

# ANNUAL REPORT

## 2020-21

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BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED

CORPORATE IDENTIFICATION NUMBER (CIN)

U93090MH1937FTC291521

BOARD OF DIRECTORS

Mr. Rakesh Kripalani, Chairman and Non-Executive Director

Mr. Ruzbeh Sutaria, Whole-time Director

Mr. Rajeev Ghadi, Non-Executive Director

Mr. Nirav Mody, Non-Executive Director

COMPANY SECRETARY

Ms. Noopur Gupta

COMPLIANCE OFFICER

Ms. Poonam Kumari

STATUTORY AUDITORS

M/s. BSR & Co. LLP, Chartered Accountants (till conclusion of Board Meeting held on July 29, 2021)

M/s. Suresh Surana and Associates LLP, Chartered Accountants (from conclusion of Board Meeting held on July 29, 2021)

SECRETARIAL AUDITORS

M/s. MMJB & Associates LLP, Company Secretaries

REGISTERED OFFICE

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

Tel: +91 22 61754000

Fax: +91 22 61754099

Website: [www.barclays.in/bilil/](http://www.barclays.in/bilil/)

E-mail: [bililcompliance@barclayscapital.com](mailto:bililcompliance@barclayscapital.com)

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## NOTICE OF THE ANNUAL GENERAL MEETING

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Notice is hereby given that the 84<sup>th</sup> Annual General Meeting of Barclays Investments & Loans (India) Private Limited ("the Company") will be held on Friday, the 24<sup>th</sup> day of September, 2021, at 11:00 am 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 businesses:

### AS ORDINARY BUSINESS:

1. To consider and adopt:
  - a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2021 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, 2021 together with the Report of the Auditors thereon.

2. Appointment of Statutory Auditors of the Company

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

- a) To fill the casual vacancy:

"RESOLVED THAT pursuant to the provisions of Section 139(8) and other applicable provisions of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s Suresh Surana and Associates LLP, Chartered Accountants (FRN: 121750W/W-100010) be and hereby appointed as Statutory Auditors of the Company, to fill the casual vacancy caused by the resignation of M/s BSR & Co. LLP, Chartered Accountants (FRN: 101248W/W-100022), to hold the office from the conclusion of the Board Meeting held on July 29, 2021 until the conclusion of this 84<sup>th</sup> AGM, at such remuneration and applicable tax(es) as may be decided by the Board of Directors of the Company in consultation with the Auditors, in addition to reimbursement of out-of-pocket expenses and as may be incurred in this connection."

- b) For a period of three years:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s Suresh Surana and Associates LLP, Chartered Accountants (FRN: 121750W/W-100010), be and is hereby appointed as the Statutory Auditors of the Company to conduct statutory audit for a period of three consecutive years commencing from the conclusion of this 84<sup>th</sup> Annual General Meeting until the conclusion of the 87<sup>th</sup> Annual General Meeting, at such remuneration and applicable tax(es) as may be decided by the Board of Directors of the Company in consultation with the Auditors, in addition to reimbursement of out-of-pocket expenses and as may be incurred in this connection."

### 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 AND A SCANNED COPY OF THE SAME BE SENT TO [WIMCorpSecretarial@internal.barclayscapital.com](mailto:WIMCorpSecretarial@internal.barclayscapital.com) FROM THE REGISTERED EMAIL ADDRESS OF THE MEMBER 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. Corporate Members are requested to send a scanned copy of the Board resolution or Authority Letter authorizing its representatives to attend and vote at the Annual General Meeting (AGM), pursuant to Section 113 of the Act, at [WIMCorpSecretarial@internal.barclayscapital.com](mailto:WIMCorpSecretarial@internal.barclayscapital.com)
4. In case of joint holders attending the Meeting, the first holder will be entitled to vote.
5. The Annual Report of the Company for FY 2020-21 will be sent to all the Members in the permitted mode (either physically or electronically). The Annual Report will be sent in electronic mode to Members whose email address is registered with the Company.
6. Members may also note that the Notice of the 84<sup>th</sup> AGM will be available on the Company's website [www.barclays.in/bill1/](http://www.barclays.in/bill1/) for their download.
7. In view of the massive outbreak of the COVID-19 pandemic, social distancing is to be a pre-requisite. Hence, Members are requested to inform the Company, at least forty-eight hours prior to the meeting, by writing at [WIMCorpSecretarial@internal.barclayscapital.com](mailto:WIMCorpSecretarial@internal.barclayscapital.com) should they intend to attend the meeting in person, to enable the Company to make necessary arrangements at the venue.
8. Members who have not registered/updated their email addresses with the Company are requested to register/update the same by writing to the Company at [WIMCorpSecretarial@internal.barclayscapital.com](mailto:WIMCorpSecretarial@internal.barclayscapital.com) along with the copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-attested copy of any document (eg.: Driving License, Election Identity Card, Passport) in support of the address of the Member. The said e-mail addresses may be used for sending future communications by the Company.
9. All documents referred to in the accompanying Notice shall be open for inspection during normal business hours through electronic mode up to and including the date of AGM, basis the request being sent on [WIMCorpSecretarial@internal.barclayscapital.com](mailto:WIMCorpSecretarial@internal.barclayscapital.com)

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

Sd/-

Noopur Gupta  
Company Secretary  
ACS No.: 27413

Place: Mumbai  
Date: September 9, 2021

EXPLANATORY STATEMENT SETTING OUT MATERIAL FACTS IN RESPECT OF ITEM NO. 2 IN ORDINARY BUSINESS TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING

Item No. 2

M/s BSR & Co. LLP, Chartered Accountants (FRN: 101248W/W-100022) were appointed as the Statutory Auditors, by the Members of the Company in the 80th AGM held on September 25, 2017, to hold office as Statutory Auditors from the conclusion of 80th AGM till the conclusion of 85th AGM to be held in the year 2022.

On April 27, 2021, RBI has issued fresh guidelines for appointment of Statutory Auditors of NBFCs that has come into effect immediately with a flexibility to adopt the same by H2'FY2021-22 in order to ensure that there is no disruption. The provision of the said guidelines states that the existing Statutory Auditors in case of all the applicable entities are required to be compulsorily rotated after completion of a period of 3 years.

Since M/s BSR & Co. LLP has completed the specified time period of 3 years as the Statutory Auditors of the Company, they would not be eligible to continue further as per the aforesaid guidelines. Thus, the firm has tendered its resignation to vacate the position as Statutory Auditors of the Company with effect from the conclusion of the Board Meeting held on July 29, 2021.

The resignation of M/s BSR & Co. LLP has resulted into a casual vacancy to be filled by the Board within a period of 30 days and such appointment shall also be approved the Members of the Company within 3 months of recommendation of the Board. Further, in order to comply with the RBI guidelines, the Company will have to appoint a new audit firm for conducting statutory audit from FY 2021-22 onwards for a continuous period of 3 years.

Accordingly, it is proposed to appoint M/s Suresh Surana and Associates LLP, Chartered Accountants (FRN: 121750W/W-100010) as the Statutory Auditors of the Company:

- a) To fill the casual vacancy caused by the resignation of M/s BSR & Co. LLP and to hold the office of the Statutory Auditors up to the conclusion of this AGM; and
- b) For a consecutive period of 3 years to hold office from the conclusion of this AGM till the conclusion of 87th AGM to be held in the year 2024.

M/s Suresh Surana and Associates LLP has given their consent to the said appointment and confirmed that their appointment, if made, would be within the limits specified under the provisions of the Companies Act, 2013. They have further confirmed that they are not disqualified to be appointed as Statutory Auditors in terms of the applicable provisions of the Companies Act, 2013 and that the firm complies with all eligibility norms prescribed by RBI regarding appointment of Statutory Auditors of NBFCs.

Considering the above, the Board of Directors proposes to appoint M/s Suresh Surana and Associates LLP, as the Statutory Auditors of the Company as their qualification and experience have been found commensurate with the size and requirements of the Company.

The Board of Directors places on record their appreciation for the services rendered by M/s BSR & Co. LLP during their tenure as Statutory Auditors of the Company.

Your Directors recommend the resolution contained at Item No. 2 for approval of the Members.



None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the said resolution.

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

Sd/-

Noopur Gupta  
Company Secretary  
ACS No.: 27413

Place: Mumbai  
Date: September 9, 2021

## DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS REPORT

To the Members,

The Directors of the Company are pleased to present the 84<sup>th</sup> Annual Report of Barclays Investments & Loans (India) Private Limited ('BIL IPL' or the 'Company'), together with the annual audited consolidated and standalone financial statements for the financial year ended March 31, 2021.

