decrease during the year   | 0   | 0%                               | 1                                       | 0%                               |
|        | At the end of the year (as on March 31, 2019)  | 1   | 0%                               | 1                                       | 0%                               |

|   |  |   |    |   |    |
|---|--|---|----|---|----|
| 6 | Mr. Deepak Agarwal (Equity share held as Nominee of Barclays Bank PLC, United Kingdom) |   |    |   |    |
|   | At the beginning of the year (as on April 1, 2018)                                     | 0 | 0% | 0 | 0% |
|   | Increase during the year (via transfer on July 20, 2018)                               | 1 | 0% | 1 | 0% |
|   | Decrease during the year   | 0 | 0% | 1 | 0% |
|   | At the end of the year (as on March 31, 2019)  | 1 | 0% | 1 | 0% |

## V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs. In million)

| S. No. | Particulars                                     | Secured Loans<br>excluding Deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--------|---|-------------------------------------|-----------------|----------|--------------------|
|        | Indebted at the beginning of the Financial Year |                                     |                 |          |                    |
| i)     | Principal Amount                                | -                                   | 14,400          | -        | 14,400             |
| ii)    | Interest due but not paid                       | -                                   | -               | -        | -                  |
| iii)   | Interest accrued but not due                    | -                                   | -               | -        | -                  |
| iv)    | Unexpired Discount                              | -                                   | (312)           | -        | (312)              |
|        | Total (i+ii+iii+iv)                             | -                                   | 14,088          | -        | 14,088             |
|        |   |                                     |                 |          |                    |
|        | Change in Indebtedness during the year          |                                     |                 |          |                    |
| i)     | Addition  | -                                   | 23,650          | -        | 23,650             |
| ii)    | Reduction                                       | -                                   | (26,250)        | -        | (26,250)           |
|        | Net Change                                      | -                                   | (2,600)         | -        | (2,600)            |
|        |   |                                     |                 |          |                    |
|        | Indebted at the end of the Financial Year       |                                     |                 |          |                    |
| i)     | Principal Amount                                | -                                   | 11,800          | -        | 11,800             |
| ii)    | Interest due but not paid                       | -                                   | -               | -        | -                  |
| iii)   | Interest accrued but not due                    | -                                   | -               | -        | -                  |
| iv)    | Unexpired Discount                              | -                                   | (375)           | -        | (375)              |
|        | Total (i+ii+iii+iv)                             | -                                   | 11,425          | -        | 11,425             |

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

| S. No. | Particulars of Remuneration   | Name of MD/WTM/Manager  | Total Amount |
|--------|---|---|--------------|
|        |   | Mr. Ruzbeh Sutaria*<br>(For the period April 1, 2018 to March 31, 2019) |              |
| 1      | Gross Salary  |   |              |
| (a)    | Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | 6,188,404   | 6,188,404    |
| (b)    | Value of Perquisites under section 17(2) of the Income Tax Act, 1961            | 247,433   | 247,433      |
| (c)    | Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961       | -   | -            |
|        |   |   |              |
| 2      | Stock Option  | -   | -            |
|        |   |   |              |
| 3      | Sweat Equity  | -   | -            |
|        |   |   |              |
| 4      | Commission  |   |              |
| (a)    | as % of profit  | -   | -            |
| (b)    | others, specify   | -   | -            |
|        |   |   |              |
| 5      | Others, please specify (Provident Fund)   | 260,920   | 260,920      |
|        | Total (A)   | 6,696,757   | 6,696,757    |
|        | Ceiling as per the Act  | Refer below note 2  |              |

#### Notes:

- 1 The above remuneration excludes reimbursements.
- 2 In terms of the provisions of the Companies Act, 2013, except with the approval of Shareholders of the Company, the remuneration payable to Managing Director/Whole-time Director/Manager shall not exceed 11% of the net profits of the Company. The remuneration paid to the Manager & CEO upto April 3, 2018 was well within the said limits. The said limits do not apply post conversion of the Company into a Private Limited Company w.e.f. April 4, 2018.
- 3 \*Mr. Ruzbeh Sutaria resigned as the Manager and CEO of the Company w.e.f. May 31, 2018 (from close of business hours) and has been appointed as the Whole-time Director of the Company w.e.f. June 8, 2018

B. Remuneration to other Directors

| S. No. | Particulars of Remuneration                 | Name of Director     |                         |                   |                |                  | Total Amount |
|--------|---|----------------------|-------------------------|-------------------|----------------|------------------|--------------|
|        |   |                      |                         |                   |                |                  |              |
| 3      | Independent Directors                       | Mr. Harish Engineer  | Dr. Dharmendra Bhandari |                   |                |                  |              |
|        |   |                      |                         |                   |                |                  |              |
|        | Fees for attending Board/Committee meetings | -                    | -                       |                   |                |                  | -            |
|        | Commission                                  | -                    | -                       |                   |                |                  | -            |
|        | Others, please specify                      | -                    | -                       |                   |                |                  | -            |
|        | Total (1)                                   | -                    | -                       |                   |                |                  | -            |
|        |   |                      |                         |                   |                |                  |              |
| 4      | Non Executive Directors                     | Mr. Rakesh Kripalani | Ms. Deepa Dev           | Mr. Gurupad Pavan | Mr. Nirav Mody | Mr. Rajeev Ghadi |              |
|        |   |                      |                         |                   |                |                  |              |
|        | Fees for attending Board/Committee meetings | -                    | -                       | -                 | -              | -                | -            |
|        | Commission                                  | -                    | -                       | -                 | -              | -                | -            |
|        | Others, please specify                      | -                    | -                       | -                 | -              | -                | -            |
|        | Total (2)                                   | -                    | -                       | -                 | -              | -                | -            |
|        |   |                      |                         |                   |                |                  |              |
|        | Total (B)=(1+2)                             | -                    | -                       | -                 | -              | -                | -            |
|        | Total Managerial Remuneration (A+B)         | 6,696,757            |                         |                   |                |                  |              |
|        | Overall Ceiling as per the Act              | Refer below note     |                         |                   |                |                  |              |

Note: The total managerial remuneration paid to the Directors including Managing Director, Whole-time Director and Manager did not exceed 11% of the net profits of the Company. The said limits do not apply post conversion of the Company into a Private Limited Company w.e.f. April 4, 2018.

C. Remuneration to Key Managerial Personnel other than MD/WTD/Manager

| S. No. | Particulars of Remuneration   | Key Managerial Personnel                       |   | Total Amount |
|--------|---|--|---|--------------|
|        |   | Company Secretary                              | Chief Financial Officer                           |              |
| 1      | Gross Salary  | Ms. Noopur Gupta<br>(01.04.2018 to 31.03.2019) | Ms. Ritika Mehrotra<br>(01.04.2018 to 31.03.2019) |              |
| (a)    | Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | 2,316,667                                      | 3,098,004   | 5,414,671    |
| (b)    | Value of Perquisites under section 17(2) of the Income Tax Act, 1961            | 12,936   | 12,432  | 25,368       |
| (c)    | Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961       | -  | -   | -            |
| 2      | Stock Option  | -  | -   | -            |
| 3      | Sweat Equity  | -  | -   | -            |
| 4      | Commission  |  |   |              |
| (a)    | as % of profit  | -  | -   | -            |
| (b)    | others, specify...  | -  | -   | -            |
| 5      | Others, please specify (Provident Fund)   | 87,200   | 133,104   | 220,304      |
|        | Total   | 2,416,803                                      | 3,243,540   | 5,660,343    |

Note: The above remuneration excludes reimbursements.

## VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

| Type                         | Section of the Companies Act | Brief Description | Details of Penalty/<br>Punishment/ Compounding fees imposed | Authority<br>[RD/ NCLT/ Court] | Appeal made,<br>if any |
|------------------------------|------------------------------|-------------------|---|--------------------------------|------------------------|
| A. Company                   |                              |                   |   |                                |                        |
| Penalty                      | None                         |                   |   |                                |                        |
| Punishment                   |                              |                   |   |                                |                        |
| Compounding                  |                              |                   |   |                                |                        |
|                              |                              |                   |   |                                |                        |
| B. Directors                 |                              |                   |   |                                |                        |
| Penalty                      | None                         |                   |   |                                |                        |
| Punishment                   |                              |                   |   |                                |                        |
| Compounding                  |                              |                   |   |                                |                        |
|                              |                              |                   |   |                                |                        |
| C. Other Officers in Default |                              |                   |   |                                |                        |
| Penalty                      | None                         |                   |   |                                |                        |
| Punishment                   |                              |                   |   |                                |                        |
| Compounding                  |                              |                   |   |                                |                        |

Annexure - C

FORM AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to on sub-section (1) of section 188 of the Act including certain arm's length transactions under third proviso thereto

1. Details of material contracts or arrangements or transactions not at arm's length basis:

The contracts/arrangements/transactions entered into during financial year 2018-19 with related parties, as placed before the Audit Committee and Board, were at arm's length basis.

2. Details of material contracts or arrangements or transactions at arm's length basis:

The details of contracts/arrangements/transactions entered into/modified during financial year 2018-19 with related parties, as placed before the Audit Committee and Board, and carried out on an arm's length basis are listed below.

| S. No. | Name of the Related Party and Nature of Relationship                      | Nature of Contracts/ Arrangements/ Transactions  | Duration, Salient terms of the Contracts/ Arrangements/ Transactions including the value, if any  | Date of Board's approval | Advance paid / received, if any |
|--------|---|--|---|--------------------------|---------------------------------|
|        | A   | B  | C   | D                        | E                               |
| 1      | Barclays Securities (India) Private Limited ('BSIPL') (Associate Company) | Existing arrangement: Sub-leasing of office space at Eros Delhi (106 Sq ft out of 2423 Sq ft total area occupied by BSIPL to BILIPL) from Jan 1, 2014.<br><br>New arrangement: Sub-leasing of office space at Eros Delhi (133 Sq ft out of the total area occupied by BSIPL to BILIPL) with effect from September 8, 2018. | Based on space occupied by BILIPL, BILIPL shall pay proportionate rental and amenities cost incurred by BSIPL towards the premises.   | June 8, 2018             | Nil                             |
| 2      | Barclays Securities (India) Private Limited ('BSIPL') (Associate Company) | To provide Internal Audit support to BSIPL.  | Existing arrangement: BSIPL shall reimburse to BILIPL, the cost incurred for obtaining Internal Audit support effective November 11, 2016 amounting to Rs. 3,097,660/- p.a.<br><br>New arrangement: BSIPL shall reimburse to BILIPL, 50% of the cost of a VP for obtaining Internal Audit support with appropriate mark up. | June 8, 2018             | Nil                             |

## INDEPENDENT AUDITOR'S REPORT

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To the Members of Barclays Investment & Loans (India) Private Limited

Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the Standalone Financial Statements of Barclays Investments & Loans (India) Private Limited (formerly known as Barclays Investments and Loans (India) Limited) (the 'Company'), which comprise the standalone balance sheet as at 31 March 2019, and the standalone statement of profit and loss (including standalone other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for opinion

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143 (10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Statement Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (the 'ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other information

The Company's management and Board of Directors are responsible for the other information. The other information comprises extracts in the annual report (but does not include the Standalone Financial Statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the commentary in the director's report, which is expected to be made available to us after that date.

In connection with our audit of the Standalone 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 financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's responsibility for the Standalone Financial Statements

The Company's management and the Board of Directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management and the Board of Directors are responsible for assessing the Company'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

#### Auditor's responsibilities for the audit of the Standalone Financial Statements

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

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

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

We communicate with those charged with governance 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.

#### Other matter

The comparative financial information of the Company for the transition date opening balance sheet as at 1 April 2017 included in these Standalone Financial Statements, are based on the previously issued statutory Standalone Financial Statements for the year ended 31 March 2017 prepared in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 audited by the predecessor auditor whose report dated 25 May 2017 expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 (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 and 4 of the Order, to the extent applicable.
  - A. 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;
    - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
    - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account;
    - d) In our opinion, the aforesaid Standalone 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 as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
  - B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its Standalone Financial Statements - Refer Note 26 to the Standalone Financial Statements;

- ii. The Company 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 Company; and
- iv. The disclosures in the Standalone Financial Statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

For B S R & Co. LLP  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

Sd/-

Sameer Mota  
Partner  
Membership No. 109928

Mumbai  
June 25, 2019

Annexure A to the Independent Auditor's Report of even date on the standalone financial statements of Barclays Investments & Loans (India) Private Limited

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The Annexure referred to in the Independent Auditor's Report to the members of Barclays Investments & Loans (India) Private Limited (the 'Company') on the Standalone Financial Statements for the year ended 31 March 2019, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) The Company has a regular program of physical verification of its fixed assets by which all the fixed assets are verified once in every two year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, all the fixed assets were physically verified by management as at 31 March 2019. No material discrepancies were noticed on such verification.  
  
(c) According to the information given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable property which is included under the head fixed asset, is held in the name of the Company.
- ii. The Company's business does not involve holding of any inventories. Accordingly, clause 3(ii) of the Order is not applicable to the Company.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 (the 'Act'). Accordingly, clause 3(iii) of the Order is not applicable to the Company.
- iv. According to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees under Section 185 of the Act and has complied with the provisions of Section 186 (1) of the Act. The Company being Non-Banking Finance Company, nothing contained in Section 186 is applicable, except subsection (1) of that section.
- v. According to the information and explanation given to us, the Company has not accepted any deposits from the public. Accordingly, clause 3(v) of the Order is not applicable to the Company.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any services rendered by the Company. Accordingly, clause 3(vi) of the Order is not applicable to the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, service tax, goods and service tax, cess and other material statutory dues have been regularly deposited by the Company with appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance, duty of customs, duty of excise, sales tax and value added tax.  
  
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, service tax, goods and service tax, cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.  
  
(c) According to the information and explanations given to us, the following dues have not been deposited on account of dispute.

| Name of the statute | Nature of dues           | Amount (Rs. in million) | Period to which the amount relates | Forum where the dispute is pending   |
|---------------------|--------------------------|-------------------------|------------------------------------|--------------------------------------|
| Income tax          | Demand under section 156 | 82.8                    | Financial Year ('FY') 2008-2009    | Commissioner of Income Tax (Appeals) |
| Income tax          | Demand under section 156 | 292.11                  | FY 2009-2010                       | Commissioner of Income Tax (Appeals) |
| Income tax          | Demand under section 156 | 12.24                   | FY 2012-2013                       | Commissioner of Income Tax (Appeals) |
| Income tax          | Demand under section 156 | 86.69                   | FY 2013-2014                       | Commissioner of Income Tax (Appeals) |

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowing to banks and financial institutions during the year. During the year, the Company did not have any loans or borrowing from government or due to debenture holders.
- ix. According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, clause 3(ix) of the Order is not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during year.
- xi. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid/provided for the managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act from 1 April 2018 to 3 April 2018. Since the Company is a private company w.e.f 4 April 2018, provision of Section 197 read with Schedule V to the Act is not applicable during the period 4 April 2018 to 31 March 2019.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- xiii. Since the Company is a private company, Section 177 of the Act is not applicable. All transactions with the related parties are in compliance with Section 188 of the Act, where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provision of clause 3(xiv) of the Order is not applicable.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable to the Company.

- xvi. The Company is registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained certificate of registration.

For B S R & Co. LLP  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

Sd/-

Sameer Mota  
Partner  
Membership No. 109928

Mumbai  
June 25, 2019

Annexure B to the Independent Auditor's report on the Standalone Financial Statements of Barclays Investments & Loans (India) Private Limited for the year ended 31 March 2019.

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Report on the internal financial controls with reference to the aforesaid Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

#### Opinion

We have audited the internal financial controls with reference to the Standalone Financial Statements of Barclays Investments & Loans (India) Private Limited (formerly known as Barclays Investments and Loans (India) Limited) (the 'Company') as of 31 March 2019 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the 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 Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 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 (hereinafter referred to as the 'Act').

#### Auditor's responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements s 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 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 the Standalone Financial Statements.

## Meaning of Internal Financial Controls with reference to financial statements

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

## Inherent limitations of Internal Financial Controls with reference to financial statements

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

For B S R & Co. LLP  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

Sd/-

Sameer Mota  
Partner  
Membership No. 109928

Mumbai  
June 25, 2019



STANDALONE BALANCE SHEET AS AT MARCH 31, 2019  
(All amounts in Indian Rupees millions)

|   | Note | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 01, 2017 |
|---|------|-------------------------|-------------------------|-------------------------|
| <b>ASSETS</b>   |      |                         |                         |                         |
| (1) Financial assets  |      |                         |                         |                         |
| (a) Cash and cash equivalents   | 4    | 572.42                  | 1,315.41                | 866.17                  |
| (b) Loans   | 5    | 16,766.48               | 18,250.43               | 22,095.99               |
| (c) Investments   | 6    | 446.25                  | 446.25                  | 446.25                  |
| (d) Other financial assets  | 7    | 145.03                  | 142.88                  | 148.99                  |
| Total financial assets  |      | 17,930.18               | 20,154.97               | 23,557.40               |
| (2) Non-financial assets  |      |                         |                         |                         |
| (a) Current tax assets (net)  |      | 618.65                  | 621.36                  | 595.76                  |
| (b) Property, plant and equipment   | 8    | 16.57                   | 16.91                   | 17.25                   |
| (c) Other Non-financial assets  | 9    | -                       | 0.15                    | -                       |
| Total non-financial assets  |      | 635.22                  | 638.42                  | 613.01                  |
| Total Assets  |      | 18,565.40               | 20,793.39               | 24,170.41               |
| <b>LIABILITIES AND EQUITY</b>   |      |                         |                         |                         |
| <b>LIABILITIES</b>  |      |                         |                         |                         |
| (1) Financial liabilities   |      |                         |                         |                         |
| (a) Payables  | 10   |                         |                         |                         |
| (i) Other payables  |      |                         |                         |                         |
| (i) total outstanding dues of micro enterprises and small enterprises                       |      | 0.03                    | -                       | -                       |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises |      | 12.35                   | 6.45                    | 21.60                   |
| (b) Borrowings (Other than Debt Securities)   | 11   | 11,424.67               | 14,088.02               | 17,878.84               |
| (c) Subordinated liabilities  | 12   | 22.17                   | 20.13                   | 18.27                   |
| Total financial liabilities   |      | 11,459.22               | 14,114.60               | 17,918.71               |
| (2) Non-Financial liabilities   |      |                         |                         |                         |
| (a) Provisions  | 13   | 2.59                    | 3.22                    | 2.31                    |
| (b) Other non-financial liabilities   | 14   | 4.62                    | 2.16                    | 2.24                    |
| Total non-financial liabilities   |      | 7.21                    | 5.38                    | 4.55                    |
| (3) EQUITY  |      |                         |                         |                         |
| (a) Share Capital   | 15   | 10,903.28               | 10,903.28               | 10,903.28               |
| (b) Other equity  | 16   | (3,804.31)              | (4,229.87)              | (4,656.13)              |
| Total Equity  |      | 7,098.97                | 6,673.41                | 6,247.15                |
| Total Liabilities and Equity  |      | 18,565.40               | 20,793.39               | 24,170.41               |

Significant accounting policies and Notes on accounts  
The notes are an integral part of these financial statements  
As per our report of even date

3

For B S R & Co. LLP  
Chartered Accountants  
Firm registration No. 101248W/W-100022

For and on behalf of the Board

Sd/-  
Sameer Mota  
Partner  
Membership No. 109928

Sd/-  
Rakesh Kripalani  
Director  
DIN No. 02877283

Sd/-  
Ruzbeh Sutaria  
Director  
DIN No. 07889937

Sd/-  
Ritika Mehrotra  
Chief Financial Officer

Sd/-  
Noopur Gupta  
Company Secretary  
ACS 27413

Place : Mumbai  
Date : June 25, 2019

Place: Mumbai  
Date: June 25, 2019



BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
(formerly known as BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)

STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2019  
(All amounts in Indian Rupees millions)

|   | Note | March 31, 2019 | March 31, 2018 |
|---|------|----------------|----------------|
| (I) REVENUE FROM OPERATIONS   |      |                |                |
| (i) Interest income   | 17   | 1,581.05       | 1,773.47       |
| (ii) Dividend income  |      | 13.50          | -              |
| Total revenue from operations   |      | 1,594.55       | 1,773.47       |
| (II) Other income   | 18   | 0.13           | 13.87          |
| (III) Total income ( I + II )   |      | 1,594.68       | 1,787.34       |
| (IV) EXPENSES   |      |                |                |
| (i) Finance costs   | 19   | 929.09         | 1,139.50       |
| (ii) Impairment on financial assets   | 20   | 30.84          | 26.76          |
| (ix) Employee benefits expenses   | 21   | 28.87          | 11.85          |
| (x) Depreciation and impairment   | 22   | 0.34           | 0.34           |
| (xi) Other expenses   | 23   | 43.22          | 58.40          |
| Total expenses  |      | 1,032.36       | 1,236.85       |
| (V) Profit before exceptional items and tax (III-IV)                                  |      | 562.32         | 550.49         |
| (VI) Exceptional items  |      | -              | -              |
| (VII) Profit before tax ( V - VI )  |      | 562.32         | 550.49         |
| (VIII) Tax expense  |      |                |                |
| (1) Current tax   |      | 136.34         | 124.26         |
| (2) Deferred tax charge   |      | -              | -              |
| Total tax expense (1+2)   |      | 136.34         | 124.26         |
| (IX) Profit for the year (VII-VIII)   |      | 425.98         | 426.23         |
| (X) Other comprehensive income  |      |                |                |
| (A) (i) Items that will not be reclassified to profit or loss                         |      |                |                |
| - Remeasurements of the defined benefit liabilities                                   |      | (0.54)         | 0.04           |
| Sub-total   |      | (0.54)         | 0.04           |
| (ii) Income tax relating to items that will not be reclassified to profit or loss     |      | 0.12           | (0.01)         |
| Other comprehensive income  |      | (0.42)         | 0.03           |
| (XV) Total Comprehensive Income for the year (XIII+XIV)                               |      | 425.56         | 426.26         |
| Earnings per equity share [Face value of Rs. 50 (2018: Rs.50; 2017: Rs 50)] (Note 25) |      |                |                |
| Basic and diluted   |      | 1.95           | 1.95           |

Significant Accounting Policies  
The notes are an integral part of these financial statements  
As per our report of even date

3

For B S R & Co. LLP  
Chartered Accountants  
Firm registration No. 101248W/W-100022

For and on behalf of the Board

Sd/-  
Sameer Mota  
Partner  
Membership No. 109928

Sd/-  
Rakesh Kripalani  
Director  
DIN No. 02877283

Sd/-  
Ruzbeh Sutaria  
Director  
DIN No. 07889937

Sd/-  
Ritika Mehrotra  
Chief Financial Officer

Sd/-  
Noopur Gupta  
Company Secretary  
ACS 27413

Place : Mumbai  
Date : June 25, 2019

Place : Mumbai  
Date : June 25, 2019



BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
(formerly known as BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019  
(All amounts in Indian Rupees millions)

|  | March 31, 2019 | March 31, 2018 |
|--|----------------|----------------|
| <i>Cash flows from operating activities</i>                      |                |                |
| Profit before taxation   | 562.32         | 550.49         |
| Adjustments for  |                |                |
| Impairment on financial assets                                   | 30.84          | 26.76          |
| Interest income on fixed deposits                                | (37.82)        | (73.59)        |
| Dividend income  | (13.50)        | -              |
| Depreciation on fixed assets                                     | 0.34           | 0.34           |
| (Write back)/Provision for compensated absences and gratuity     | (0.17)         | 0.59           |
| Interest on borrowings   | 929.09         | 1,139.50       |
| Provision for service tax/GST asset unutilised                   | 2.39           | 3.17           |
| Operating profit before working capital changes                  | 1,473.49       | 1,647.26       |
| Adjustments for  |                |                |
| Decrease in loans and advances                                   | 1,453.48       | 3,819.01       |
| (Increase)/Decrease in other financial assets                    | (2.90)         | 5.89           |
| (Increase)/Decrease in non financial assets                      | 0.15           | (0.15)         |
| Increase/(Decrease) in Payables                                  | 5.92           | (15.15)        |
| Increase/(Decrease) in non financial liabilities                 | 2.46           | (0.08)         |
| Decrease in Provisions   | (2.85)         | (2.84)         |
| Cash flow generated from operations                              | 1,456.26       | 3,806.68       |
| Payment of taxes (net)   | (133.67)       | (149.82)       |
| Cash flow from operating activities (A)                          | 2,796.08       | 5,304.12       |
| <i>Cash flows from investing activities</i>                      |                |                |
| Interest received on fixed deposits                              | 37.82          | 73.59          |
| Dividend income  | 13.50          | -              |
| Cash flow from investing activities (B)                          | 51.32          | 73.59          |
| <i>Cash flows from financing activities</i>                      |                |                |
| Proceeds from borrowings   | 5,345.00       | 4,040.00       |
| Repayments of borrowings   | (5,345.00)     | (4,040.00)     |
| Proceeds from commercial papers                                  | 22,683.28      | 28,395.67      |
| Repayment of commercial papers                                   | (26,250.00)    | (33,300.00)    |
| Interest on borrowings   | (23.67)        | (24.13)        |
| Cash flow used in financing activities (C)                       | (3,590.39)     | (4,928.46)     |
| Net (decrease)/increase in cash and cash equivalents (A + B + C) | (742.99)       | 449.25         |
| Cash and cash equivalents as at beginning of the year            | 1,315.41       | 866.17         |
| Cash and cash equivalents as at the end of the year*             | 572.42         | 1,315.41       |

\*Notes :

|   | As at<br>March 31, 2019 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| 1. Cash and cash equivalents at the end of year comprises of the following: |                         |                         |
| Balance with bank   |                         |                         |
| - In current account  | 172.42                  | 190.41                  |
| - In fixed deposit account (original maturity of 3 months or less)          | 400.00                  | 1,125.00                |
| Cash and cash equivalents as per Balance sheet                              | 572.42                  | 1,315.41                |

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

Significant Accounting Policies  
As per our report of even date

3

For B S R & Co. LLP  
Chartered Accountants  
Firm registration No. 101248W/W-100022

For and on behalf of the Board

Sd/-  
  
Sameer Mota  
Partner  
Membership No. 109928

Sd/-  
  
Rakesh Kripalani  
Director  
DIN No. 02877283

Sd/-  
  
Ruzbeh Sutaria  
Director  
DIN No. 07889937

Sd/-  
  
Ritika Mehrotra  
Chief Financial Officer

Sd/-  
  
Noopur Gupta  
Company Secretary  
ACS 27413

Place : Mumbai  
Date : June 25, 2019

Place : Mumbai  
Date : June 25, 2019

A. Equity share capital

|  | No. of shares      | Amount           |
|--|--------------------|------------------|
| Equity shares of Rs. 50 each issue, subscribed and fully paid up |                    |                  |
| As on April 01, 2017   | 218,065,712        | 10,903.28        |
| Changes in equity share capital during the year                  | -                  | -                |
|  | <u>218,065,712</u> | <u>10,903.28</u> |
| As on March 31, 2018   | 218,065,712        | 10,903.28        |
| Changes in equity share capital during the year                  | -                  | -                |
|  | <u>218,065,712</u> | <u>10,903.28</u> |
| As on March 31, 2019   | 218,065,712        | 10,903.28        |
| Changes in equity share capital during the year                  | -                  | -                |
|  | <u>218,065,712</u> | <u>10,903.28</u> |

B. Other equity

|   | Reserves and Surplus               |                    |                 |                            |                   |                        | Other comprehensive income                  | Total             |
|---|------------------------------------|--------------------|-----------------|----------------------------|-------------------|------------------------|---|-------------------|
|   | Reserve u/s 45-IA of RBI Act. 1934 | Securities premium | General reserve | Capital redemption reserve | Retained earnings | Contribution by parent | Remeasurement of defined benefit obligation |                   |
| Opening balance as on April 01, 2017          | 358.97                             | 6.15               | 35.70           | 2.11                       | (5,098.59)        | 39.28                  | 0.25  | (4,656.13)        |
| Total comprehensive income for the year       | -                                  | -                  | -               | -                          | 426.23            | -                      | -   | 426.23            |
| - Profit for the year                         | -                                  | -                  | -               | -                          | -                 | -                      | 0.03  | 0.03              |
| - Other comprehensive income                  | -                                  | -                  | -               | -                          | -                 | -                      | -   | -                 |
| Dividends                                     | 91.81                              | -                  | -               | -                          | (91.81)           | -                      | -   | -                 |
| Transfer to reserve u/s 45IA of RBI Act 1934  | 91.81                              | -                  | -               | -                          | -                 | -                      | -   | -                 |
| Changes during the year                       | <u>91.81</u>                       | <u>-</u>           | <u>-</u>        | <u>-</u>                   | <u>334.42</u>     | <u>-</u>               | <u>0.03</u>                                 | <u>426.26</u>     |
| Closing balance as on March 31, 2018          | <u>450.78</u>                      | <u>6.15</u>        | <u>35.70</u>    | <u>2.11</u>                | <u>(4,764.17)</u> | <u>39.28</u>           | <u>0.28</u>                                 | <u>(4,229.87)</u> |
| Opening balance as on April 01, 2018          | 450.78                             | 6.15               | 35.70           | 2.11                       | (4,764.17)        | 39.28                  | 0.28  | (4,229.87)        |
| Total comprehensive income for the year       | -                                  | -                  | -               | -                          | 425.98            | -                      | -   | 425.98            |
| - Profit for the year                         | -                                  | -                  | -               | -                          | -                 | -                      | (0.42)                                      | (0.42)            |
| - Other comprehensive income                  | -                                  | -                  | -               | -                          | -                 | -                      | -   | -                 |
| Dividends                                     | 85.20                              | -                  | -               | -                          | (85.20)           | -                      | -   | -                 |
| Transfer to reserve u/s 45-IA of RBI Act 1934 | 85.20                              | -                  | -               | -                          | -                 | -                      | -   | -                 |
| Changes during the period                     | <u>85.20</u>                       | <u>-</u>           | <u>-</u>        | <u>-</u>                   | <u>340.78</u>     | <u>-</u>               | <u>(0.42)</u>                               | <u>425.56</u>     |
| Closing balance as on March 31, 2019          | <u>535.98</u>                      | <u>6.15</u>        | <u>35.70</u>    | <u>2.11</u>                | <u>(4,423.39)</u> | <u>39.28</u>           | <u>(0.14)</u>                               | <u>(3,804.31)</u> |

As per our report of even date

For B S R & Co. LLP  
Chartered Accountants  
Firm registration No. 101248W/W-100022

For and on behalf of the Board

Sd/-  
Sameer Mota  
Partner  
Membership No. 109928

Sd/-  
Rakesh Kripalani  
Director  
DIN No. 02877283

Sd/-  
Ritika Mehrotra  
Chief Financial Officer

Sd/-  
Ruzbeh Sutaria  
Director  
DIN No. 07889937

Sd/-  
Noopur Gupta  
Company Secretary  
ACS 27413

Place : Mumbai  
Date : June 25, 2019

Place : Mumbai  
Date : June 25, 2019



BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
Notes forming part of standalone financial statements  
For the year ended March 31, 2019  
(All amounts in Indian Rupees Millions)

## 1. Background

Barclays Investments & Loans (India) Private Limited (the 'Company') is a private limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company is a non-deposit taking systemically important (ND-SI) non-banking financial company ('NBFC') registered with the 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 - 400 063.

The Company changed its name from Barclays Investments & Loans (India) Limited to Barclays Investments & Loans (India) Private Limited and the status from being a Public Limited Company to Private Limited Company. The Company has obtained the revised Certificate of Incorporation with respect to the said change in name from the Ministry of Corporate Affairs on April 4, 2018.

## 2. Basis of preparation

### 2.1. Statement of compliance

The standalone financial statements ('financial statements') of the Company have been prepared 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 and accounting principles generally accepted in India.

The financial statements for the year ended March 31 2019 are the Company's first financial statements prepared under Ind AS. For all periods up to and including the year ended March 31 2018, the Company prepared its financial statements in accordance with the accounting standards notified under section 133 of the Act, (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS. The financial statements for the year ended 31 March 2018 and the opening balance sheet as at April 01 2017 have been restated in accordance with Ind AS for comparative information.

### 2.2. 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.

### 2.3. Functional and presentation currency

The financial statements are presented in Indian Rupees (Rs.) which is the currency of the primary economic environment in which the Company operates (the "functional currency").

### 2.4. Presentation of financial statements

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  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
Notes forming part of standalone financial statements  
For the year ended March 31, 2019  
(All amounts in Indian Rupees Millions)

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 29.

## 2.5. 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 considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

### Judgement

In the process of applying the Company's accounting policies, management has made judgements, which have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

### 2.5.1. Business model assessment

Classification and measurement of financial assets depends on the results of the 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.

The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. 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.

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

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.



BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
Notes forming part of standalone financial statements  
For the year ended March 31, 2019  
(All amounts in Indian Rupees Millions)

The risks that affect the performance of the business model (and the financial assets held within that 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 on 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.

#### 2.5.2. Impairment of financial asset

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.

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

The Company's internal credit grading model, 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 models, including the various formulas and the choice of inputs

Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels 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 models

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

#### 2.5.3. Provisions and other contingent liabilities

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.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and

BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
Notes forming part of standalone financial statements  
For the year ended March 31, 2019  
(All amounts in Indian Rupees Millions)

liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### 3. Significant accounting policies

#### 3.1. Recognition of interest income

##### 3.1.1. 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).

##### 3.1.2. 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 & Loss ('FVTPL') is recognised using the contractual interest rate under net gain/(loss).

#### 3.2. Financial instruments – initial recognition

##### 3.2.1. 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.

##### 3.2.2. 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 3.3.1.1 and 3.3.1.2. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded





BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
Notes forming part of standalone financial statements  
For the year ended March 31, 2019  
(All amounts in Indian Rupees Millions)

at FVTPL, transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price.

### 3.2.3. 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 3.3.1

Fair Value through Other Comprehensive Income (FVOCI) - Refer Note 3.3.2

Fair Value through Profit and Loss (FVTPL) - Refer Note 3.3.4

## 3.3. Financial assets and liabilities

### 3.3.1. 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 payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below.

#### 3.3.1.1. Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

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 that 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 on 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.

#### 3.3.1.2. 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.

BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED

(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)

Notes forming part of standalone financial statements

For the year ended March 31, 2019

(All amounts in Indian Rupees Millions)

‘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.

### 3.3.2. 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.

### 3.3.3. 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 issue funds, 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.

### 3.3.4. 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  
Or



BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
Notes forming part of standalone financial statements  
For the year ended March 31, 2019  
(All amounts in Indian Rupees Millions)

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.

### 3.3.5. 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. Equity instruments at FVOCI are not subject to an impairment assessment.

### 3.3.6. Investment in associate

An associate is an entity in which the Company has significant influence, but not control or joint control, over the financial and operating policies. They are initially recognized at cost which includes transaction cost. Subsequently the investment is tested for impairment.

Dividends are recognised in the statement of profit or loss as dividend income when the right to receive has been established.

### 3.4. 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.

### 3.5. De-recognition of financial assets and liabilities

#### 3.5.1. Derecognition 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  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
Notes forming part of standalone financial statements  
For the year ended March 31, 2019  
(All amounts in Indian Rupees Millions)

### 3.5.2. Derecognition of financial assets other than due to substantial modification

#### 3.5.2.1. 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.

#### 3.5.2.2. 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 & loss.

### 3.6. Impairment of financial assets

#### 3.6.1. 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.

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 12mECL is the portion of LTECLs that represent the ECLs 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.



BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
Notes forming part of standalone financial statements  
For the year ended March 31, 2019  
(All amounts in Indian Rupees Millions)

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.

Based on the above process, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12mECLs. This also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3: Loans considered credit-impaired. The Company records an allowance for the LTECLs.

#### 3.6.2. 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.

#### 3.6.3. 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



BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
Notes forming part of standalone financial statements  
For the year ended March 31, 2019  
(All amounts in Indian Rupees Millions)

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.

At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward looking estimates are analysed

The mechanics of the ECL method are summarised below:

Stage 1 The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2 When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3 For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%.

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

### 3.7. 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.

### 3.8. 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.

### 3.9. 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

BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
Notes forming part of standalone financial statements  
For the year ended March 31, 2019  
(All amounts in Indian Rupees Millions)

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. The 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's –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 rates and yield 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 whole.

### 3.10. 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.

### 3.11. Operating lease

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.



BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
Notes forming part of standalone financial statements  
For the year ended March 31, 2019  
(All amounts in Indian Rupees Millions)

3.12. 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.

3.13. 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.

3.14. 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.

3.15. 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 Act.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of 1 April, 2017 (transition date) measured as per the previous GAAP and used that carrying value as its deemed cost as of the transition date.



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**

(FORMERLY KNOWN AS BARCLAYS INVESTMENTS &amp; LOANS (INDIA) LIMITED)

Notes forming part of standalone financial statements

For the year ended March 31, 2019

(All amounts in Indian Rupees Millions)

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 & loss.

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.

**(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 & 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 straight line method over the useful life of assets as estimated by management. The estimated useful life for Leasehold Improvement, Data and Voice Processing Equipment, Office Equipment and Vehicles is different from the rates prescribed in Schedule II to the Companies Act, 2013. The estimated useful life of the assets is based on technical evaluation by the Management.

| Asset     | Management estimate<br>of useful life | Useful life as per<br>Schedule II |
|-----------|---------------------------------------|-----------------------------------|
| Buildings | 60 years                              | 30 years                          |
| Computers | 3 years                               | 3-6 years                         |

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

Property, Plant and Equipment's individually costing less than INR 5,000 are depreciated over a period of 12 months. The assets residual values and useful economic lives are renewed and adjusted if appropriate, at the end of each reporting period.

**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.

BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED

(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)

Notes forming part of standalone financial statements

For the year ended March 31, 2019

(All amounts in Indian Rupees Millions)

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.

### 3.16. 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 & loss.

### 3.17. 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 / recognized 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 & 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.

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.



BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
Notes forming part of standalone financial statements  
For the year ended March 31, 2019  
(All amounts in Indian Rupees Millions)

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 & loss in the period in which they arise.

3.18. Provision and contingent assets/liabilities

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) 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. 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.

Contingent assets/liabilities

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.

BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
Notes forming part of standalone financial statements  
For the year ended March 31, 2019  
(All amounts in Indian Rupees Millions)

### 3.19. 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 it is probable that the future taxable profit will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. 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')

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

#### 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/value added taxes paid, except:

When the tax incurred on a purchase of assets or services 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 or as part of the expense item, 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.

### 3.20. 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.

BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
Notes forming part of standalone financial statements  
For the year ended March 31, 2019  
(All amounts in Indian Rupees Millions)

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.

### 3.21. 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

### 3.22. Standard issued but not yet effective

#### Ind AS 116, Leases

Ind AS 116 - Leases was notified on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessor accounting under Ind AS 116 is similar to existing Ind AS 17 accounting.

The Company will adopt Ind AS - 116, effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

The following changes to lessee accounting may have a material impact as follows:

Right-of-use assets will be recorded for assets that are leased by the Company; currently no lease assets are included on the Company's financial statements.

Liabilities will be recorded for future lease payments in the Company's financial statement.

Lease expenses will be for depreciation of right-of-use assets and interest on lease liabilities. Interest will typically be higher in the early stages of a lease and reduce over the term. Currently operating lease

BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
Notes forming part of standalone financial statements  
For the year ended March 31, 2019  
(All amounts in Indian Rupees Millions)

payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms.

Operating lease cash flows are currently included within operating cash flows in the standalone statement of cash flows.

Under Ind AS - 116, these will be recorded as cash flows from financing activities reflecting the repayment of lease liabilities (borrowings) and related interest.

Ind AS 12, Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an Company shall recognise the income tax consequences of dividends in the statement of profit or loss, other comprehensive income or equity according to where the Company originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the Company pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following:

- (i) the Company has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty
- (ii) the Company is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount
- (iii) Company has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 109 – Prepayment features with negative compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Plan amendment, curtailment or settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the



BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
Notes forming part of standalone financial statements  
For the year ended March 31, 2019  
(All amounts in Indian Rupees Millions)

assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

### 3.23. First time adoption

The Company's first financial statements prepared in accordance with Ind AS. For the year ended 31 March 2018, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('Previous GAAP').

The accounting policies set out in Note 3 have been applied in preparing these financial statements for the year ended 31 March 2019 including the comparative information for the year ended 31 March 2018 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2017.

In preparing the Ind AS balance sheet as at 1 April 2017 and in presenting the comparative information for the year ended 31 March 2018, the Company has adjusted amounts reported previously in the financial statements prepared in accordance with Previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with Previous GAAP, and how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

#### Optional exemptions availed and mandatory exceptions

In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

#### 3.23.1. Optional exemptions availed

##### 1. Investment in associates

Ind-AS 101 allows a first-time adopter to use a deemed cost when measuring an investment in a associate in the separate opening statement of financial position. This deemed cost can be determined using either fair value at the date of transition to Ind-AS or a Previous GAAP carrying amount at that date.

Accordingly, the Company has elected to avail the exemption and use the Previous GAAP carrying value as deemed cost.

##### 2. Property plant and equipment and intangible assets

As per Ind AS 101 an entity may elect to:

**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**

(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)

Notes forming part of standalone financial statements

For the year ended March 31, 2019

(All amounts in Indian Rupees Millions)

- (i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date
- (ii) use a Previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:
  - fair value; or
  - cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

- (iii) use carrying values of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS (which are measured in accordance with Previous GAAP) if there has been no change in its functional currency on the date of transition.

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.

### 3.23.2. Mandatory exemptions

#### 1. Accounting estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the Previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under Previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the Previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVOCI.
- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortised cost.
- EIR on borrowings.
- Expected life of portfolio.
- Classification of equity and liability.



BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
Notes forming part of standalone financial statements  
For the year ended March 31, 2019  
(All amounts in Indian Rupees Millions)

## 2. Derecognition of financial assets and liabilities

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109 - Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition criteria for financial assets/liabilities prospectively. Hence, it has not recognised any financial assets/financial liabilities previously de-recognised.

## 3. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition.

## 4. Cash and cash equivalents

|   | As at<br>March, 31 2019 | As at<br>March, 31 2018 | As at<br>April, 01 2017 |
|---|-------------------------|-------------------------|-------------------------|
| Balances with banks:  |                         |                         |                         |
| - In current account  | 172.42                  | 190.41                  | 226.17                  |
| - Deposit with bank (with original maturity less than 3 months) | 400.00                  | 1,125.00                | 640.00                  |
| <b>Total</b>  | <b>572.42</b>           | <b>1,315.41</b>         | <b>866.17</b>           |

## 5. Loans (at amortised cost)

|  | As at<br>March, 31 2019 | As at<br>March, 31 2018 | As at<br>April, 01 2017 |
|--|-------------------------|-------------------------|-------------------------|
| (a) Term loans                             | 16,846.41               | 18,299.89               | 22,118.90               |
| Less: Impairment loss allowance            | (79.93)                 | (49.46)                 | (22.91)                 |
| <b>Net Total</b>                           | <b>16,766.48</b>        | <b>18,250.43</b>        | <b>22,095.99</b>        |
| (b) Secured by Hypothecation of securities | 16,846.41               | 18,299.89               | 22,065.28               |
| Unsecured                                  | -                       | -                       | 53.62                   |
| <b>Gross Total</b>                         | <b>16,846.41</b>        | <b>18,299.89</b>        | <b>22,118.90</b>        |
| Less: Impairment loss allowance            | (79.93)                 | (49.46)                 | (22.91)                 |
| <b>Net Total</b>                           | <b>16,766.48</b>        | <b>18,250.43</b>        | <b>22,095.99</b>        |

BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
Notes forming part of standalone financial statements  
For the year ended March 31, 2019  
(All amounts in Indian Rupees Millions)

|                                 |           |           |           |
|---------------------------------|-----------|-----------|-----------|
| (c) Loans in India              |           |           |           |
| - Public sectors                | -         | -         | -         |
| - Others                        | 16,846.41 | 18,299.89 | 22,118.90 |
| Gross Total                     | 16,846.41 | 18,299.89 | 22,118.90 |
| Less: Impairment loss allowance | (79.93)   | (49.46)   | (22.91)   |
| Net Total - A                   | 16,766.48 | 18,250.43 | 22,095.99 |
| Loans outside India             | -         | -         | -         |
| Less: Impairment loss allowance | -         | -         | -         |
| Net Total - B                   | -         | -         | -         |
| Net Total (A+B)                 | 16,766.48 | 18,250.43 | 22,095.99 |

6. Investments (at cost)

|  | As at<br>March, 31 2019 | As at<br>March, 31 2018 | As at<br>April, 01 2017 |
|--|-------------------------|-------------------------|-------------------------|
| (a) Investment in associate in India (Unquoted):<br>44,625,000 (2018: 44,625,000, 2017:<br>44,625,000) Equity shares of Rs.10 each fully<br>paid up held in Barclays Securities (India)<br>Private Limited | 446.25                  | 446.25                  | 446.25                  |
| Less: Allowance for impairment loss  | -                       | -                       | -                       |
| Net Total  | 446.25                  | 446.25                  | 446.25                  |

The Company has tested its investment in associate for impairment.

7. Other financial assets (at amortised cost)

|                                 | As at<br>March, 31 2019 | As at<br>March, 31 2018 | As at<br>April, 01 2017 |
|---------------------------------|-------------------------|-------------------------|-------------------------|
| Interest accrued but not due:   |                         |                         |                         |
| - Loans                         | 145.17                  | 141.14                  | 136.88                  |
| - Fixed deposit                 | 0.30                    | 1.81                    | 0.10                    |
| Receivable from related party   | -                       | -                       | 11.87                   |
| Security deposits               | 0.32                    | 0.32                    | 0.32                    |
| Total                           | 145.79                  | 143.27                  | 149.17                  |
| Less: Impairment loss allowance | (0.76)                  | (0.39)                  | (0.18)                  |
| Net Total                       | 145.03                  | 142.88                  | 148.99                  |



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
(All amounts in Indian Rupees Millions)

8. Property plant and equipment and intangible assets

As at March 31, 2019

|                               | Gross Block                  |           |                     |                              | Accumulated Depreciation     |                                    |                         |                              | Net Block                    |
|-------------------------------|------------------------------|-----------|---------------------|------------------------------|------------------------------|------------------------------------|-------------------------|------------------------------|------------------------------|
| Property, plant and equipment | Balance as at March 31, 2018 | Additions | Disposal/ Write off | Balance as at March 31, 2019 | Balance as at March 31, 2018 | Depreciated on charge for the year | On disposals/ Write off | Balance as at March 31, 2019 | Balance as at March 31, 2019 |
| Freehold property             | 17.25                        | -         | -                   | 17.25                        | 0.34                         | 0.34                               | -                       | 0.68                         | 16.57                        |
| Computers                     | -                            | -         | -                   | -                            | -                            | -                                  | -                       | -                            | -                            |
| Total                         | 17.25                        | -         | -                   | 17.25                        | 0.34                         | 0.34                               | -                       | 0.68                         | 16.57                        |
| Intangibles                   |                              |           |                     |                              |                              |                                    |                         |                              |                              |
| Softwares                     | -                            | -         | -                   | -                            | -                            | -                                  | -                       | -                            | -                            |
| Total                         | -                            | -         | -                   | -                            | -                            | -                                  | -                       | -                            | -                            |



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
 (FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

As at March 31, 2018

|                               | Gross Block                  |           |                     |                              | Accumulated Depreciation     |                                     |                         |                              | Net Block                    |
|-------------------------------|------------------------------|-----------|---------------------|------------------------------|------------------------------|-------------------------------------|-------------------------|------------------------------|------------------------------|
| Property, plant and equipment | Balance as at April 01, 2017 | Additions | Disposal/ Write off | Balance as at March 31, 2018 | Balance as at April 01, 2017 | Depreciation on charge for the year | On disposals/ Write off | Balance as at March 31, 2018 | Balance as at March 31, 2018 |
| Freehold property             | 17.25                        | -         | -                   | 17.25                        | -                            | 0.34                                | -                       | 0.34                         | 16.91                        |
| Computers                     | -                            | -         | -                   | -                            | -                            | -                                   | -                       | -                            | -                            |
| Total                         | 17.25                        | -         | -                   | 17.25                        | -                            | 0.34                                | -                       | 0.34                         | 16.91                        |
| Intangibles                   |                              |           |                     |                              |                              |                                     |                         |                              |                              |
| Softwares                     | -                            | -         | -                   | -                            | -                            | -                                   | -                       | -                            | -                            |
| Total                         | -                            | -         | -                   | -                            | -                            | -                                   | -                       | -                            | -                            |

| As at April 01, 2017     | Freehold property | Computers | Software's |
|--------------------------|-------------------|-----------|------------|
| Gross Block              | 20.88             | 8.76      | 35.09      |
| Accumulated Depreciation | 3.63              | 8.76      | 35.09      |
| Net Block                | 17.25             | -         | -          |



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

9. Other non-financial assets

|  | As at<br>March, 31 2019 | As at<br>March, 31 2018 | As at<br>April, 01 2017 |
|--|-------------------------|-------------------------|-------------------------|
| Balance with Government Authorities:                       |                         |                         |                         |
| - Service tax/Goods and service tax                        | 289.40                  | 287.01                  | 283.14                  |
| Prepaid expenses   | -                       | 0.15                    | -                       |
| Less: Provision for balance with<br>government authorities | (289.40)                | (287.01)                | (283.14)                |
| <b>Total</b>   | <b>-</b>                | <b>0.15</b>             | <b>-</b>                |

10. Payables

|  | As at<br>March, 31 2019 | As at<br>March, 31 2018 | As at<br>April, 01 2017 |
|--|-------------------------|-------------------------|-------------------------|
| Other payables   |                         |                         |                         |
| (i) total outstanding dues of micro enterprises<br>and small enterprises                       | 0.03                    | -                       | -                       |
| (ii) total outstanding dues of creditors other than<br>micro enterprises and small enterprises | 12.35                   | 6.45                    | 21.60                   |
| <b>Total</b>   | <b>12.38</b>            | <b>6.45</b>             | <b>21.60</b>            |

11. Borrowings – other than debt securities (at amortised cost)

|                                       | As at<br>March, 31 2019 | As at<br>March, 31 2018 | As at<br>April, 01 2017 |
|---------------------------------------|-------------------------|-------------------------|-------------------------|
| Debt securities in India (Unsecured): |                         |                         |                         |
| Commercial Paper*                     |                         |                         |                         |
| - From banks                          | -                       | -                       | -                       |
| - From others                         | 11,800.00               | 14,400.00               | 18,300.00               |
| Less: Amortisation of discount        | (375.33)                | (311.98)                | (421.16)                |
| <b>Total</b>                          | <b>11,424.67</b>        | <b>14,088.02</b>        | <b>17,878.85</b>        |

During the year, the effective interest on the commercial paper recorded in Interest expense was Rs 927.04 million (2018: Rs 1,137.64 million). The actual interest paid during the year was Rs. 639.65 million (2018: Rs. 743.33 million).

\*Maximum amount outstanding during the year 16,555.23 million (2018: Rs. 18,740.08 million, 2017: Rs. 19,328.85 million); Rate of discount ranging from 7.40% to 9.10% (2018: 6.70%-8.25%, 2017: 7.00%-8.25%); Tenure ranging from 59 days to 365 days (2018: 60 days to 365 days, 2017: 81 days to 365 days)

Refer note 28.3 'Liquidity Risk' for maturity pattern

The Company has not defaulted in repayment of borrowings and interest.



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

Listing of Commercial Papers outstanding as at March 31, 2019

| Commercial Paper         | Issue Date | Maturity Date | Total     |
|--------------------------|------------|---------------|-----------|
| BILIL Mat 24 Mar 2020 CP | 26-Mar-19  | 24-Mar-20     | 500.00    |
| BILIL Mat 26 Feb 2020 CP | 26-Feb-19  | 26-Feb-20     | 100.00    |
| BILIL Mat 29 Jan 2020 CP | 29-Jan-19  | 29-Jan-20     | 1,000.00  |
| BILIL Mat 26 Nov 2019 CP | 26-Nov-18  | 26-Nov-19     | 100.00    |
| BILIL Mat 24 Oct 2019 CP | 24-Oct-18  | 24-Oct-19     | 500.00    |
| BILIL Mat 01 Oct 2019 CP | 1-Oct-18   | 1-Oct-19      | 1,000.00  |
| BILIL Mat 23 Sep 2019 CP | 28-Mar-19  | 23-Sep-19     | 1,000.00  |
| BILIL Mat 06 Sep 2019 CP | 13-Mar-19  | 6-Sep-19      | 1,500.00  |
| BILIL Mat 23 Aug 2019 CP | 25-Feb-19  | 23-Aug-19     | 250.00    |
| BILIL Mat 25 Jul 2019 CP | 26-Jul-18  | 25-Jul-19     | 1,000.00  |
| BILIL Mat 24 Jun 2019 CP | 26-Dec-18  | 24-Jun-19     | 1,000.00  |
| BILIL Mat 17 Jun 2019 CP | 19-Jun-18  | 17-Jun-19     | 2,000.00  |
| BILIL Mat 07 Jun 2019 CP | 10-Dec-18  | 7-Jun-19      | 150.00    |
| BILIL Mat 04 Jun 2019 CP | 7-Dec-18   | 4-Jun-19      | 200.00    |
| BILIL Mat 17 May 2019 CP | 18-Feb-19  | 17-May-19     | 1,500.00  |
| Total                    |            |               | 11,800.00 |

Listing of Commercial Papers outstanding as at March 31, 2018

| Commercial Paper       | Issue Date | Maturity Date | Total     |
|------------------------|------------|---------------|-----------|
| BILIL Mat 28Mar2019 CP | 28-Mar-18  | 28-Mar-19     | 250.00    |
| BILIL Mat 27Mar2019 CP | 27-Mar-18  | 27-Mar-19     | 250.00    |
| BILIL Mat 08Mar2019 CP | 09-Mar-18  | 08-Mar-19     | 500.00    |
| BILIL Mat 21Feb2019 CP | 21-Feb-18  | 21-Feb-19     | 100.00    |
| BILIL Mat 30Jan2019 CP | 31-Jan-18  | 30-Jan-19     | 500.00    |
| BILIL Mat 14Nov2018 CP | 15-Nov-17  | 14-Nov-18     | 500.00    |
| BILIL Mat 29Oct2018 CP | 30-Oct-17  | 29-Oct-18     | 500.00    |
| BILIL Mat 25Sep2018 CP | 26-Sep-17  | 25-Sep-18     | 500.00    |
| BILIL Mat 21Aug2018 CP | 23-Aug-17  | 21-Aug-18     | 1,000.00  |
| BILIL Mat 20Aug2018 CP | 09-Mar-18  | 20-Aug-18     | 250.00    |
| BILIL Mat 06Aug2018 CP | 07-Aug-17  | 06-Aug-18     | 1,000.00  |
| BILIL Mat 31Jul2018 CP | 01-Aug-17  | 31-Jul-18     | 500.00    |
| BILIL Mat 11Jun2018 CP | 12-Jun-17  | 11-Jun-18     | 1,000.00  |
| BILIL Mat 11Jun2018 CP | 12-Jun-17  | 11-Jun-18     | 500.00    |
| BILIL Mat 04Jun2018 CP | 05-Jun-17  | 04-Jun-18     | 500.00    |
| BILIL Mat 29May2018 CP | 04-Dec-17  | 29-May-18     | 1,000.00  |
| BILIL Mat 28May2018 CP | 28-Feb-18  | 28-May-18     | 250.00    |
| BILIL Mat 23May2018 CP | 22-Feb-18  | 23-May-18     | 2,000.00  |
| BILIL Mat 21May2018 CP | 22-Nov-17  | 21-May-18     | 550.00    |
| BILIL Mat 14May2018 CP | 14-Feb-18  | 14-May-18     | 250.00    |
| BILIL Mat 25Apr2018 CP | 26-Apr-17  | 25-Apr-18     | 250.00    |
| BILIL Mat 17Apr2018 CP | 18-Aug-17  | 17-Apr-18     | 250.00    |
| BILIL Mat 13Apr2018 CP | 15-Jan-18  | 13-Apr-18     | 2,000.00  |
| Total                  |            |               | 14,400.00 |



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

Listing of Commercial Papers outstanding as at April 01, 2017

| Commercial Paper       | Issue Date | Maturity Date | Total     |
|------------------------|------------|---------------|-----------|
| BILIL Mat 27Mar2018 CP | 27-Mar-17  | 27-Mar-18     | 250.00    |
| BILIL Mat 09Jan2018 CP | 10-Jan-17  | 09-Jan-18     | 1,000.00  |
| BILIL Mat 18Oct2017 CP | 20-Feb-17  | 18-Oct-17     | 250.00    |
| BILIL Mat 06Oct2017 CP | 15-Mar-17  | 06-Oct-17     | 250.00    |
| BILIL Mat 27Sep2017 CP | 06-Dec-16  | 27-Sep-17     | 500.00    |
| BILIL Mat 26Sep2017 CP | 07-Oct-16  | 26-Sep-17     | 1,500.00  |
| BILIL Mat 26Sep2017 CP | 15-Mar-17  | 26-Sep-17     | 250.00    |
| BILIL Mat 15Sep2017 CP | 25-Nov-16  | 15-Sep-17     | 350.00    |
| BILIL Mat 12Sep2017 CP | 29-Nov-16  | 12-Sep-17     | 1,000.00  |
| BILIL Mat 08Sep2017 CP | 14-Sep-16  | 08-Sep-17     | 1,000.00  |
| BILIL Mat 31Aug2017 CP | 21-Oct-16  | 31-Aug-17     | 1,500.00  |
| BILIL Mat 24Aug2017 CP | 28-Feb-17  | 24-Aug-17     | 150.00    |
| BILIL Mat 10Aug2017 CP | 14-Feb-17  | 10-Aug-17     | 250.00    |
| BILIL Mat 01Aug2017 CP | 01-Feb-17  | 01-Aug-17     | 350.00    |
| BILIL Mat 07Jul2017 CP | 09-Jan-17  | 07-Jul-17     | 250.00    |
| BILIL Mat 20Jun2017 CP | 31-Mar-17  | 20-Jun-17     | 1,000.00  |
| BILIL Mat 14Jun2017 CP | 25-Nov-16  | 14-Jun-17     | 1,000.00  |
| BILIL Mat 14Jun2017 CP | 16-Mar-17  | 14-Jun-17     | 1,000.00  |
| BILIL Mat 14Jun2017 CP | 17-Mar-17  | 14-Jun-17     | 250.00    |
| BILIL Mat 12Jun2017 CP | 06-Dec-16  | 12-Jun-17     | 500.00    |
| BILIL Mat 06Jun2017 CP | 27-Sep-16  | 06-Jun-17     | 500.00    |
| BILIL Mat 02Jun2017 CP | 03-Mar-17  | 02-Jun-17     | 1,500.00  |
| BILIL Mat 19May2017 CP | 20-Feb-17  | 19-May-17     | 250.00    |
| BILIL Mat 19May2017 CP | 22-Feb-17  | 19-May-17     | 250.00    |
| BILIL Mat 12May2017 CP | 13-Feb-17  | 12-May-17     | 1,000.00  |
| BILIL Mat 04May2017 CP | 03-Feb-17  | 04-May-17     | 950.00    |
| BILIL Mat 10Apr2017 CP | 10-Jan-17  | 10-Apr-17     | 1,000.00  |
| BILIL Mat 07Apr2017 CP | 08-Nov-16  | 07-Apr-17     | 250.00    |
| Total                  |            |               | 18,300.00 |

12. Subordinated Liabilities (at amortised cost)

|   | As at<br>March, 31 2019 | As at<br>March, 31 2018 | As at<br>April, 01 2017 |
|---|-------------------------|-------------------------|-------------------------|
| Subordinated liabilities outside India:   |                         |                         |                         |
| 458,875 (2018: 458,875, 2017: 458,875)  | 22.17                   | 20.13                   | 18.27                   |
| 0.01% Cumulative Redeemable Preference<br>Shares ('CRPS') of Re. 1 each, fully paid up<br>held by Barclays Bank PLC, United Kingdom,<br>the holding company |                         |                         |                         |
| Total   | 22.17                   | 20.13                   | 18.27                   |



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

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

|  | As at<br>March, 31 2019 | As at<br>March, 31 2018 | As at<br>April, 01 2017 |
|--|-------------------------|-------------------------|-------------------------|
| Barclays Bank PLC, United Kingdom, the holding company | 458,875<br>100%         | 458,875<br>100%         | 458,875<br>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, 2017                            | 458,875       | 458,875 |
| Add : Issued during the year                    | -             | -       |
| As at March 31, 2018                            | 458,875       | 458,875 |
| Add : Issued during the year                    | -             | -       |
| As at March 31, 2019                            | 458,875       | 458,875 |

Cumulative Redeemable Preference shares ('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 Companies Act, 2013.

Arrears of preference dividend Rs.0.0006 million (2018: Rs.0.0006 million. 2017: Rs.0.0006 million)

During the year, the effective interest on the preference share recorded in Interest expense was INR 2.05 million (2018: INR 1.86 million). The actual interest paid during the year was INR Nil (2018: Nil).

13. Provisions

|                                  | As at<br>March, 31 2019 | As at<br>March, 31 2018 | As at<br>April, 01 2017 |
|----------------------------------|-------------------------|-------------------------|-------------------------|
| Provision for employee benefits: |                         |                         |                         |
| - Gratuity                       | 0.72                    | 0.07                    | 0.05                    |
| - Compensated absences           | 0.57                    | 0.86                    | 0.34                    |
| - Bonus                          | 0.86                    | 0.60                    | 0.35                    |
| Others                           | 0.44                    | 1.69                    | 1.57                    |
| Total                            | 2.59                    | 3.22                    | 2.31                    |

14. Other non-financial liabilities

|                              | As at<br>March, 31 2019 | As at<br>March, 31 2018 | As at<br>April, 01 2017 |
|------------------------------|-------------------------|-------------------------|-------------------------|
| Statutory dues               | 3.35                    | 1.52                    | 1.65                    |
| Interest received in advance | 1.27                    | 0.64                    | 0.59                    |
| Total                        | 4.62                    | 2.16                    | 2.24                    |





**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

15. Share capital

|  | As at<br>March, 31 2019 | As at<br>March, 31 2018 | As at<br>April, 01 2017 |
|--|-------------------------|-------------------------|-------------------------|
| Authorised share capital:  |                         |                         |                         |
| 299,986,000 (2018: 299,986,000, 2017: 299,986,000) Equity shares of Rs.50 each                     | 14,999.30               | 14,999.30               | 14,999.30               |
| 2,000 (2018: 2,000, 2017: 2,000) 7.5% Cumulative Redeemable Preference Shares of Rs. 100 each      | 0.20                    | 0.20                    | 0.20                    |
| 500,000 (2018: 500,000, 2017: 500,000) 0.01% Cumulative Redeemable Preference Shares of Re. 1 each | 0.50                    | 0.50                    | 0.50                    |
|  | 15,000.00               | 15,000.00               | 15,000.00               |
| Issued, subscribed and paid-up   |                         |                         |                         |
| 218,065,712 (2018: 218,065,712, 2017: 218,065,712) Equity shares of Rs.50 each, fully paid up      | 10,903.28               | 10,903.28               | 10,903.28               |
|  | 10,903.28               | 10,903.28               | 10,903.28               |

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 (see note 12)

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, 2017                       | 218,065,712   | 10,903.28 |
| Add : Issued during the year               | -             | -         |
| As at March 31, 2018                       | 218,065,712   | 10,903.28 |
| Add : Issued during the year               | -             | -         |
| As at March 31, 2019                       | 218,065,712   | 10,903.28 |

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.



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

15.3. Shares held by holding company and ultimate holding company:

|  | As at<br>March, 31 2019 | As at<br>March, 31 2018 | As at<br>April, 01 2017 |
|--|-------------------------|-------------------------|-------------------------|
| 126,134,137 shares (2018: 126,134,137 shares, 2017: 126,134,137 shares) held by Barclays Bank PLC, United Kingdom, the holding company   | 6,306.71                | 6,306.71                | 6,306.71                |
| 91,930,466 shares (2018: 91,930,466 shares, 2017: 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                | 4,596.52                |

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

|  | As at<br>March, 31 2019 | As at<br>March, 31 2018 | As at<br>April, 01 2017 |
|--|-------------------------|-------------------------|-------------------------|
| Barclays Bank PLC, United Kingdom, the holding company   | 126,134,137<br>57.84%   | 126,134,137<br>57.84%   | 126,134,137<br>57.84%   |
| Mauritius Overseas Holding Limited, Mauritius, a subsidiary of Barclays bank PLC, United Kingdom | 91,930,466<br>42.16%    | 91,930,466<br>42.16%    | 91,930,466<br>42.16%    |

Number of equity shares held by minority shareholders are 1,109 (2018: 1,109 2017: 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.

16. Nature and purpose of reserves

16.1. Reserves u/s 45-IA of the Reserve Bank of India Act, 1934 (the 'RBI Act, 1934')

Reserve u/s. 45-IA 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 Companies Act, 2013.



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

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 Companies Act, 2013, 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 Companies Act, 2013.

16.4. 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. These reserve are free reserves which can be utilised for any purpose as may be required.

16.5. 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.