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

The summary of the consolidated and standalone financial position of the Company for the financial year ended March 31, 2021 and the previous financial year ended March 31, 2020 is given below:

(Rupees in million)

Particulars	Standalone		Consolidated	
	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
Revenue from Operations	1,351.34	1,764.08	1,351.34	1,657.73
Other income	10.00	3.79	10.00	3.79
Total Income	1,361.34	1,767.87	1,361.34	1,661.52
Less: Total Expenses (excluding Impairment)	679.09	966.73	679.09	966.74
Less: Impairment on Investment in Associate Company	200.84	-	65.54	-
Less: Impairment on Financial instruments	37.47	21.18	37.47	21.18
Profit/(Loss) Before Taxation	443.93	779.95	579.23	673.60
Less: Tax charge/(release)	135.21	(858.11)	135.21	(858.11)
Profit after tax for the year	308.72	1,638.06	444.02	1,531.71
Add: Share of net profit/(loss) in Associate Company	-	-	(133.69)	(73.48)
Profit for the year	308.72	1,638.06	310.33	1,458.23
Other comprehensive income	0.51	(0.30)	0.51	(0.30)
Add: Share of net other comprehensive income in Associate Company	-	-	(1.56)	1.16
Total comprehensive income for the year	309.23	1,637.76	309.27	1,459.10
Add: Balance brought forward from previous year	(3,113.38)	(4,423.53)	(3,121.19)	(4,252.68)
Less: Appropriations				
Transfer to Special Reserve under Section 45-IC of Reserve Bank of India Act, 1934	61.74	327.61	61.74	327.61
Balance carried to Balance Sheet	(2,865.89)	(3,113.38)	(2,873.67)	(3,121.19)

The Company has prepared its financial statements for the year ended March 31, 2021 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. 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, 2021, calculated in accordance with IndAS financials, is Rs. 9,045.97 million (Rs. 8,736.74 million as at March 31, 2020). 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 37.05% as at March 31, 2021 (48.99% as at March 31, 2020), 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 RBI 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, 2021, 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

(Rupees in million)

Particulars	As on March 31, 2021	
	Standalone	Consolidated
Profit before Taxation	(570.88)	(515.30)
Less: Provision for Taxation (net of MAT and deferred tax)	-	19.65
Profit after Taxation	(570.88)	(534.95)
Other comprehensive income	(6.09)	(6.26)
DDT paid from reserves	-	-
Total comprehensive income	(576.97)	(541.21)
Total Assets	8,650.44	9,000.21
Total Liabilities	7,557.40	7,758.75
Net Worth	1,093.03	1,241.46
Contribution of net profit/(loss) of Associate Company at group level	-	(133.69)

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. FINANCIAL PERFORMANCE VIS-À-VIS OPERATIONAL PERFORMANCE

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

(Rupees in million)

Particulars	March 31, 2021	March 31, 2020
Interest Income	1,351.34	1,657.73
Dividend Income	-	106.35
Other Income	10.00	3.79
Total Income	1,361.34	1,767.87
Interest Expended	587.86	888.53
Operating Expenses	91.23	78.21
Impairment on Investment in Associate Company	200.84	-
Impairment on Financial instruments	37.47	21.18
Total Expenditures	917.41	987.92
Operating Profit before Provisions and Contingencies	443.93	779.95
Provisions (other than tax) and Contingencies (Net)	-	-
Profit from Ordinary Activities before tax	443.93	779.95

Tax expenses	135.21	(858.11)
Net Profit from Ordinary Activities after tax	308.72	1,638.06
Extraordinary items (net of tax expense)	-	-
Net Profit for the period	308.72	1,638.06
Other comprehensive income	0.51	(0.30)
Total Comprehensive Income for the period	309.23	1,637.76

The total income of the Company decreased by 23% as compared to previous year mainly due to decrease in general decline in absolute interest rates and decline in average loan balances during FY 2020-21. Further, dividend income for the year is NIL as compared to previous year which was Rs. 106.35 million.

#### 4. DIVIDEND

Your Directors do not recommend payment of dividend on equity shares of the Company for the year ended March 31, 2021.

#### 5. SHARE CAPITAL

As on March 31, 2021, 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.

Further, 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 during FY 2020-21.

#### 6. PROPOSED CAPITAL REDUCTION

During FY 2020-21, the Company has filed a petition before the Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') for adjusting Rs. 2,180,657,120 of its accumulated losses against the paid-up equity share capital such that the Face Value ('FV') of equity shares after the said adjustment will be Rs. 40 per share (from the current FV of Rs. 50 per share). After offsetting the accumulated losses, the paid-up equity share capital of the Company will reduce to Rs. 8,722,628,480.

Though the Company's LAS business has been profitable over the years, the profit is subsumed in the accumulated losses carried forward from its discontinued business of retail lending. The aforesaid proposal aims to provide the ability to the Company to pursue future initiatives towards optimally using the capital structure of the Company, pursuing business opportunities as well as enhancing shareholder returns.

The final hearing on application for capital reduction is yet to be concluded.

#### 7. 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.

#### 8. 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.

In FY 2020-21, the India economy was set back by an unprecedented pandemic in the form of highly contagious corona virus (COVID-19). The Government took several actions to contain the spread of the virus including curbs on international travel, imposing lockdowns, setting up quarantine facilities, issue of advisories for the members of the public, contact tracing of infected persons, vaccine procurement and distribution. The lockdown measures, imposed to contain the spread of COVID-19 pandemic in India, universally affected employment, business, trade, manufacturing, and services activities. The Indian economy contracted by 7.3% in FY 2020-21 as the country battled the first wave of COVID-19, as against a 4% growth in FY 2019-20.

In order to tread on the continued path of achieving higher growth rate, the Government took various steps which include:

- special economic and comprehensive package under Atmanirbhar Bharat
- deregulation of the agricultural sector
- commercialization of coal mining
- higher FDI limits in defence and space sector
- change in definition of MSMEs
- new power tariff policy
- infrastructure creation
- boost to healthcare systems
- renewable energy

The fundamentals of Indian economy continue to remain strong. Monetary policy remained accommodative during FY 2020-21.

The NBFC sector continues to generate a double digit growth year-on-year, in spite of the disruptions caused by the COVID-19 pandemic. This reflects the resilience of NBFCs which was supported through quick adoption of technology, prudent risk management techniques, the government and regulator's policy support and reasonably strong fundamentals.

Steps taken by the Company during COVID-19 pandemic:

The COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-down of all economic activities. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees and minimizing disruption of services for all our customers. With the help of Barclays Resilience team, work from home was enabled for maximum employees to work remotely and securely. Our proactive steps helped to ensure that the control environment is stable not resulting in any major risk event or customer complaints. Also, uninterrupted services to customers even in this situation has reinforced customer confidence in Barclays.

## 9. OPPORTUNITIES AND THREATS

Opportunities:

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. BIL IPL with its capital adequacy ratio much higher than the minimum regulatory requirement of 15% and its assets fully secured by liquid financial assets with adequate margins and zero non-performing assets since launch of the LAS product (12 years ago) is well placed. With the buoyant capital markets BIL IPL looks forward to growth in FY 2021-22.

#### Threats:

In Q1'FY2020-21, BIL IPL saw a fall in assets mainly on account of prudent risk management measures coupled with clients de-leveraging their positions on account of sharp economic downturn effected due to the COVID-19 pandemic. However, with the growth in Indian economy and good financial results saw bullish capital markets resulting in renewed interest to leverage by clients.

Besides, 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. Also threats of stronger third wave with stronger variants to the virus may cause a dampening effect to the growth pattern of the overall NBFC sector.

### 10. PERFORMANCE OF LOAN AGAINST SECURITIES ('LAS') PORTFOLIO

The Company continues to focus on its LAS business. The Company launched its 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.

Without any compromise to the credit quality and despite headwinds and disruptions in the form of COVID-19 pandemic, the LAS Credit book grew by nearly 45% in FY 2020-21. This was mainly on account of clients renewed interest to leverage their positions backed by buoyant capital markets, as explained earlier.

The credit book growth is backed by a very sound business model, robust governance structure, efficient liquidity standards, strong risk management with vigilant operations that lay 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.

### 11. 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 as well as 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 further growth of credit assets business.

The Company would look at hiring Relationship Managers to grow its lending business and, subject to Government/Regulatory approvals, provide marketing and associated support services to Barclays Group entities in India as well as act as representative for its clients to interact with Barclays Bank PLC.

## 12. 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, which are listed on the National Stock Exchange of India (NSE), in line with SEBI regulations.

Your Company issued Rs. 24,450 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.

## 13. 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 & 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.

## 14. 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 BILIPL Audit Committee which also reviews the adequacy and effectiveness of the internal controls in the Company.

## 15. 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.

## 16. 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.

## 17. 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.

## 18. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL ('KMP')

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.

During the year under review, the Board of Directors comprised of the following Directors:

Name of the Director	Designation	Date of Appointment / Re-appointment	Tenure of Appointment / Re-appointment
Mr. Rakesh Kripalani	Non-Executive Director	August 28, 2012	-
Mr. Gurupad Pavan*	Non-Executive Director	September 2, 2014	-
Mr. Nirav Mody	Non-Executive Director	April 27, 2015	-
Mr. Ruzbeh Sutaria**	Whole-time Director	June 8, 2018	3 years
Mr. Rajeev Ghadi	Non-Executive Director	September 4, 2018	-

\* Resigned from the Board of Directors of the Company effective January 20, 2021

\*\*Re-appointed as Whole-time Director of the Company effective June 8, 2021 for a term of 4 years

Ms. Noopur Gupta continues to be the Company Secretary of the Company.

There have been no other changes in the Board of Directors and KMPs of the Company during FY 2020-21, except as stated above.

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

## 19. BOARD MEETINGS

During FY 2020-21, six meetings of the Board of Directors were held on June 29, 2020, August 17, 2020, September 23, 2020, November 12, 2020, February 23, 2021 and March 26, 2021.

Mr. Rakesh Kripalani, Mr. Gurupad Pavan, Mr. Nirav Mody, Mr. Rajeev Ghadi and Mr. Ruzbeh Sutaria attended the Annual General Meeting of the Company held on October 30, 2020.

## 20. COMMITTEES

The Board has formulated the following Committees to focus on specific areas mentioned in their terms of reference and make informed decisions within the authority delegated to them. All observations, recommendations and decisions of the Committees are placed before the Board for its information or approval.

### Details of Committees of the Directors

The Board has formed the 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 financial reports, disclosure controls and procedures, management's approach to internal controls, the adequacy and scope of 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.

As on the date of this Report, the Audit Committee comprised of the following Directors:

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

The Audit Committee met four times during FY 2020-21 on June 29, 2020, September 23, 2020, November 12, 2020, and March 26, 2021. During the year under review, 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.

As on the date of this Report, the Nomination and Remuneration Committee comprised of the following Directors:

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

The Nomination and Remuneration Committee met once during FY 2020-21 on June 10, 2020.

#### 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 citizenship strategy and applicable provisions of the Act.

As on the date of this Report, the CSR Committee comprised of the following Directors:

- o Mr. Rakesh Kripalani, Non-Executive Director (Chairman)
- o Mr. Nirav Mody, Non-Executive Director
- o Mr. Ruzbeh Sutaria, Whole-time Director

The CSR Committee met thrice during FY 2020-21 on June 8, 2020, December 2, 2020 and March 3, 2021

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

The Board has formed 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 risk profile; and the design and implementation of the governance and control framework.

#### High Level Monitoring Committee

The High Level Monitoring Committee has been formed to monitor the report made under 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 the Regulator may prescribe in this regard.

#### Information Technology (IT) Strategy Committee

The IT Strategy Committee has been formed to review and amend 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 has 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, etc. Also, a separate questionnaire was prepared to evaluate the performance of individual directors, which had parameters such as focus on critical issues, contribution at the meeting deliberations, guidance to senior management, implementation and monitoring of corporate governance practices, 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 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 CSR Policy of the Company lists down the activities that can be undertaken or supported by the Company within the applicable provisions of the Act and lays down the principles and mechanisms for undertaking various programmes for the community at large.

In accordance with the amendments made by MCA vide its notification dated January 22, 2021 in the provisions of Section 135 of the Act and in the existing rules vide the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the CSR Policy of the Company has been suitably amended and approved by the CSR Committee and the Board of the Company. The latest CSR Policy is available on the website of the Company viz., <https://www.barclays.in/personal-banking/bilil/public-disclosures/>.

The details of CSR activities undertaken by the Company during FY 2020-21 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, provide guidelines for determining remuneration payable to them and put forth other relevant measures for evaluating 'fit and proper' status of the Directors.

The Policy was last revised to incorporate the changes in the Remuneration Guiding Principles. The latest Nomination and Remuneration Policy is available on the website of the Company viz., <https://www.barclays.in/personal-banking/bilil/public-disclosures/>.

#### Related Party Transactions (RPT) Policy

The RPT Policy of the Company has been framed to regulate transactions between the Company and its Related Parties in accordance with applicable laws. 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 available on the website of the Company viz., <https://www.barclays.in/personal-banking/bilil/public-disclosures/>.

## Vigil Mechanism

The Company has adopted 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. The details of establishment of Vigil Mechanism is available on the website of the Company viz., <https://www.barclays.in/personal-banking/bilil/public-disclosures/>.

## 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. ANNUAL RETURN

Pursuant to the requirements of Section 92(3) and Section 134(3)(a) of the Act, the Annual Return as on March 31, 2021 is available on the website of the Company viz., <https://www.barclays.in/personal-banking/bilil/public-disclosures/>.

## 25. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204(1) of the Act and rules made thereunder, the Secretarial Audit Report for FY 2020-21 as received from M/s. MMJB & Associates LLP, Practicing Company Secretaries, is appended as "Annexure - B" to this Report. There are no qualifications, reservations, adverse remarks or disclaimers made by the Secretarial Auditors, in their Report.

## 26. STATUTORY AUDITORS

M/s BSR & Co. LLP, Chartered Accountants (FRN: 101248W/W-100022) were appointed as the Statutory Auditors, by the Members of the Company in the 80th AGM held on September 25, 2017, to hold office as Statutory Auditors from the conclusion of 80th AGM till the conclusion of 85th AGM to be held in the year 2022.

On April 27, 2021, RBI has issued fresh guidelines for appointment of Statutory Auditors of NBFCs that has come into effect immediately with a flexibility to adopt the same by H2FY2021-22 in order to ensure that there is no disruption. The provision of the said guidelines states that the existing Statutory Auditors in case of all the applicable entities are required to be compulsorily rotated after completion of a period of 3 years.

Since M/s BSR & Co. LLP has completed the specified time period of 3 years as the Statutory Auditors of the Company, they would not be eligible to continue further as per the aforesaid guidelines. Thus, the firm has tendered its resignation to vacate the position as Statutory Auditors of the Company with effect from the conclusion of the Board Meeting held on July 29, 2021.

The resignation of M/s BSR & Co. LLP has resulted into a casual vacancy to be filled by the Board within a period of 30 days and such appointment shall also be approved the Members of the Company within 3 months of recommendation of the Board. Further, in order to comply with the RBI guidelines, the Company will have to appoint a new audit firm for conducting statutory audit from FY 2021-22 onwards for a continuous period of 3 years.

Accordingly, it is proposed to appoint M/s Suresh Surana and Associates LLP, Chartered Accountants (FRN: 121750W/W-100010) as the Statutory Auditors of the Company:

- a) To fill the casual vacancy caused by the resignation of M/s BSR & Co. LLP and to hold the office of the Statutory Auditors up to the conclusion of this AGM; and
- b) For a consecutive period of 3 years to hold office from the conclusion of this AGM till the conclusion of 87th AGM to be held in the year 2024.

M/s Suresh Surana and Associates LLP has given their consent to the said appointment and confirmed that their appointment, if made, would be within the limits specified under the provisions of the Companies Act, 2013. They have further confirmed that they are not disqualified to be appointed as Statutory Auditors in terms of the applicable provisions of the Companies Act, 2013 and that the firm complies with all eligibility norms prescribed by RBI regarding appointment of Statutory Auditors of NBFCs.

Your Directors recommend the aforesaid appointment of M/s Suresh Surana & Associates LLP as the Statutory Auditors of the Company for the aforesaid period at the ensuing AGM.

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

M/s BSR & Co. LLP have completed the Statutory Audit for FY 2020-21 and submitted their audit report to the Shareholders. The report of the auditors does not contain any qualifications, reservations, adverse remarks or disclaimers. The firm has not reported any incident of fraud to the Audit Committee of the Company during FY 2020-21.

#### 28. MAINTENANCE OF COST RECORDS

The cost records as specified by the Central Government under Section 148(1) of the Act are not required to be maintained for the business activities carried out by the Company.

#### 29. 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. However, starting 2021, the Company has committed to procure renewable energy certificates equivalent to 100% energy consumption to offset its carbon footprint.

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:

Particulars	(Rupees in million)	
	Current Year	Previous Year
Foreign Exchange Earning	Nil	Nil
Foreign Exchange Outgo	Nil	Nil

#### 30. 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), is not applicable to the Company being a Non-Banking Financial Company registered with RBI.

#### 31. 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.

### 32. 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, 2021 is 12 (Twelve) and there are no employees who have been seconded to the Company as on March 31, 2021.

#### Remuneration of Directors

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

### 33. 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.

### 34. 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.

### 35. 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.

### 36. 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 particularly during the time of COVID-19 pandemic.

For and on behalf of the Board of Directors

Sd/-

RAKESH KRIPALANI  
CHAIRMAN  
(DIN: 02877283)

Place: Mumbai  
Date: August 9, 2021

ANNEXURE - A

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR FY 2020-21

1. Brief outline on CSR Policy of the Company:

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. The Company intends to provide employment enhancing training and skills to beneficiaries to help them be job-ready. This will help the beneficiaries in improving their employability and improve their prospects economically. The Company may undertake any other programme or project in areas or subjects specified in Schedule VII referred of the Act.

Earlier this year, the COVID-19 pandemic posed unprecedented challenges to India and its citizens. Hence, the Company pivoted its focus to support vulnerable communities impacted by the pandemic, especially women and children by partnering with Oxfam India. Given the social and economic ramifications due to the pandemic, Barclays supported vulnerable communities with dry ration and hygiene kits that have been disproportionately impacted by the COVID-19 crisis.

2. Composition of CSR Committee (as on March 31, 2021):

S. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Rakesh Kripalani	Chairman, Non-Executive Director	3	3
2	Mr. Nirav Mody	Non-Executive Director	3	3
3	Mr. Gurupad Pavan (resigned w.e.f. January 20, 2021)	Non-Executive Director	2	1
4	Mr. Ruzbeh Sutaria (appointed w.e.f. January 20, 2021)	Whole-time Director	1	None

3. Web-link where composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company: <https://www.barclays.in/personal-banking/bilil/public-disclosures/>

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

(All figures in Indian Rupees)

S. No.	Financial Year	Amount available for set-off from preceding financial years	Amount required to be set-off for the financial year, if any
Not Applicable			

6. Average net profit of the company as per section 135(5): INR 653,063,818

7. (a) Two percent of average net profit of the company as per section 135(5): INR 13,061,276  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil  
 (c) Amount required to be set-off for the financial year, if any: Nil  
 (d) Total CSR obligation for the financial year (7a+7b-7c): INR 13,061,276 (rounded off to INR 13,075,000)

8. (a) CSR amount spent or unspent for the financial year:

(All figures in Indian Rupees)

Total Amount Spent for the Financial Year	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
13,075,000 (rounded off)	Not Applicable		Not Applicable		

(b) Details of CSR amount spent against ongoing projects for the financial year:

(All figures in Indian Rupees)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
S. No.	Name of the Project	Item from the list of activities in Sch VII to the Act	Local area (Y/N)	Location of the project		Project duration	Amount allocated for the project	Amount spent in the current FY	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation - Direct (Y/N)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
Not Applicable												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(All figures in Indian Rupees)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
S. No.	Name of the Project	Item from the list of activities in Sch VII to the Act	Local area (Y/N)	Location of the project		Amount spent for the project	Mode of Implementation - Direct (Y/N)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1	COVID-19 Relief	Item No. (xii) - Disaster management, including relief, rehabilitation and reconstruction activities	Yes	Maharashtra	Mumbai, Pune, Solapur	13,075,000	No	Oxfam India	CSR00000839
	Total					13,075,000			

(d) Amount spent in Administrative Overheads – Nil

(e) Amount spent on Impact Assessment, if applicable – Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – INR 13,075,000

(g) Excess amount for set off, if any:

S. No.	Particular	Amount (in INR)
1	Two percent of average net profit of the company as per section 135(5)	13,061,276
2	Total amount spent for the Financial Year	13,075,000 (rounded off)
3	Excess amount spent for the financial year [(ii)-(i)]	13,724
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
5	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil amount carried forward

9. (a) Details of Unspent CSR amount for the preceding three financial years:

(All figures in Indian Rupees)

S. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years
				Name of the Fund	Amount	Date of transfer	
Not Applicable							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(All figures in Indian Rupees)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
S. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the project - Completed /Ongoing
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Not Applicable since no capital asset created or acquired.