17. Interest income

|                            | Year ended<br>March, 31 2019 | Year ended<br>March, 31 2018 |
|----------------------------|------------------------------|------------------------------|
| Interest on loans          | 1,543.23                     | 1,699.88                     |
| Interest on Fixed deposits | 37.82                        | 73.59                        |
| Total                      | 1,581.05                     | 1,773.47                     |

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

18. Other income

|                      | Year ended<br>March, 31 2019 | Year ended<br>March, 31 2018 |
|----------------------|------------------------------|------------------------------|
| Miscellaneous income | 0.13                         | 13.87                        |
| Total                | 0.13                         | 13.87                        |

19. Finance cost

|                                      | Year ended<br>March, 31 2019 | Year ended<br>March, 31 2018 |
|--------------------------------------|------------------------------|------------------------------|
| Interest on borrowing                | 927.04                       | 1,137.64                     |
| Interest on subordinated liabilities | 2.05                         | 1.86                         |
| Total                                | 929.09                       | 1,139.50                     |

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



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

20. Impairment on financial instrument

|                                       | Year ended<br>March, 31 2019 | Year ended<br>March, 31 2018 |
|---------------------------------------|------------------------------|------------------------------|
| Loans                                 | 30.47                        | 26.55                        |
| Interest accrued but not due on loans | 0.37                         | 0.21                         |
| Total                                 | 30.84                        | 26.76                        |

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<br>March, 31 2019 | Year ended<br>March, 31 2018 |
|---|------------------------------|------------------------------|
| Salaries and wages                        | 27.93                        | 10.84                        |
| Contribution to provident and other funds | 1.12                         | 0.42                         |
| Gratuity                                  | 0.11                         | 0.07                         |
| Compensated expenses                      | (0.29)                       | 0.52                         |
| Total                                     | 28.87                        | 11.85                        |

22. Depreciation

|  | Year ended<br>March, 31 2019 | Year ended<br>March, 31 2018 |
|--|------------------------------|------------------------------|
| Depreciation on property plant and equipment | 0.34                         | 0.34                         |
| Total  | 0.34                         | 0.34                         |

23. Other expenses

|   | Year ended<br>March, 31 2019 | Year ended<br>March, 31 2018 |
|---|------------------------------|------------------------------|
| Rent, taxes and energy costs                                | 0.25                         | 0.43                         |
| Director's fee allowances and expenses                      | -                            | 1.25                         |
| Travel and Conveyance                                       | 0.15                         | 0.16                         |
| Communication Costs   | 0.03                         | 0.04                         |
| Legal and Professional charges                              | 7.98                         | 6.44                         |
| Service cost and other reimbursement (net)                  | 11.42                        | 26.67                        |
| Repairs and maintenance                                     | 2.32                         | 2.50                         |
| Printing and stationery                                     | 0.06                         | 0.10                         |
| Auditors fees and expenses (Note 23.1)                      | 4.10                         | 3.48                         |
| Provision for service tax/ goods and service tax unutilised | 2.39                         | 3.17                         |
| Insurance   | 0.85                         | 0.04                         |
| Corporate Social Responsibility (Refer Note 39)             | 10.55                        | 10.00                        |
| Other expenditure   | 3.12                         | 4.12                         |
| Total   | 43.22                        | 58.40                        |



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

23.1. Auditors remuneration

|                           | Year ended<br>March, 31 2019 | Year ended<br>March, 31 2018 |
|---------------------------|------------------------------|------------------------------|
| As auditors               | 3.61                         | 3.10                         |
| Reimbursement of expenses | 0.07                         | 0.07                         |
| Other services            | 0.42                         | 0.31                         |

24. Income tax

The components of income tax expense for the years ended March 31, 2019 and 2018 are:

|                  | Year ended<br>March, 31 2019 | Year ended<br>March, 31 2018 |
|------------------|------------------------------|------------------------------|
| Current tax      | 136.34                       | 124.26                       |
| Total tax charge | 136.34                       | 124.26                       |

24.1. Amounts recognised in other comprehensive income

|   | Year ended March, 31 2019 |      |            | Year ended March, 31 2018 |        |            |
|---|---------------------------|------|------------|---------------------------|--------|------------|
|   | Before<br>Tax             | Tax  | Net of tax | Before<br>Tax             | Tax    | Net of tax |
| Items that will not be reclassified to profit or loss |                           |      |            |                           |        |            |
| Re-measurements of defined benefit liability (asset)  | (0.54)                    | 0.12 | (0.42)     | 0.04                      | (0.01) | 0.03       |
| Total   | (0.54)                    | 0.12 | (0.42)     | 0.04                      | (0.01) | 0.03       |

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, 2019 and 2018 is, as follows:

|   | Year ended<br>March, 31 2019 | Year ended<br>March, 31 2018 |
|---|------------------------------|------------------------------|
| Accounting profit before tax                    | 562.32                       | 550.49                       |
| Applicable tax rate                             | 21.55%                       | 21.34%                       |
| Computed tax expense                            | 121.17                       | 117.47                       |
| <u>Tax effect of:</u>                           |                              |                              |
| - Provision for input service tax               | 0.52                         | 0.68                         |
| - Expense for earning exempt income             | 0.96                         | -                            |
| - Contingency provision against standard assets | 6.64                         | 5.71                         |
| - Interest on Income Tax Refund*                | 10.52                        | -                            |

**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

|  |        |        |
|--|--------|--------|
| - Interest on subordinated liabilities                                     | 0.44   | 0.40   |
| - Dividend income exempt under section 10(34)                              | (2.91) | -      |
| - Ind AS Transition Reserve  | (1.01) | -      |
| Income tax expense reported in the standalone statement of profit and loss | 136.34 | 124.26 |

\*Based on a perusal of the tax documents/records of the Company for various years, it is observed that the Company has been granted income-tax refund along with interest for various Assessment Years (AYs) and the same has been adjusted against the outstanding demand of the AYs that are currently under litigation.

On the basis of Form 26AS, the Company has recorded the interest on income-tax refund of Rs. 48.79 million through reserves and current tax assets as on April 01, 2017 and the same has been reflected in cash flows from operating activities of respective years. Further, there is no impact on EPS.

The effective income tax rate for March 31, 2019 is 24.25% (2018: 22.57%).

24.3. Following are the components of deferred tax:

| Timing difference                              | As at<br>March, 31 2019 | As at<br>March, 31 2018 |
|--|-------------------------|-------------------------|
| Depreciation on Property, plant and equipment  | (5.00)                  | (5.61)                  |
| Contingency provision for ECL                  | 28.19                   | 17.42                   |
| Provision for compensated absences             | 0.20                    | 0.30                    |
| Provision for gratuity                         | 0.25                    | 0.03                    |
| Provision for bonus                            | 0.30                    | 0.21                    |
| Total  | 23.95                   | 12.35                   |
| Deferred Tax asset recognized in Balance Sheet | Nil                     | Nil                     |

The Company has not recognised net deferred tax assets as at March 31, 2019 since it is not probable that the economic benefits will flow in future years against which such deferred tax assets can be realised. Deferred tax assets on timing differences which are expected to reverse in one or more subsequent periods have been recognised to the extent there is a deferred tax liability as at the balance sheet date.

MAT credit has expected future economic benefits in the form of its adjustment against the discharge of the normal tax liability, payable as per Income tax Act 1961, if the same arises during the specified period. 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. As the Company has carried forward losses, there is no certainty of tax liability being paid under normal provisions of Income tax Act, 1961, in future. Hence, MAT credit has not been recognized in the books of account.

24.4. Components of current tax assets

|   | As at<br>March, 31 2019 | As at<br>March, 31 2018 | As at<br>March, 31 2017 |
|---|-------------------------|-------------------------|-------------------------|
| TDS and Advance tax                         | 1,189.94                | 1,056.43                | 906.56                  |
| Less: Tax provision                         | (571.29)                | (435.07)                | (310.80)                |
| Total current tax assets (net of provision) | 618.65                  | 621.36                  | 595.76                  |



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

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<br>March, 31 2019 | Year ended<br>March, 31 2018 |
|--|------------------------------|------------------------------|
| a) Net profit for the year attributable to equity holders                  | 425.98                       | 426.23                       |
| b) Weighted average number of equity shares used for calculation of EPS    | 218,065,712                  | 218,065,712                  |
| Earnings per share – basic and diluted (a/b)<br>(face value of Rs.10 each) | 1.95                         | 1.95                         |

26. Contingent liabilities

|  | Year ended<br>March, 31<br>2019 | Year ended<br>March, 31<br>2018 | Year ended<br>April, 01<br>2017 |
|--|---------------------------------|---------------------------------|---------------------------------|
| Claims against the company not acknowledged as debt: |                                 |                                 |                                 |
| - Income Tax matters*                                | 473.84                          | 456.88                          | 216.47                          |
| - Legal case   | 4.19                            | 4.49                            | 4.29                            |
| Total  | 478.03                          | 461.37                          | 220.76                          |

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

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

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 assets of the plan are held separately from those of the Company in a fund under the control of trustees.

The total expense charged to income of Rs.1.12 million (2018: Rs. 0.42 million) represents contributions payable to this plan by the Company at rates specified in the rules of the plan.



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
(All amounts in Indian Rupees Millions)

27.2. Defined benefit plan

The Company has a defined benefit gratuity plan in India. 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.

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.





**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

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.

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.

#### Gratuity

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

| A. | Reconciliation of Defined benefit obligation        | March 31, 2019 | March 31, 2018 | April 01, 2017 |
|----|---|----------------|----------------|----------------|
| 1. | Defined benefit obligation at beginning of the year | 0.07           | 0.04           | 0.30           |
| 2. | Service cost  |                |                |                |
|    | a. Current service cost                             | 0.11           | 0.06           | 0.03           |
|    | b. Past service cost                                | -              | *              | *              |
|    | c. (Gain) / loss on settlements                     | -              | -              | **             |
| 3. | Interest expenses                                   | **             | **             | 0.02           |
| 4. | Cash flows  |                |                |                |
|    | a. Benefit payments from plan                       | -              | -              | -              |
|    | b. Benefit payments from employer                   | -              | -              | -              |
|    | c. Settlement payments from plan                    | -              | -              | -              |
|    | d. Settlement payments from employer                | -              | -              | -              |
| 5. | Remeasurement's                                     |                |                |                |
|    | a. Effect of changes in demographic assumptions     | 0.45           | (0.02)         | (0.42)         |
|    | b. Effect of changes in financial assumptions       | (0.01)         | (0.01)         | 0.09           |
|    | c. Effect of experience adjustments                 | 0.10           | **             | 0.02           |
| 6. | Transfer In /Out                                    |                |                |                |
|    | a. Transfer In                                      | -              | -              | -              |
|    | b. Transfer out                                     | -              | -              | -              |
| 7. | Defined benefit obligation at end of year           | 0.72           | 0.07           | 0.04           |

\* Less than 100

\*\* Less than 10,000

**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

| B. | Amounts recognized in the Balance Sheet | March 31, 2019 | March 31, 2018 | April 01, 2017 |
|----|---|----------------|----------------|----------------|
| 1. | Defined benefit obligation              | 0.72           | 0.07           | 0.04           |
| 2. | Fair value of plan assets               | -              | -              | -              |
| 3. | Funded status                           | 0.72           | 0.07           | 0.04           |
| 4. | Effect of asset ceiling                 | -              | -              | -              |
| 5. | Net defined benefit liability (asset)   | 0.72           | 0.07           | 0.04           |

There are no investments in plan assets.

| C. | Components of defined benefit cost                               | March 31, 2019 | March 31, 2018 |
|----|--|----------------|----------------|
| 1. | Service cost recognised in statement of profit and loss (P&L)    |                |                |
|    | a. Current service cost  | 0.11           | 0.06           |
|    | b. Past service cost   | -              | -              |
|    | c. (Gain) / loss on settlements                                  | -              | -              |
|    | d. Total service cost recognised in statement of profit and loss | 0.11           | 0.06           |
| 2. | Net interest cost  |                |                |
|    | a. Interest expense on DBO                                       | **             | **             |
|    | b. Interest (income) on plan assets                              | -              | -              |
|    | c. Interest expense on effect of (asset ceiling)                 | -              | -              |
|    | d. Total net interest cost                                       | **             | **             |
| 3. | Remeasurements (recognized in Other comprehensive Income - OCI)  |                |                |
|    | a. Effect of changes in demographic assumptions                  | 0.45           | (0.02)         |
|    | b. Effect of changes in financial assumptions                    | (0.01)         | (0.01)         |
|    | c. Effect of experience adjustments                              | 0.10           | -              |
|    | d. (Return) on plan assets (excluding interest income)           | -              | -              |
|    | e. Changes in asset ceiling (excluding interest income)          | -              | -              |
|    | f. Total remeasurements included in OCI                          | 0.54           | (0.04)         |
| 4. | Total defined benefit cost recognized in P&L and OCI             | 0.65           | 0.03           |

| D. | Re-measurement                   | March 31, 2019 | March 31, 2018 |
|----|----------------------------------|----------------|----------------|
|    | a. Actuarial Loss/(Gain) on DBO  | 0.54           | (0.04)         |
|    | b. Returns above Interest Income | -              | -              |
|    | c. Change in Asset ceiling       | -              | -              |
|    | Total Re-measurements (OCI)      | 0.54           | (0.04)         |

\* Less than 100

\*\* Less than 10,000

**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

|    |  |                |                |
|----|--|----------------|----------------|
| E. | Reconciliation of OCI (Re-measurment)      | March 31, 2019 | March 31, 2018 |
| 1. | Recognised in OCI at the beginning of year | (0.04)         | -              |
| 2. | Recognised in OCI during the period        | 0.54           | (0.04)         |
| 3. | Recognised in OCI at the end of the year   | 0.50           | (0.04)         |

|    |  |                |                |
|----|--|----------------|----------------|
| F. | Sensitivity analysis - DBO end of Period | March 31, 2019 | March 31, 2018 |
| 1. | Discount rate +100 basis points          | 0.61           | 0.07           |
| 2. | Discount rate -100 basis points          | 0.87           | 0.08           |
| 3. | Salary Increase Rate +1%                 | 0.83           | 0.08           |
| 4. | Salary Increase Rate -1%                 | 0.61           | 0.07           |
| 5. | Attrition Rate +1%                       | 0.72           | 0.07           |
| 6. | Attrition Rate -1%                       | -              | 0.08           |

|    |                                   |  |  |
|----|-----------------------------------|--|--|
| G. | Significant actuarial assumptions | March 31, 2019   | March 31, 2018   |
| 1. | Discount rate Current Year        | 7.78%  | 6.81%  |
| 2. | Annual increase in salary cost    | 7.00%  | 12.0%  |
| 3. | Attrition Rate                    | 0.00%  | 50.0%  |
| 4. | Retirement Age                    | 60   | 60   |
| 5. | Pre-retirement mortality          | Indian Assured<br>Lives Mortality<br>(2012-14)<br>Ultimate | Indian Assured<br>Lives Mortality<br>(2006-08)<br>Ultimate |
| 6. | Disability                        | Nil  | Nil  |

|    |  |                |                |
|----|--|----------------|----------------|
| H. | Maturity profile of defined benefit obligation | March 31, 2019 | March 31, 2018 |
|    | Weighted average duration of DBO               | 21             | 2              |

|    |   |                |                |
|----|---|----------------|----------------|
| I. | Expected cash flows for following year                      | March 31, 2019 | March 31, 2018 |
| 1. | Expected employer contributions / Addl. Provision Next Year | 0.11           | 0.06           |
| 2. | Expected total benefit payments                             |                |                |
|    | Year 1  | -              | -              |
|    | Year 2  | -              | -              |
|    | Year 3  | -              | 0.04           |
|    | Year 4  | -              | 0.03           |
|    | Year 5  | 0.11           | 0.02           |
|    | Next 5 years  | 0.13           | 0.02           |

**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

SUMMARY

|    | Assets / Liabilities   | March 31, 2019 | March 31, 2018 |
|----|--|----------------|----------------|
| 1. | Defined benefit obligation at end of year                                | 0.72           | 0.07           |
| 2. | Fair value of plan assets at end of year                                 | -              | -              |
| 3. | Net defined benefit liability (asset)                                    | 0.72           | 0.07           |
| 4. | Defined benefit cost included in Statement profit & loss                 | 0.11           | 0.07           |
| 5. | Total remeasurements included in OCI                                     | 0.54           | (0.04)         |
| 6. | Total defined benefit cost recognized in Statement profit & loss and OCI | 0.65           | 0.03           |

Asset liability matching strategy

The Company contributes to the provided fund based on estimated liability of next financial year end. The projected liability statements are obtained from the actuarial valuer.

Compensated absences

|  | Defined benefit obligation at end of year | March 31, 2019 | March 31, 2018 |
|--|---|----------------|----------------|
|  | Current Obligation                        | -              | 0.28           |
|  | Non-Current Obligation                    | 0.23           | 0.28           |
|  | Total                                     | 0.23           | 0.56           |

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, 2019   | Carrying amount |       | Fair value |
|--|-----------------|-------|------------|
|  | Amortised cost  | FVOCI |            |
| Financial liabilities not measured at fair value<br>- Subordinated liabilities | 22.17           | -     | 20.77      |
| Total  | 22.17           | -     | 20.77      |

| As at March 31, 2018   | Carrying amount |       | Fair value |
|--|-----------------|-------|------------|
|  | Amortised cost  | FVOCI |            |
| Financial liabilities not measured at fair value<br>- Subordinated liabilities | 20.13           | -     | 18.44      |
| Total  | 20.13           | -     | 18.44      |



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
(All amounts in Indian Rupees Millions)

| As at April 01, 2017                             | Carrying amount |       | Fair value |
|--|-----------------|-------|------------|
|  | Amortised cost  | FVOCI |            |
| Financial liabilities not measured at fair value |                 |       |            |
| - Subordinated liabilities                       | 18.27           | -     | 17.37      |
| Total  | 18.27           | -     | 17.37      |

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.

## 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:



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
(All amounts in Indian Rupees Millions)

Days Past Due Status Criteria:

| Days Past Due Status |  | Staging |
|----------------------|--|---------|
| 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 (and weekly for Bonds). 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.

#### 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.

Barclays uses the internal tools to arrive at probability of default applied on grading for each client exposure. The Grading from 1-21 is based on an expert view which is applied by the sanctioner to finalise the grade based on the financial parameters like networth, assets, income, industry, qualitative factors and past experience of the portfolio. Each grade has a fixed PD range and PD for each grade has been calibrated by the Global Models team and is common across Barclays Group.

#### 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,



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
(All amounts in Indian Rupees Millions)

historical data published by regulatory authorities in its quarterly reports has been considered as a proxy for portfolio level default information.

Data: The GNPA ratio data for NFBCs published by RBI in the Financial Stability Report (2018 and 2017) has been taken as a proxy for default information

The probability of default was calculated for 3 scenarios: upside (10%), downside (10%) and base (80%). 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.

Exposures based on full cash collateral have a LGD floor of 5 %. While the LAS portfolio is fully covered by liquid collaterals with appropriate haircuts, there is an underlying volatility in the securities pledged and hence the factor for this LGD was considered at 10 % flat for all exposures.

#### 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. So 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



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

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:

|                           | March 31, 2019 | March 31, 2018 | April 01, 2017 |
|---------------------------|----------------|----------------|----------------|
| Fair value of collaterals | 36,071.14      | 39,577.91      | 43,149.34      |

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, 2019

|  | Stage 1   | Stage 2 | Stage 3 | Total     |
|--|-----------|---------|---------|-----------|
| Loans at amortised cost:               |           |         |         |           |
| Total gross carrying value             | 16,846.41 | -       | -       | 16,846.41 |
| Loss allowance*                        | (79.93)   | -       | -       | (79.93)   |
| Net carrying value                     | 16,766.48 | -       | -       | 16,766.48 |
| Interest accrued but not due on loans: |           |         |         |           |
| Total gross carrying value             | 145.17    | -       | -       | 145.17    |
| Loss allowance                         | (0.76)    | -       | -       | (0.76)    |
| Net carrying value                     | 144.41    | -       | -       | 144.41    |

*\*It includes ECL on undrawn commitments of Rs. 504.35 million*

As at March 31, 2018

|  | Stage 1   | Stage 2 | Stage 3 | Total     |
|--|-----------|---------|---------|-----------|
| Total gross carrying value             | 18,299.89 | -       | -       | 18,299.89 |
| Loss allowance*                        | (49.46)   | -       | -       | (49.46)   |
| Net carrying value                     | 18,250.43 | -       | -       | 18,250.43 |
| Interest accrued but not due on loans: |           |         |         |           |
| Total gross carrying value             | 141.14    | -       | -       | 141.14    |
| Loss allowance                         | (0.39)    | -       | -       | (0.39)    |
| Net carrying value                     | 140.75    | -       | -       | 140.75    |

*\*It includes ECL on undrawn commitments of Rs. 511.72 million*





**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

As at April 01, 2017

|  | Stage 1   | Stage 2 | Stage 3 | Total     |
|--|-----------|---------|---------|-----------|
| Total gross carrying value             | 22,118.90 | -       | -       | 22,118.90 |
| Loss allowance*                        | (22.91)   | -       | -       | (22.91)   |
| Net carrying value                     | 22,095.99 | -       | -       | 22,095.99 |
| Interest accrued but not due on loans: |           |         |         |           |
| Total gross carrying value             | 136.88    | -       | -       | 136.88    |
| Loss allowance                         | (0.18)    | -       | -       | (0.18)    |
| Net carrying value                     | 136.70    | -       | -       | 136.70    |

\*It includes ECL on undrawn commitments of Rs. 465.79 million

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

As at March 31, 2019

| Credit Ratings | Stage 1   |       |
|----------------|-----------|-------|
|                | EAD       | ECL   |
| 5              | 47.20     | 0.01  |
| 6              | 438.59    | 0.07  |
| 7              | 621.00    | 0.13  |
| 8              | 2,627.79  | 0.67  |
| 9              | 693.02    | 0.22  |
| 10             | 1,149.24  | 0.48  |
| 12             | 967.62    | 0.81  |
| 13             | 2,201.76  | 2.81  |
| 14             | 1,399.39  | 2.40  |
| 15             | 1,687.47  | 4.07  |
| 16             | 647.51    | 2.25  |
| 17             | 1,740.63  | 8.68  |
| 18             | 494.05    | 3.44  |
| 19             | 199.42    | 1.84  |
| 20             | 900.20    | 12.49 |
| 21             | 1,444.96  | 40.32 |
| Total          | 17,259.85 | 80.69 |

As at March 31, 2018

| Credit Ratings | Stage 1  |      |
|----------------|----------|------|
|                | EAD      | ECL  |
| 4              | 63.55    | 0.00 |
| 6              | 83.55    | 0.01 |
| 7              | 709.89   | 0.15 |
| 8              | 1,472.19 | 0.38 |
| 9              | 1,694.50 | 0.55 |
| 10             | 1,771.51 | 0.74 |
| 11             | 780.93   | 0.40 |

**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

|       |           |       |
|-------|-----------|-------|
| 12    | 1,788.02  | 1.51  |
| 12.8  | 17.00     | 0.02  |
| 13    | 1,279.92  | 1.64  |
| 14    | 1,682.91  | 2.91  |
| 15    | 1,834.55  | 4.47  |
| 16    | 2,742.44  | 9.63  |
| 17    | 1,148.56  | 5.80  |
| 18    | 24.37     | 0.17  |
| 19    | 1,006.46  | 9.39  |
| 20    | 863.59    | 12.08 |
| Total | 18,963.94 | 49.85 |

As at April 01, 2017

| Credit Ratings | Stage 1   |       |
|----------------|-----------|-------|
|                | EAD       | ECL   |
| 6              | 256.01    | 0.04  |
| 7              | 92.14     | 0.02  |
| 8              | 2,467.69  | 0.63  |
| 9              | 3,593.84  | 1.17  |
| 10             | 2,814.07  | 1.18  |
| 11             | 3,140.10  | 1.61  |
| 12             | 3,613.31  | 3.04  |
| 13             | 1,513.47  | 1.94  |
| 14             | 2,892.26  | 4.99  |
| 15             | 807.33    | 1.96  |
| 16             | 1,044.36  | 3.63  |
| 17             | 473.35    | 2.39  |
| 19             | 50.66     | 0.49  |
| Total          | 22,758.59 | 23.09 |

28.2.8. Movement of loss allowance

|                                     | Stage 1<br>12 month ECL | Stage 2<br>Lifetime ECL | Stage 3<br>Lifetime ECL | Total |
|-------------------------------------|-------------------------|-------------------------|-------------------------|-------|
| Loss allowance as at March 31, 2018 | 49.85                   | -                       | -                       | 49.85 |
| Net addition in loss allowance      | 30.84                   | -                       | -                       | 30.84 |
| Loss allowance as at March 31, 2019 | 80.69                   | -                       | -                       | 80.69 |

|                                     | Stage 1<br>12 month ECL | Stage 2<br>Lifetime ECL | Stage 3<br>Lifetime ECL | Total |
|-------------------------------------|-------------------------|-------------------------|-------------------------|-------|
| Loss allowance as at April 01, 2017 | 23.09                   | -                       | -                       | 23.09 |



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

|                                     |       |   |   |       |
|-------------------------------------|-------|---|---|-------|
| Net addition in loss allowance      | 26.76 | - | - | 26.76 |
| Loss allowance as at March 31, 2018 | 49.85 | - | - | 49.85 |

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, 2019

|  | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | Over 5 years | Total     |
|--|-----------|--------------------|----------------|--------------|--------------|-----------|
| Financial assets:                          |           |                    |                |              |              |           |
| Cash and cash equivalent                   | 172.42    | 400.00             | -              | -            | -            | 572.42    |
| Loans (Gross)                              | -         | 13,732.37          | 3,114.04       | -            | -            | 16,846.41 |
| Investment                                 | -         | -                  | -              | -            | 446.25       | 446.25    |
| Other financial assets (Gross)             | -         | 145.47             | -              | -            | 0.32         | 145.79    |
| Total financial assets                     | 172.42    | 14,277.84          | 3,114.04       | -            | 446.57       | 18,010.87 |
| Financial liabilities:                     |           |                    |                |              |              |           |
| Payables                                   | 7.83      | 1.47               | 3.08           | -            | -            | 12.38     |
| Borrowings (Undiscounted)                  | -         | 1,500.00           | 10,300.00      | -            | -            | 11,800.00 |
| (Other than Debt Securities)               | -         | -                  | -              | -            | 45.89        | 45.89     |
| Subordinated Liabilities (Undiscounted)    | -         | -                  | -              | -            | 45.89        | 45.89     |
| Total financial liabilities                | 7.83      | 1,501.47           | 10,303.08      | -            | 45.89        | 11,858.27 |
| Total net financial assets / (liabilities) | 164.59    | 12,776.37          | (7,189.04)     | -            | 400.68       | 6,152.60  |



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

As at March 31, 2018

|  | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | Over 5 years | Total     |
|--|-----------|--------------------|----------------|--------------|--------------|-----------|
| Financial assets:                                      |           |                    |                |              |              |           |
| Cash and cash equivalent                               | 190.41    | 1,125.00           | -              | -            | -            | 1,315.41  |
| Loans (Gross)  | -         | 11,374.29          | 6,925.60       | -            | -            | 18,299.89 |
| Investment   | -         | -                  | -              | -            | 446.25       | 446.25    |
| Other financial assets (Gross)                         | -         | 142.95             | -              | -            | 0.32         | 143.27    |
| Total financial assets                                 | 190.41    | 12,642.24          | 6,925.60       | -            | 446.57       | 20,204.82 |
| Financial liabilities:                                 |           |                    |                |              |              |           |
| Payable  | 5.96      | 0.49               | -              | -            | -            | 6.45      |
| Borrowings (Undiscounted) (Other than Debt Securities) | -         | 8,550.00           | 5,850.00       | -            | -            | 14,400.00 |
| Subordinated Liabilities (Undiscounted)                | -         | -                  | -              | -            | 45.89        | 45.89     |
| Total financial liabilities                            | 5.96      | 8,550.49           | 5,850.00       | -            | 45.89        | 14,452.34 |
| Total net financial assets / (liabilities)             | 184.45    | 4,091.75           | 1,075.60       | -            | 400.68       | 5,752.48  |

As at April 01, 2017

|  | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | Over 5 years | Total     |
|--|-----------|--------------------|----------------|--------------|--------------|-----------|
| Financial assets:                                      |           |                    |                |              |              |           |
| Cash and cash equivalent                               | 226.17    | 640.00             | -              | -            | -            | 866.17    |
| Loans (Gross)  | -         | 15,136.68          | 6,952.22       | 30.00        | -            | 22,118.90 |
| Investment   | -         | -                  | -              | -            | 446.25       | 446.25    |
| Other financial assets (Gross)                         | -         | 148.85             | -              | -            | 0.32         | 149.17    |
| Total financial assets                                 | 226.17    | 15,925.53          | 6,952.22       | 30.00        | 446.57       | 23,580.49 |
| Financial liabilities:                                 |           |                    |                |              |              |           |
| Payables   | 19.67     | 1.93               | -              | -            | -            | 21.60     |
| Borrowings (Undiscounted) (Other than Debt Securities) | -         | 3,700.00           | 14,600.00      | -            | -            | 18,300.00 |
| Subordinated Liabilities (Undiscounted)                | -         | -                  | -              | -            | 45.89        | 45.89     |
| Total financial liabilities                            | 19.67     | 3,701.93           | 14,600.00      | -            | 45.89        | 18,367.49 |
| Total net financial assets / (liabilities)             | 206.50    | 12,223.60          | (7,647.78)     | 30.00        | 400.68       | 5,213.00  |



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
(All amounts in Indian Rupees Millions)

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 is not exposed to any material currency risk

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.



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

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.

|   | March 31, 2019   |                 |                  | March 31, 2018   |                 |                  | April 01, 2017   |                 |                  |
|---|------------------|-----------------|------------------|------------------|-----------------|------------------|------------------|-----------------|------------------|
|   | Within 12 months | After 12 months | Total            | Within 12 months | After 12 months | Total            | Within 12 months | After 12 months | Total            |
| Financial assets                        |                  |                 |                  |                  |                 |                  |                  |                 |                  |
| Cash and cash equivalents               | 572.42           | -               | 572.42           | 1,315.41         | -               | 1,315.41         | 866.17           | -               | 866.17           |
| Loans                                   | 16,766.48        | -               | 16,766.48        | 18,250.43        | -               | 18,250.43        | 22,066.01        | 29.98           | 22,095.99        |
| Investments                             | -                | 446.25          | 446.25           | -                | 446.25          | 446.25           | -                | 446.25          | 446.25           |
| Other Financial assets                  | 144.71           | 0.32            | 145.03           | 142.56           | 0.32            | 142.88           | 148.67           | 0.32            | 148.99           |
| Non-financial assets                    |                  |                 |                  |                  |                 |                  |                  |                 |                  |
| Current Tax assets (Net)                | -                | 618.65          | 618.65           | -                | 621.36          | 621.36           | -                | 595.76          | 595.76           |
| Property, Plant and Equipment           | -                | 16.57           | 16.57            | -                | 16.91           | 16.91            | -                | 17.25           | 17.25            |
| Other Non-financial assets              | -                | -               | -                | 0.15             | -               | 0.15             | -                | -               | -                |
| <b>Total Assets</b>                     | <b>17,483.61</b> | <b>1,081.79</b> | <b>18,565.40</b> | <b>19,708.55</b> | <b>1,084.84</b> | <b>20,793.39</b> | <b>23,080.85</b> | <b>1,089.56</b> | <b>24,170.41</b> |
| LIABILITIES                             |                  |                 |                  |                  |                 |                  |                  |                 |                  |
| Financial liabilities                   |                  |                 |                  |                  |                 |                  |                  |                 |                  |
| Payables                                | 12.38            | -               | 12.38            | 6.45             | -               | 6.45             | 21.60            | -               | 21.60            |
| Borrowings (other than debt securities) | 11,424.67        | -               | 11,424.67        | 14,088.02        | -               | 14,088.02        | 17,878.84        | -               | 17,878.84        |
| Subordinated Liabilities                | -                | 22.17           | 22.17            | -                | 20.13           | 20.13            | -                | 18.27           | 18.27            |
| Non-Financial liabilities               |                  |                 |                  |                  |                 |                  |                  |                 |                  |
| Provisions                              | 2.36             | 0.23            | 2.59             | 2.87             | 0.35            | 3.22             | 2.03             | 0.28            | 2.31             |
| Other non-financial liabilities         | 4.62             | -               | 4.62             | 2.16             | -               | 2.16             | 2.24             | -               | 2.24             |
| <b>Total Liabilities</b>                | <b>11,444.03</b> | <b>22.40</b>    | <b>11,466.43</b> | <b>14,099.50</b> | <b>20.48</b>    | <b>14,119.98</b> | <b>17,904.71</b> | <b>18.55</b>    | <b>17,923.26</b> |
| <b>Net</b>                              | <b>6,039.58</b>  | <b>1,059.39</b> | <b>7,098.97</b>  | <b>5,609.05</b>  | <b>1,064.36</b> | <b>6,673.41</b>  | <b>5,176.14</b>  | <b>1,071.01</b> | <b>6,247.15</b>  |



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

30. Related party disclosures as required by Ind AS 24

(a) Related parties and relationships

| <i>Names of Related parties</i>                     | <i>Nature of relationship</i>       |
|---|-------------------------------------|
| Holding Companies                                   |                                     |
| Barclays Bank PLC, United Kingdom                   | Ultimate holding company            |
| Barclays Bank PLC, India Branches                   | Branch of holding company           |
| Barclays Bank PLC, Singapore Branch                 | Branch of holding company           |
| Barclays Bank PLC, Hong Kong Branch                 | Branch of holding company           |
| Others  |                                     |
| Barclays Securities (India) Private Limited         | Associate Company                   |
| Barclays Mauritius Overseas Holdings Limited (BMOH) | Fellow subsidiary company           |
| Barclays Global Service Centre Private Limited*     | Fellow subsidiary company           |
| Barclays Shared Services Private Limited*           | Fellow subsidiary company           |
| Barclays Technology Centre India Private Limited*   | Fellow subsidiary company           |
| Barclays Services Limited                           | Fellow subsidiary company           |
| Mr. Ruzbeh Sutaria                                  | Key Management Personnel (Director) |
| Mr. Rakesh Kripalani                                | Key Management Personnel (Director) |
| Mr. Rajeev Ghadi                                    | Key Management Personnel (Director) |
| Mr. Nirav Mody                                      | Key Management Personnel (Director) |
| Mr. Gurupad Pavan                                   | Key Management Personnel (Director) |



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

\* Barclays Shared Services Private Limited (BSS) and Barclays Technology Centre India Private Limited (BTCI) both are now Barclays Global Service Centre Private Limited (BGSC) as stated below:

1. BSS – Merger of BSS and BTCI – Resolution passed on December 2, 2017.
2. BTCI – Name Change BTCI to BGSC – Resolution passed on December 22, 2017.