- (a) Date of creation or acquisition of the capital asset(s): Not Applicable
- (b) Amount of CSR spent for creation or acquisition of capital asset: Not Applicable
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

Sd/-  
Rakesh Kripalani  
Chairman – CSR Committee

Sd/-  
Ruzbeh Sutaria  
Whole-time Director

ANNEXURE - B

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31<sup>st</sup> March, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members,  
Barclays Investments & Loans (India) Private Limited  
Level 10, Block b-6, Nirlon Knowledge Park,  
Off Western Express Highway,  
Goregaon (East), Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Barclays Investments & Loans (India) Private Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment. (External Commercial Borrowing and Overseas Direct Investment was not applicable during the audit period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Not Applicable to the Company during the audit period)
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (Not Applicable to the Company during the audit period)
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not Applicable to the Company during the audit period)
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable to the Company during the audit period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the audit period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not Applicable to the Company during the audit period)
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the audit period) and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not Applicable to the Company during the audit period);

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under audit, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards made thereunder.

We further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test- check basis, the Company has generally complied with the rules, regulations and guidelines issued by Reserve Bank of India as are applicable to Systematically Important, Non-Deposit taking Non-Banking Financial Company with classification as 'Loan Company' which are specifically applicable to the Company.

We further report that

The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has made application for reduction of issued, subscribed and paid-up equity share capital of the Company from Rs. 10,903,285,600/- (Rupees Ten Billion Nine Hundred Three Million Two Hundred Eighty-five Thousand Six Hundred only) consisting of 218,065,712 (Two Hundred Eighteen Million Sixty-five Thousand Seven Hundred Twelve) equity shares of Rs. 50/- (Rupees Fifty only) each, to Rs. 8,722,628,480 (Rupees Eight Billion Seven Hundred Twenty-two Million Six Hundred Twenty-eight Thousand Four Hundred Eighty only) consisting of 218,065,712 (Two Hundred Eighteen Million Sixty-five Thousand Seven Hundred Twelve) equity shares of Rs. 40/- (Rupees Forty only) each before National Company Law Tribunal, Mumbai.

For MMJB & Associates LLP

Sd/-

Saurabh Agarwal  
Designated Partner  
FCS No: 9290  
CP No. :20907  
Peer Review No.: L2020MH006700  
UDIN: F009290C000670995  
Place: Mumbai  
Date: July 22, 2021

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To  
The Members,  
Barclays Investments & Loans (India) Private Limited  
Level 10, Block b-6, Nirlon Knowledge Park,  
Off Western Express Highway,  
Goregaon (East), Mumbai

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For MMJB & Associates LLP

Sd/-

Saurabh Agarwal  
Designated Partner  
FCS No: 9290  
CP No. :20907  
Peer Review No.: L2020MH006700  
UDIN: F009290C000670995  
Place: Mumbai  
Date: July 22, 2021

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 FY 2020-21 with related parties, as placed before the Board, were carried out on an arm's length basis.

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

The details of contracts/arrangements/transactions with related parties entered/modified during FY 2020-21, as placed before the 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)	To obtain support for client due diligence (CDD) including KYC screening, sanctions check, ongoing reviews of clients, compliance with global CDD Policy.	Existing: BIL IPL shall pay to BSIPL 50% of the cost of an Analyst towards CDD support effective October 1, 2016 with appropriate mark up.  Modified: BIL IPL shall pay to BSIPL 25% of the cost of a Manager (AVP/VP) towards CDD support effective December 1, 2020 with appropriate mark up.	Nov 12, 2020	Nil
2	Barclays Securities (India) Private Limited ('BSIPL') (Associate Company)	BIL IPL will provide Credit Risk oversight support to BSIPL for sanctioning of credit limits for Margin trading product / Margin limits for cash equity and for monitoring of exposures including margin call / close out actions	Existing: BSIPL shall pay to BIL IPL 20% of the cost of an AVP towards Credit Risk oversight support effective October 1, 2019 with appropriate mark up.  Modified: BSIPL shall pay to BIL IPL up to 20% of the cost of an AVP towards Credit Risk oversight support effective December 1, 2020 with appropriate mark up.	Nov 12, 2020	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 (the 'Company'), which comprise the standalone balance sheet as at 31 March 2021, and the standalone statement of profit and loss (including standalone other comprehensive income), the standalone statement of changes in equity and the 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 (hereinafter referred to as the 'Standalone Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone 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 2021, 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 Standalone 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 Standalone 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.

### Key Audit Matters (Continued)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current year. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters (Continued)

Description of Key Audit Matter

The key audit matter	How the matter was addressed in our audit
<p>1. Impairment of loans</p> <p>Charge: INR 3.74 crore for year ended 31 March 2021</p> <p>Provision: INR 13.93 crore at 31 March 2021</p> <p><i>Refer to the accounting policies in "Note [2.7.1] to the Standalone Financial Statements: Overview of ECL principles", "Note [2.1.5] to the Standalone Financial Statements: Significant Accounting Policies- use of estimates and judgements" and "Note [4] to the Standalone Financial Statements: Loans"</i></p> <p>Subjective estimate</p> <p>Under Ind AS 109, Financial Instruments, allowance for loan losses are determined using expected credit loss ('ECL') model. The estimation of ECL on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECLs are:</p> <ul style="list-style-type: none"> <li>- Data inputs - The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model.</li> <li>- Model estimations - Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach.</li> <li>- Economic scenarios - Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them especially when considering the current uncertain economic environment arising from COVID-19.</li> </ul> <p>The effect of these matters is that, as part of our risk assessment, we determined that the impairment of loans and advances to customers, including off balance sheet elements, has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. The credit risk sections of the financial statements (Note No. 28.2) disclose the sensitivities estimated by the Company.</p>	<p>Our key audit procedures included:</p> <p>Design / controls</p> <p>We performed end to end process walkthroughs to identify the key systems, applications and controls used in the ECL processes. We tested the relevant manual (including spreadsheet controls), general IT and application controls over key systems used in the ECL process.</p> <p>Key aspects of our controls testing involved the following</p> <ul style="list-style-type: none"> <li>Testing the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs, data, and assumptions into the Ind AS 109 impairment models.</li> <li>Testing the 'Governance Framework' controls over validation, implementation, and model monitoring in line with the RBI guidance.</li> <li>Testing the design and operating effectiveness of the key controls over the application of the staging criteria.</li> <li>Testing key controls relating to selection and implementation of material macro-economic variables and the controls over the scenario selection and application of probability weights.</li> <li>Testing management's controls over authorization and calculation of post model adjustments and management overlays.</li> <li>Testing management's controls on compliance with Ind AS 109 disclosures related to ECL.</li> <li>Testing key controls operating over the information technology in relation to loan impairment management systems, including system access and system change management, program development and computer operations.</li> </ul> <p>Test of details</p> <p>Key aspects of our testing included:</p> <ul style="list-style-type: none"> <li>Sample testing over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data and reasonableness of economic forecasts, weights, and model assumptions applied.</li> </ul>

Key Audit Matters *(Continued)*

The key audit matter	How the matter was addressed in our audit
<p>1. Impairment of loans <i>(Continued)</i></p> <p>Disclosures</p> <p>The disclosures regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL results. Further, disclosures to be provided as per RBI circulars with regards to non-performing assets and provisions will also be an area of focus, particularly as this will be the first year some of these disclosures will be presented and are related to an area of significant estimate.</p>	<p>Model calculations testing through re-performance.</p> <p>Assessing disclosures - We assessed whether the disclosures appropriately disclose and address the uncertainty which exists when determining the ECL. As part of this, we assessed the sensitivity analysis that is disclosed. In addition, we assessed whether the disclosure of the key judgements and assumptions made was sufficiently clear.</p>

The key audit matter	How the matter was addressed in our audit
<p>2. Information technology</p> <p>IT systems and controls</p> <p>The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. The Company uses 7 systems for its overall financial reporting.</p> <p>We have focused on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems.</p>	<p>Our key audit procedures to assess the IT system access management included the following:</p> <p>General IT controls / user access management</p> <p>Tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations.</p> <p>Tested the design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights and preventative controls designed to enforce segregation of duties.</p> <p>For a selected group of key controls over financial and reporting system, we independently performed procedures to determine that these controls remained unchanged during the year or were changed following the standard change management process.</p> <p>Evaluated the design, implementation and operating effectiveness of the significant accounts-related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission.</p> <p>Other areas that were independently assessed included password policies, security configurations, system interface controls, controls over changes to applications and databases and that business users, developers and production support did not have access to change applications, the operating system or databases in the production environment.</p> <p>Performed security configuration review and other tests on certain aspects of the cyber security on network security management mechanism, operational security of key information infrastructure, data, and client information management, monitoring and emergency management.</p>

## Other information

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

Our opinion on the Standalone 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 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 Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## Management's responsibility for the 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's 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 standalone other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report agree 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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act; and
  - f) With respect to the adequacy of the internal financial controls with reference to the 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 2021 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 disclosure in the Standalone Financial Statements regarding holdings as well as dealing in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these Standalone Financial Statements since they do not pertain to the financial year ended 31 March 2021.

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

In our opinion and according to the information and explanations given to us, the Company being a private company, provisions of Section 197 of the Act are not applicable to the Company and no reporting is required under this clause for the year ended 31 March 2021. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Sd/-

Milind Ranade  
Partner  
Membership No. 100564  
UDIN: 21100564AAAAEC9691

Mumbai  
June 7, 2021

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 on the Standalone Financial Statements for the year ended 31 March 2021, 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 years. 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 2021. 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 relevant records of the Company, the title deeds of the immovable property which is included under the head Property, Plant and Equipment is held the name of the Company as at balance sheet date.
- (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 explanation 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 explanation given to us, the Company has not granted any loans, made investment 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) The Company is a Non-Banking Finance Company and consequently is exempt from provisions of section 73, 74, 75 and 76 of the Act. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act for any of the activities conducted/ services rendered by the Company. Accordingly, clause 3(vi) of the Order is not applicable.
- (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, goods and service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance, sales-tax, duty of customs, duty of excise.
  - b. According to the information and explanations given to us, no undisputed statutory dues payable in respect of provident fund, income-tax, goods and service tax, cess and other material statutory dues were in arrears as at 31 March 2021 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 of income tax which have not been deposited with the appropriate authorities on account of dispute are:

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	Commission of Income Tax (Appeals)
Income tax	Demand under section 156	292.11	FY2009-2010	Commission of Income Tax (Appeals)
Income tax	Demand under section 156	12.24	FY 2012-2013	Commission of Income Tax (Appeals)
Income tax	Demand under section 156	86.69	FY 2013-2014	Commission 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 borrowings 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) or term loans during the year. Accordingly, clause 3(ix) of the Order is not applicable.
- (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 explanations and information given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanation given to us, since the Company is a private company, provisions of Section 197 read with schedule V to the Act are not applicable to the Company.
- (xii) In our opinion and according to the information and explanation 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 Standalone financial statements as required by the 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, 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.
- (xvi) The Company being an NBFC 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/-

Milind Ranade  
Partner  
Membership No. 100564  
UDIN: 21100564AAAAEC9691

Mumbai  
June 7, 2021

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 2021

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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 as of 31 March 2021 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 the Standalone Financial Statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to the Standalone 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 Standalone 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (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 the Standalone 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 Standalone 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 the Standalone Financial Statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone 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 the Standalone 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of internal financial controls with reference to the Standalone 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 Standalone Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Standalone 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/-

Milind Ranade  
Partner  
Membership No. 100564  
UDIN: 21100564AAAAEC9691

Mumbai  
June 7, 2021



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**STANDALONE BALANCE SHEET AS AT MARCH 31, 2021**  
 (All amounts in Indian Rupees millions)

	<b>Note</b>	<b>Audited As at March 31 2021</b>	<b>Audited As at March 31 2020</b>
<b>ASSETS</b>			
<b>(1) Financial assets</b>			
(a) Cash and cash equivalents	3	945.10	3,828.29
(b) Loans	4	21,614.78	14,962.37
(c) Investments	5	245.41	446.25
(d) Other financial assets	6	0.58	286.58
<b>Total financial assets</b>		<b>22,805.87</b>	<b>19,523.49</b>
<b>(2) Non-financial assets</b>			
(a) Current tax assets (Net)		542.76	633.10
(b) Deferred tax assets (Net)		964.57	980.18
(c) Property, plant and equipment	7	17.83	16.23
(e) Other non-financial assets	8	4.07	0.88
<b>Total non-financial assets</b>		<b>1,529.23</b>	<b>1,630.39</b>
<b>Total assets</b>		<b>24,335.10</b>	<b>21,153.88</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(1) Financial liabilities</b>			
(a) Payables			
(i) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises	9	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		16.90	17.36
(a) Borrowings (Other than debt securities)	10	15,233.30	12,334.88
(b) Subordinated liabilities	11	26.92	24.44
(c) Other financial liabilities	12	3.57	33.60
<b>Total financial liabilities</b>		<b>15,280.69</b>	<b>12,410.28</b>
<b>(2) Non-financial liabilities</b>			
(a) Provisions	13	5.01	3.18
(b) Other non-financial liabilities	14	3.43	3.68
<b>Total non-financial liabilities</b>		<b>8.44</b>	<b>6.86</b>
<b>(3) EQUITY</b>			
(a) Share capital	15	10,903.29	10,903.29
(b) Other equity	16	(1,857.32)	(2,166.55)
<b>Total equity</b>		<b>9,045.97</b>	<b>8,736.74</b>
<b>Total liabilities and equity</b>		<b>24,335.10</b>	<b>21,153.88</b>

Significant accounting policies

2

The notes are an integral part of these financial statements

As per our report of even date

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

Sd/-

Milind Ranade  
 Partner  
 Membership No. 100564

Date : June 07 2021

**For and on behalf of the Board**

Sd/-

Rakesh Kripalani  
 Director  
 DIN No. 02877283

Date : June 07 2021

Sd/-

Ruzbeh Sutaria  
 Director  
 DIN No. 07889937

Date : June 07 2021

Sd/-

Noopur Gupta  
 Company Secretary  
 ACS 27413

Date : June 07 2021



**BARCLAYS INVESTMENTS AND LOANS (INDIA) PRIVATE LIMITED**  
**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2021**  
 (All amounts in Indian Rupees millions)

	Note	March 31, 2021	March 31, 2020
<b>REVENUE FROM OPERATIONS</b>			
(i) Interest income	17	1,351.34	1,657.73
(ii) Dividend income		-	106.35
<b>(I) Total revenue from operations</b>		<b>1,351.34</b>	<b>1,764.08</b>
(II) Other income	18	10.00	3.79
<b>(III) Total income ( I + II )</b>		<b>1,361.34</b>	<b>1,767.87</b>
<b>EXPENSES</b>			
(i) Finance costs	19	587.86	888.53
(ii) Impairment on financial instruments	20	238.32	21.18
(iii) Employee benefits expenses	21	42.26	35.56
(iv) Depreciation, amortization and impairment	22	0.39	0.34
(v) Other expenses	23	48.58	42.31
<b>(IV) Total expenses</b>		<b>917.41</b>	<b>987.92</b>
<b>(V) Profit before exceptional items and tax (III-IV)</b>		<b>443.93</b>	<b>779.95</b>
<b>(VI) Exceptional items</b>		<b>-</b>	<b>-</b>
<b>(VII) Profit before tax (V -VI )</b>		<b>443.93</b>	<b>779.95</b>
<b>(VIII) Tax expense</b>			
(1) Current tax		119.60	122.07
(2) Deferred tax		15.61	(980.18)
<b>Total tax expense (1+2)</b>		<b>135.21</b>	<b>(858.11)</b>
<b>(IX) Profit for the year (VII-VIII)</b>		<b>308.72</b>	<b>1,638.06</b>
<b>(X) Other comprehensive income</b>			
(A) (i) Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit liabilities		0.62	(0.36)
<b>Sub-total</b>		<b>0.62</b>	<b>(0.36)</b>
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.11)	0.06
<b>Other comprehensive income</b>		<b>0.51</b>	<b>(0.30)</b>
<b>(XI) Total Comprehensive Income for the period (IX+X)</b>		<b>309.23</b>	<b>1,637.76</b>
<b>Earnings per equity share [Face value of Rs. 50 (2020: Rs.50) (Note 25)]</b>			
Basic and diluted		<b>1.42</b>	<b>7.51</b>

Significant accounting policies

2

The notes are an integral part of these financial statements

**For B S R & Co. LLP**

Chartered Accountants

Firm registration No. 101248W/W-100022

Sd/-

Milind Ranade

Partner

Membership No. 100564

Date : June 07 2021

**For and on behalf of the Board**

Sd/-

Rakesh Kripalani

Director

DIN No. 02877283

Date : June 07 2021

Sd/-

Ruzbeh Sutaria

Director

DIN No. 07889937

Date : June 07 2021

Sd/-

Noopur Gupta

Company Secretary

ACS 27413

Date : June 07 2021

**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**STANDALONE STATEMENT OF CASH FLOW FOR THE PERIOD ENDED MARCH 31, 2021**  
 (All amounts in Indian Rupees millions)

	March 31, 2021	March 31, 2020
<b>Cash flows from operating activities</b>		
Profit before taxation	443.93	779.95
<b>Adjustments for</b>		
Impairment loss allowance	238.32	21.18
Interest income on fixed deposits	(18.83)	(17.85)
Dividend income	-	(106.35)
Depreciation, amortisation and impairment	0.39	0.34
Provision for compensated absences and gratuity	1.13	1.66
Interest on borrowings	587.86	888.53
Provision for service tax/ goods and service tax	3.75	1.10
<b>Operating profit before working capital changes</b>	<b>1,256.55</b>	<b>1,568.56</b>
<b>Adjustments for</b>		
(Increase)/Decrease in loans	(6,689.89)	1,927.35
(Increase)/Decrease in other financial assets	286.26	(282.96)
(Increase)/Decrease in intangible assets under development	-	-
(Increase)/Decrease in non financial assets	(6.94)	(1.98)
(Decrease)/Increase in payables	(0.46)	4.98
(Decrease)/Increase in other financial liabilities	(30.03)	33.60
(Decrease)/Increase in non financial liabilities	(0.24)	(0.93)
(Decrease)/Increase in provisions	1.30	(1.42)
Cash generated from operations	(6,440.00)	1,678.64
Payment of taxes (net)	(29.37)	(136.48)
<b>Net cash used in from operating activities (A)</b>	<b>(5,212.82)</b>	<b>3,110.72</b>
<b>Cash flows from investing activities</b>		
Interest received on fixed deposits	18.57	14.85
Dividend income	-	106.35
Purchase of fixed assets	(1.99)	-
<b>Net cash generated from investing activities (B)</b>	<b>16.58</b>	<b>121.20</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	12,750.00	4,720.00
Repayments of borrowings	(13,250.00)	(4,220.00)
Proceeds from commercial papers	23,990.44	23,548.41
Repayment of commercial papers (includes accretion of discount on commercial paper)	(21,150.00)	(24,000.00)
Interest on borrowings	(27.39)	(24.46)
<b>Net cash used in financing activities (C)</b>	<b>2,313.05</b>	<b>23.95</b>
<b>Net decrease in cash and cash equivalents (A + B + C)</b>	<b>(2,883.19)</b>	<b>3,255.87</b>
Cash and cash equivalents as at beginning of the period	3,828.29	572.42
Cash and cash equivalents as at the end of the period	945.10	3,828.29

Notes :

1. Cash and cash equivalents include the following:

Balance with bank	As at March 31, 2021	As at March 31, 2020
- In current account	545.10	828.29
- In fixed deposit account (original maturity of less than 3 months)	400.00	3,000.00
	<u>945.10</u>	<u>3,828.29</u>