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

| Year ended March 31, 2019                             | Holding Company and its Branches | Associates / JV / Fellow Subsidiary Company | Key Management Personnel | Total            |
|---|----------------------------------|---|--------------------------|------------------|
| Interest income                                       | 37.82                            | -   | -                        | 37.82            |
| Barclays Bank PLC, India Branches                     | 37.82                            | -   | -                        | 37.82            |
| <i>Previous year</i>                                  | <i>73.59</i>                     | -   | -                        | <i>73.59</i>     |
| Barclays Bank PLC, India Branches                     | <i>73.59</i>                     | -   | -                        | <i>73.59</i>     |
| Interest on borrowings                                | 7.32                             | -   | -                        | 7.32             |
| Barclays Bank PLC, India Branches                     | 7.32                             | -   | -                        | 7.32             |
| <i>Previous year</i>                                  | <i>3.54</i>                      | -   | -                        | <i>3.54</i>      |
| <i>Barclays Bank PLC, India Branches</i>              | <i>3.54</i>                      | -   | -                        | <i>3.54</i>      |
| Fixed deposit placed                                  | 23,325.00                        | -   | -                        | 23,325.00        |
| Barclays Bank PLC, India Branches                     | 23,325.00                        | -   | -                        | 23,325.00        |
| <i>Previous year</i>                                  | <i>46,385.00</i>                 | -   | -                        | <i>46,385.00</i> |
| <i>Barclays Bank PLC, India Branches</i>              | <i>46,385.00</i>                 | -   | -                        | <i>46,385.00</i> |
| Fixed deposit repaid                                  | 24,050.00                        | -   | -                        | 24,050.00        |
| Barclays Bank PLC, India Branches                     | 24,050.00                        | -   | -                        | 24,050.00        |
| <i>Previous year</i>                                  | <i>45,900.00</i>                 | -   | -                        | <i>45,900.00</i> |
| <i>Barclays Bank PLC, India Branches</i>              | <i>45,900.00</i>                 | -   | -                        | <i>45,900.00</i> |
| Private placement of Commercial Paper (Nominal Value) | -                                | -   | -                        | -                |
| Barclays Bank PLC, India Branches                     | -                                | -   | -                        | -                |





**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

| Year ended March 31, 2019                                | Holding Company and its Branches | Associates / JV / Fellow Subsidiary Company | Key Management Personnel | Total           |
|--|----------------------------------|---|--------------------------|-----------------|
| Barclays Global Service Centre Private Limited           | -                                | -   | -                        | -               |
| <i>Previous year</i>                                     | <i>500.00</i>                    | <i>2,250.00</i>                             | -                        | <i>2,750.00</i> |
| <i>Barclays Bank PLC, India Branches</i>                 | <i>500.00</i>                    | -   | -                        | <i>500.00</i>   |
| <i>Barclays Global Service Centre Private Limited</i>    | -                                | <i>2,250.00</i>                             | -                        | <i>2,250.00</i> |
|  |                                  |   |                          |                 |
| Repayment of Commercial Paper <sup>1</sup>               | -                                | 250.00                                      | -                        | 250.00          |
| Barclays Global Service Centre Private Limited           | -                                | 250.00                                      | -                        | 250.00          |
| <i>Previous year</i>                                     | -                                | <i>3,000.00</i>                             | -                        | <i>3,000.00</i> |
| <i>Barclays Global Service Centre Private Limited</i>    | -                                | <i>3,000.00</i>                             | -                        | <i>3,000.00</i> |
|  |                                  |   |                          |                 |
| Discount/Interest on Commercial Paper                    | -                                | 0.71  | -                        | 0.71            |
| Barclays Global Service Centre Private Limited           | -                                | 0.71  | -                        | 0.71            |
| <i>Previous year</i>                                     | -                                | <i>92.61</i>                                | -                        | <i>92.61</i>    |
| <i>Barclays Global Service Centre Private Limited</i>    | -                                | <i>92.61</i>                                | -                        | <i>92.61</i>    |
|  |                                  |   |                          |                 |
| Service and other cost reimbursements (Net) <sup>2</sup> | 8.33                             | 4.16  | 0.91                     | 13.40           |
| Barclays Bank PLC, India Branches                        | 8.33                             | -   | 0.91                     | 9.24            |
| Barclays Bank PLC, Singapore Branch                      | -                                | -   | -                        | -               |
| Barclays Services Limited                                | -                                | 1.74  | -                        | 1.74            |
| Barclays Securities (India) Private Limited              | -                                | 2.44  | -                        | 2.44            |
| Barclays Global Service Centre Private Limited           | -                                | (0.02)                                      | -                        | (0.02)          |
| <i>Previous year</i>                                     | <i>22.57</i>                     | <i>2.70</i>                                 | <i>5.98</i>              | <i>31.25</i>    |
| <i>Barclays Bank PLC, India Branches</i>                 | <i>25.85</i>                     | -   | <i>5.98</i>              | <i>31.83</i>    |
| <i>Barclays Bank PLC, Singapore Branch</i>               | <i>(3.28)</i>                    | -   | -                        | <i>(3.28)</i>   |
| <i>Barclays Securities (India) Private Limited</i>       | -                                | <i>2.61</i>                                 | -                        | <i>2.61</i>     |
| <i>Barclays Global Service Centre Private Limited</i>    | -                                | <i>0.09</i>                                 | -                        | <i>0.09</i>     |



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

| Year ended March 31, 2019                        | Holding Company and its Branches | Associates / JV / Fellow Subsidiary Company | Key Management Personnel | Total    |
|--|----------------------------------|---|--------------------------|----------|
|  |                                  |   |                          |          |
| Service and other cost reimbursements received   | -                                | 1.98  | -                        | 1.98     |
| Barclays Securities India Private Limited        | -                                | 1.98  | -                        | 1.98     |
| <i>Previous year</i>                             | -                                | 3.22  | -                        | 3.22     |
| <i>Barclays Securities India Private Limited</i> | -                                | 3.22  | -                        | 3.22     |
|  |                                  |   |                          |          |
| Borrowed during the year                         | 4,725.00                         | -   | -                        | 4,725.00 |
| Barclays Bank PLC, India Branches                | 4,725.00                         | -   | -                        | 4,725.00 |
| <i>Previous year</i>                             | 2,770.00                         | -   | -                        | 2,770.00 |
| <i>Barclays Bank PLC, India Branches</i>         | 2,770.00                         | -   | -                        | 2,770.00 |
|  |                                  |   |                          |          |
| Borrowings repaid during the year                | 4,725.00                         | -   | -                        | 4,725.00 |
| Barclays Bank PLC, India Branches                | 4,725.00                         | -   | -                        | 4,725.00 |
| <i>Previous year</i>                             | 2,770.00                         | -   | -                        | 2,770.00 |
| <i>Barclays Bank PLC, India Branches</i>         | 2,770.00                         | -   | -                        | 2,770.00 |
|  |                                  |   |                          |          |
| Employee Cost***                                 | -                                | -   | 5.53                     | 5.53     |
| <i>Previous year</i>                             | -                                | -   | -                        | -        |
|  |                                  |   |                          |          |
| Bank charges (Miscellaneous expenses)            | 0.01                             | -   | -                        | 0.01     |
| Barclays Bank PLC, India Branches                | 0.01                             | -   | -                        | 0.01     |
| <i>Previous year</i>                             | 0.01                             | -   | -                        | 0.01     |
| <i>Barclays Bank PLC, India Branches</i>         | 0.01                             | -   | -                        | 0.01     |

\*\*\*pertains to Ruzbeh Sutaria



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

| Year ended March 31, 2019                             | Holding Company | Associates / JV / Fellow Subsidiary Company | Key Management Personnel | Total           |
|---|-----------------|---|--------------------------|-----------------|
| <i>Outstanding at year end</i>                        |                 |   |                          |                 |
| Bank balances   | 168.05          | -   | -                        | 168.05          |
| Barclays Bank PLC, India Branches                     | 168.05          | -   | -                        | 168.05          |
| <i>Previous year March 31, 2018</i>                   | <i>185.05</i>   | <i>-</i>                                    | <i>-</i>                 | <i>185.05</i>   |
| <i>Barclays Bank PLC, India Branches</i>              | <i>185.05</i>   | <i>-</i>                                    | <i>-</i>                 | <i>185.05</i>   |
| <i>Previous year April 01, 2017</i>                   | <i>220.44</i>   | <i>-</i>                                    | <i>-</i>                 | <i>220.44</i>   |
| <i>Barclays Bank PLC, India Branches</i>              | <i>220.44</i>   | <i>-</i>                                    | <i>-</i>                 | <i>220.44</i>   |
| Outstanding balance payable                           | 1.15            | 2.34  | -                        | 3.49            |
| Barclays Bank PLC, India Branches                     | 1.15            | -   | -                        | 1.15            |
| Barclays Securities (India) Private Limited           | -               | 0.77  | -                        | 0.77            |
| Barclays Bank PLC, Singapore Branch                   | -               | -   | -                        | -               |
| Barclays Global Service Centre Private Limited        | -               | 0.01  | -                        | 0.01            |
| Barclays Services Limited                             | -               | 1.56  | -                        | 1.56            |
| <i>Previous year March 31, 2018</i>                   | <i>-</i>        | <i>0.07</i>                                 | <i>-</i>                 | <i>0.07</i>     |
| <i>Barclays Bank PLC, India Branches</i>              | <i>-</i>        | <i>-</i>                                    | <i>-</i>                 | <i>-</i>        |
| <i>Barclays Securities (India) Private Limited</i>    | <i>-</i>        | <i>-</i>                                    | <i>-</i>                 | <i>-</i>        |
| <i>Barclays Bank PLC, Singapore Branch</i>            | <i>-</i>        | <i>-</i>                                    | <i>-</i>                 | <i>-</i>        |
| <i>Barclays Global Service Centre Private Limited</i> | <i>-</i>        | <i>0.07</i>                                 | <i>-</i>                 | <i>0.07</i>     |
| <i>Previous year April 01, 2017</i>                   | <i>4.67</i>     | <i>0.03</i>                                 | <i>-</i>                 | <i>4.70</i>     |
| <i>Barclays Bank PLC, India Branches</i>              |                 |   |                          |                 |
| <i>Barclays Securities (India) Private Limited</i>    |                 |   |                          |                 |
| <i>Barclays Bank PLC, Singapore Branch</i>            | <i>4.67</i>     | <i>-</i>                                    | <i>-</i>                 | <i>4.67</i>     |
| <i>Barclays Shared Services Private Limited*</i>      | <i>-</i>        | <i>0.03</i>                                 | <i>-</i>                 | <i>0.03</i>     |
| Outstanding balance receivable                        | -               | -   | -                        | -               |
| <i>Previous year March 31, 2018</i>                   | <i>-</i>        | <i>-</i>                                    | <i>-</i>                 | <i>-</i>        |
| <i>Barclays Bank PLC, India Branches</i>              | <i>-</i>        | <i>-</i>                                    | <i>-</i>                 | <i>-</i>        |
| <i>Barclays Bank PLC, Singapore Branch</i>            | <i>-</i>        | <i>-</i>                                    | <i>-</i>                 | <i>-</i>        |
| <i>Barclays Securities India Private Limited</i>      | <i>-</i>        | <i>-</i>                                    | <i>-</i>                 | <i>-</i>        |
| <i>Previous year April 01, 2017</i>                   | <i>11.32</i>    | <i>2.67</i>                                 | <i>-</i>                 | <i>13.99</i>    |
| <i>Barclays Bank PLC, India Branches</i>              | <i>9.16</i>     | <i>-</i>                                    | <i>-</i>                 | <i>9.16</i>     |
| <i>Barclays Bank PLC, Singapore Branch</i>            | <i>2.16</i>     | <i>-</i>                                    | <i>-</i>                 | <i>2.16</i>     |
| <i>Barclays Securities India Private Limited</i>      | <i>-</i>        | <i>2.67</i>                                 | <i>-</i>                 | <i>2.67</i>     |
| Fixed deposits  | 400.00          | -   | -                        | 400.00          |
| Barclays Bank PLC, India Branches                     | 400.00          | -   | -                        | 400.00          |
| <i>Previous year March 31, 2018</i>                   | <i>1,126.81</i> | <i>-</i>                                    | <i>-</i>                 | <i>1,126.81</i> |
| <i>Barclays Bank PLC, India Branches</i>              | <i>1,126.81</i> | <i>-</i>                                    | <i>-</i>                 | <i>1,126.81</i> |



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

| Year ended March 31, 2019  | Holding Company | Associates / JV / Fellow Subsidiary Company | Key Management Personnel | Total    |
|--|-----------------|---|--------------------------|----------|
| <i>Previous year April 01, 2017</i>  | 640.10          | -   | -                        | 640.10   |
| <i>Barclays Bank PLC, India Branches</i>                                   | 640.10          | -   | -                        | 640.10   |
| Interest accrued on Fixed deposits   | 0.30            | -   | -                        | 0.30     |
| Barclays Bank PLC, India Branches  | 0.30            | -   | -                        | 0.30     |
| <i>Previous year March 31, 2018</i>  | 1.81            | -   | -                        | 1.81     |
| <i>Barclays Bank PLC, India Branches</i>                                   | 1.81            | -   | -                        | 1.81     |
| <i>Previous year April 01, 2017</i>  | 0.10            | -   | -                        | 0.10     |
| <i>Barclays Bank PLC, India Branches</i>                                   | 0.10            | -   | -                        | 0.10     |
| Commercial Papers outstanding (At Face Value, includes unexpired discount) | -               | -   | -                        | -        |
| Barclays Global Service Centre Private Limited                             | -               | -   | -                        | -        |
| <i>Previous year March 31, 2018</i>  | -               | 250.00                                      | -                        | 250.00   |
| <i>Barclays Global Service Centre Private Limited</i>                      | -               | 250.00                                      | -                        | 250.00   |
| <i>Previous year April 01, 2017</i>  | -               | 1,000.00                                    | -                        | 1,000.00 |
| <i>Barclays Shared Services Private Limited*</i>                           | -               | 1,000.00                                    | -                        | 1,000.00 |
| Investments  | -               | 446.25                                      | -                        | 446.25   |
| Barclays Securities (India) Private Limited                                | -               | 446.25                                      | -                        | 446.25   |
| <i>Previous year March 31, 2018</i>  | -               | 446.25                                      | -                        | 446.25   |
| <i>Barclays Securities (India) Private Limited</i>                         | -               | 446.25                                      | -                        | 446.25   |
| <i>Previous year April 01, 2017</i>  | -               | 446.25                                      | -                        | 446.25   |
| <i>Barclays Securities (India) Private Limited</i>                         | -               | 446.25                                      | -                        | 446.25   |

Transactions with key management personnel are as follows:

|                              | Year ended<br>March, 31 2019 | Year ended<br>March, 31 2018 |
|------------------------------|------------------------------|------------------------------|
| Short term employee benefits | 6.19                         | 5.75                         |
|                              | 6.19                         | 5.75                         |

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



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
(All amounts in Indian Rupees Millions)

31. 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.

31.1. 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 38(i).

32. Transition to Ind AS:

The Company has transitioned the basis of accounting from Indian generally accepted accounting principles ('IGAAP') to Ind AS. The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended March 31, 2019, the comparative information presented in these financial statements for the year ended March 31, 2018 and in the preparation of an opening Ind AS balance sheet at April 01, 2017 (the 'transition date').

In preparing our opening Ind AS balance sheet, the Company has adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected the financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables.



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

A. Reconciliation of equity

|     | As at April 01, 2017  | Note | Amount as per IGAAP | Ind AS impact | Amount as per Ind AS |
|-----|---|------|---------------------|---------------|----------------------|
|     | ASSETS  |      |                     |               |                      |
| (1) | Financial assets  |      |                     |               |                      |
| (a) | Cash and cash equivalents   | 4    | 866.17              | -             | 866.17               |
| (b) | Loans   | 5    | 22,041.48           | 54.51         | 22,095.99            |
| (c) | Investments   | 6    | 446.25              | -             | 446.25               |
| (d) | Other financial assets  | 7    | 149.17              | (0.18)        | 148.99               |
|     | Total financial assets  |      | 23,503.07           | 54.33         | 23,557.40            |
| (2) | Non-financial assets  |      |                     |               |                      |
| (a) | Current Tax assets (Net)  |      | 595.76              | -             | 595.76               |
| (b) | Property, Plant and Equipment   | 8    | 17.25               | -             | 17.25                |
| (c) | Other Non-financial assets  | 9    | -                   | -             | -                    |
|     | Total non-financial assets  |      | 613.01              | -             | 613.01               |
|     | Total Assets  |      | 24,116.08           | 54.33         | 24,170.41            |
|     | LIABILITIES AND EQUITY  |      |                     |               |                      |
|     | LIABILITIES   |      |                     |               |                      |
| (1) | Financial liabilities   |      |                     |               |                      |
| (a) | Payables  | 10   |                     |               |                      |
|     | (I) 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 |      | 21.60               | -             | 21.60                |
| (b) | Borrowings (Other than Debt Securities)   | 11   | 17,878.84           | -             | 17,878.84            |
| (c) | Subordinated Liabilities  | 12   | -                   | 18.27         | 18.27                |
|     | Total financial liabilities   |      | 17,900.44           | 18.27         | 17,918.71            |
| (2) | Non-Financial liabilities   |      |                     |               |                      |
| (a) | Provisions  | 13   | 2.31                | -             | 2.31                 |
| (b) | Other non-financial liabilities   | 14   | 2.24                | -             | 2.24                 |
|     | Total non-financial liabilities   |      | 4.55                | -             | 4.55                 |
| (3) | EQUITY  |      |                     |               |                      |
| (a) | Share Capital   | 15   | 10,903.74           | (0.46)        | 10,903.28            |
| (b) | Other equity  | 16   | (4,692.65)          | 36.52         | (4,656.13)           |
|     | Total Equity  |      | 6,211.09            | 36.06         | 6,247.15             |
|     | Total Liabilities and equity  |      | 24,116.08           | 54.33         | 24,170.41            |



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

B. Reconciliation of equity

|     | As at March 31, 2018  | Note | Amount as per IGAAP | Ind AS impact | Amount as per Ind AS |
|-----|---|------|---------------------|---------------|----------------------|
|     | ASSETS  |      |                     |               |                      |
| (1) | Financial assets  |      |                     |               |                      |
| (a) | Cash and cash equivalents   | 4    | 1,315.41            | -             | 1,315.41             |
| (b) | Loans   | 5    | 18,226.69           | 23.74         | 18,250.43            |
| (c) | Investments   | 6    | 446.25              | -             | 446.25               |
| (d) | Other financial assets  | 7    | 143.27              | (0.39)        | 142.88               |
|     | Total financial assets  |      | 20,131.62           | 23.35         | 20,154.97            |
| (2) | Non-financial assets  |      |                     |               |                      |
| (a) | Current Tax assets (Net)  |      | 621.36              | -             | 621.36               |
| (b) | Property, Plant and Equipment   | 8    | 16.91               | -             | 16.91                |
| (c) | Other Non-financial assets  | 9    | 0.15                | -             | 0.15                 |
|     | Total non-financial assets  |      | 638.42              | -             | 638.42               |
|     | Total Assets  |      | 20,770.04           | 23.35         | 20,793.39            |
|     | LIABILITIES AND EQUITY  |      |                     |               |                      |
|     | LIABILITIES   |      |                     |               |                      |
| (1) | Financial liabilities   |      |                     |               |                      |
| (a) | Payables  | 10   |                     |               |                      |
|     | (I) 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 |      | 6.45                | -             | 6.45                 |
| (a) | Borrowings (Other than Debt Securities)   | 11   | 14,088.02           | -             | 14,088.02            |
| (b) | Subordinated Liabilities  | 12   | -                   | 20.13         | 20.13                |
|     | Total financial liabilities   |      | 14,094.47           | 20.13         | 14,114.60            |
| (2) | Non-Financial liabilities   |      |                     |               |                      |
| (a) | Provisions  | 13   | 3.22                | -             | 3.22                 |
| (b) | Other non-financial liabilities   | 14   | 2.16                | -             | 2.16                 |
|     | Total non-financial liabilities   |      | 5.38                | -             | 5.38                 |
| (3) | EQUITY  |      |                     |               |                      |
| (a) | Share Capital   | 15   | 10,903.74           | (0.46)        | 10,903.28            |
| (b) | Other equity  | 16   | (4,233.54)          | 3.68          | (4,229.87)           |
|     | Total Equity  |      | 6,670.20            | 3.22          | 6,673.41             |
|     | Total Liabilities and equity  |      | 20,770.05           | 23.35         | 20,793.39            |



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

Ind AS 101 requires reconciliations of its equity reported in accordance with previous GAAP to its equity in accordance with Ind AS and a reconciliation to its total comprehensive income in accordance with Ind AS for the latest period in the entity's most recent annual financial statements. The Company has chosen to provide reconciliation of amount reported in accordance with previous GAAP to amount reported under Ind AS for each line item of balance sheet and statement of profit and loss as an additional disclosure.

The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

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.

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, 2019 (2018: 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, 2019<br>Payables (Refer note 10) | March 31, 2018<br>Payables (Refer note 10) |
|--|--|--|
| Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end         | 0.03                                       | -  |
| 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 | -  | -  |





**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

|  | March 31, 2019<br>Payables (Refer note 10) | March 31, 2018<br>Payables (Refer note 10) |
|--|--|--|
| 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   | -  | -  |

37. Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Information in accordance with the requirements of paragraph 18 of the Directions is given in Annexure I.

38. Disclosure as per RBI guidelines and circulars

Additional disclosures for the year ended March 31, 2019 in accordance with Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, are specified below:

(i) Capital to Risk Assets Ratio (CRAR)

|      | Items   | March 31, 2019 | March 31, 2018 |
|------|---|----------------|----------------|
| i)   | CRAR (%)  | 40.70%         | 35.24%         |
| ii)  | CRAR - Tier I capital (%)                             | 40.09%         | 34.84%         |
| iii) | CRAR - Tier II Capital (%)                            | 0.62%          | 0.40%          |
| iv)  | Amount of subordinated debt raised as Tier-II capital | -              | -              |
| v)   | Amount raised by issue of Perpetual Debt Instruments  | -              | -              |
| vi)  | Risk weighted assets                                  | 176,933        | 191,366        |

Tier I capital includes paid-up share capital and reserves

Tier II capital includes subordinated liabilities and expected credit loss

Additional disclosures for the year ended March 31, 2019 in accordance with Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, are specified below:

**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

ii) Investments

|      | Particulars  | March 31, 2019 | March 31, 2018 |
|------|--|----------------|----------------|
| 1)   | Value of Investments   |                |                |
| i)   | Gross value of Investments                                       | 446.25         | 446.25         |
| a)   | In India   | 446.25         | 446.25         |
| b)   | Outside India  | -              | -              |
| ii)  | Provision for Depreciation                                       | -              | -              |
| a)   | In India   | -              | -              |
| b)   | Outside India  | -              | -              |
| iii) | Net value of Investments   | 446.25         | 446.25         |
| a)   | In India   | 446.25         | 446.25         |
| b)   | Outside India  | -              | -              |
| 2)   | Movement of provisions held towards depreciation of investments. | -              | -              |
| i)   | Opening balances   | -              | -              |
| ii)  | Add: Provisions made during the year                             | -              | -              |
| iii) | Less: Write-off/ Write back of excess provisions during the year | -              | -              |
| iv)  | Closing balances   | -              | -              |

iii) Derivatives

Forward Rate Agreement / Interest Rate Swap

|      | Particulars   | March 31, 2019 | March 31, 2018 |
|------|---|----------------|----------------|
| i)   | The notional principal of swap agreements   | -              | -              |
| ii)  | Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements | -              | -              |
| iii) | Collateral required upon entering into swaps  | -              | -              |
| iv)  | Concentration of credit risk arising from the swaps   | -              | -              |
| v)   | The fair value of the swap book   | -              | -              |

iv) Exchange Traded Interest Rate (IR) Derivatives

|      | Particulars  | March 31, 2019 | March 31, 2018 |
|------|--|----------------|----------------|
| i)   | Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)             | -              | -              |
| ii)  | Notional principal amount of exchange traded IR derivatives Outstanding (instrument-wise)                            | -              | -              |
| iii) | Notional principal amount of exchange traded IR derivatives outstanding and not 'highly effective' (instrument-wise) | -              | -              |
| iv)  | Mark-to-market value of exchange traded IR derivatives outstanding and not 'highly effective' (instrument-wise)      | -              | -              |



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

v) Disclosures on Risk Exposure in Derivatives - Qualitative Disclosures

Derivative instruments are contracts whose value is derived from one or more underlying financial instruments or indices defined in the contract. Derivative instruments are fundamental to the Company's business and constitute an important element of its operations. The Company deals in derivatives for balance sheet management.

Dealing in derivatives is carried out by identified groups in the treasury. Derivative transactions are entered into by the treasury front office. Confirmation, settlement and accounting, risk monitoring and reporting is undertaken by other independent teams which also ensure compliance with various internal and regulatory guidelines.

The Company enters into derivative transactions under the authority granted by the Board of Directors to manage duration gaps in the current asset / liability profile.

The Company measures and monitors risk of its derivatives portfolio using risk metrics such as Value at Risk (VAR), market risk limits.

The Company has not entered into interest rate swap transaction; it does not trade in currency derivatives.

Quantitative Disclosure

|      | Particulars                             | Currency Derivatives | Interest Rate Derivatives |
|------|---|----------------------|---------------------------|
| i)   | Derivatives (Notional Principal Amount) | -                    | -                         |
|      | For hedging                             | -                    | -                         |
| ii)  | Marked to Market Positions [1]          | -                    | -                         |
| a)   | Asset (+)                               | -                    | -                         |
| b)   | Liability (-)                           | -                    | -                         |
| iii) | Credit Exposure [2]                     | -                    | -                         |
| iv)  | Unhedged Exposures                      | Not Applicable       | Not Applicable            |

vi) Disclosures relating to Securitisation

|    | Particulars   | March 31, 2019 | March 31, 2018 |
|----|---|----------------|----------------|
| 1  | No of SPVs sponsored for securitization transactions (SPVs relating to outstanding securitization transactions) | -              | -              |
| 2  | Total amount of securitised assets as per books of the SPVs sponsored   | -              | -              |
| 3  | Total amount of exposures retained to comply with MRR as on the date of balance sheet                           | -              | -              |
| a) | Off-balance sheet exposures   | -              | -              |
|    | First loss  | -              | -              |
|    | Others  | -              | -              |
| b) | On-balance sheet exposures  | -              | -              |
|    | First loss  | -              | -              |
|    | Others  | -              | -              |
| 4  | Amount of exposures to securitisation transactions other than MRR   | -              | -              |
| a) | Off-balance sheet exposures   | -              | -              |
| i) | Exposure to own securitizations   | -              | -              |



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

|     |   |   |   |
|-----|---|---|---|
|     | First loss                              | - | - |
|     | Loss                                    | - | - |
| ii) | Exposure to third party securitizations | - | - |
|     | First loss                              | - | - |
|     | Others                                  | - | - |
| b)  | On-balance sheet exposures              | - | - |
| i)  | Exposure to own securitizations         | - | - |
|     | First loss                              | - | - |
|     | Loss                                    | - | - |
| ii) | Exposure to third party securitizations | - | - |
|     | First loss                              | - | - |
|     | Others                                  | - | - |

vii) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

|      | Particulars   | March 31, 2019 | March 31, 2018 |
|------|---|----------------|----------------|
| i)   | No. of accounts   | -              | -              |
| ii)  | Aggregate value (net of provisions) of accounts sold to SC / RC                       | -              | -              |
| iii) | Aggregate consideration   | -              | -              |
| iv)  | Additional consideration realized in respect of accounts transferred in earlier years | -              | -              |
| v)   | Aggregate gain / loss over net book value   | -              | -              |

viii) Details of Assignment transactions undertaken by NBFCs

|      | Particulars   | March 31, 2019 | March 31, 2018 |
|------|---|----------------|----------------|
| i)   | No. of accounts   | -              | -              |
| ii)  | Aggregate value (net of provisions) of accounts sold                                  | -              | -              |
| iii) | Aggregate consideration   | -              | -              |
| iv)  | Additional consideration realized in respect of accounts transferred in earlier years | -              | -              |
| v)   | Aggregate gain / (loss) over net book value   | -              | -              |

ix) Details of non-performing financial assets purchased

|       | Particulars   | March 31, 2019 | March 31, 2018 |
|-------|---|----------------|----------------|
| 1 (a) | No. of accounts purchased during the year                 | -              | -              |
| (b)   | Aggregate outstanding                                     | -              | -              |
| 2 (a) | Of these, number of accounts restructured during the year | -              | -              |
| (b)   | Aggregate outstanding                                     | -              | -              |



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

x) Details of Non-performing Financial Assets sold

|   | Particulars                      | March 31, 2019 | March 31, 2018 |
|---|----------------------------------|----------------|----------------|
| 1 | No. of accounts sold             | -              | -              |
| 2 | Aggregate outstanding            | -              | -              |
| 3 | Aggregate consideration received | -              | -              |

xi) Exposure to Real Estate Sector

| Category                      |   | March 31, 2019 | March 31, 2018 |
|-------------------------------|---|----------------|----------------|
| (a)                           | Direct exposure   |                |                |
|                               | (i) Residential Mortgages -   | -              | -              |
|                               | Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;   |                |                |
|                               | (ii) Commercial Real Estate -   | -              | -              |
|                               | Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits; | -              | -              |
|                               | (iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -   |                |                |
|                               | a. Residential,   | -              | -              |
|                               | b. Commercial Real Estate.  | -              | -              |
| Total Exposure to Real Estate |   | -              | -              |

Note: Indirect Commercial real estate exposure as on March 31, 2019 Rs 2,293.17 million Previous Year Rs 2,733.94 million



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

xii) Maturity pattern of assets and liabilities (Based on contractual maturity)

As at March 31, 2019

|                              | Up to<br>30/31<br>days | Over one<br>month to<br>upto 2<br>months | Over 2<br>months<br>to upto 3<br>months | Over 3<br>months<br>and<br>upto 6<br>months | Over 6<br>months<br>and upto<br>1 year | Over 1<br>year<br>and<br>upto to<br>3 years | Over<br>3<br>years<br>and<br>upto<br>5<br>years | Over 5<br>years | Total     |
|------------------------------|------------------------|--|---|---|--|---|---|-----------------|-----------|
| Fixed Deposits               | 400.00                 | -  | -                                       | -   | -                                      | -   | -   | -               | 400.00    |
| Advances (Gross)             | 6,855.37               | 3,918.14                                 | 2,958.85                                | 1,961.54                                    | 1,152.51                               | -   | -   | -               | 16,846.41 |
| Investments                  | -                      | -  | -                                       | -   | -                                      | -   | -   | 446.25          | 446.25    |
| Borrowings                   | -                      | 1,485.34                                 | 3,291.70                                | 3,627.26                                    | 3,020.37                               | -   | -   | -               | 11,424.67 |
| Foreign Currency liabilities | 1.53                   | -  | -                                       | -   | -                                      | -   | -   | -               | 1.53      |

As at March 31, 2018

|                              | Up to<br>30/31<br>days | Over one<br>month to<br>upto 2<br>months | Over 2<br>months<br>to upto 3<br>months | Over 3<br>months<br>and<br>upto 6<br>months | Over 6<br>months<br>and upto<br>1 year | Over 1<br>year<br>and<br>upto to<br>3 years | Over<br>3<br>years<br>and<br>upto<br>5<br>years | Over 5<br>years | Total     |
|------------------------------|------------------------|--|---|---|--|---|---|-----------------|-----------|
| Fixed Deposits               | 1,125.00               | -  | -                                       | -   | -                                      | -   | -   | -               | 1,125.00  |
| Advances (Gross)             | 4,379.04               | 3,800.07                                 | 3,195.18                                | 2,661.32                                    | 4,264.28                               | -   | -   | -               | 18,299.89 |
| Investments                  | -                      | -  | -                                       | -   | -                                      | -   | -   | 446.25          | 446.25    |
| Borrowings                   | 2,493.11               | 4,005.60                                 | 1,973.49                                | 3,166.09                                    | 2,449.73                               | -   | -   | -               | 14,088.02 |
| Foreign Currency liabilities | 0.004                  | -  | -                                       | -   | -                                      | -   | -   | -               | 0.004     |



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

xiii) Exposure to Capital Market

|       | Particulars   | March 31, 2019 | March 31, 2018 |
|-------|---|----------------|----------------|
| i)    | direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;  | 446.25         | 446.25         |
| ii)   | advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;*   | -              | -              |
| iii)  | advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;*  | 15,134.03      | 14,383.62      |
| iv)   | advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances; | -              | -              |
| v)    | secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;   | -              | -              |
| vi)   | loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;   | -              | -              |
| vii)  | bridge loans to companies against expected equity flows / issues;   | -              | -              |
| viii) | all exposures to Venture Capital Funds (both registered and unregistered)   | -              | -              |
|       | Total Exposure to Capital Market  | 15,580.28      | 14,829.87      |

\*Previous year figures have been reclassified from point (ii) to (iii)

xiv) During the year, the Company's credit exposures to single and group borrowers were within the prudential exposure limits prescribed by RBI. The total amount of exposure in excess of the prudential limit as at March 31, 2019 was Nil (2018: Nil).



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

xv) There are no loan and advances which are unsecured as at March 31, 2019 for which intangible securities such as charge over the rights, licenses, authority have taken as intangible collateral (2018: Nil).

xvi) During the year there are no penalties imposed on the Company (2018: Nil).

xvii) The Company is registered as a Non Banking Financial Company ('NBFC') with Reserve Bank of India (RBI) and is classified as Non Deposit taking Systemically Important (ND-SI) NBFC for regulatory / reporting purposes and has not obtained registration from any other financial sector regulator as at March 31, 2019 (2018: Nil).

xviii) Credit Rating

| Rating Agency | Instrument                 | March 31, 2019                    | March 31, 2018                    |
|---------------|----------------------------|-----------------------------------|-----------------------------------|
| ICRA          | Commercial Paper           | [ICRA] A1+                        | [ICRA] A1+                        |
|               | Equity Linked Debentures   | PP-MLD [ICRA] AAA/ Stable Outlook | PP-MLD [ICRA] AAA/ Stable Outlook |
|               | Non-Convertible Debentures | [ICRA] AAA / Stable Outlook       | [ICRA] AAA / Stable Outlook       |
| CRISIL        | Commercial Paper           | A1+                               | A1+                               |

There is no migration in rating during the year

xix) Provisions and Contingencies

|      | Particulars                                      | March 31, 2019 | March 31, 2018 |
|------|--|----------------|----------------|
| i)   | Provisions for depreciation on Investment        | -              | -              |
| ii)  | Provision towards NPA                            | -              | -              |
| iii) | Provision made towards Income tax                | 136.34         | 124.26         |
| iv)  | Other Provision and Contingencies (with details) |                |                |
|      | - Legal provision                                | -              | -              |
|      | - Service tax credit/GST credit                  | 2.39           | 3.17           |
| v)   | Provision towards impaired assets (Stage 1)      | 30.84          | 26.76          |

xx) The Company has not made any draw down from reserves during the year (2018: Nil).

xxi) Concentration of Deposits, Advances, Exposures and NPAs

a) Concentration of Advances\*

| Particulars  | March 31, 2019 | March 31, 2018 | April 01, 2017 |
|--|----------------|----------------|----------------|
| Total Advances to twenty largest borrowers                                       | 10,201.57      | 9,708.08       | 11,373.37      |
| Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC | 60.56%         | 53.05%         | 51.42%         |

\* Represents outstanding balances

b) Concentration of Exposures\*#



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

| Particulars  | March 31, 2019 | March 31, 2018 | April 01, 2017 |
|--|----------------|----------------|----------------|
| Total Exposure to twenty largest borrowers / customers   | 10,638.12      | 10,339.85      | 13,910.00      |
| Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers | 58.75%         | 50.00%         | 41.82%         |

\* Represents credit and investment exposure

# Represents outstanding balance or limits whichever is higher

c) Concentration of NPAs

| Particulars                             | March 31, 2019 | March 31, 2018 | April 01, 2017 |
|---|----------------|----------------|----------------|
| Total Exposure to top four NPA accounts | -              | -              | -              |

d) Sector-wise NPAs

|   | Sector                          | Percentage of NPAs to Total Advances in that sector for 2018-19 | Percentage of NPAs to Total Advances in that sector for 2017-18 |
|---|---------------------------------|---|---|
| 1 | Agriculture & allied activities | -   | -   |
| 2 | MSME                            | -   | -   |
| 3 | Corporate borrowers             | -   | -   |
| 4 | Services                        | -   | -   |
| 5 | Unsecured personal loans        | -   | -   |
| 6 | Auto loans                      | -   | -   |
| 7 | Other personal loans            | -   | -   |

xxii) Movement of NPAs

|    | Sector  | Percentage of NPAs to Total Advances in that sector for 2018-19 | Percentage of NPAs to Total Advances in that sector for 2017-18 |
|----|---|---|---|
| 1  | Net NPAs to Net Advances (%)  | -   | -   |
| 2  | Movement of NPAs (Gross)  | -   | -   |
| a) | Opening balance   | -   | -   |
| b) | Additions during the year   | -   | -   |
| c) | Reductions during the year  | -   | -   |
| d) | Closing balance   | -   | -   |
| 3  | Movement of Net NPAs  | -   | -   |
| a) | Opening balance   | -   | -   |
| b) | Additions during the year   | -   | -   |
| c) | Reductions during the year  | -   | -   |
| d) | Closing balance   | -   | -   |
| 4  | Movement of provisions for NPAs (excluding provisions on standard assets) | -   | -   |
| a) | Opening balance   | -   | -   |

**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

|    |   |   |   |
|----|---|---|---|
| b) | Provisions made during the year             | - | - |
| c) | Write-off / write-back of excess provisions | - | - |
| d) | Closing balance                             | - | - |

xxiii) Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

| Name of the Joint Venture/<br>Subsidiary | Other Partner in the JV | Country | Total Assets as at Mar 31,<br>2019 |
|--|-------------------------|---------|------------------------------------|
| -  | -                       | -       | -                                  |

| Name of the Joint Venture/<br>Subsidiary | Other Partner in the JV | Country | Total Assets as at Mar 31,<br>2018 |
|--|-------------------------|---------|------------------------------------|
| -  | -                       | -       | -                                  |

xxiv) Off- balance Sheet SPV Sponsored

| Name of the SPV Sponsored as at Mar 31, 2019 |          |
|--|----------|
| Domestic                                     | Overseas |
|  |          |

| Name of the SPV Sponsored as at Mar 31, 2018 |          |
|--|----------|
| Domestic                                     | Overseas |
|  |          |

xxv) Customer Complaints

| Particulars  | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
|--|------------------------------|------------------------------|
| No. of complaints pending at the beginning of the year | -                            | -                            |
| No. of complaints received during the year             | 8                            | 9                            |
| No. of complaints redressed during the year            | 8                            | 9                            |
| No. of complaints pending at the end of the year       | -                            | -                            |

39. The Corporate Social Responsibility Expenditure

Gross amount required to be spent by the Company during the year – Rs. 10.55 million (2018: Rs. 10.00 million)

Amount spent during the year on:

| Sr.<br>No. | Particulars                           | In cash | Yet to be paid<br>in cash | Year ended<br>March 31, 2019 |
|------------|---------------------------------------|---------|---------------------------|------------------------------|
| (i)        | Construction/acquisition of any asset | -       | -                         | -                            |
| (ii)       | On purposes other than<br>(i) above   | 10.55   | -                         | 10.55                        |



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

| Sr. No. | Particulars                           | In cash | Yet to be paid in cash | Year ended March 31, 2018 |
|---------|---------------------------------------|---------|------------------------|---------------------------|
| (i)     | Construction/acquisition of any asset | -       | -                      | -                         |
| (ii)    | On purposes other than (i) above      | 10.00   | -                      | 10.00                     |

40. There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2019 (2018: Nil, 2017: Nil).

For B S R & Co. LLP  
*Chartered Accountants*  
 Firm registration No. 101248W/W-100022

Sd/-

Sameer Mota  
*Partner*  
 Membership No. 109928

Place : Mumbai  
 Date : June 25, 2019

For and on behalf of the Board

Sd/-

Rakesh Kripalani  
*Director*  
 DIN No. 02877283

Sd/-

Ritika Mehrotra  
*Chief Financial Officer*

Place : Mumbai  
 Date : June 25, 2019

Sd/-

Ruzbeh Sutaria  
*Director*  
 DIN No. 07889937

Sd/-

Noopur Gupta  
*Company Secretary*  
 ACS 27413

Schedule to the Balance Sheet of a non-deposit taking non-banking financial company for year ended 31 March 2019,  
(as required in terms of paragraph 18 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company  
and Deposit taking Company (Reserve Bank) Directions, 2016

| Particulars      |   |  |  | (Rs. in lakhs)     |                |
|------------------|---|--|--|--------------------|----------------|
| Liabilities side |   |  |  | Amount outstanding | Amount overdue |
| 1                | Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid: |  |  |                    |                |
|                  | (a)   | Debentures : Secured   |  | -                  | -              |
|                  |   | : Unsecured  |  | -                  | -              |
|                  |   | (other than falling within the meaning of public deposits#)  |  | -                  | -              |
|                  | (b)   | Deferred Credits   |  | -                  | -              |
|                  | (c)   | Term Loans   |  | -                  | -              |
|                  | (d)   | Inter-corporate loans and borrowing  |  | -                  | -              |
|                  | (e)   | Commercial Paper   |  | 114,247            | -              |
|                  | (f)   | Public Deposits#   |  | -                  | -              |
|                  | (g)   | Other Loans (specify nature)   |  | -                  | -              |
|                  | # Please see Note 1 below   |  |  |                    |                |
| 2                | Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :         |  |  |                    |                |
|                  | (a)   | In the form of Unsecured debentures  |  |                    |                |
|                  | (b)   | In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security |  |                    |                |
|                  | (c)   | Other public deposits  |  |                    |                |
|                  | # Please see Note 1 below   |  |  |                    |                |
| Assets side      |   |  |  | Amount outstanding |                |
| 3                | Break-up of Loans and Advances including bills receivables [other than those included in (4) below]                 |  |  |                    |                |
|                  | (a)   | Secured (Refer Note 5 of Notes to the Financial statements)  |  | 168,464            |                |
|                  | (b)   | Unsecured (Refer Note 5 of Notes to the Financial statements)  |  |                    | -              |
| 4                | Break up of Leased Assets and stock on hire and other assets counting towards AFC activities                        |  |  |                    |                |
|                  | (i)   | Lease assets including lease rentals under sundry debtors :  |  |                    |                |
|                  |   | (a)  | Financial lease                          |                    | -              |
|                  |   | (b)  | Operating lease                          |                    | -              |
|                  | (ii)  | Stock on hire including hire charges under sundry debtors:   |  |                    |                |
|                  |   | (a)  | Assets on hire                           |                    | -              |
|                  |   | (b)  | Repossessed Assets                       |                    | -              |
|                  | (iii)   | Other loans counting towards AFC activities  |  |                    |                |
|                  |   | (a)  | Loans where assets have been repossessed |                    | -              |
|                  |   | (b)  | Loans other than (a) above               |                    | -              |
| 5                | Break-up of Investments   |  |  |                    |                |
|                  | Current Investments   |  |  |                    |                |
|                  | 1   | Quoted   |  |                    |                |
|                  |   | (i)  | Shares                                   |                    |                |
|                  |   |  | (a) Equity                               |                    | -              |
|                  |   |  | (b) Preference                           |                    | -              |
|                  |   | (ii)   | Debentures and Bonds                     |                    | -              |
|                  |   | (iii)  | Units of mutual funds                    |                    | -              |
|                  |   | (iv)   | Government Securities                    |                    | -              |
|                  |   | (v)  | Others (please specify)                  |                    | -              |
|                  | 2   | Unquoted   |  |                    |                |
|                  |   | (i)  | Shares                                   |                    |                |
|                  |   |  | (a) Equity                               |                    | -              |
|                  |   |  | (b) Preference                           |                    | -              |
|                  |   | (ii)   | Debentures and Bonds                     |                    | -              |
|                  |   | (iii)  | Units of mutual funds                    |                    | -              |
|                  |   | (iv)   | Government Securities                    |                    | -              |
|                  |   | (v)  | Others (please specify)                  |                    | -              |

|   |   |                             |  |                                |         |
|---|---|-----------------------------|--|--------------------------------|---------|
|   |   |                             |  |                                |         |
| Long Term Investments   |   |                             |  |                                |         |
| 1   | Quoted                                  |                             |  |                                |         |
|   | (i)                                     | Share                       |  |                                |         |
|   |   | (a)                         | Equity                                       |                                | -       |
|   |   | (b)                         | Preference                                   |                                | -       |
|   | (ii)                                    | Debentures and Bonds        |  |                                | -       |
|   | (iii)                                   | Units of mutual funds       |  |                                | -       |
|   | (iv)                                    | Government Securities       |  |                                | -       |
| (v)   | Others (please specify)                 |                             |  | -                              |         |
| 2   | Unquoted                                |                             |  |                                |         |
|   | (i)                                     | Shares                      |  |                                |         |
|   |   | (a)                         | Equity                                       |                                | 4,463   |
|   |   | (b)                         | Preference                                   |                                | -       |
|   | (ii)                                    | Debentures and Bonds        |  |                                | -       |
|   | (iii)                                   | Units of mutual funds       |  |                                | -       |
|   | (iv)                                    | Government Securities       |  |                                | -       |
| (v)   | Others (please specify)                 |                             |  | -                              |         |
| 6 Borrower group-wise classification of assets financed as in (3) and (4) above   |   |                             |  |                                |         |
|   |   |                             |  |                                |         |
| Please see Note 2 below   |   |                             |  |                                |         |
| Loans   |   |                             |  |                                |         |
| Category  |   |                             | Amount net of provisions                     |                                |         |
|   |   |                             | Secured                                      | Unsecured                      | Total   |
| 1   | Related Parties                         |                             |  |                                |         |
|   | (a)                                     | Subsidiaries                | -  | -                              | -       |
|   | (b)                                     | Companies in the same group | -  | -                              | -       |
|   | (c)                                     | Other related parties       | -  | -                              | -       |
| 2 Other than related parties*   |   |                             | 168,464                                      | -                              | 168,464 |
| Total   |   |                             | 168,464                                      | -                              | 168,464 |
| 7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) |   |                             |  |                                |         |
| Please see note 3 below   |   |                             |  |                                |         |
| Category  |   |                             | Market Value / Break up or fair value or NAV | Book Value (Net of Provisions) |         |
| 1   | Related Parties                         |                             |  |                                |         |
|   | (a)                                     | Subsidiaries                | -  |                                | -       |
|   | (b)                                     | Companies in the same group | -  |                                | -       |
|   | (c)                                     | Other related parties       | 4,463  |                                | 4,463   |
| 2 Other than related parties  |   |                             | -  |                                | -       |
| Total   |   |                             | 4,463  |                                | 4,463   |
| As per Accounting Standard of ICAI (Please see Note 3)  |   |                             |  |                                |         |
| 8 Other information   |   |                             |  |                                |         |
| Particulars   |   |                             | Amount                                       |                                |         |
| (i)   | Gross Non-Performing Assets             |                             |  |                                |         |
|   | (a)                                     | Related parties             |  |                                | -       |
|   | (b)                                     | Other than related parties  |  |                                | -       |
| (ii)  | Net Non-Performing Assets               |                             |  |                                |         |
|   | (a)                                     | Related parties             |  |                                | -       |
|   | (b)                                     | Other than related parties  |  |                                | -       |
| (iii)   | Assets acquired in satisfaction of debt |                             |  |                                |         |

#### Notes

- As defined in point xix of paragraph 3 of Chapter -2 of Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
- Provisioning norms shall be applicable as prescribed in Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.

## INDEPENDENT AUDITOR'S REPORT

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To the Members of Barclays Investment and Loans (India) Private Limited

Report on the audit of the Consolidated Financial Statements

### Opinion

We have audited the Consolidated Financial Statements of Barclays Investments and Loans (India) Private Limited (formerly known as Barclays Investments and Loans (India) Limited) (hereinafter referred to as the 'Holding Company'), and its associate, which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the 'Consolidated Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Holding Company and its associate as at 31 March 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

### Basis for opinion

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the auditor's responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Holding Company and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (the 'ICAI'), and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other information

The Holding Company's management and the Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the Consolidated Financial Statements and our auditor's report thereon.

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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of management and those charged with governance for the consolidated financial statements

The Holding Company's management and the Board of Directors are responsible for the preparation and 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, consolidated statement of changes in equity and consolidated cash flows of the Holding Company and its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under

section 133 of the Act. The respective Board of Directors of the Holding Company and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective management and the Board of Directors of the Holding Company and of its associate are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Holding Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Holding Company and of its associates is responsible for overseeing the financial reporting process of each company.

#### 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 skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the Consolidated Ind AS 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 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 in preparation of Consolidated Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 Holding Company as well as associates 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.

Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Holding Company and its associate to express an opinion on the Consolidated Financial Statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. We remain solely responsible for our audit opinion.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements 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.

#### Other matter

The comparative financial information of the Holding Company and its associates for the transition date opening balance sheet as at 1 April 2017 included in these Consolidated Financial Statements, are based on the previously issued statutory consolidated financial statements for the year ended 31 March 2017 prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 audited by the predecessor auditor whose report dated 28 August 2017 expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Holding Company on transition to the Ind AS, which have been audited by us.

Our opinion on the Consolidated Financial Statements is not modified in respect of this matter.

#### Report on other legal and regulatory requirements

2. As required by Section 143(3) of the Act, based on our audit and on consideration of report of auditor of the associate we report, to the extent applicable, that:
  - g) 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.
  - h) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books.
  - i) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
  - j) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under section 133 of the Act.



- k) On the basis of the written representations received from the directors of the Holding Company and the report of statutory auditors of the associate company incorporated in India, none of the directors of the Holding company and Associate incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act; and
  - l) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its associate company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- v. The Consolidated Financial Statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Holding Company and its associate. Refer Note 26 to the Consolidated Financial Statements.
  - vi. The Holding Company and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2019.
  - vii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its associate incorporated in India during the year ended 31 March 2019; and
  - viii. The disclosures in the Consolidated Financial Statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended 31 March 2019. However, amounts as appearing in the audited consolidated financial statements for the period ended 31 March 2017 have been disclosed.
4. 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 remuneration paid during the current year by the Holding Company to its directors from 1 April 2018 to 3 April 2018 is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act. The Holding Company being a private limited company w.e.f. 4 April 2018, provisions of section 197 of the Act are not applicable to the Holding Company and no reporting is required under this clause for the period from 4 April 2018 to 31 March 2019. Associate being a private limited company, provisions of section 197 of the Act are not applicable to the Associate and no reporting is required under this clause.

For B S R & Co. LLP  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

Sd/-

Sameer Mota  
Partner  
Membership No. 109928

Mumbai  
September 19, 2019

Annexure A to the Independent Auditor's report on the Consolidated Financial Statements of Barclays Investments and Loans (India) Private Limited for the year ended 31 March 2019.

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Report on the internal financial controls with reference to the aforesaid the consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (1.(A)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 the Barclays Investments and Loans (India) Private Limited (formerly known as Barclays Investments and Loans (India) Limited) (the hereinafter referred to as the 'Holding Company') as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to the Consolidated Financial Statements of the Holding Company and a company incorporated in India under the Companies Act 2013 which is its associate company, as of that date.

In our opinion, the Holding Company has, in all material respects, adequate internal financial controls with reference to the consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, 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 respective company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to the Consolidated Financial Statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. 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 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 (hereinafter referred to as the 'Act').

#### Auditor's Responsibility

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

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 with respect to the Consolidated Financial Statement, 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 the Consolidated Financial Statements.

#### Meaning of Internal Financial controls with Reference to the Consolidated Financial Statements

A company's internal financial controls with reference to the Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the 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 the consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

#### Inherent Limitations of Internal Financial controls with Reference to the Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to the 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 the Consolidated Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the 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 B S R & Co. LLP  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

Sd/-

Sameer Mota  
Partner  
Membership No. 109928

Mumbai  
September 19, 2019

|   | Note | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 01, 2017 |
|---|------|-------------------------|-------------------------|-------------------------|
| <b>ASSETS</b>   |      |                         |                         |                         |
| (1) Financial assets  |      |                         |                         |                         |
| (a) Cash and cash equivalents   | 4    | 572.42                  | 1,315.41                | 866.17                  |
| (b) Loans   | 5    | 16,766.48               | 18,250.43               | 22,095.99               |
| (c) Investments   | 6    | 617.14                  | 655.68                  | 677.96                  |
| (d) Other financial assets  | 7    | 145.03                  | 142.88                  | 148.99                  |
| Total financial assets  |      | 18,101.07               | 20,364.40               | 23,789.11               |
| (2) Non-financial assets  |      |                         |                         |                         |
| (a) Current tax assets (net)  |      | 618.65                  | 621.36                  | 595.76                  |
| (b) Property, plant and equipment   | 8    | 16.57                   | 16.91                   | 17.25                   |
| (c) Other Non-financial assets  | 9    | -                       | 0.15                    | -                       |
| Total non-financial assets  |      | 635.22                  | 638.42                  | 613.01                  |
| Total Assets  |      | 18,736.29               | 21,002.82               | 24,402.12               |
| <b>LIABILITIES AND EQUITY</b>   |      |                         |                         |                         |
| <b>LIABILITIES</b>  |      |                         |                         |                         |
| (1) Financial liabilities   |      |                         |                         |                         |
| (a) Payables  | 10   |                         |                         |                         |
| (i) Other payables  |      |                         |                         |                         |
| (i) total outstanding dues of micro enterprises and small enterprises                       |      | 0.03                    | -                       | -                       |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises |      | 12.39                   | 6.49                    | 21.64                   |
| (b) Borrowings (Other than Debt Securities)   | 11   | 11,424.67               | 14,088.02               | 17,878.84               |
| (c) Subordinated liabilities  | 12   | 22.17                   | 20.13                   | 18.27                   |
| Total financial liabilities   |      | 11,459.26               | 14,114.64               | 17,918.75               |
| (2) Non-Financial liabilities   |      |                         |                         |                         |
| (a) Provisions  | 13   | 2.59                    | 3.22                    | 2.31                    |
| (b) Other non-financial liabilities   | 14   | 4.62                    | 2.16                    | 2.24                    |
| Total non-financial liabilities   |      | 7.21                    | 5.38                    | 4.55                    |
| (3) EQUITY  |      |                         |                         |                         |
| (a) Share Capital   | 15   | 10,903.28               | 10,903.28               | 10,903.28               |
| (b) Other equity  | 16   | (3,633.46)              | (4,020.48)              | (4,424.46)              |
| Total Equity  |      | 7,269.82                | 6,882.80                | 6,478.82                |
| Total Liabilities and Equity  |      | 18,736.29               | 21,002.82               | 24,402.12               |

Significant accounting policies and Notes on accounts  
The notes are an integral part of these financial statements  
As per our report of even date

3

For B S R & Co. LLP  
Chartered Accountants  
Firm registration No. 101248W/W-100022

For and on behalf of the Board

Sd/-  
  
Sameer Mota  
Partner  
Membership No. 109928

Sd/-  
  
Rakesh Kripalani  
Director  
DIN No. 02877283

Sd/-  
  
Ruzbeh Sutaria  
Director  
DIN No. 07889937

Sd/-  
  
Ritika Mehrotra  
Chief Financial Officer

Sd/-  
  
Noopur Gupta  
Company Secretary  
ACS 27413

Place : Mumbai  
Date : September 19, 2019

Place: Mumbai  
Date: September 19, 2019



BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
(formerly known as BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2019  
(All amounts in Indian Rupees millions)

|   | Note | March 31, 2019 | March 31, 2018 |
|---|------|----------------|----------------|
| (I) REVENUE FROM OPERATIONS   |      |                |                |
| (i) Interest income   | 17   | 1,581.05       | 1,773.47       |
| Total revenue from operations   |      | 1,581.05       | 1,773.47       |
| (II) Other income   | 18   | 0.13           | 13.87          |
| (III) Total income ( I + II )   |      | 1,581.18       | 1,787.34       |
| (IV) EXPENSES   |      |                |                |
| (i) Finance costs   | 19   | 929.09         | 1,139.50       |
| (ii) Impairment on financial assets   | 20   | 30.84          | 26.76          |
| (ix) Employee benefits expenses   | 21   | 28.87          | 11.85          |
| (x) Depreciation and impairment   | 22   | 0.34           | 0.34           |
| (xi) Other expenses   | 23   | 43.22          | 58.40          |
| Total expenses  |      | 1,032.36       | 1,236.85       |
| (V) Profit before exceptional items and tax (III-IV)                                  |      | 548.82         | 550.49         |
| (VI) Exceptional items  |      | -              | -              |
| (VII) Profit before tax ( V - VI )  |      | 548.82         | 550.49         |
| (VIII) Tax expense  |      |                |                |
| (1) Current tax   |      | 136.34         | 124.26         |
| (2) Deferred tax  |      | -              | -              |
| Total tax expense (1+2)   |      | 136.34         | 124.26         |
| (IX) Profit for the year (VII-VIII)   |      | 412.48         | 426.23         |
| Share of net loss in associate  |      | (23.92)        | (23.48)        |
| Profit for the year   |      | 388.56         | 402.75         |
| (X) Other comprehensive income  |      |                |                |
| (A) (i) Items that will not be reclassified to profit or loss                         |      |                |                |
| - Remeasurements of the defined benefit liabilities                                   |      | (0.54)         | 0.04           |
| Sub-total   |      | (0.54)         | 0.04           |
| (ii) Income tax relating to items that will not be reclassified to profit or loss     |      | 0.12           | (0.01)         |
| Other comprehensive income  |      | (0.42)         | 0.03           |
| Share of net other comprehensive income in associate                                  |      | (1.12)         | 1.20           |
| Other comprehensive income  |      | (1.54)         | 1.23           |
| (XV) Total Comprehensive Income for the year (XIII+XIV)                               |      | 387.02         | 403.98         |
| Earnings per equity share [Face value of Rs. 50 (2018: Rs.50; 2017: Rs 50)] (Note 25) |      |                |                |
| Basic and diluted   |      | 1.78           | 1.85           |

Significant Accounting Policies  
The notes are an integral part of these financial statements  
As per our report of even date

3

For B S R & Co. LLP  
Chartered Accountants  
Firm registration No. 101248W/W-100022

For and on behalf of the Board

Sd/-  
Sameer Mota  
Partner  
Membership No. 109928

Sd/-  
Rakesh Kripalani  
Director  
DIN No. 02877283

Sd/-  
Ruzbeh Sutaria  
Director  
DIN No. 07889937

Sd/-  
Ritika Mehrotra  
Chief Financial Officer

Sd/-  
Noopur Gupta  
Company Secretary  
ACS 27413

Place : Mumbai  
Date : September 19, 2019

Place : Mumbai  
Date : September 19, 2019



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
(formerly known as BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019**  
(All amounts in Indian Rupees millions)

|  | March 31, 2019 | March 31, 2018 |
|--|----------------|----------------|
| <i>Cash flows from operating activities</i>                      |                |                |
| Profit before taxation   | 548.82         | 550.49         |
| Adjustments for  |                |                |
| Impairment on financial assets                                   | 30.84          | 26.76          |
| Interest income on fixed deposits                                | (37.82)        | (73.59)        |
| Dividend income  | -              | -              |
| Depreciation on fixed assets                                     | 0.34           | 0.34           |
| (Write back)/Provision for compensated absences and gratuity     | (0.17)         | 0.59           |
| Interest on borrowings   | 929.09         | 1,139.50       |
| Provision for service tax/GST asset unutilised                   | 2.39           | 3.17           |
| Operating profit before working capital changes                  | 1,473.49       | 1,647.26       |
| Adjustments for  |                |                |
| Decrease in loans and advances                                   | 1,453.48       | 3,819.01       |
| (Increase)/Decrease in other financial assets                    | (2.90)         | 5.89           |
| (Increase)/Decrease in non financial assets                      | 0.15           | (0.15)         |
| Increase/(Decrease) in Payables                                  | 5.93           | (15.15)        |
| Increase/(Decrease) in Investment                                | 13.49          | -              |
| Increase/(Decrease) in non financial liabilities                 | 2.46           | (0.08)         |
| Decrease in Provisions   | (2.85)         | (2.84)         |
| Cash flow generated from operations                              | 1,469.76       | 3,806.68       |
| Payment of taxes (net)   | (133.67)       | (149.82)       |
| Cash flow from operating activities (A)                          | 2,809.58       | 5,304.12       |
| <i>Cash flows from investing activities</i>                      |                |                |
| Interest received on fixed deposits                              | 37.82          | 73.59          |
| Cash flow from investing activities (B)                          | 37.82          | 73.59          |
| <i>Cash flows from financing activities</i>                      |                |                |
| Proceeds from borrowings   | 5,345.00       | 4,040.00       |
| Repayments of borrowings   | (5,345.00)     | (4,040.00)     |
| Proceeds from commercial papers                                  | 22,683.28      | 28,395.67      |
| Repayment of commercial papers                                   | (26,250.00)    | (33,300.00)    |
| Interest on borrowings   | (23.67)        | (24.13)        |
| Cash flow used in financing activities (C)                       | (3,590.39)     | (4,928.46)     |
| Net (decrease)/increase in cash and cash equivalents (A + B + C) | (742.99)       | 449.25         |
| Cash and cash equivalents as at beginning of the year            | 1,315.41       | 866.17         |
| Cash and cash equivalents as at the end of the year*             | 572.42         | 1,315.41       |

\*Notes :

1. Cash and cash equivalents at the end of year comprises of the following:
- Balance with bank
  - In current account
  - In fixed deposit account (original maturity of 3 months or less)
- Cash and cash equivalents as per Balance sheet

As at  
March 31, 2019

As at  
March 31, 2018

|        |          |
|--------|----------|
| 172.42 | 190.41   |
| 400.00 | 1,125.00 |
| 572.42 | 1,315.41 |

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

Significant Accounting Policies  
As per our report of even date

3

For B S R & Co. LLP  
Chartered Accountants  
Firm registration No. 101248W/W-100022

For and on behalf of the Board

Sd/-

Sd/-

Sd/-

Sameer Mota  
Partner  
Membership No. 109928

Rakesh Kripalani  
Director  
DIN No. 02877283

Ruzbeh Sutaria  
Director  
DIN No. 07889937

Sd/-

Sd/-

Ritika Mehrotra  
Chief Financial Officer

Noopur Gupta  
Company Secretary  
ACS 27413

Place : Mumbai  
Date : September 19, 2019

Place : Mumbai  
Date : September 19, 2019

**A. Equity share capital**

|   | No. of shares      | Amount           |
|---|--------------------|------------------|
| <b>Equity shares of Rs. 50 each issue, subscribed and fully paid up</b> |                    |                  |
| <b>As on April 01, 2017</b>   | 218,065,712        | 10,903.28        |
| <b>Changes in equity share capital during the year</b>                  | -                  | -                |
|   | <b>218,065,712</b> | <b>10,903.28</b> |
| <b>As on March 31, 2018</b>   | 218,065,712        | 10,903.28        |
| <b>Changes in equity share capital during the year</b>                  | -                  | -                |
|   | <b>218,065,712</b> | <b>10,903.28</b> |
| <b>As on March 31, 2019</b>   | 218,065,712        | 10,903.28        |
| <b>Changes in equity share capital during the year</b>                  | -                  | -                |
|   | <b>218,065,712</b> | <b>10,903.28</b> |

**B. Other equity**

|   | Reserves and Surplus               |                    |                 |                            |                   |                        | Other comprehensive income                  | Total             |
|---|------------------------------------|--------------------|-----------------|----------------------------|-------------------|------------------------|---|-------------------|
|   | Reserve u/s 45-IA of RBI Act, 1934 | Securities premium | General reserve | Capital redemption reserve | Retained earnings | Contribution by parent | Remeasurement of defined benefit obligation |                   |
| <b>Opening balance as on April 01, 2017</b>       | 358.97                             | 6.15               | 35.70           | 2.11                       | (4,866.96)        | 39.28                  | 0.29  | (4,424.46)        |
| Total comprehensive income for the year           |                                    |                    |                 |                            |                   |                        |   |                   |
| - Profit for the year                             | -                                  | -                  | -               | -                          | 402.75            | -                      | -   | 402.75            |
| - Other comprehensive income                      | -                                  | -                  | -               | -                          | -                 | -                      | 1.23  | 1.23              |
| Transfer to reserve u/s 45IA of the RBI Act, 1934 | 91.81                              | -                  | -               | -                          | (91.81)           | -                      | -   | -                 |
| <b>Changes during the year</b>                    | <b>91.81</b>                       | <b>-</b>           | <b>-</b>        | <b>-</b>                   | <b>310.94</b>     | <b>-</b>               | <b>1.23</b>                                 | <b>403.98</b>     |
| <b>Closing balance as on March 31, 2018</b>       | <b>450.78</b>                      | <b>6.15</b>        | <b>35.70</b>    | <b>2.11</b>                | <b>(4,556.02)</b> | <b>39.28</b>           | <b>1.52</b>                                 | <b>(4,020.48)</b> |
| <b>Opening balance as on April 01, 2018</b>       | 450.78                             | 6.15               | 35.70           | 2.11                       | (4,556.02)        | 39.28                  | 1.52  | (4,020.48)        |
| Total comprehensive income for the year           |                                    |                    |                 |                            |                   |                        |   |                   |
| - Profit for the year                             | -                                  | -                  | -               | -                          | 388.56            | -                      | -   | 388.56            |
| - Other comprehensive income                      | -                                  | -                  | -               | -                          | -                 | -                      | (1.54)                                      | (1.54)            |
| Transfer to reserve u/s 45IA of the RBI Act, 1934 | 85.20                              | -                  | -               | -                          | (85.20)           | -                      | -   | -                 |
| <b>Changes during the year</b>                    | <b>85.20</b>                       | <b>-</b>           | <b>-</b>        | <b>-</b>                   | <b>303.36</b>     | <b>-</b>               | <b>(1.54)</b>                               | <b>387.02</b>     |
| <b>Closing balance as on March 31, 2019</b>       | <b>535.98</b>                      | <b>6.15</b>        | <b>35.70</b>    | <b>2.11</b>                | <b>(4,252.66)</b> | <b>39.28</b>           | <b>(0.02)</b>                               | <b>(3,633.46)</b> |

As per our report of even date

For B S R & Co. LLP  
Chartered Accountants  
Firm registration No. 101248W/W-100022

For and on behalf of the Board

Sd/-  
  
Sameer Mota  
Partner  
Membership No. 109928

Sd/-  
  
Rakesh Kripalani  
Director  
DIN No. 02877283

Sd/-  
  
Ritika Mehrotra  
Chief Financial Officer

Sd/-  
  
Ruzbeh Sutaria  
Director  
DIN No. 07889937

Sd/-  
  
Noopur Gupta  
Company Secretary  
ACS 27413

Place : Mumbai  
Date : September 19, 2019

Place : Mumbai  
Date : September 19, 2019



BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
Notes forming part of consolidated financial statements  
For the year ended March 31, 2019  
(All amounts in Indian Rupees Millions)

## 1. Background

Barclays Investments & Loans (India) Private Limited (the 'Company') is a private limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company is a non-deposit taking systemically important (ND-SI) non-banking financial company ('NBFC') registered with the 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 - 400 063.