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

As per our report of even date

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

Sd/-

Milind Ranade  
 Partner  
 Membership No. 100564

Date : June 07 2021

**For and on behalf of the Board**

Sd/-

Rakesh Kripalani  
 Director  
 DIN No. 02877283

Date : June 07 2021

Sd/-

Noopur Gupta  
 Company Secretary  
 ACS 27413

Date : June 07 2021

Sd/-

Ruzbeh Sutaria  
 Director  
 DIN No. 07889937

Date : June 07 2021

**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021**  
**(All amounts in Indian Rupees millions)**

A. Equity share capital

	No. of shares	Amount
Equity shares of Rs. 50 each issue, subscribed and fully paid up		
As on March 31, 2020	218,065,712	10,903
Changes in equity share capital during the year	-	-
	<u>218,065,712</u>	<u>10,903</u>
As on March 31, 2021	218,065,712	10,903
Changes in equity share capital during the period	-	-
	<u>218,065,712</u>	<u>10,903</u>

B. Other equity

	Reserves and Surplus						Other comprehensive income	Total
	Statutory reserves	Securities premium	General reserve	Capital redemption reserve	Retained earnings Surplus/(Deficit)	Contribution by parent		
Opening balance as on April 01, 2019	535.98	6.15	35.70	2.11	(4,423.39)	39.28	(0.14)	(3,804.31)
- Profit for the period	-	-	-	-	1,638.06	-	-	1,638.06
- Other comprehensive income	-	-	-	-	-	-	(0.30)	(0.30)
Dividends	-	-	-	-	-	-	-	-
Transfer to statutory reserve u/s 45IA of RBI Act 1934	327.61	-	-	-	(327.61)	-	-	-
Changes during the year	<u>327.61</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,310.45</u>	<u>-</u>	<u>(0.30)</u>	<u>1,637.76</u>
Closing balance as on March 31, 2020	<u>863.59</u>	<u>6.15</u>	<u>35.70</u>	<u>2.11</u>	<u>(3,112.94)</u>	<u>39.28</u>	<u>(0.44)</u>	<u>(2,166.55)</u>
Opening balance as on March 01, 2020	863.59	6.15	35.70	2.11	(3,112.94)	39.28	(0.44)	(2,166.55)
- Profit for the period	-	-	-	-	308.72	-	-	308.72
- Other comprehensive income	-	-	-	-	-	-	0.51	0.51
Transfer to statutory reserve u/s 45IA of RBI Act 1934	61.74	-	-	-	(61.74)	-	-	-
Changes during the period	<u>61.74</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>246.98</u>	<u>-</u>	<u>0.51</u>	<u>309.23</u>
Closing balance as on March 31, 2021	<u>925.33</u>	<u>6.15</u>	<u>35.70</u>	<u>2.11</u>	<u>(2,865.96)</u>	<u>39.28</u>	<u>0.07</u>	<u>(1,857.32)</u>

As per our report of even date

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

Sd/-

Milind Ranade  
Partner  
Membership No. 100564

Date : June 07 2021

**For and on behalf of the Board**

Sd/-

Rakesh Kripalani  
Director  
DIN No. 02877283

Date : June 07 2021

Sd/-

Ruzbeh Sutaria  
Director  
DIN No. 07889937

Date : June 07 2021

Sd/-

Noopur Gupta  
Company Secretary  
ACS 27413

Date : June 07 2021



BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED

Notes forming part of standalone financial statements

For the year ended March 31, 2021

(All amounts in Indian Rupees Millions)

## 1. Background

Barclay's Investments & Loans (India) Private Limited, Subsidiary of Barclays Bank PLC United Kingdom (the 'Company') is a private limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is a non-deposit taking systemically important (ND-SI) non-banking financial company ('NBFC') registered with Reserve Bank of India ('RBI'). The Company is primarily engaged in lending activities. The Company's registered office is at Barclays, Nirlon Knowledge Park, 10th Floor, B-6, Off Western Express Highway, Goregaon (East), Mumbai - 400 063.

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

## 2. Significant accounting policies

### 2.1. Basis of preparation

#### 2.1.1. Statement of compliance

The standalone financial statements (the 'financial statements') of the Company have been prepared on a going concern basis in accordance with Indian Accounting standard (herein after referred as 'Ind AS') as prescribed under section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

#### 2.1.2. Basis of measurement

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

#### 2.1.3. Functional and presentation currency

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

#### 2.1.4. Presentation of the financial statements

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

## 2.1.5. Significant accounting judgements, estimates and assumptions

### Use of estimates and judgements

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

## 2.2. Recognition of interest income

### 2.2.1. The effective interest rate method

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

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

### 2.2.2. Interest income

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

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

## 2.3. Financial instruments - initial recognition

### 2.3.1. Date of recognition

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

BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
Notes forming part of standalone financial statements  
For the year ended March 31, 2021  
(All amounts in Indian Rupees Millions)

### 2.3.2. Initial measurement of financial instruments

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

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

### 2.3.3. Measurement categories of financial assets and liabilities

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

Amortised cost - Refer Note 2.4.1

Fair Value through Other Comprehensive Income (FVOCI) - Refer Note 2.4.2

Fair Value through Profit and Loss (FVTPL) - Refer Note 2.4.4

## 2.4. Financial assets and liabilities

### 2.4.1. Amortised cost

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

The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below.

#### 2.4.1.1. Business model assessment

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

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.

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

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

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

#### 2.4.1.2. The SPPI test

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

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

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

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

BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
Notes forming part of standalone financial statements  
For the year ended March 31, 2021  
(All amounts in Indian Rupees Millions)

#### 2.4.2. Financial Assets at FVOCI

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

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

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

#### 2.4.3. Financial liability at amortised cost

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

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

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

The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis.

The liabilities are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
Notes forming part of standalone financial statements  
For the year ended March 31, 2021  
(All amounts in Indian Rupees Millions)

#### 2.4.5. Equity instruments

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

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

#### 2.4.6. Investment in associate

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.

#### 2.5. Reclassification of financial assets and liabilities

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

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

##### 2.6.1. 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.

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.

BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
Notes forming part of standalone financial statements  
For the year ended March 31, 2021  
(All amounts in Indian Rupees Millions)

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

### 2.6.2.1. Financial assets

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

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

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

### 2.6.2.2. Financial liabilities

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

## 2.7. Impairment of financial assets

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

### 2.7.1. Overview of the ECL principles

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

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.

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The 12m ECL is the portion of LTECLs that represent the ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.  
Both LTECLs and 12m ECLs are calculated on an individual basis, depending on the nature of the underlying portfolio of financial instruments.

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

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

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

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

#### 2.7.2. Note for Impairment of assets other than loans

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

#### 2.7.3. Undrawn loan commitments

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



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#### 2.7.4. The Calculation of ECLs

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

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

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

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

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

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

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

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

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

#### 2.8. Collateral repossessed

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

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

#### 2.9. Write-off

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



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#### 2.10. Determination of fair value

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

Level 1 financial instruments –Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. 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 a whole.

#### 2.11. Foreign currency transactions

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

#### 2.12. Lease

The Company has adopted Ind AS - 116, effective annual reporting period beginning April 1, 2019. The Company does not have any property on lease for period ended March 31, 2021.



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2.13. Revenue recognition

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

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

2.14. Borrowing costs

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

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

2.15. Cash and cash equivalents

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

2.16. Property, plant and equipment and intangible assets

Property, plant and equipment

(a) Recognition and measurement

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

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

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

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

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

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

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

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

(b) Subsequent expenditure

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

(c) Depreciation

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

Asset	Management estimate of useful life	Useful life as per Schedule II
Buildings	60 years	60 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 Rs. 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.

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#### Intangible assets

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

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

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

#### 2.17. Impairment of non-financial assets

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

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

#### 2.18. Retirement and other employee benefits

##### i. Defined Contribution Plan:

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

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

##### ii. Defined Benefit Plan:

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

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

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

iii. Short-term employee benefits

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

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

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

iv. Other Long- term Employee Benefits:

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

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

2.19. Provision and contingent assets/liabilities

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

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

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

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obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for. Contingent assets are disclosed where an inflow of economic benefits is probable. Contingent assets are not recognised in the financial statements.

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

## 2.20. Taxes

### i. Income Tax

Income tax expense consists of current and deferred tax.

### ii. Current Tax

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

### iii. Deferred Tax

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

### iv. Minimum Alternate Tax ('MAT')

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

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

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

When the GST incurred on a purchase of assets is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset, as applicable.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables respectively in the balance sheet.



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#### 2.21. Dividends on ordinary shares

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

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

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

#### 2.22. Earnings Per Share

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

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

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3. Cash and cash equivalents

	As at March, 31 2021	As at March, 31 2020
Balances with banks:		
- In current account	545.10	828.29
- Deposit with bank (with original maturity less than 3 months)	4,00.00	3,000.00
<b>Total</b>	<b>945.10</b>	<b>3,828.29</b>

4. Loans (at amortised cost)

	As at March, 31 2021	As at March, 31 2020
(a) Loans	21,617.62	14,921.82
Interest accrued but not due on loans	136.49	142.40
Less: Impairment loss allowance	(139.33)	(101.85)
<b>Net Total</b>	<b>21,614.78</b>	<b>14,962.37</b>
(b) Secured by Hypothecation of securities	21,754.11	14,989.60
Unsecured*	-	74.62
Gross Total	21,754.11	15,064.22
Less: Impairment loss allowance	(139.33)	(101.85)
<b>Net Total</b>	<b>21,614.78</b>	<b>14,962.37</b>
* Pertains to PY 2019-20 and represents collateral under the Company's lien frozen on account of legal proceedings on client.		
(c) Loans in India		
- Public sectors	-	-
- Others	21,754.11	15,064.22
Gross Total	21,754.11	15,064.22
Less: Impairment loss allowance	(139.33)	(101.85)
<b>Net Total - A</b>	<b>21,614.78</b>	<b>14,962.37</b>
Loans outside India	-	-
Less: Impairment loss allowance	-	-
<b>Net Total - B</b>	<b>-</b>	<b>-</b>
<b>Net Total (A+B)</b>	<b>21,614.78</b>	<b>14,962.37</b>



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5. Investments (at amortised cost)