The Company changed its name from Barclays Investments & Loans (India) Limited to Barclays Investments & Loans (India) Private Limited and the status from being a Public Limited Company to Private Limited Company. The Company has obtained the revised Certificate of Incorporation with respect to the said change in name from the Ministry of Corporate Affairs on April 4, 2018.

## 2. Basis of preparation

### 2.1. Statement of compliance

The consolidated financial statements ('the financial statements') of the Company have been prepared 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 and accounting principles generally accepted in India.

The financial statements for the year ended March 31 2019 are the Company's first financial statements prepared under Ind AS. For all periods up to and including the year ended March 31 2018, the Company prepared its financial statements in accordance with the accounting standards notified under section 133 of the Act, (hereinafter referred to as the 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS. The financial statements for the year ended 31 March 2018 and the opening balance sheet as at April 01 2017 have been restated in accordance with Ind AS for comparative information.

### 2.2. Basis of consolidation

#### Interest in equity accounted investees

The consolidated financial statements relate to the Company and the Company's share of profit / loss in its associate. The consolidated financial statements have been prepared on the following basis:

- The financial statements of associate used in the consolidation are drawn upto the same reporting date as that of the Company i.e., March 31, 2019 or upto the date on which it ceased to be an associate of the Company whichever is earlier.
- The consolidated financial statements include the share of profit/ (loss) of associate company, which have been accounted for using the equity method as per Ind AS 28 'Investments in Associates and Joint ventures'. Accordingly, the share of profit/ (loss) of the associate company (the loss being restricted to the cost of the investment) has been added/deducted to the costs of investments.
- The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the consolidated financial statements as





BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
Notes forming part of consolidated financial statements  
For the year ended March 31, 2019  
(All amounts in Indian Rupees Millions)

Goodwill or Capital Reserve as the case may be and adjusted against the carrying amount of investment in the associate.

As per Ind AS 28, the consolidated financial statements incorporate the audited result of the following associate:

| Name of the Entity                          | Country of Incorporation | Proportion of effective ownership interest |                |
|---|--------------------------|--|----------------|
|   |                          | March 31, 2019                             | March 31, 2018 |
| Barclays Securities (India) Private Limited | India                    | 25.00%                                     | 25.00%         |

### 2.3. 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.

### 2.4. Functional and presentation currency

The financial statements are presented in Indian Rupees (Rs.) which is the currency of the primary economic environment in which the Company operates (the 'functional currency').

### 2.5. Presentation of financial statements

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.

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 29.

### 2.6. 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 considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED

(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)

Notes forming part of consolidated financial statements

For the year ended March 31, 2019

(All amounts in Indian Rupees Millions)

### Judgement

In the process of applying the Company's accounting policies, management has made judgements, which have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

#### 2.6.1. Business model assessment

Classification and measurement of financial assets depends on the results of the 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.

The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. 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.

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

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 that 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 on 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.

#### 2.6.2. Impairment of financial asset

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.

BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED

(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)

Notes forming part of consolidated financial statements

For the year ended March 31, 2019

(All amounts in Indian Rupees Millions)

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

- The Company's internal credit grading model, 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 models, including the various formulas and the choice of inputs

- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels 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 models

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

#### 2.6.3. Provisions and other contingent liabilities

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.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.



BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
Notes forming part of consolidated financial statements  
For the year ended March 31, 2019  
(All amounts in Indian Rupees Millions)

### 3. Significant accounting policies

#### 3.1. Recognition of interest income

##### 3.1.1. 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).

##### 3.1.2. 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 & Loss ('FVTPL') is recognised using the contractual interest rate under net gain/(loss).

#### 3.2. Financial instruments – initial recognition

##### 3.2.1. 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.

##### 3.2.2. 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 3.3.1.1 and 3.3.1.2. 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.



BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
Notes forming part of consolidated financial statements  
For the year ended March 31, 2019  
(All amounts in Indian Rupees Millions)

### 3.2.3. 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 3.3.1

Fair Value through Other Comprehensive Income (FVOCI) - Refer Note 3.3.2

Fair Value through Profit and Loss (FVTPL) - Refer Note 3.3.4

## 3.3. Financial assets and liabilities

### 3.3.1. 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 payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below.

#### 3.3.1.1. Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

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 that 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 on 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.

#### 3.3.1.2. 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).



BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
Notes forming part of consolidated financial statements  
For the year ended March 31, 2019  
(All amounts in Indian Rupees Millions)

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.

### 3.3.2. 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.

### 3.3.3. 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 issue funds, 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.

### 3.3.4. 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  
Or

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  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
Notes forming part of consolidated financial statements  
For the year ended March 31, 2019  
(All amounts in Indian Rupees Millions)

### 3.3.5. 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. Equity instruments at FVOCI are not subject to an impairment assessment.

### 3.4. 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.

### 3.5. De-recognition of financial assets and liabilities

#### 3.5.1. Derecognition 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.

#### 3.5.2. Derecognition of financial assets other than due to substantial modification

##### 3.5.2.1. 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.



BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
Notes forming part of consolidated financial statements  
For the year ended March 31, 2019  
(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.

### 3.5.2.2. 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 & loss.

## 3.6. Impairment of financial assets

### 3.6.1. 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.

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 12mECL is the portion of LTECLs that represent the ECLs 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 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.

Based on the above process, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12mECLs. This also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3: Loans considered credit-impaired. The Company records an allowance for the LTECLs.





BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
Notes forming part of consolidated financial statements  
For the year ended March 31, 2019  
(All amounts in Indian Rupees Millions)

### 3.6.2. 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.

### 3.6.3. 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.

At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward looking estimates are analysed

The mechanics of the ECL method are summarised below:

Stage 1 The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.



BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
Notes forming part of consolidated financial statements  
For the year ended March 31, 2019  
(All amounts in Indian Rupees Millions)

Stage 2 When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3 For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%.

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

### 3.7. 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.

### 3.8. 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.

### 3.9. 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. The 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.

BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
Notes forming part of consolidated financial statements  
For the year ended March 31, 2019  
(All amounts in Indian Rupees Millions)

Level 2 financial instrument's—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 rates and yield 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 whole.

### 3.10. 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.

### 3.11. Operating lease

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

### 3.12. 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.

### 3.13. 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.

BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
Notes forming part of consolidated financial statements  
For the year ended March 31, 2019  
(All amounts in Indian Rupees Millions)

3.14. 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.

3.15. 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 of 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 Act.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 01, 2017 (transition date) measured as per the previous GAAP and used that carrying value as its deemed cost as of the transition date.

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 & loss.

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.

BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
 (FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
 Notes forming part of consolidated financial statements  
 For the year ended March 31, 2019  
 (All amounts in Indian Rupees Millions)

(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 & 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 straight line method over the useful life of assets as estimated by management. The estimated useful life for Leasehold Improvement, Data and Voice Processing Equipment, Office Equipment and Vehicles is different from the rates prescribed in Schedule II to the Companies Act, 2013. The estimated useful life of the assets is based on technical evaluation by the Management.

| Asset     | Management estimate<br>of useful life | Useful life as per<br>Schedule II |
|-----------|---------------------------------------|-----------------------------------|
| Buildings | 60 years                              | 30 years                          |
| Computers | 3 years                               | 3-6 years                         |

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

Property, Plant and Equipment's individually costing less than INR 5,000 are depreciated over a period of 12 months. The assets residual values and useful economic lives are renewed and adjusted if appropriate, at the end of each reporting period.

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.

3.16. 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

**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**

(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)

Notes forming part of consolidated financial statements

For the year ended March 31, 2019

(All amounts in Indian Rupees Millions)

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 & loss.

### 3.17. 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 / recognized 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 & 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.

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.



BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
Notes forming part of consolidated financial statements  
For the year ended March 31, 2019  
(All amounts in Indian Rupees Millions)

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 & loss in the period in which they arise.

3.18. Provision and contingent assets/liabilities

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) 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. 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.

Contingent assets/liabilities

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.

3.19. 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.

**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**

(FORMERLY KNOWN AS BARCLAYS INVESTMENTS &amp; LOANS (INDIA) LIMITED)

Notes forming part of consolidated financial statements

For the year ended March 31, 2019

(All amounts in Indian Rupees Millions)

## iii. Deferred Tax

Deferred tax assets are recognised to the extent that it is probable that the future taxable profit will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. 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')

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

## 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/value added taxes paid, except:

When the tax incurred on a purchase of assets or services 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 or as part of the expense item, 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.

## 3.20. 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.



BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
Notes forming part of consolidated financial statements  
For the year ended March 31, 2019  
(All amounts in Indian Rupees Millions)

### 3.21. 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

### 3.22. Standard issued but not yet effective

#### Ind AS 116, Leases

Ind AS 116 - Leases was notified on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessor accounting under Ind AS 116 is similar to existing Ind AS 17 accounting.

The Company will adopt Ind AS - 116, effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

The following changes to lessee accounting may have a material impact as follows:

Right-of-use assets will be recorded for assets that are leased by the Company; currently no lease assets are included on the Company's financial statements.

Liabilities will be recorded for future lease payments in the Company's financial statement.

Lease expenses will be for depreciation of right-of-use assets and interest on lease liabilities. Interest will typically be higher in the early stages of a lease and reduce over the term. Currently operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms.

Operating lease cash flows are currently included within operating cash flows in the standalone statement of cash flows.

BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED

(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)

Notes forming part of consolidated financial statements

For the year ended March 31, 2019

(All amounts in Indian Rupees Millions)

Under Ind AS - 116, these will be recorded as cash flows from financing activities reflecting the repayment of lease liabilities (borrowings) and related interest.

Ind AS 12, Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an Company shall recognise the income tax consequences of dividends in the statement of profit or loss, other comprehensive income or equity according to where the Company originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the Company pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following:

- (i) the Company has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty
- (ii) the Company is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount
- (iii) Company has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 109 – Prepayment features with negative compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Plan amendment, curtailment or settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
Notes forming part of consolidated financial statements  
For the year ended March 31, 2019  
(All amounts in Indian Rupees Millions)

### 3.23. First time adoption

The Company's first financial statements prepared in accordance with Ind AS. For the year ended March 31, 2018, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('Previous GAAP').

The accounting policies set out in Note 3 have been applied in preparing these financial statements for the year ended 31 March 2019 including the comparative information for the year ended 31 March 2018 and the opening Ind AS balance sheet on the date of transition i.e. April 01, 2017.

In preparing the Ind AS balance sheet as at 1 April 2017 and in presenting the comparative information for the year ended March 31, 2018, the Company has adjusted amounts reported previously in the financial statements prepared in accordance with Previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with Previous GAAP, and how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

#### Optional exemptions availed and mandatory exceptions

In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

#### 3.23.1. Optional exemptions availed

##### 1. Property plant and equipment and intangible assets

As per Ind AS 101 an entity may elect to:

- (i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date
- (ii) use a Previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:
  - fair value; or
  - cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

- (iii) use carrying values of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS (which are measured in accordance with Previous GAAP) if there has been no change in its functional currency on the date of transition.

BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
Notes forming part of consolidated financial statements  
For the year ended March 31, 2019  
(All amounts in Indian Rupees Millions)

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.

### 3.23.2. Mandatory exemptions

#### 1. Accounting estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the Previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under Previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the Previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVOCI.
- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortised cost.
- EIR on borrowings.
- Expected life of portfolio.
- Classification of equity and liability.

#### 2. Derecognition of financial assets and liabilities

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109 - Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition criteria for financial assets/liabilities prospectively. Hence, it has not recognised any financial assets/financial liabilities previously de-recognised.

#### 3. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition.

BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
Notes forming part of consolidated financial statements  
For the year ended March 31, 2019  
(All amounts in Indian Rupees Millions)

4. Cash and cash equivalents

|   | As at<br>March, 31 2019 | As at<br>March, 31 2018 | As at<br>April, 01 2017 |
|---|-------------------------|-------------------------|-------------------------|
| Balances with banks:  |                         |                         |                         |
| - In current account  | 172.42                  | 190.41                  | 226.17                  |
| - Deposit with bank (with original maturity less than 3 months) | 400.00                  | 1,125.00                | 640.00                  |
| <b>Total</b>  | <b>572.42</b>           | <b>1,315.41</b>         | <b>866.17</b>           |

5. Loans (at amortised cost)

|  | As at<br>March, 31 2019 | As at<br>March, 31 2018 | As at<br>April, 01 2017 |
|--|-------------------------|-------------------------|-------------------------|
| (a) Term loans                             | 16,846.41               | 18,299.89               | 22,118.90               |
| Less: Impairment loss allowance            | (79.93)                 | (49.46)                 | (22.91)                 |
| <b>Net Total</b>                           | <b>16,766.48</b>        | <b>18,250.43</b>        | <b>22,095.99</b>        |
| (b) Secured by Hypothecation of securities | 16,846.41               | 18,299.89               | 22,065.28               |
| Unsecured                                  | -                       | -                       | 53.62                   |
| Gross Total                                | 16,846.41               | 18,299.89               | 22,118.90               |
| Less: Impairment loss allowance            | (79.93)                 | (49.46)                 | (22.91)                 |
| <b>Net Total</b>                           | <b>16,766.48</b>        | <b>18,250.43</b>        | <b>22,095.99</b>        |
| (c) Loans in India                         |                         |                         |                         |
| - Public sectors                           | -                       | -                       | -                       |
| - Others                                   | 16,846.41               | 18,299.89               | 22,118.90               |
| Gross Total                                | 16,846.41               | 18,299.89               | 22,118.90               |
| Less: Impairment loss allowance            | (79.93)                 | (49.46)                 | (22.91)                 |
| <b>Net Total - A</b>                       | <b>16,766.48</b>        | <b>18,250.43</b>        | <b>22,095.99</b>        |
| Loans outside India                        | -                       | -                       | -                       |
| Less: Impairment loss allowance            | -                       | -                       | -                       |
| <b>Net Total - B</b>                       | <b>-</b>                | <b>-</b>                | <b>-</b>                |
| <b>Net Total (A+B)</b>                     | <b>16,766.48</b>        | <b>18,250.43</b>        | <b>22,095.99</b>        |

BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
Notes forming part of consolidated financial statements  
For the year ended March 31, 2019  
(All amounts in Indian Rupees Millions)

6. Investments (at cost)

|  | As at<br>March, 31 2019 | As at<br>March, 31 2018 | As at<br>April, 01 2017 |
|--|-------------------------|-------------------------|-------------------------|
| (a) Investment in associate in India (Unquoted):<br>44,625,000 (2018: 44,625,000, 2017:<br>44,625,000) Equity shares of Rs.10 each fully<br>paid up held in Barclays Securities (India)<br>Private Limited | 422.78                  | 439.06                  | 439.06                  |
| Add: Carry forward of share in profit  | 216.63                  | 238.90                  | 238.90                  |
| Add: Share of profit/(loss) for the year   | (22.27)                 | (22.28)                 | -                       |
|  | 617.14                  | 655.68                  | 677.96                  |
| Less: Allowance for impairment loss  | -                       | -                       | -                       |
| Net Total  | 617.14                  | 655.68                  | 677.96                  |

The Company has tested its investment in associate for impairment.

7. Other financial assets (at amortised cost)

|                                 | As at<br>March, 31 2019 | As at<br>March, 31 2018 | As at<br>April, 01 2017 |
|---------------------------------|-------------------------|-------------------------|-------------------------|
| Interest accrued but not due:   |                         |                         |                         |
| - Loans                         | 145.17                  | 141.14                  | 136.88                  |
| - Fixed deposit                 | 0.30                    | 1.81                    | 0.10                    |
| Receivable from related party   | -                       | -                       | 11.87                   |
| Security deposits               | 0.32                    | 0.32                    | 0.32                    |
| Total                           | 145.79                  | 143.27                  | 149.17                  |
| Less: Impairment loss allowance | (0.76)                  | (0.39)                  | (0.18)                  |
| Net Total                       | 145.03                  | 142.88                  | 148.99                  |



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
(All amounts in Indian Rupees Millions)

8. Property plant and equipment and intangible assets

As at March 31, 2019

|                               | Gross Block                  |           |                     |                              | Accumulated Depreciation     |                                    |                         |                              | Net Block                    |
|-------------------------------|------------------------------|-----------|---------------------|------------------------------|------------------------------|------------------------------------|-------------------------|------------------------------|------------------------------|
| Property, plant and equipment | Balance as at March 31, 2018 | Additions | Disposal/ Write off | Balance as at March 31, 2019 | Balance as at March 31, 2018 | Depreciated on charge for the year | On disposals/ Write off | Balance as at March 31, 2019 | Balance as at March 31, 2019 |
| Freehold property             | 17.25                        | -         | -                   | 17.25                        | 0.34                         | 0.34                               | -                       | 0.68                         | 16.57                        |
| Computers                     | -                            | -         | -                   | -                            | -                            | -                                  | -                       | -                            | -                            |
| Total                         | 17.25                        | -         | -                   | 17.25                        | 0.34                         | 0.34                               | -                       | 0.68                         | 16.57                        |
| Intangibles                   |                              |           |                     |                              |                              |                                    |                         |                              |                              |
| Softwares                     | -                            | -         | -                   | -                            | -                            | -                                  | -                       | -                            | -                            |
| Total                         | -                            | -         | -                   | -                            | -                            | -                                  | -                       | -                            | -                            |



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
(All amounts in Indian Rupees Millions)

As at March 31, 2018

|                               | Gross Block                  |           |                     |                              | Accumulated Depreciation     |                                     |                         |                              | Net Block                    |
|-------------------------------|------------------------------|-----------|---------------------|------------------------------|------------------------------|-------------------------------------|-------------------------|------------------------------|------------------------------|
| Property, plant and equipment | Balance as at April 01, 2017 | Additions | Disposal/ Write off | Balance as at March 31, 2018 | Balance as at April 01, 2017 | Depreciation on charge for the year | On disposals/ Write off | Balance as at March 31, 2018 | Balance as at March 31, 2018 |
| Freehold property             | 17.25                        | -         | -                   | 17.25                        | -                            | 0.34                                | -                       | 0.34                         | 16.91                        |
| Computers                     | -                            | -         | -                   | -                            | -                            | -                                   | -                       | -                            | -                            |
| Total                         | 17.25                        | -         | -                   | 17.25                        | -                            | 0.34                                | -                       | 0.34                         | 16.91                        |
| Intangibles                   |                              |           |                     |                              |                              |                                     |                         |                              |                              |
| Software                      | -                            | -         | -                   | -                            | -                            | -                                   | -                       | -                            | -                            |
| Total                         | -                            | -         | -                   | -                            | -                            | -                                   | -                       | -                            | -                            |

| As at April 01, 2017     | Freehold property | Computers | Software's |
|--------------------------|-------------------|-----------|------------|
| Gross Block              | 20.88             | 8.76      | 35.09      |
| Accumulated Depreciation | 3.63              | 8.76      | 35.09      |
| Net Block                | 17.25             | -         | -          |





**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

9. Other non-financial assets

|   | As at<br>March, 31 2019 | As at<br>March, 31 2018 | As at<br>April, 01 2017 |
|---|-------------------------|-------------------------|-------------------------|
| Balance with Government Authorities:                    |                         |                         |                         |
| - Service tax/Goods and service tax                     | 289.40                  | 287.01                  | 283.14                  |
| Prepaid expenses  | -                       | 0.15                    | -                       |
| Less: Provision for balance with government authorities | (289.40)                | (287.01)                | (283.14)                |
| <b>Total</b>  | <b>-</b>                | <b>0.15</b>             | <b>-</b>                |

10. Payables

|   | As at<br>March, 31 2019 | As at<br>March, 31 2018 | As at<br>April, 01 2017 |
|---|-------------------------|-------------------------|-------------------------|
| Other payables  |                         |                         |                         |
| (i) total outstanding dues of micro enterprises and small enterprises                       | 0.03                    | -                       | -                       |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 12.39                   | 6.49                    | 21.64                   |
| <b>Total</b>  | <b>12.42</b>            | <b>6.49</b>             | <b>21.64</b>            |

11. Borrowings – other than debt securities (at amortised cost)

|                                       | As at<br>March, 31 2019 | As at<br>March, 31 2018 | As at<br>April, 01 2017 |
|---------------------------------------|-------------------------|-------------------------|-------------------------|
| Debt securities in India (Unsecured): |                         |                         |                         |
| Commercial Paper*                     |                         |                         |                         |
| - From banks                          | -                       | -                       | -                       |
| - From others                         | 11,800.00               | 14,400.00               | 18,300.00               |
| Less: Amortisation of discount        | (375.33)                | (311.98)                | (421.16)                |
| <b>Total</b>                          | <b>11,424.67</b>        | <b>14,088.02</b>        | <b>17,878.84</b>        |

During the year, the effective interest on the commercial paper recorded in Interest expense was Rs 927.04 million (2018: Rs 1,137.64 million). The actual interest paid during the year was Rs. 639.65 million (2018: Rs. 743.33 million).

\*Maximum amount outstanding during the year 16,555.23 million (2018: Rs. 18,740.08 million, 2017: Rs. 19,328.85 million); Rate of discount ranging from 7.40% to 9.10% (2018: 6.70%-8.25%, 2017: 7.00%-8.25%); Tenure ranging from 59 days to 365 days (2018: 60 days to 365 days, 2017: 81 days to 365 days)

Refer note 28.3 'Liquidity Risk' for maturity pattern

The Company has not defaulted in repayment of borrowings and interest.



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

Listing of Commercial Papers outstanding as at March 31, 2019

| Commercial Paper         | Issue Date | Maturity Date | Total     |
|--------------------------|------------|---------------|-----------|
| BILIL Mat 24 Mar 2020 CP | 26-Mar-19  | 24-Mar-20     | 500.00    |
| BILIL Mat 26 Feb 2020 CP | 26-Feb-19  | 26-Feb-20     | 100.00    |
| BILIL Mat 29 Jan 2020 CP | 29-Jan-19  | 29-Jan-20     | 1,000.00  |
| BILIL Mat 26 Nov 2019 CP | 26-Nov-18  | 26-Nov-19     | 100.00    |
| BILIL Mat 24 Oct 2019 CP | 24-Oct-18  | 24-Oct-19     | 500.00    |
| BILIL Mat 01 Oct 2019 CP | 1-Oct-18   | 1-Oct-19      | 1,000.00  |
| BILIL Mat 23 Sep 2019 CP | 28-Mar-19  | 23-Sep-19     | 1,000.00  |
| BILIL Mat 06 Sep 2019 CP | 13-Mar-19  | 6-Sep-19      | 1,500.00  |
| BILIL Mat 23 Aug 2019 CP | 25-Feb-19  | 23-Aug-19     | 250.00    |
| BILIL Mat 25 Jul 2019 CP | 26-Jul-18  | 25-Jul-19     | 1,000.00  |
| BILIL Mat 24 Jun 2019 CP | 26-Dec-18  | 24-Jun-19     | 1,000.00  |
| BILIL Mat 17 Jun 2019 CP | 19-Jun-18  | 17-Jun-19     | 2,000.00  |
| BILIL Mat 07 Jun 2019 CP | 10-Dec-18  | 7-Jun-19      | 150.00    |
| BILIL Mat 04 Jun 2019 CP | 7-Dec-18   | 4-Jun-19      | 200.00    |
| BILIL Mat 17 May 2019 CP | 18-Feb-19  | 17-May-19     | 1,500.00  |
| Total                    |            |               | 11,800.00 |

Listing of Commercial Papers outstanding as at March 31, 2018

| Commercial Paper       | Issue Date | Maturity Date | Total     |
|------------------------|------------|---------------|-----------|
| BILIL Mat 28Mar2019 CP | 28-Mar-18  | 28-Mar-19     | 250.00    |
| BILIL Mat 27Mar2019 CP | 27-Mar-18  | 27-Mar-19     | 250.00    |
| BILIL Mat 08Mar2019 CP | 09-Mar-18  | 08-Mar-19     | 500.00    |
| BILIL Mat 21Feb2019 CP | 21-Feb-18  | 21-Feb-19     | 100.00    |
| BILIL Mat 30Jan2019 CP | 31-Jan-18  | 30-Jan-19     | 500.00    |
| BILIL Mat 14Nov2018 CP | 15-Nov-17  | 14-Nov-18     | 500.00    |
| BILIL Mat 29Oct2018 CP | 30-Oct-17  | 29-Oct-18     | 500.00    |
| BILIL Mat 25Sep2018 CP | 26-Sep-17  | 25-Sep-18     | 500.00    |
| BILIL Mat 21Aug2018 CP | 23-Aug-17  | 21-Aug-18     | 1,000.00  |
| BILIL Mat 20Aug2018 CP | 09-Mar-18  | 20-Aug-18     | 250.00    |
| BILIL Mat 06Aug2018 CP | 07-Aug-17  | 06-Aug-18     | 1,000.00  |
| BILIL Mat 31Jul2018 CP | 01-Aug-17  | 31-Jul-18     | 500.00    |
| BILIL Mat 11Jun2018 CP | 12-Jun-17  | 11-Jun-18     | 1,000.00  |
| BILIL Mat 11Jun2018 CP | 12-Jun-17  | 11-Jun-18     | 500.00    |
| BILIL Mat 04Jun2018 CP | 05-Jun-17  | 04-Jun-18     | 500.00    |
| BILIL Mat 29May2018 CP | 04-Dec-17  | 29-May-18     | 1,000.00  |
| BILIL Mat 28May2018 CP | 28-Feb-18  | 28-May-18     | 250.00    |
| BILIL Mat 23May2018 CP | 22-Feb-18  | 23-May-18     | 2,000.00  |
| BILIL Mat 21May2018 CP | 22-Nov-17  | 21-May-18     | 550.00    |
| BILIL Mat 14May2018 CP | 14-Feb-18  | 14-May-18     | 250.00    |
| BILIL Mat 25Apr2018 CP | 26-Apr-17  | 25-Apr-18     | 250.00    |
| BILIL Mat 17Apr2018 CP | 18-Aug-17  | 17-Apr-18     | 250.00    |
| BILIL Mat 13Apr2018 CP | 15-Jan-18  | 13-Apr-18     | 2,000.00  |
| Total                  |            |               | 14,400.00 |



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

Listing of Commercial Papers outstanding as at April 01, 2017

| Commercial Paper       | Issue Date | Maturity Date | Total     |
|------------------------|------------|---------------|-----------|
| BILIL Mat 27Mar2018 CP | 27-Mar-17  | 27-Mar-18     | 250.00    |
| BILIL Mat 09Jan2018 CP | 10-Jan-17  | 09-Jan-18     | 1,000.00  |
| BILIL Mat 18Oct2017 CP | 20-Feb-17  | 18-Oct-17     | 250.00    |
| BILIL Mat 06Oct2017 CP | 15-Mar-17  | 06-Oct-17     | 250.00    |
| BILIL Mat 27Sep2017 CP | 06-Dec-16  | 27-Sep-17     | 500.00    |
| BILIL Mat 26Sep2017 CP | 07-Oct-16  | 26-Sep-17     | 1,500.00  |
| BILIL Mat 26Sep2017 CP | 15-Mar-17  | 26-Sep-17     | 250.00    |
| BILIL Mat 15Sep2017 CP | 25-Nov-16  | 15-Sep-17     | 350.00    |
| BILIL Mat 12Sep2017 CP | 29-Nov-16  | 12-Sep-17     | 1,000.00  |
| BILIL Mat 08Sep2017 CP | 14-Sep-16  | 08-Sep-17     | 1,000.00  |
| BILIL Mat 31Aug2017 CP | 21-Oct-16  | 31-Aug-17     | 1,500.00  |
| BILIL Mat 24Aug2017 CP | 28-Feb-17  | 24-Aug-17     | 150.00    |
| BILIL Mat 10Aug2017 CP | 14-Feb-17  | 10-Aug-17     | 250.00    |
| BILIL Mat 01Aug2017 CP | 01-Feb-17  | 01-Aug-17     | 350.00    |
| BILIL Mat 07Jul2017 CP | 09-Jan-17  | 07-Jul-17     | 250.00    |
| BILIL Mat 20Jun2017 CP | 31-Mar-17  | 20-Jun-17     | 1,000.00  |
| BILIL Mat 14Jun2017 CP | 25-Nov-16  | 14-Jun-17     | 1,000.00  |
| BILIL Mat 14Jun2017 CP | 16-Mar-17  | 14-Jun-17     | 1,000.00  |
| BILIL Mat 14Jun2017 CP | 17-Mar-17  | 14-Jun-17     | 250.00    |
| BILIL Mat 12Jun2017 CP | 06-Dec-16  | 12-Jun-17     | 500.00    |
| BILIL Mat 06Jun2017 CP | 27-Sep-16  | 06-Jun-17     | 500.00    |
| BILIL Mat 02Jun2017 CP | 03-Mar-17  | 02-Jun-17     | 1,500.00  |
| BILIL Mat 19May2017 CP | 20-Feb-17  | 19-May-17     | 250.00    |
| BILIL Mat 19May2017 CP | 22-Feb-17  | 19-May-17     | 250.00    |
| BILIL Mat 12May2017 CP | 13-Feb-17  | 12-May-17     | 1,000.00  |
| BILIL Mat 04May2017 CP | 03-Feb-17  | 04-May-17     | 950.00    |
| BILIL Mat 10Apr2017 CP | 10-Jan-17  | 10-Apr-17     | 1,000.00  |
| BILIL Mat 07Apr2017 CP | 08-Nov-16  | 07-Apr-17     | 250.00    |
| Total                  |            |               | 18,300.00 |

12. Subordinated Liabilities (at amortised cost)

|   | As at<br>March, 31 2019 | As at<br>March, 31 2018 | As at<br>April, 01 2017 |
|---|-------------------------|-------------------------|-------------------------|
| Subordinated liabilities outside India:   |                         |                         |                         |
| 458,875 (2018: 458,875, 2017: 458,875)  | 22.17                   | 20.13                   | 18.27                   |
| 0.01% Cumulative Redeemable Preference<br>Shares ('CRPS') of Re. 1 each, fully paid up<br>held by Barclays Bank PLC, United Kingdom,<br>the holding company |                         |                         |                         |
| Total   | 22.17                   | 20.13                   | 18.27                   |



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

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

|  | As at<br>March, 31 2019 | As at<br>March, 31 2018 | As at<br>April, 01 2017 |
|--|-------------------------|-------------------------|-------------------------|
| Barclays Bank PLC, United Kingdom, the holding company | 458,875<br>100%         | 458,875<br>100%         | 458,875<br>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, 2017                            | 458,875       | 458,875 |
| Add : Issued during the year                    | -             | -       |
| As at March 31, 2018                            | 458,875       | 458,875 |
| Add : Issued during the year                    | -             | -       |
| As at March 31, 2019                            | 458,875       | 458,875 |

Cumulative Redeemable Preference shares ('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 Companies Act, 2013.

Arrears of preference dividend Rs.0.0006 million (2018: Rs.0.0006 million. 2017: Rs.0.0006 million)

During the year, the effective interest on the preference share recorded in Interest expense was INR 2.05 million (2018: INR 1.86 million). The actual interest paid during the year was INR Nil (2018: Nil).

13. Provisions

|                                  | As at<br>March, 31 2019 | As at<br>March, 31 2018 | As at<br>April, 01 2017 |
|----------------------------------|-------------------------|-------------------------|-------------------------|
| Provision for employee benefits: |                         |                         |                         |
| - Gratuity                       | 0.72                    | 0.07                    | 0.05                    |
| - Compensated absences           | 0.57                    | 0.86                    | 0.34                    |
| - Bonus                          | 0.86                    | 0.60                    | 0.35                    |
| Others                           | 0.44                    | 1.69                    | 1.57                    |
| Total                            | 2.59                    | 3.22                    | 2.31                    |

14. Other non-financial liabilities

|                              | As at<br>March, 31 2019 | As at<br>March, 31 2018 | As at<br>April, 01 2017 |
|------------------------------|-------------------------|-------------------------|-------------------------|
| Statutory dues               | 3.35                    | 1.52                    | 1.65                    |
| Interest received in advance | 1.27                    | 0.64                    | 0.59                    |
| Total                        | 4.62                    | 2.16                    | 2.24                    |



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

15. Share capital

|  | As at<br>March, 31 2019 | As at<br>March, 31 2018 | As at<br>April, 01 2017 |
|--|-------------------------|-------------------------|-------------------------|
| Authorised share capital:  |                         |                         |                         |
| 299,986,000 (2018: 299,986,000, 2017: 299,986,000) Equity shares of Rs.50 each                     | 14,999.30               | 14,999.30               | 14,999.30               |
| 2,000 (2018: 2,000, 2017: 2,000) 7.5% Cumulative Redeemable Preference Shares of Rs. 100 each      | 0.20                    | 0.20                    | 0.20                    |
| 500,000 (2018: 500,000, 2017: 500,000) 0.01% Cumulative Redeemable Preference Shares of Re. 1 each | 0.50                    | 0.50                    | 0.50                    |
|  | 15,000.00               | 15,000.00               | 15,000.00               |
| Issued, subscribed and paid-up   |                         |                         |                         |
| 218,065,712 (2018: 218,065,712, 2017: 218,065,712) Equity shares of Rs.50 each, fully paid up      | 10,903.28               | 10,903.28               | 10,903.28               |
|  | 10,903.28               | 10,903.28               | 10,903.28               |

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 (see note 12)

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, 2017                       | 218,065,712   | 10,903.28 |
| Add : Issued during the year               | -             | -         |
| As at March 31, 2018                       | 218,065,712   | 10,903.28 |
| Add : Issued during the year               | -             | -         |
| As at March 31, 2019                       | 218,065,712   | 10,903.28 |

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.



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

15.3. Shares held by holding company and ultimate holding company:

|  | As at<br>March, 31 2019 | As at<br>March, 31 2018 | As at<br>April, 01 2017 |
|--|-------------------------|-------------------------|-------------------------|
| 126,134,137 shares (2018: 126,134,137 shares, 2017: 126,134,137 shares) held by Barclays Bank PLC, United Kingdom, the holding company   | 6,306.71                | 6,306.71                | 6,306.71                |
| 91,930,466 shares (2018: 91,930,466 shares, 2017: 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                | 4,596.52                |

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

|  | As at<br>March, 31 2019 | As at<br>March, 31 2018 | As at<br>April, 01 2017 |
|--|-------------------------|-------------------------|-------------------------|
| Barclays Bank PLC, United Kingdom, the holding company   | 126,134,137<br>57.84%   | 126,134,137<br>57.84%   | 126,134,137<br>57.84%   |
| Mauritius Overseas Holding Limited, Mauritius, a subsidiary of Barclays bank PLC, United Kingdom | 91,930,466<br>42.16%    | 91,930,466<br>42.16%    | 91,930,466<br>42.16%    |

Number of equity shares held by minority shareholders are 1,109 (2018: 1,109 2017: 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.



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
(All amounts in Indian Rupees Millions)

16. Nature and purpose of reserves

16.1. Reserves u/s 45-IA of the Reserve Bank of India Act, 1934 (the 'RBI Act, 1934')

Reserve u/s. 45-IA 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 Companies Act, 2013.

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 Companies Act, 2013, 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 Companies Act, 2013.

16.4. 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. These reserve are free reserves which can be utilised for any purpose as may be required.

16.5. 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.



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
(All amounts in Indian Rupees Millions)

17. Interest income

|                            | Year ended<br>March, 31 2019 | Year ended<br>March, 31 2018 |
|----------------------------|------------------------------|------------------------------|
| Interest on loans          | 1,543.23                     | 1,699.88                     |
| Interest on Fixed deposits | 37.82                        | 73.59                        |
| Total                      | 1,581.05                     | 1,773.47                     |

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

18. Other income

|                      | Year ended<br>March, 31 2019 | Year ended<br>March, 31 2018 |
|----------------------|------------------------------|------------------------------|
| Miscellaneous income | 0.13                         | 13.87                        |
| Total                | 0.13                         | 13.87                        |

19. Finance cost

|                                      | Year ended<br>March, 31 2019 | Year ended<br>March, 31 2018 |
|--------------------------------------|------------------------------|------------------------------|
| Interest on borrowing                | 927.04                       | 1,137.64                     |
| Interest on subordinated liabilities | 2.05                         | 1.86                         |
| Total                                | 929.09                       | 1,139.50                     |

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

20. Impairment on financial instrument

|                                       | Year ended<br>March, 31 2019 | Year ended<br>March, 31 2018 |
|---------------------------------------|------------------------------|------------------------------|
| Loans                                 | 30.47                        | 26.55                        |
| Interest accrued but not due on loans | 0.37                         | 0.21                         |
| Total                                 | 30.84                        | 26.76                        |

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<br>March, 31 2019 | Year ended<br>March, 31 2018 |
|---|------------------------------|------------------------------|
| Salaries and wages                        | 27.93                        | 10.84                        |
| Contribution to provident and other funds | 1.12                         | 0.42                         |
| Gratuity                                  | 0.11                         | 0.07                         |
| Compensated expenses                      | (0.29)                       | 0.52                         |
| Total                                     | 28.87                        | 11.85                        |





**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

22. Depreciation

|  | Year ended<br>March, 31 2019 | Year ended<br>March, 31 2018 |
|--|------------------------------|------------------------------|
| Depreciation on property plant and equipment | 0.34                         | 0.34                         |
| Total  | 0.34                         | 0.34                         |

23. Other expenses

|   | Year ended<br>March, 31 2019 | Year ended<br>March, 31 2018 |
|---|------------------------------|------------------------------|
| Rent, taxes and energy costs                                | 0.25                         | 0.43                         |
| Director's fee allowances and expenses                      | -                            | 1.25                         |
| Travel and Conveyance                                       | 0.15                         | 0.16                         |
| Communication Costs   | 0.03                         | 0.04                         |
| Legal and Professional charges                              | 7.98                         | 6.44                         |
| Service cost and other reimbursement (net)                  | 11.42                        | 26.67                        |
| Repairs and maintenance                                     | 2.32                         | 2.50                         |
| Printing and stationery                                     | 0.06                         | 0.10                         |
| Auditors fees and expenses (Note 23.1)                      | 4.10                         | 3.48                         |
| Provision for service tax/ goods and service tax unutilised | 2.39                         | 3.17                         |
| Insurance   | 0.85                         | 0.04                         |
| Corporate Social Responsibility                             | 10.55                        | 10.00                        |
| Other expenditure   | 3.12                         | 4.12                         |
| Total   | 43.22                        | 58.40                        |

23.1. Auditors remuneration

|                           | Year ended<br>March, 31 2019 | Year ended<br>March, 31 2018 |
|---------------------------|------------------------------|------------------------------|
| As auditors               | 3.61                         | 3.10                         |
| Reimbursement of expenses | 0.07                         | 0.07                         |
| Other services            | 0.42                         | 0.31                         |

24. Income tax

The components of income tax expense for the years ended March 31, 2019 and 2018 are:

|                  | Year ended<br>March, 31 2019 | Year ended<br>March, 31 2018 |
|------------------|------------------------------|------------------------------|
| Current tax      | 136.34                       | 124.26                       |
| Total tax charge | 136.34                       | 124.26                       |

**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

24.1. Amounts recognised in other comprehensive income

|   | Year ended March, 31 2019 |             |               | Year ended March, 31 2018 |               |             |
|---|---------------------------|-------------|---------------|---------------------------|---------------|-------------|
|   | 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)  | (0.54)                    | 0.12        | (0.42)        | 0.04                      | (0.01)        | 0.03        |
| <b>Total</b>  | <b>(0.54)</b>             | <b>0.12</b> | <b>(0.42)</b> | <b>0.04</b>               | <b>(0.01)</b> | <b>0.03</b> |

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, 2019 and 2018 is, as follows:

|   | Year ended<br>March, 31 2019 | Year ended<br>March, 31 2018 |
|---|------------------------------|------------------------------|
| Accounting profit before tax  | 562.32                       | 550.49                       |
| Applicable tax rate   | 21.55%                       | 21.34%                       |
| Computed tax expense  | 121.17                       | 117.47                       |
| <u>Tax effect of:</u>   |                              |                              |
| - Provision for input service tax   | 0.52                         | 0.68                         |
| - Expense for earning exempt income   | 0.96                         | -                            |
| - Contingency provision against standard assets                                   | 6.64                         | 5.71                         |
| - Interest on income Tax Refund*  | 10.52                        | -                            |
| - Interest on subordinated liabilities  | 0.44                         | 0.40                         |
| - Dividend income exempt under section 10(34)                                     | (2.91)                       | -                            |
| - Ind AS Transition Reserve   | (1.01)                       | -                            |
| <b>Income tax expense reported in the standalone statement of profit and loss</b> | <b>136.34</b>                | <b>124.26</b>                |

\*Based on a perusal of the tax documents/records of the Company for various years, it is observed that the Company has been granted income-tax refund along with interest for various Assessment Years (AYs) and the same has been adjusted against the outstanding demand of the AYs that are currently under litigation.

On the basis of Form 26AS, the Company has recorded the interest on income-tax refund of Rs. 48.79 million through reserves and current tax assets as on April 01, 2017 and the same has been reflected in cash flows from operating activities of respective years. Further, there is no impact on EPS.

The effective income tax rate for March 31, 2019 is 24.25% (2018: 22.57%).

**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

24.3. Following are the components of deferred tax:

| Timing difference                              | As at<br>March, 31 2019 | As at<br>March, 31 2018 | As at<br>April, 01 2017 |
|--|-------------------------|-------------------------|-------------------------|
| Depreciation on Property, plant and equipment  | (5.00)                  | (5.61)                  | (6.33)                  |
| Contingency provision for ECL                  | 28.19                   | 17.42                   | 8.01                    |
| Provision for compensated absences             | 0.20                    | 0.30                    | 0.12                    |
| Provision for gratuity                         | 0.25                    | 0.03                    | 0.01                    |
| Provision for bonus                            | 0.30                    | 0.21                    | 0.12                    |
| <b>Total</b>                                   | <b>23.94</b>            | <b>12.35</b>            | <b>1.93</b>             |
| Deferred Tax asset recognized in Balance Sheet | Nil                     | Nil                     | NIL                     |

The Company has not recognised net deferred tax assets as at March 31, 2019 since it is not probable that the economic benefits will flow in future years against which such deferred tax assets can be realised. Deferred tax assets on timing differences which are expected to reverse in one or more subsequent periods have been recognised to the extent there is a deferred tax liability as at the balance sheet date.

MAT credit has expected future economic benefits in the form of its adjustment against the discharge of the normal tax liability, payable as per Income tax Act 1961, if the same arises during the specified period. 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. As the Company has carried forward losses, there is no certainty of tax liability being paid under normal provisions of Income tax Act, 1961, in future. Hence, MAT credit has not been recognized in the books of account.

24.4. Components of current tax assets

|  | As at<br>March, 31 2019 | As at<br>March, 31 2018 | As at<br>April, 01 2017 |
|--|-------------------------|-------------------------|-------------------------|
| TDS and Advance tax                                | 1,189.94                | 1,056.43                | 906.56                  |
| Less: Tax provision                                | (571.29)                | (435.07)                | (310.80)                |
| <b>Total current tax assets (net of provision)</b> | <b>618.65</b>           | <b>621.36</b>           | <b>595.76</b>           |

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<br>March, 31 2019 | Year ended<br>March, 31 2018 |
|--|------------------------------|------------------------------|
| a) Net profit for the year attributable to equity holders                          | 388.56                       | 402.75                       |
| b) Weighted average number of equity shares used for calculation of EPS            | 218,065,712                  | 218,065,712                  |
| <b>Earnings per share – basic and diluted (a/b)<br/>(face value of Rs.50 each)</b> | <b>1.78</b>                  | <b>1.85</b>                  |



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

26. Contingent liabilities

|  | Year ended<br>March, 31 2019 | Year ended<br>March, 31 2018 | Year ended<br>April, 01 2017 |
|--|------------------------------|------------------------------|------------------------------|
| Claims against the company not acknowledged as debt: |                              |                              |                              |
| - Income Tax matters*                                | 473.84                       | 456.88                       | 216.47                       |
| - Legal case   | 4.19                         | 4.49                         | 4.29                         |
| <b>Total</b>   | <b>478.03</b>                | <b>461.37</b>                | <b>220.76</b>                |

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

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

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 assets of the plan are held separately from those of the Company in a fund under the control of trustees.

The total expense charged to income of Rs.1.12 million (2018: Rs. 0.42 million) represents contributions payable to this plan by the Company at rates specified in the rules of the plan.

27.2. Defined benefit plan

The Company has a defined benefit gratuity plan in India. 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:



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
(All amounts in Indian Rupees Millions)

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.

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.

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.



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

Gratuity

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

| A. | Reconciliation of Defined benefit obligation        | March 31, 2019 | March 31, 2018 | April 01, 2017 |
|----|---|----------------|----------------|----------------|
| 1. | Defined benefit obligation at beginning of the year | 0.07           | 0.04           | 0.30           |
| 2. | Service cost  |                |                |                |
|    | a. Current service cost                             | 0.11           | 0.06           | 0.03           |
|    | b. Past service cost                                | -              | *              | *              |
|    | c. (Gain) / loss on settlements                     | -              | -              | **             |
| 3. | Interest expenses                                   | **             | **             | 0.02           |
| 4. | Cash flows  |                |                |                |
|    | a. Benefit payments from plan                       | -              | -              | -              |
|    | b. Benefit payments from employer                   | -              | -              | -              |
|    | c. Settlement payments from plan                    | -              | -              | -              |
|    | d. Settlement payments from employer                | -              | -              | -              |
| 5. | Remeasurements                                      |                |                |                |
|    | a. Effect of changes in demographic assumptions     | 0.45           | (0.02)         | (0.42)         |
|    | b. Effect of changes in financial assumptions       | (0.01)         | (0.01)         | 0.09           |
|    | c. Effect of experience adjustments                 | 0.10           | **             | 0.02           |
| 6. | Transfer In /Out                                    |                |                |                |
|    | a. Transfer In                                      | -              | -              | -              |
|    | b. Transfer out                                     | -              | -              | -              |
| 7. | Defined benefit obligation at end of year           | 0.72           | 0.07           | 0.04           |

\* Less than 100

\*\* Less than 10,000

**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

| B. | Amounts recognized in the Balance Sheet | March 31, 2019 | March 31, 2018 | April 01, 2017 |
|----|---|----------------|----------------|----------------|
| 1. | Defined benefit obligation              | 0.72           | 0.07           | 0.04           |
| 2. | Fair value of plan assets               | -              | -              | -              |
| 3. | Funded status                           | 0.72           | 0.07           | 0.04           |
| 4. | Effect of asset ceiling                 | -              | -              | -              |
| 5. | Net defined benefit liability (asset)   | 0.72           | 0.07           | 0.04           |

There are no investments in plan assets.

| C. | Components of defined benefit cost                               | March 31, 2019 | March 31, 2018 |
|----|--|----------------|----------------|
| 1. | Service cost recognised in statement of profit and loss (P&L)    |                |                |
|    | a. Current service cost  | 0.11           | 0.06           |
|    | b. Past service cost   | -              | -              |
|    | c. (Gain) / loss on settlements                                  | -              | -              |
|    | d. Total service cost recognised in statement of profit and loss | 0.11           | 0.06           |
| 2. | Net interest cost  |                |                |
|    | a. Interest expense on DBO                                       | **             | **             |
|    | b. Interest (income) on plan assets                              | -              | -              |
|    | c. Interest expense on effect of (asset ceiling)                 | -              | -              |
|    | d. Total net interest cost                                       | **             | **             |
| 3. | Remeasurements (recognized in Other comprehensive Income - OCI)  |                |                |
|    | a. Effect of changes in demographic assumptions                  | 0.45           | (0.02)         |
|    | b. Effect of changes in financial assumptions                    | (0.01)         | (0.01)         |
|    | c. Effect of experience adjustments                              | 0.10           | -              |
|    | d. (Return) on plan assets (excluding interest income)           | -              | -              |
|    | e. Changes in asset ceiling (excluding interest income)          | -              | -              |
|    | f. Total remeasurements included in OCI                          | 0.54           | (0.04)         |
| 4. | Total defined benefit cost recognized in P&L and OCI             | 0.65           | 0.03           |

| D. | Re-measurement                   | March 31, 2019 | March 31, 2018 |
|----|----------------------------------|----------------|----------------|
|    | a. Actuarial Loss/(Gain) on DBO  | 0.54           | (0.04)         |
|    | b. Returns above Interest Income | -              | -              |
|    | c. Change in Asset ceiling       | -              | -              |
|    | Total Re-measurements (OCI)      | 0.54           | (0.04)         |

\* Less than 100

\*\* Less than 10,000

**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

|    |  |                |                |
|----|--|----------------|----------------|
| E. | Reconciliation of OCI (Re-measurment)      | March 31, 2019 | March 31, 2018 |
| 1. | Recognised in OCI at the beginning of year | (0.04)         | -              |
| 2. | Recognised in OCI during the period        | 0.54           | (0.04)         |
| 3. | Recognised in OCI at the end of the year   | 0.50           | (0.04)         |

|    |  |                |                |
|----|--|----------------|----------------|
| F. | Sensitivity analysis - DBO end of Period | March 31, 2019 | March 31, 2018 |
| 1. | Discount rate +100 basis points          | 0.61           | 0.07           |
| 2. | Discount rate -100 basis points          | 0.87           | 0.08           |
| 3. | Salary Increase Rate +1%                 | 0.83           | 0.08           |
| 4. | Salary Increase Rate -1%                 | 0.61           | 0.07           |
| 5. | Attrition Rate +1%                       | 0.72           | 0.07           |
| 6. | Attrition Rate -1%                       | -              | 0.08           |

|    |                                   |  |  |
|----|-----------------------------------|--|--|
| G. | Significant actuarial assumptions | March 31, 2019   | March 31, 2018   |
| 1. | Discount rate Current Year        | 7.78%  | 6.81%  |
| 2. | Annual increase in salary cost    | 7.00%  | 12.0%  |
| 3. | Attrition Rate                    | 0.00%  | 50.0%  |
| 4. | Retirement Age                    | 60   | 60   |
| 5. | Pre-retirement mortality          | Indian Assured<br>Lives Mortality<br>(2012-14)<br>Ultimate | Indian Assured<br>Lives Mortality<br>(2006-08)<br>Ultimate |
| 6. | Disability                        | Nil  | Nil  |

|    |  |                |                |
|----|--|----------------|----------------|
| H. | Maturity profile of defined benefit obligation | March 31, 2019 | March 31, 2018 |
|    | Weighted average duration of DBO               | 21             | 2              |

|    |   |                |                |
|----|---|----------------|----------------|
| I. | Expected cash flows for following year                      | March 31, 2019 | March 31, 2018 |
| 1. | Expected employer contributions / Addl. Provision Next Year | 0.11           | 0.06           |
| 2. | Expected total benefit payments                             |                |                |
|    | Year 1  | -              | -              |
|    | Year 2  | -              | -              |
|    | Year 3  | -              | 0.04           |
|    | Year 4  | -              | 0.03           |
|    | Year 5  | 0.11           | 0.02           |
|    | Next 5 years  | 0.13           | 0.02           |





**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

SUMMARY

|    | Assets / Liabilities   | March 31, 2019 | March 31, 2018 |
|----|--|----------------|----------------|
| 1. | Defined benefit obligation at end of year                                | 0.72           | 0.07           |
| 2. | Fair value of plan assets at end of year                                 | -              | -              |
| 3. | Net defined benefit liability (asset)                                    | 0.72           | 0.07           |
| 4. | Defined benefit cost included in Statement profit & loss                 | 0.11           | 0.07           |
| 5. | Total remeasurements included in OCI                                     | 0.54           | (0.04)         |
| 6. | Total defined benefit cost recognized in Statement profit & loss and OCI | 0.65           | 0.03           |

Asset liability matching strategy

The Company contributes to the provided fund based on estimated liability of next financial year end. The projected liability statements are obtained from the actuarial valuer.

Compensated absences

|  | Defined benefit obligation at end of year | March 31, 2019 | March 31, 2018 |
|--|---|----------------|----------------|
|  | Current Obligation                        | -              | 0.28           |
|  | Non-Current Obligation                    | 0.23           | 0.28           |
|  | Total                                     | 0.23           | 0.56           |



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

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, 2019   | Carrying amount |       | Fair value |
|--|-----------------|-------|------------|
|  | Amortised cost  | FVOCI |            |
| Financial liabilities not measured at fair value<br>- Subordinated liabilities | 22.17           | -     | 20.77      |
| Total  | 22.17           | -     | 20.77      |

| As at March 31, 2018   | Carrying amount |       | Fair value |
|--|-----------------|-------|------------|
|  | Amortised cost  | FVOCI |            |
| Financial liabilities not measured at fair value<br>- Subordinated liabilities | 20.13           | -     | 18.44      |
| Total  | 20.13           | -     | 18.44      |

| As at April 01, 2017   | Carrying amount |       | Fair value |
|--|-----------------|-------|------------|
|  | Amortised cost  | FVOCI |            |
| Financial liabilities not measured at fair value<br>- Subordinated liabilities | 18.27           | -     | 17.37      |
| Total  | 18.27           | -     | 17.37      |

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.



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
(All amounts in Indian Rupees Millions)

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:

| Days Past Due Status | Staging |
|----------------------|---------|
| 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 (and weekly for Bonds). 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.



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
(All amounts in Indian Rupees Millions)

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 quarterly reports has been considered as a proxy for portfolio level default information.

Data: The GNPA ratio data for NFBCs published by RBI in the Financial Stability Report (2018 and 2017) has been taken as a proxy for default information

The probability of default was calculated for 3 scenarios: upside (10%), downside (10%) and base (80%). 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.



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
(All amounts in Indian Rupees Millions)

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. So 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 financial 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:

|                           | March 31, 2019 | March 31, 2018 | April 01, 2017 |
|---------------------------|----------------|----------------|----------------|
| Fair value of collaterals | 36,071.14      | 39,577.91      | 43,149.34      |



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

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, 2019

|  | Stage 1   | Stage 2 | Stage 3 | Total     |
|--|-----------|---------|---------|-----------|
| Loans at amortised cost:               |           |         |         |           |
| Total gross carrying value             | 16,846.41 | -       | -       | 16,846.41 |
| Loss allowance*                        | (79.93)   | -       | -       | (79.93)   |
| Net carrying value                     | 16,766.48 | -       | -       | 16,766.48 |
| Interest accrued but not due on loans: |           |         |         |           |
| Total gross carrying value             | 145.17    | -       | -       | 145.17    |
| Loss allowance                         | (0.76)    | -       | -       | (0.76)    |
| Net carrying value                     | 144.41    | -       | -       | 144.41    |

*\*It includes ECL on undrawn commitments of Rs. 504.35 million*

As at March 31, 2018

|  | Stage 1   | Stage 2 | Stage 3 | Total     |
|--|-----------|---------|---------|-----------|
| Total gross carrying value             | 18,299.89 | -       | -       | 18,299.89 |
| Loss allowance*                        | (49.46)   | -       | -       | (49.46)   |
| Net carrying value                     | 18,250.43 | -       | -       | 18,250.43 |
| Interest accrued but not due on loans: |           |         |         |           |
| Total gross carrying value             | 141.14    | -       | -       | 141.14    |
| Loss allowance                         | (0.39)    | -       | -       | (0.39)    |
| Net carrying value                     | 140.75    | -       | -       | 140.75    |

*\*It includes ECL on undrawn commitments of Rs. 511.72 million*

As at April 01, 2017

|  | Stage 1   | Stage 2 | Stage 3 | Total     |
|--|-----------|---------|---------|-----------|
| Total gross carrying value             | 22,118.90 | -       | -       | 22,118.90 |
| Loss allowance*                        | (22.91)   | -       | -       | (22.91)   |
| Net carrying value                     | 22,095.99 | -       | -       | 22,095.99 |
| Interest accrued but not due on loans: |           |         |         |           |
| Total gross carrying value             | 136.88    | -       | -       | 136.88    |
| Loss allowance                         | (0.18)    | -       | -       | (0.18)    |
| Net carrying value                     | 136.70    | -       | -       | 136.70    |

*\*It includes ECL on undrawn commitments of Rs. 465.79 million*



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

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

As at March 31, 2019

| Credit Ratings | Stage 1   |       |
|----------------|-----------|-------|
|                | EAD       | ECL   |
| 5              | 47.20     | 0.01  |
| 6              | 438.59    | 0.07  |
| 7              | 621.00    | 0.13  |
| 8              | 2,627.79  | 0.67  |
| 9              | 693.02    | 0.22  |
| 10             | 1,149.24  | 0.48  |
| 12             | 967.62    | 0.81  |
| 13             | 2,201.76  | 2.81  |
| 14             | 1,399.39  | 2.40  |
| 15             | 1,687.47  | 4.07  |
| 16             | 647.51    | 2.25  |
| 17             | 1,740.63  | 8.68  |
| 18             | 494.05    | 3.44  |
| 19             | 199.42    | 1.84  |
| 20             | 900.20    | 12.49 |
| 21             | 1,444.96  | 40.32 |
| Total          | 17,259.85 | 80.69 |

As at March 31, 2018

| Credit Ratings | Stage 1   |       |
|----------------|-----------|-------|
|                | EAD       | ECL   |
| 4              | 63.55     | 0.00  |
| 6              | 83.55     | 0.01  |
| 7              | 709.89    | 0.15  |
| 8              | 1,472.19  | 0.38  |
| 9              | 1,694.50  | 0.55  |
| 10             | 1,771.51  | 0.74  |
| 11             | 780.93    | 0.40  |
| 12             | 1,788.02  | 1.51  |
| 12.8           | 17.00     | 0.02  |
| 13             | 1,279.92  | 1.64  |
| 14             | 1,682.91  | 2.91  |
| 15             | 1,834.55  | 4.47  |
| 16             | 2,742.44  | 9.63  |
| 17             | 1,148.56  | 5.80  |
| 18             | 24.37     | 0.17  |
| 19             | 1,006.46  | 9.39  |
| 20             | 863.59    | 12.08 |
| Total          | 18,963.94 | 49.85 |



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

As at April 01, 2017

| Credit Ratings | Stage 1   |       |
|----------------|-----------|-------|
|                | EAD       | ECL   |
| 6              | 256.01    | 0.04  |
| 7              | 92.14     | 0.02  |
| 8              | 2,467.69  | 0.63  |
| 9              | 3,593.84  | 1.17  |
| 10             | 2,814.07  | 1.18  |
| 11             | 3,140.10  | 1.61  |
| 12             | 3,613.31  | 3.04  |
| 13             | 1,513.47  | 1.94  |
| 14             | 2,892.26  | 4.99  |
| 15             | 807.33    | 1.96  |
| 16             | 1,044.36  | 3.63  |
| 17             | 473.35    | 2.39  |
| 19             | 50.66     | 0.49  |
| Total          | 22,758.59 | 23.09 |

28.2.8. Movement of loss allowance

|                                     | Stage 1<br>12 month ECL | Stage 2<br>Lifetime ECL | Stage 3<br>Lifetime ECL | Total |
|-------------------------------------|-------------------------|-------------------------|-------------------------|-------|
| Loss allowance as at March 31, 2018 | 49.85                   | -                       | -                       | 49.85 |
| Net addition in loss allowance      | 30.84                   | -                       | -                       | 30.84 |
| Loss allowance as at March 31, 2019 | 80.69                   | -                       | -                       | 80.69 |

|                                     | Stage 1<br>12 month ECL | Stage 2<br>Lifetime ECL | Stage 3<br>Lifetime ECL | Total |
|-------------------------------------|-------------------------|-------------------------|-------------------------|-------|
| Loss allowance as at April 01, 2017 | 23.09                   | -                       | -                       | 23.09 |
| Net addition in loss allowance      | 26.76                   | -                       | -                       | 26.76 |
| Loss allowance as at March 31, 2018 | 49.85                   | -                       | -                       | 49.85 |

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





**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

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, 2019

|   | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | Over 5 years | Total     |
|---|-----------|--------------------|----------------|--------------|--------------|-----------|
| Financial assets:   |           |                    |                |              |              |           |
| Cash and cash equivalent                                  | 172.42    | 400                | -              | -            | -            | 572.42    |
| Loans (Gross)   | -         | 13,732.36          | 3,114.04       | -            | -            | 16,846.40 |
| Investment  | -         | -                  | -              | -            | 617.14       | 617.14    |
| Other financial assets (Gross)                            | -         | 145.47             | -              | -            | 0.32         | 145.79    |
| Total financial assets                                    | 172.42    | 14,277.83          | 3,114.04       | -            | 617.46       | 18,181.75 |
| Financial liabilities:                                    |           |                    |                |              |              |           |
| Payables  | 7.83      | 1.47               | 3.08           | -            | -            | 12.38     |
| Borrowings (Undiscounted)<br>(Other than Debt Securities) | -         | 1,500.00           | 10,300.00      | -            | -            | 11,800.00 |
| Subordinated Liabilities<br>(Undiscounted)                | -         | -                  | -              | -            | 45.89        | 45.89     |
| Total financial liabilities                               | 7.83      | 1,501.47           | 10,303.08      | -            | 45.89        | 11,858.27 |
| Total net financial assets /<br>(liabilities)             | 164.59    | 12,776.36          | (7,189.04)     | -            | 571.57       | 6,323.48  |



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

As at March 31, 2018

|  | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | Over 5 years | Total     |
|--|-----------|--------------------|----------------|--------------|--------------|-----------|
| Financial assets:                                      |           |                    |                |              |              |           |
| Cash and cash equivalent                               | 190.41    | 1,125.00           | -              | -            | -            | 1,315.41  |
| Loans (Gross)  | -         | 11,374.29          | 6,925.60       | -            | -            | 18,299.89 |
| Investment   | -         | -                  | -              | -            | 655.68       | 655.68    |
| Other financial assets (Gross)                         | -         | 142.95             | -              | -            | 0.32         | 143.27    |
| Total financial assets                                 | 190.41    | 12,642.24          | 6,925.60       | -            | 656.00       | 20,414.25 |
| Financial liabilities:                                 |           |                    |                |              |              |           |
| Payable  | 5.96      | 0.49               | -              | -            | -            | 6.45      |
| Borrowings (Undiscounted) (Other than Debt Securities) | -         | 8,550.00           | 5,850.00       | -            | -            | 14,400.00 |
| Subordinated Liabilities (Undiscounted)                | -         | -                  | -              | -            | 45.89        | 45.89     |
| Total financial liabilities                            | 5.96      | 8,550.49           | 5,850.00       | -            | 45.89        | 14,452.34 |
| Total net financial assets / (liabilities)             | 184.45    | 4,091.75           | 1,075.60       | -            | 610.11       | 5,961.91  |

As at April 01, 2017

|  | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | Over 5 years | Total     |
|--|-----------|--------------------|----------------|--------------|--------------|-----------|
| Financial assets:                                      |           |                    |                |              |              |           |
| Cash and cash equivalent                               | 226.17    | 640                | -              | -            | -            | 866.17    |
| Loans (Gross)  | -         | 15,136.68          | 6,952.22       | 30.00        | -            | 22,118.90 |
| Investment   | -         | -                  | -              | -            | 677.96       | 677.96    |
| Other financial assets (Gross)                         | -         | 148.85             | -              | -            | 0.32         | 149.17    |
| Total financial assets                                 | 226.17    | 15,925.53          | 6,952.22       | 30.00        | 678.28       | 23,812.20 |
| Financial liabilities:                                 |           |                    |                |              |              |           |
| Payables   | 19.67     | 1.93               | -              | -            | -            | 21.60     |
| Borrowings (Undiscounted) (Other than Debt Securities) | -         | 3,700.00           | 14,600.00      | -            | -            | 18,300.00 |
| Subordinated Liabilities (Undiscounted)                | -         | -                  | -              | -            | 45.89        | 45.89     |
| Total financial liabilities                            | 19.67     | 3,701.93           | 14,600.00      | -            | 45.89        | 18,367.49 |
| Total net financial assets / (liabilities)             | 206.50    | 12,223.60          | (7,647.78)     | 30.00        | 632.39       | 5,444.71  |



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
(All amounts in Indian Rupees Millions)

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 is not exposed to any material currency risk

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.