	As at March, 31 2021	As at March, 31 2020
(a) Investment in associate in India (Unquoted): 44,625,000 (2020: 44,625,000) Equity shares of Rs.10 each fully paid up held in Barclays Securities (India) Private Limited	446.25	446.25
Less: Allowance for impairment loss	(200.84)	-
Net Total	245.41	446.25

6. Other financial assets (at amortised cost)

	As at March, 31 2021	As at March, 31 2020
Interest accrued but not due:		
- Fixed deposit	0.26	3.00
Margin with related party	-	282.96
Receivable from related party	-	0.30
Security deposits	0.32	0.32
Net Total	0.58	286.58



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7. Property plant and equipment and intangible assets

As at March 31, 2021

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

As at March 31, 2020

Property, plant and equipment	Gross Block				Accumulated Depreciation				Net Block
	Balance as at April 01, 2019	Additions	Disposal/Write off	Balance as at March 31, 2020	Balance as at April 01, 2019	Depreciated on charge for the year	On disposals/Write off	Balance as at March 31, 2020	Balance as at March 31, 2020
Freehold property	17.25	-	-	17.25	0.68	0.34	-	1.02	16.23
Computers	-	-	-	-	-	-	-	-	-
Total	17.25	-	-	17.25	0.68	0.34	-	1.02	16.23
Intangibles									
Softwares	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-



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8. Other non-financial assets

	As at March, 31 2021	As at March, 31 2020
Balance with Government Authorities:		
- Service tax/Goods and service tax	294.26	290.50
Less: Provision for balance with government authorities	(294.26)	(290.50)
Capital Advance	3.25	-
TDS Receivable	0.82	0.88
<b>Total</b>	<b>4.07</b>	<b>0.88</b>

9. Payables

	As at March, 31 2021	As at March, 31 2020
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*	16.90	17.36
<b>Total</b>	<b>16.90</b>	<b>17.36</b>

\* Trade Payables includes Rs. 4.06 million (Previous Year: Rs. 5.44 million) payable to related parties.

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

	As at March, 31 2021	As at March, 31 2020
Debt securities in India:		
<u>Secured</u>		
(Secured by pari passu charge on receivable)		
Borrowing from Bank**		
- Working Capital Loans	-	300.00
- Overdraft	-	199.98
<u>Unsecured</u>		
Commercial Paper*		
- From banks	-	-
- From others	15,400.00	12,100.00
Less: Unamortized of discount	(166.70)	(265.10)
<b>Total</b>	<b>15,233.30</b>	<b>12,334.88</b>

During the year, the effective interest on the commercial paper recorded in Interest expense was Rs. 571.02 million (2020: Rs. 876.97 million). The actual interest paid during the year was Rs. 628.68 million (2020: Rs. 920.12 million).

\*Maximum amount outstanding during the year Rs. 15,413.89 million (2020: Rs. 15,193.20 million); Rate of discount ranging from 3.75%-6.25% (2020: 6.20%-8.25%); Tenure ranging from 62 days to 365 days (2020: 81 days to 364 days).



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\*\*Maximum amount outstanding during the year Rs.1,650 million (2020: Rs. 850 million); Rate of interest ranging from 4.70%-8.35% (2020: 7.20%-9.70%); Tenure ranging from 1 day to 13 days (2020: 1 day to 35 days).

Refer note 28.3 'Liquidity Risk' for maturity pattern.

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

11. Subordinated liabilities (at amortised cost)

	As at March, 31 2021	As at March, 31 2020
Subordinated liabilities outside India: (2021: 458,875, 2020: 458,875) 0.01% Cumulative Redeemable Preference Shares (‘CRPS’) of Re. 1 each, fully paid up held by Barclays Bank PLC, United Kingdom, the holding company	26.92	24.44
<b>Total</b>	<b>26.92</b>	<b>24.44</b>

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

	As at March, 31 2021	As at March, 31 2020
Barclays Bank PLC, United Kingdom, the holding company	458,875 100%	458,875 100%

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, 2019	458,875	458,875
Add : Issued during the year	-	-
As at March 31, 2020	458,875	458,875
Add : Issued during the year	-	-
<b>As at March 31, 2021</b>	<b>458,875</b>	<b>458,875</b>

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

Arrears of preference dividend Rs.0.0006 million (2020: Rs.0.0006 million).

During the year, the effective interest on the preference share recorded in Interest expense was Rs. 2.48 million (2020: Rs. 2.26 million). The actual interest paid during the year was Nil (2020: Nil).

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12. Other financial liabilities

	As at March, 31 2021	As at March, 31 2020
Interest accrued on bank borrowing	-	0.08
Revenue Received in Advance	1.26	0.56
Other payables	2.31	32.96
<b>Total</b>	<b>3.57</b>	<b>33.60</b>

13. Provisions

	As at March, 31 2021	As at March, 31 2020
Provision for employee benefits:		
- Gratuity	1.68	1.82
- Compensated absences	1.77	1.14
- Bonus	1.56	0.22
Others	-	-
<b>Total</b>	<b>5.01</b>	<b>3.18</b>

14. Other non-financial liabilities

	As at March, 31 2021	As at March, 31 2020
Statutory dues	3.43	3.68
Others	-	-
<b>Total</b>	<b>3.43</b>	<b>3.68</b>

15. Share capital

	As at March, 31 2021	As at March, 31 2020
Authorised share capital:		
299,986,000 (2019: 299,986,000) Equity shares of Rs.50 each	14,999.30	14,999.30
2,000 (2019: 2,000) 7.5% Cumulative Redeemable Preference Shares of Rs. 100 each	0.20	0.20
500,000 (2019: 500,000) 0.01% Cumulative Redeemable Preference Shares of Re. 1 each	0.50	0.50
	<b>15,000.00</b>	<b>15,000.00</b>
Issued, subscribed and paid-up		
218,065,712 (2019:218,065,712) Equity shares of Rs.50 each, fully paid up	10,903.29	10,903.29
	<b>10,903.29</b>	<b>10,903.29</b>

458,875 0.01% Cumulative Redeemable Preference Shares of Re. 1 each, fully paid up (total face value of Rs.0.46 million) issued on September 21, 2006 are classified as financial liability (Refer note 11).



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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, 2019	218,065,712	10,903.29
Add : Issued during the year	-	-
As at March 31, 2020	218,065,712	10,903.29
Add : Issued during the year	-	-
As at March 31, 2021	218,065,712	10,903.29

15.2. Rights, preferences and restrictions attached to equity shares:

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

15.3. Shares held by the holding company:

	As at March, 31 2021	As at March, 31 2020
126,134,137 shares (2020: 126,134,137 shares) held by Barclays Bank PLC, United Kingdom, the holding company	6,306.71	6,306.71
91,930,466 shares (2020: 91,930,466 shares) held by Barclays Mauritius Overseas Holding Limited, Mauritius, a subsidiary of Barclays Bank PLC, United Kingdom	4,596.52	4,596.52

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

	As at March, 31 2021	As at March, 31 2020
Barclays Bank PLC, United Kingdom, the holding company	126,134,137 57.84%	126,134,137 57.84%
Mauritius Overseas Holding Limited, Mauritius, a subsidiary of Barclays bank PLC, United Kingdom	91,930,466 42.16%	91,930,466 42.16%

Number of equity shares held by minority shareholders are 1,109 (2020: 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.



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

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

There are no events occurred after reporting date other than RBI approval received on May, 03 2021 for capital reduction. Approval from Hon'ble NCLT is awaited.

16. Nature and purpose of reserves

16.1. Statutory 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 Act.

16.3. General reserve

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

16.4. Capital redemption reserve

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

16.5. Surplus in the statement of profit or loss

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

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16.6. Contribution by parent

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

16.7. 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 March, 31 2021	Year ended March, 31 2020
Interest on loans	1,332.51	1,639.88
Interest on fixed deposits	18.83	17.85
<b>Total</b>	<b>1,351.34</b>	<b>1,657.73</b>

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

18. Other income

	Year ended March, 31 2021	Year ended March, 31 2020
Interest on income tax refund	9.78	3.45
Bad Debt Recovered	0.22	0.34
<b>Total</b>	<b>10.00</b>	<b>3.79</b>

19. Finance cost

	Year ended March, 31 2021	Year ended March, 31 2020
Discount on Commercial Paper	558.03	861.81
Interest on Bank borrowings	14.36	9.30
Other borrowing Cost	12.99	15.16
Interest on subordinated liabilities	2.48	2.26
<b>Total</b>	<b>587.86</b>	<b>888.53</b>

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

20. Impairment on financial instrument

	Year ended March, 31 2021	Year ended March, 31 2020
Loans	37.47	21.18
Investments	200.84	-
<b>Total</b>	<b>238.32</b>	<b>21.18</b>

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



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21. Employee benefit expenses

	Year ended March, 31 2021	Year ended March, 31 2020
Salaries and wages	39.61	32.88
Contribution to provident and other funds	1.51	1.37
Staff Welfare	-	0.01
Gratuity	0.48	0.74
Compensated expenses	0.66	0.56
<b>Total</b>	<b>42.26</b>	<b>35.56</b>

22. Depreciation

	Year ended March, 31 2021	Year ended March, 31 2020
Depreciation on property plant and equipment	0.39	0.34
<b>Total</b>	<b>0.39</b>	<b>0.34</b>

23. Other expenses

	Year ended March, 31 2021	Year ended March, 31 2020
Travel and conveyance	-	0.01
Communication costs	-	0.01
Legal and professional charges	7.85	6.91
Service cost and other reimbursement (net)	12.36	9.85
Repairs and maintenance	2.36	3.88
Printing and stationery	0.03	0.02
Auditor's fees and expenses (Note 23.1)	5.45	5.10
Provision for goods and service tax asset	3.75	1.10
Insurance	0.20	0.15
Corporate social responsibility (Refer Note 42)	13.07	11.43
Other expenditure	3.51	3.85
<b>Total</b>	<b>48.58</b>	<b>42.31</b>

23.1. Auditor's remuneration

	Year ended March, 31 2021	Year ended March, 31 2020
Audit and limited review	5.02	4.67
Tax audit	0.10	0.10
Certification	0.13	0.13
Reimbursement of expenses	0.20	0.20
<b>Total</b>	<b>5.45</b>	<b>5.10</b>