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

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.

|   | March 31, 2019   |                 |                  | March 31, 2018   |                 |                  | April 01, 2017   |                 |                  |
|---|------------------|-----------------|------------------|------------------|-----------------|------------------|------------------|-----------------|------------------|
|   | Within 12 months | After 12 months | Total            | Within 12 months | After 12 months | Total            | Within 12 months | After 12 months | Total            |
| Financial assets                        |                  |                 |                  |                  |                 |                  |                  |                 |                  |
| Cash and cash equivalents               | 572.42           | -               | 572.42           | 1,315.41         | -               | 1,315.41         | 866.17           | -               | 866.17           |
| Loans                                   | 16,766.48        | -               | 16,766.48        | 18,250.43        | -               | 18,250.43        | 22,066.01        | 29.98           | 22,095.99        |
| Investments                             | -                | 617.14          | 617.14           | -                | 655.68          | 655.68           | -                | 677.96          | 677.96           |
| Other Financial assets                  | 144.71           | 0.32            | 145.03           | 142.56           | 0.32            | 142.88           | 148.67           | 0.32            | 148.99           |
| Non-financial assets                    |                  |                 |                  |                  |                 |                  |                  |                 |                  |
| Current Tax assets (Net)                | -                | 618.65          | 618.65           | -                | 621.36          | 621.36           | -                | 595.76          | 595.76           |
| Property, Plant and Equipment           | -                | 16.57           | 16.57            | -                | 16.91           | 16.91            | -                | 17.25           | 17.25            |
| Other Non-financial assets              | -                | -               | -                | 0.15             | -               | 0.15             | -                | -               | -                |
| <b>Total Assets</b>                     | <b>17,483.61</b> | <b>1,252.69</b> | <b>18,736.29</b> | <b>19,708.56</b> | <b>1,294.27</b> | <b>21,002.83</b> | <b>23,080.85</b> | <b>1,321.28</b> | <b>24,402.13</b> |
| LIABILITIES                             |                  |                 |                  |                  |                 |                  |                  |                 |                  |
| Financial liabilities                   |                  |                 |                  |                  |                 |                  |                  |                 |                  |
| Payables                                | 12.42            | -               | 12.42            | 6.49             | -               | 6.49             | 21.64            | -               | 21.64            |
| Borrowings (other than debt securities) | 11,424.67        | -               | 11,424.67        | 14,088.02        | -               | 14,088.02        | 17,878.84        | -               | 17,878.84        |
| Subordinated Liabilities                | -                | 22.17           | 22.17            | -                | 20.13           | 20.13            | -                | 18.27           | 18.27            |
| Non-Financial liabilities               |                  |                 |                  |                  |                 |                  |                  |                 |                  |
| Provisions                              | 2.35             | 0.23            | 2.58             | 2.87             | 0.35            | 3.22             | 2.03             | 0.28            | 2.31             |
| Other non-financial liabilities         | 4.62             | -               | 4.62             | 2.16             | -               | 2.16             | 2.24             | -               | 2.24             |
| <b>Total Liabilities</b>                | <b>11,444.06</b> | <b>22.40</b>    | <b>11,466.46</b> | <b>14,099.54</b> | <b>20.48</b>    | <b>14,120.02</b> | <b>17,904.75</b> | <b>18.55</b>    | <b>17,923.30</b> |
| <b>Net</b>                              | <b>6,039.56</b>  | <b>1,230.28</b> | <b>7,269.82</b>  | <b>5,609.01</b>  | <b>1,273.80</b> | <b>6,882.80</b>  | <b>5,176.10</b>  | <b>1,302.73</b> | <b>6,478.83</b>  |



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

30. Related party disclosures as required by Ind AS 24

(a) Related parties and relationships

| <i>Names of Related parties</i>                     | <i>Nature of relationship</i>       |
|---|-------------------------------------|
| Holding Companies                                   |                                     |
| Barclays Bank PLC, United Kingdom                   | Ultimate holding company            |
| Barclays Bank PLC, India Branches                   | Branch of holding company           |
| Barclays Bank PLC, Singapore Branch                 | Branch of holding company           |
| Barclays Bank PLC, Hong Kong Branch                 | Branch of holding company           |
| Others  |                                     |
| Barclays Mauritius Overseas Holdings Limited (BMOH) | Fellow subsidiary company           |
| Barclays Global Service Centre Private Limited*     | Fellow subsidiary company           |
| Barclays Shared Services Private Limited*           | Fellow subsidiary company           |
| Barclays Technology Centre India Private Limited*   | Fellow subsidiary company           |
| Barclays Services Limited                           | Fellow subsidiary company           |
| Mr. Ruzbeh Sutaria                                  | Key Management Personnel (Director) |
| Mr. Rakesh Kripalani                                | Key Management Personnel (Director) |
| Mr. Rajeev Ghadi                                    | Key Management Personnel (Director) |
| Mr. Nirav Mody                                      | Key Management Personnel (Director) |
| Mr. Gurupad Pavan                                   | Key Management Personnel (Director) |

\* Barclays Shared Services Private Limited (BSS) and Barclays Technology Centre India Private Limited (BTCI) both are now Barclays Global Service Centre Private Limited (BGSC) as stated below:



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

1. BSS – Merger of BSS and BTCL – Resolution passed on December 2, 2017.
2. BTCL – Name Change BTCL to BGSC – Resolution passed on December 22, 2017.

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

| Year ended March 31, 2019                             | Holding Company and its Branches | Associates / JV / Fellow Subsidiary Company | Key Management Personnel | Total            |
|---|----------------------------------|---|--------------------------|------------------|
| Interest income                                       | 37.82                            | -   | -                        | 37.82            |
| Barclays Bank PLC, India Branches                     | 37.82                            | -   | -                        | 37.82            |
| <i>Previous year</i>                                  | <i>73.59</i>                     | -   | -                        | <i>73.59</i>     |
| Barclays Bank PLC, India Branches                     | <i>73.59</i>                     | -   | -                        | <i>73.59</i>     |
| Interest on borrowings                                | 7.32                             | -   | -                        | 7.32             |
| Barclays Bank PLC, India Branches                     | 7.32                             | -   | -                        | 7.32             |
| <i>Previous year</i>                                  | <i>3.54</i>                      | -   | -                        | <i>3.54</i>      |
| <i>Barclays Bank PLC, India Branches</i>              | <i>3.54</i>                      | -   | -                        | <i>3.54</i>      |
| Fixed deposit placed                                  | 23,325.00                        | -   | -                        | 23,325.00        |
| Barclays Bank PLC, India Branches                     | 23,325.00                        | -   | -                        | 23,325.00        |
| <i>Previous year</i>                                  | <i>46,385.00</i>                 | -   | -                        | <i>46,385.00</i> |
| <i>Barclays Bank PLC, India Branches</i>              | <i>46,385.00</i>                 | -   | -                        | <i>46,385.00</i> |
| Fixed deposit repaid                                  | 24,050.00                        | -   | -                        | 24,050.00        |
| Barclays Bank PLC, India Branches                     | 24,050.00                        | -   | -                        | 24,050.00        |
| <i>Previous year</i>                                  | <i>45,900.00</i>                 | -   | -                        | <i>45,900.00</i> |
| <i>Barclays Bank PLC, India Branches</i>              | <i>45,900.00</i>                 | -   | -                        | <i>45,900.00</i> |
| Private placement of Commercial Paper (Nominal Value) | -                                | -   | -                        | -                |
| Barclays Bank PLC, India Branches                     | -                                | -   | -                        | -                |
| Barclays Global Service Centre Private Limited        | -                                | -   | -                        | -                |



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

| Year ended March 31, 2019                                | Holding Company and its Branches | Associates / JV / Fellow Subsidiary Company | Key Management Personnel | Total    |
|--|----------------------------------|---|--------------------------|----------|
| <i>Previous year</i>                                     | 500.00                           | 2,250.00                                    | -                        | 2,750.00 |
| <i>Barclays Bank PLC, India Branches</i>                 | 500.00                           | -   | -                        | 500.00   |
| <i>Barclays Global Service Centre Private Limited</i>    | -                                | 2,250.00                                    | -                        | 2,250.00 |
|  |                                  |   |                          |          |
| Repayment of Commercial Paper <sup>1</sup>               | -                                | 250.00                                      | -                        | 250.00   |
| Barclays Global Service Centre Private Limited           | -                                | 250.00                                      | -                        | 250.00   |
| <i>Previous year</i>                                     | -                                | 3,000.00                                    | -                        | 3,000.00 |
| <i>Barclays Global Service Centre Private Limited</i>    | -                                | 3,000.00                                    | -                        | 3,000.00 |
|  |                                  |   |                          |          |
| Discount/Interest on Commercial Paper                    | -                                | 0.71  | -                        | 0.71     |
| Barclays Global Service Centre Private Limited           | -                                | 0.71  | -                        | 0.71     |
| <i>Previous year</i>                                     | -                                | 92.61                                       | -                        | 92.61    |
| <i>Barclays Global Service Centre Private Limited</i>    | -                                | 92.61                                       | -                        | 92.61    |
|  |                                  |   |                          |          |
| Service and other cost reimbursements (Net) <sup>2</sup> | 8.33                             | 4.16  | 0.91                     | 13.40    |
| Barclays Bank PLC, India Branches                        | 8.33                             | -   | 0.91                     | 9.24     |
| Barclays Bank PLC, Singapore Branch                      | -                                | -   | -                        | -        |
| Barclays Services Limited                                | -                                | 1.74  | -                        | 1.74     |
| Barclays Securities (India) Private Limited              | -                                | 2.44  | -                        | 2.44     |
| Barclays Global Service Centre Private Limited           | -                                | (0.02)                                      | -                        | (0.02)   |
| <i>Previous year</i>                                     | 22.57                            | 2.70  | 5.98                     | 31.25    |
| <i>Barclays Bank PLC, India Branches</i>                 | 25.85                            | -   | 5.98                     | 31.83    |
| <i>Barclays Bank PLC, Singapore Branch</i>               | (3.28)                           | -   | -                        | (3.28)   |
| <i>Barclays Securities (India) Private Limited</i>       | -                                | 2.61  | -                        | 2.61     |
| <i>Barclays Global Service Centre Private Limited</i>    | -                                | 0.09  | -                        | 0.09     |
|  |                                  |   |                          |          |



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

| Year ended March 31, 2019                        | Holding Company and its Branches | Associates / JV / Fellow Subsidiary Company | Key Management Personnel | Total    |
|--|----------------------------------|---|--------------------------|----------|
| Service and other cost reimbursements received   | -                                | 1.98  | -                        | 1.98     |
| Barclays Securities India Private Limited        | -                                | 1.98  | -                        | 1.98     |
| <i>Previous year</i>                             | -                                | 3.22  | -                        | 3.22     |
| <i>Barclays Securities India Private Limited</i> | -                                | 3.22  | -                        | 3.22     |
| Borrowed during the year                         | 4,725.00                         | -   | -                        | 4,725.00 |
| Barclays Bank PLC, India Branches                | 4,725.00                         | -   | -                        | 4,725.00 |
| <i>Previous year</i>                             | 2,770.00                         | -   | -                        | 2,770.00 |
| <i>Barclays Bank PLC, India Branches</i>         | 2,770.00                         | -   | -                        | 2,770.00 |
| Borrowings repaid during the year                | 4,725.00                         | -   | -                        | 4,725.00 |
| Barclays Bank PLC, India Branches                | 4,725.00                         | -   | -                        | 4,725.00 |
| <i>Previous year</i>                             | 2,770.00                         | -   | -                        | 2,770.00 |
| <i>Barclays Bank PLC, India Branches</i>         | 2,770.00                         | -   | -                        | 2,770.00 |
| Employee Cost***                                 | -                                | -   | 5.53                     | 5.53     |
| <i>Previous year</i>                             | -                                | -   | -                        | -        |
| Bank charges (Miscellaneous expenses)            | 0.01                             | -   | -                        | 0.01     |
| Barclays Bank PLC, India Branches                | 0.01                             | -   | -                        | 0.01     |
| <i>Previous year</i>                             | 0.01                             | -   | -                        | 0.01     |
| <i>Barclays Bank PLC, India Branches</i>         | 0.01                             | -   | -                        | 0.01     |

\*\*\*pertains to Ruzbeh Sutaria





**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

| <u>Year ended March 31, 2019</u>                      | <u>Holding Company</u> | <u>Associates / JV / Fellow Subsidiary Company</u> | <u>Key Management Personnel</u> | Total           |
|---|------------------------|--|---------------------------------|-----------------|
| <i>Outstanding at year end</i>                        |                        |  |                                 |                 |
| Bank balances   | 168.05                 | -  | -                               | 168.05          |
| Barclays Bank PLC, India Branches                     | 168.05                 | -  | -                               | 168.05          |
| <i>Previous year March 31, 2018</i>                   | <i>185.05</i>          | -  | -                               | <i>185.05</i>   |
| <i>Barclays Bank PLC, India Branches</i>              | <i>185.05</i>          | -  | -                               | <i>185.05</i>   |
| <i>Previous year April 01, 2017</i>                   | <i>220.44</i>          | -  | -                               | <i>220.44</i>   |
| <i>Barclays Bank PLC, India Branches</i>              | <i>220.44</i>          | -  | -                               | <i>220.44</i>   |
|   |                        |  |                                 |                 |
| Outstanding balance payable                           | 1.15                   | 2.34   | -                               | 3.49            |
| Barclays Bank PLC, India Branches                     | 1.15                   | -  | -                               | 1.15            |
| Barclays Securities (India) Private Limited           | -                      | 0.77   | -                               | 0.77            |
| Barclays Bank PLC, Singapore Branch                   | -                      | -  | -                               | -               |
| Barclays Global Service Centre Private Limited        | -                      | 0.01   | -                               | 0.01            |
| Barclays Services Limited                             | -                      | 1.56   | -                               | 1.56            |
| <i>Previous year March 31, 2018</i>                   | <i>-</i>               | <i>0.07</i>  | -                               | <i>0.07</i>     |
| <i>Barclays Bank PLC, India Branches</i>              | <i>-</i>               | <i>-</i>   | -                               | <i>-</i>        |
| <i>Barclays Securities (India) Private Limited</i>    | <i>-</i>               | <i>-</i>   | -                               | <i>-</i>        |
| <i>Barclays Bank PLC, Singapore Branch</i>            | <i>-</i>               | <i>-</i>   | -                               | <i>-</i>        |
| <i>Barclays Global Service Centre Private Limited</i> | <i>-</i>               | <i>0.07</i>  | -                               | <i>0.07</i>     |
| <i>Previous year April 01, 2017</i>                   | <i>4.67</i>            | <i>0.03</i>  | -                               | <i>4.70</i>     |
| <i>Barclays Bank PLC, India Branches</i>              |                        |  |                                 |                 |
| <i>Barclays Securities (India) Private Limited</i>    |                        |  |                                 |                 |
| <i>Barclays Bank PLC, Singapore Branch</i>            | <i>4.67</i>            | <i>-</i>   | -                               | <i>4.67</i>     |
| <i>Barclays Shared Services Private Limited*</i>      | <i>-</i>               | <i>0.03</i>  | -                               | <i>0.03</i>     |
|   |                        |  |                                 |                 |
| Outstanding balance receivable                        | -                      | -  | -                               | -               |
| <i>Previous year March 31, 2018</i>                   | <i>-</i>               | <i>-</i>   | -                               | <i>-</i>        |
| <i>Barclays Bank PLC, India Branches</i>              | <i>-</i>               | <i>-</i>   | -                               | <i>-</i>        |
| <i>Barclays Bank PLC, Singapore Branch</i>            | <i>-</i>               | <i>-</i>   | -                               | <i>-</i>        |
| <i>Barclays Securities India Private Limited</i>      | <i>-</i>               | <i>-</i>   | -                               | <i>-</i>        |
| <i>Previous year April 01, 2017</i>                   | <i>11.32</i>           | <i>2.67</i>  | -                               | <i>13.99</i>    |
| <i>Barclays Bank PLC, India Branches</i>              | <i>9.16</i>            | <i>-</i>   | -                               | <i>9.16</i>     |
| <i>Barclays Bank PLC, Singapore Branch</i>            | <i>2.16</i>            | <i>-</i>   | -                               | <i>2.16</i>     |
| <i>Barclays Securities India Private Limited</i>      | <i>-</i>               | <i>2.67</i>  | -                               | <i>2.67</i>     |
|   |                        |  |                                 |                 |
| Fixed deposits  | 400.00                 | -  | -                               | 400.00          |
| Barclays Bank PLC, India Branches                     | 400.00                 | -  | -                               | 400.00          |
| <i>Previous year March 31, 2018</i>                   | <i>1,126.81</i>        | -  | -                               | <i>1,126.81</i> |
| <i>Barclays Bank PLC, India Branches</i>              | <i>1,126.81</i>        | -  | -                               | <i>1,126.81</i> |



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

| <u>Year ended March 31, 2019</u>   | <u>Holding Company</u> | <u>Associates / JV / Fellow Subsidiary Company</u> | <u>Key Management Personnel</u> | Total    |
|--|------------------------|--|---------------------------------|----------|
| <i>Previous year April 01, 2017</i>  | 640.10                 | -  | -                               | 640.10   |
| <i>Barclays Bank PLC, India Branches</i>                                   | 640.10                 | -  | -                               | 640.10   |
| Interest accrued on Fixed deposits   | 0.30                   | -  | -                               | 0.30     |
| Barclays Bank PLC, India Branches  | 0.30                   | -  | -                               | 0.30     |
| <i>Previous year March 31, 2018</i>  | 1.81                   | -  | -                               | 1.81     |
| <i>Barclays Bank PLC, India Branches</i>                                   | 1.81                   | -  | -                               | 1.81     |
| <i>Previous year April 01, 2017</i>  | 0.10                   | -  | -                               | 0.10     |
| <i>Barclays Bank PLC, India Branches</i>                                   | 0.10                   | -  | -                               | 0.10     |
| Commercial Papers outstanding (At Face Value, includes unexpired discount) | -                      | -  | -                               | -        |
| Barclays Global Service Centre Private Limited                             | -                      | -  | -                               | -        |
| <i>Previous year March 31, 2018</i>  | -                      | 250.00   | -                               | 250.00   |
| <i>Barclays Global Service Centre Private Limited</i>                      | -                      | 250.00   | -                               | 250.00   |
| <i>Previous year April 01, 2017</i>  | -                      | 1,000.00   | -                               | 1,000.00 |
| <i>Barclays Shared Services Private Limited*</i>                           | -                      | 1,000.00   | -                               | 1,000.00 |
| Investments  | -                      | 446.25   | -                               | 446.25   |
| Barclays Securities (India) Private Limited                                | -                      | 446.25   | -                               | 446.25   |
| <i>Previous year March 31, 2018</i>  | -                      | 446.25   | -                               | 446.25   |
| <i>Barclays Securities (India) Private Limited</i>                         | -                      | 446.25   | -                               | 446.25   |
| <i>Previous year April 01, 2017</i>  | -                      | 446.25   | -                               | 446.25   |
| <i>Barclays Securities (India) Private Limited</i>                         | -                      | 446.25   | -                               | 446.25   |

Transactions with key management personnel are as follows:

|                              | Year ended<br>March, 31 2019 | Year ended<br>March, 31 2018 |
|------------------------------|------------------------------|------------------------------|
| Short term employee benefits | 6.19                         | 5.75                         |
|                              | 6.19                         | 5.75                         |

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



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
(All amounts in Indian Rupees Millions)

31. 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.

31.1. 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 38(i).

32. Transition to Ind AS:

The Company has transitioned the basis of accounting from Indian generally accepted accounting principles ('IGAAP') to Ind AS. The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended March 31, 2019, the comparative information presented in these financial statements for the year ended March 31, 2018 and in the preparation of an opening Ind AS balance sheet at April 01, 2017 (the 'transition date').

In preparing our opening Ind AS balance sheet, the Company has adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected the financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables.



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

A. Reconciliation of equity

|     | As at April 01, 2017  | Note | Amount as per IGAAP | Ind AS impact | Amount as per Ind AS |
|-----|---|------|---------------------|---------------|----------------------|
|     | ASSETS  |      |                     |               |                      |
| (1) | Financial assets  |      |                     |               |                      |
| (a) | Cash and cash equivalents   | 4    | 866.17              | -             | 866.17               |
| (b) | Loans   | 5    | 22,041.48           | 54.51         | 22,095.99            |
| (c) | Investments   | 6    | 774.26              | (96.30)       | 677.96               |
| (d) | Other financial assets  | 7    | 149.17              | (0.18)        | 148.99               |
|     | Total financial assets  |      | 23,831.08           | (41.96)       | 23,789.11            |
| (2) | Non-financial assets  |      |                     |               |                      |
| (a) | Current Tax assets (Net)  |      | 595.76              | -             | 595.76               |
| (b) | Property, Plant and Equipment   | 8    | 17.25               | -             | 17.25                |
| (c) | Other Non-financial assets  | 9    | -                   | -             | -                    |
|     | Total non-financial assets  |      | 613.01              | -             | 613.01               |
|     | Total Assets  |      | 24,444.09           | (41.96)       | 24,402.13            |
|     | LIABILITIES AND EQUITY  |      |                     |               |                      |
|     | LIABILITIES   |      |                     |               |                      |
| (1) | Financial liabilities   |      |                     |               |                      |
| (a) | Payables  | 10   |                     |               |                      |
|     | (I) 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 |      | 21.64               | -             | 21.64                |
| (b) | Borrowings (Other than Debt Securities)   | 11   | 17,878.84           | -             | 17,878.84            |
| (c) | Subordinated Liabilities  | 12   | -                   | 18.27         | 18.27                |
|     | Total financial liabilities   |      | 17,900.48           | 18.27         | 17,918.75            |
| (2) | Non-Financial liabilities   |      |                     |               |                      |
| (a) | Provisions  | 13   | 2.31                | -             | 2.31                 |
| (b) | Other non-financial liabilities   | 14   | 2.24                | -             | 2.24                 |
|     | Total non-financial liabilities   |      | 4.55                | -             | 4.55                 |
| (3) | EQUITY  |      |                     |               |                      |
| (a) | Share Capital   | 15   | 10,903.74           | (0.46)        | 10,903.28            |
| (b) | Other equity  | 16   | (4,364.68)          | (59.78)       | (4,424.46)           |
|     | Total Equity  |      | 6,539.06            | (60.24)       | 6,478.82             |
|     | Total Liabilities and equity  |      | 24,444.09           | (41.97)       | 24,402.13            |



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
 (All amounts in Indian Rupees Millions)

B. Reconciliation of equity

|     | As at March 31, 2018  | Note | Amount as per IGAAP | Ind AS impact | Amount as per Ind AS |
|-----|---|------|---------------------|---------------|----------------------|
|     | ASSETS  |      |                     |               |                      |
| (1) | Financial assets  |      |                     |               |                      |
| (a) | Cash and cash equivalents   | 4    | 1,315.41            | -             | 1,315.41             |
| (b) | Loans   | 5    | 18,226.69           | 23.74         | 18,250.43            |
| (c) | Investments   | 6    | 749.54              | (93.86)       | 655.68               |
| (d) | Other financial assets  | 7    | 143.27              | (0.39)        | 142.88               |
|     | Total financial assets  |      | 20,434.91           | (70.51)       | 20,364.40            |
| (2) | Non-financial assets  |      |                     |               |                      |
| (a) | Current Tax assets (Net)  |      | 621.36              | -             | 621.36               |
| (b) | Property, Plant and Equipment   | 8    | 16.91               | -             | 16.91                |
| (c) | Other Non-financial assets  | 9    | 0.15                | -             | 0.15                 |
|     | Total non-financial assets  |      | 638.42              | -             | 638.42               |
|     | Total Assets  |      | 21,073.33           | (70.51)       | 21,002.82            |
|     | LIABILITIES AND EQUITY  |      |                     |               |                      |
|     | LIABILITIES   |      |                     |               |                      |
| (1) | Financial liabilities   |      |                     |               |                      |
| (a) | Payables  | 10   |                     |               |                      |
|     | (I) 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 |      | 6.49                | -             | 6.49                 |
| (a) | Borrowings (Other than Debt Securities)   | 11   | 14,088.02           | -             | 14,088.02            |
| (b) | Subordinated Liabilities  | 12   | -                   | 20.13         | 20.13                |
|     | Total financial liabilities   |      | 14,094.51           | 20.13         | 14,114.64            |
| (2) | Non-Financial liabilities   |      |                     |               |                      |
| (a) | Provisions  | 13   | 3.22                | -             | 3.22                 |
| (b) | Other non-financial liabilities   | 14   | 2.16                | -             | 2.16                 |
|     | Total non-financial liabilities   |      | 5.38                | -             | 5.38                 |
| (3) | EQUITY  |      |                     |               |                      |
| (a) | Share Capital   | 15   | 10,903.74           | (0.46)        | 10,903.28            |
| (b) | Other equity  | 16   | (3,930.30)          | (90.18)       | (4,020.48)           |
|     | Total Equity  |      | 6,973.44            | (90.64)       | 6,882.80             |
|     | Total Liabilities and equity  |      | 21,073.33           | (70.50)       | 21,002.82            |



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
(FORMERLY KNOWN AS BARCLAYS INVESTMENTS & LOANS (INDIA) LIMITED)  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
(All amounts in Indian Rupees Millions)

Ind AS 101 requires reconciliations of its equity reported in accordance with previous GAAP to its equity in accordance with Ind AS and a reconciliation to its total comprehensive income in accordance with Ind AS for the latest period in the entity's most recent annual financial statements. The Company has chosen to provide reconciliation of amount reported in accordance with previous GAAP to amount reported under Ind AS for each line item of balance sheet and statement of profit and loss as an additional disclosure.

The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

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'.

For B S R & Co. LLP  
*Chartered Accountants*  
Firm registration No. 101248W/W-100022

Sd/-

Sameer Mota  
*Partner*  
Membership No. 109928

Place : Mumbai  
Date : September 19, 2019

For and on behalf of the Board

Sd/-

Rakesh Kripalani  
*Director*  
DIN No. 02877283

Sd/-

Ritika Mehrotra  
*Chief Financial Officer*

Place : Mumbai  
Date : September 19, 2019

Sd/-

Ruzbeh Sutaria  
*Director*  
DIN No. 07889937

Sd/-

Noopur Gupta  
*Company Secretary*  
ACS 27413

**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, 2019                              |
| 2. Shares of Associate / Joint Ventures held by the company on the year end |   |
| No.   | 44,625,000                                  |
| Extent of holding   | 25%   |
|   |   |

**BARCLAYS INVESTMENTS AND LOANS (INDIA) PRIVATE LIMITED**

|   |  |
|---|--|
| 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.<br>As per Companies Act, 2013 "significant influence" means control of at least 20% of total share capital, or of business decisions under an agreement.<br>As Barclays Investments and Loans (India) Private 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. 2,497.35 millions as at March 31, 2019<br>Rs. 624.34 millions (25% of above) as at March 31, 2019  |
| 6. Profit / (Loss) for the year   | Rs. (89.06) millions   |
| i. Considered in Consolidation  | Rs. (22.27) millions   |
| ii. Not Considered in Consolidation   | Rs. (66.79) millions   |

For and on behalf of the Board

Sd/-

Rakesh Kripalani  
Director (DIN: 02877283)

Sd/-

Ruzbeh Sutaria  
Director (DIN: 07889937)

Sd/-

Ritika Mehrotra  
Chief Financial Officer

Sd/-

Noopur Gupta  
Company Secretary (ACS27413)



BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED

Regd. Office: Nirlon Knowledge Park, Level 10, Block B-6, Off Western Express Highway, Goregaon (E), Mumbai- 400063

CIN: U93090MH1937FTC291521 | Website: [www.barclays.in/bilil](http://www.barclays.in/bilil) | E-mail: [bililcompliance@barclayscapital.com](mailto:bililcompliance@barclayscapital.com)

Tel: +91 22 61754000 | Fax: +91 22 61754099

ATTENDANCE SLIP

I hereby record my/our presence at the 82nd Annual General Meeting of Barclays Investments & Loans (India) Private Limited held on Monday, the 30th day of September, 2019, at 02:00 p.m. at Nirlon Knowledge Park, Level 10, Block B-6, Off Western Express Highway, Goregaon (E), Mumbai- 400 063.

|  |  |
|--|--|
| Name of the Shareholder/Proxy:<br>(in Block Letters) |  |
| Signature of the Shareholder/Proxy:                  |  |
| Folio No.:   |  |

**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**

Regd. Office: Nirlon Knowledge Park, Level 10, Block B-6, Off Western Express Highway, Goregaon (E), Mumbai- 400063

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Tel: +91 22 61754000 | Fax: +91 22 61754099

**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U93090MH1937FTC291521  
Name of the Company: Barclays Investments & Loans (India) Private Limited  
Registered office: Nirlon Knowledge Park, Level 10, Block B-6, Off Western Express Highway, Goregaon (East), Mumbai- 400 063

|                        |  |
|------------------------|--|
| Name of the member(s): |  |
| Registered Address:    |  |
| Email Id:              |  |
| Folio No./Client Id:   |  |
| DP Id:                 |  |

I/We, being the member(s) of \_\_\_\_\_ shares of the above named Company, hereby appoint

1. Name:  
Address:  
Email Id:  
Signature: \_\_\_\_\_, or failing him

2. Name:  
Address:  
Email Id:  
Signature: \_\_\_\_\_, or failing him

3. Name:  
Address:  
Email Id:  
Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 82<sup>nd</sup> Annual General Meeting of the Company, to be held on Monday, the 30<sup>th</sup> day of September, 2019, at 02:00 p.m. at Nirlon Knowledge Park, Level 10, Block B-6, Off Western Express Highway, Goregaon (East), Mumbai- 400063 and at any adjournment thereof in respect of such resolutions as are indicate below:

| Resolution No. | Resolution   | Vote<br>(Optional see Note 2) |         |         |
|----------------|--|-------------------------------|---------|---------|
|                |  | For                           | Against | Abstain |
| 1              | Consider and adopt:<br>a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2019 together with the Reports of the Directors and Auditors thereon; and<br>b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019 together with the Report of the Auditors thereon. |                               |         |         |

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Signature of Shareholder

Affix  
Revenue  
Stamp

Signature of Proxy holder(s)

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference, if you leave the 'for', 'against' or 'abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

Route Map:  
Nirlon Knowledge Park, 10th Floor,  
Block B-6, Off Western Express Highway, Goregaon (East),  
Mumbai 400063, Maharashtra