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24. Income tax

The components of income tax expense for the years ended March 31, 2021 and 2020 are:

	Year ended March, 31 2021	Year ended March, 31 2020
Current tax	119.60	122.07
Deferred tax	15.61	(980.18)
<b>Total tax</b>	<b>135.21</b>	<b>(858.11)</b>

24.1. Amounts recognised in other comprehensive income

	Year ended March, 31 2021			Year ended March, 31 2020		
	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)	0.62	(0.11)	0.51	(0.36)	0.06	(0.30)
<b>Total</b>	<b>0.62</b>	<b>(0.11)</b>	<b>0.51</b>	<b>(0.36)</b>	<b>0.06</b>	<b>(0.30)</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, 2021 and 2020 is, as follows:

	Year ended March, 31 2021	Year ended March, 31 2020
Accounting profit before tax	444.55	779.59
Applicable tax rate	17.47%	17.47%
Computed tax expense	77.67	136.21
<u>Tax effect of:</u>		
- Provision for GST input credit	0.66	0.19
- Expense for earning exempt income	-	0.78
- Provision for impairment loss allowance	41.64	3.70
- Interest on subordinated liabilities	0.43	0.40
- Dividend income exempt under section 10(34)	-	(18.58)
- Ind AS Transition Reserve	(0.69)	(0.69)
<b>Income tax expense reported in the statement of profit and loss</b>	<b>119.71</b>	<b>122.01</b>



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24.3. Following are the components of deferred tax:

As on March 31, 2021

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



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As on March 31, 2020

Particulars	Opening Balance	Recognised / (reversed) through profit and loss	Recognised / reclassified from other comprehensive income	Closing Balance
Deferred Tax Assets :-				
Contingency provision against standard assets	-	29.66	-	29.66
Provision for Impairment on Investment	-	-	-	-
Employee benefits	-	0.91	-	0.91
Depreciation on property, plant, equipment & intangibles	-	28.40	-	28.40
Carry Forward Losses & Unabsorbed depreciation	-	230.11	-	230.11
MAT Credit	-	691.10	-	691.10
Deferred Tax Liabilities :-				
Debenture issue expenses	-	-	-	-
Investments measured at fair value	-	-	-	-
Loans measured at FVTOCI	-	-	-	-
<b>Net Deferred Tax Asset</b>	<b>-</b>	<b>980.18</b>	<b>-</b>	<b>980.18</b>

24.4. Components of current tax assets

	As at March, 31 2021	As at March, 31 2020
TDS and advance tax	1,355.84	1,326.47
Less: Tax provision	(813.08)	(693.37)
<b>Total current tax assets (net of provision)</b>	<b>542.76</b>	<b>633.10</b>



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25. Earnings per share (EPS)

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

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

	Year ended March, 31 2021	Year ended March, 31 2020
a) Net profit for the year attributable to equity holders	308.72	1,638.06
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) (face value of Rs.50 each)	1.42	7.51

26. Contingent liabilities

	Year ended March, 31 2021	Year ended March, 31 2020
Claims against the company not acknowledged as debt:		
- Income Tax matters*	473.84	473.84
- Legal case	4.19	4.19
Total	478.03	478.03

\*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.



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27. Employee benefits

27.1. Defined contribution plan

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

The total expense charged to income of Rs.1.51 million (2020: Rs. 1.37 million) represents contributions payable to this plan by the Company at rates specified in the rules of the plan.

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

27.2. Defined benefit plan

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

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

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

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

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

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

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

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



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

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

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

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

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



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Gratuity

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

A.		March 31, 2021	March 31, 2020
1.	Defined benefit obligation at beginning of the year	1.82	0.72
2.	Service cost		
	a. Current service cost	0.35	0.68
	b. Past service cost	-	-
	c. (Gain) / loss on settlements	-	-
3.	Interest expenses	0.12	0.06
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	(0.32)	-
	b. Effect of changes in financial assumptions	0.10	0.41
	c. Effect of experience adjustments	(0.40)	(0.05)
6.	Transfer In /Out		
	a. Transfer In	-	-
	b. Transfer out	-	-
7.	Defined benefit obligation at end of year	1.68	1.82

\* Less than 100

\*\* Less than 10,000

B.	Amounts recognized in the balance sheet	March 31, 2021	March 31, 2020
1.	Defined benefit obligation	1.68	1.82
2.	Fair value of plan assets	-	-
3.	Funded status	1.68	1.82
4.	Effect of asset ceiling	-	-
5.	Net defined benefit liability (asset)	1.68	1.82

There are no investments in plan assets.

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C.	Components of defined benefit cost	March 31, 2021	March 31, 2020
1.	Service cost recognised in statement of profit and loss (P&L)		
	a. Current service cost	0.35	0.68
	b. Past service cost	-	-
	c. (Gain) / loss on settlements	-	-
	d. Total service cost recognised in statement of profit and loss	0.35	0.68
2.	Net interest cost		
	a. Interest expense on DBO	0.12	0.06
	b. Interest (income) on plan assets	-	-
	c. Interest expense on effect of (asset ceiling)	-	-
	d. Total net interest cost	0.12	0.06
3.	Remeasurements (recognized in Other comprehensive Income - OCI)		
	a. Effect of changes in demographic assumptions	(0.32)	-
	b. Effect of changes in financial assumptions	0.10	0.41
	c. Effect of experience adjustments	(0.40)	(0.05)
	d. (Return) on plan assets (excluding interest income)	-	-
	e. Changes in asset ceiling (excluding interest income)	-	-
	f. Total remeasurements included in OCI	(0.62)	0.36
4.	Total defined benefit cost recognized in P&L and OCI	0.14	1.10

D.	Re-measurement	March 31, 2021	March 31, 2020
	a. Actuarial Loss/(Gain) on DBO	(0.62)	0.36
	b. Returns above Interest Income	-	-
	c. Change in Asset ceiling	-	-
	Total Re-measurements (OCI)	(0.62)	0.36

\* Less than 100

\*\* Less than 10,000



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E.	Reconciliation of OCI (Re-measurement)	March 31, 2021	March 31, 2020
1.	Recognised in OCI at the beginning of year	0.86	0.50
2.	Recognised in OCI during the period	(0.62)	0.36
3.	Recognised in OCI at the end of the year	0.25	0.86

F.	Sensitivity analysis - DBO end of Period	March 31, 2021	March 31, 2020
1.	Discount rate +100 basis points	1.58	1.52
2.	Discount rate -100 basis points	1.81	2.20
3.	Salary Increase Rate +1%	1.79	2.08
4.	Salary Increase Rate -1%	1.58	1.60
5.	Attrition Rate +1%	1.66	1.74
6.	Attrition Rate -1%	1.70	-

G.	Significant actuarial assumptions	March 31, 2021	March 31, 2020
1.	Discount rate Current Year	6.49%	6.83%
2.	Annual increase in salary cost	6.83%	7.78%
3.	Attrition Rate	11.00%	9.00%
4.	Retirement Age	60	60
5.	Pre-retirement mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
6.	Disability	Nil	Nil

H.	Maturity profile of defined benefit obligation	March 31, 2021	March 31, 2020
	Weighted average duration of DBO	7	21

I.	Expected cash flows for following year	March 31, 2021	March 31, 2020
1.	Expected employer contributions / Addl. Provision Next Year	0.35	0.68
2.	Expected total benefit payments		
	Year 1	0.09	-
	Year 2	0.17	-
	Year 3	0.28	-
	Year 4	0.29	0.22
	Year 5	0.12	0.31
	Next 5 years	0.52	0.03

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SUMMARY

	Assets / Liabilities	March 31, 2021	March 31, 2020
1.	Defined benefit obligation at end of year	1.68	1.82
2.	Fair value of plan assets at end of year	-	-
3.	Net defined benefit liability (asset)	1.68	1.82
4.	Defined benefit cost included in the statement of profit and loss	0.48	0.74
5.	Total remeasurements included in OCI	(0.62)	0.36
6.	Total defined benefit cost recognized in the statement of profit and loss and OCI	(0.14)	1.10

Compensated absences

	Defined benefit obligation at end of year	March 31, 2021	March 31, 2020
	Current Obligation	0.56	0.34
	Non-Current Obligation	1.21	0.80
	Total	1.77	1.14

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

As at March 31, 2020	Carrying amount		Fair value
	Amortised cost	FVOCI	
Financial liabilities not measured at fair value - Subordinated liabilities (Level 2)	24.44	-	23.60
Total	24.44	-	23.60

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:

Days Past Due Status Criteria:

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

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

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



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28.2.2. Definition of Default

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

28.2.3. Probability of Default (PD)

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

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

28.2.4. Forward Looking Adjustment

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

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

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

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

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

Loss Given Default (LGD)

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



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28.2.5. Exposure at Default (EAD)

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

The Company has considered expected cash flows for all the loans at DPD bucket level for each of the segments, which was used for computation of ECL. Moreover, the EAD comprised of principal component, accrued interest and also the future interest for the outstanding exposure. 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 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, 2021	March 31, 2020	April 01, 2019
Fair value of collaterals	57,186.08	31,506.84	36,071.14

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28.2.7. Provision for expected credit losses:

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

As at March 31, 2021

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

\*Loss allowances includes ECL on undrawn limits of Rs. 2,656.56 million at credit conversion factor of 20.00%

As at March 31, 2020

	Stage 1	Stage 2	Stage 3	Total
Total gross carrying value	14,847.22	74.60	-	14,921.82
Loss allowance*	(64.78)	(36.46)	-	(101.24)
Net carrying value	14,782.44	38.14	-	14,820.58
Interest accrued but not due on loans:				
Total gross carrying value	142.39	0.02	-	142.41
Loss allowance	(0.60)	(0.01)	-	(0.61)
Net carrying value	141.79	0.01	-	141.80

\*Loss allowances includes ECL on undrawn limits of Rs.1,426.73 million at credit conversion factor of 20.00%

# The Company has exercised management overlay to calculate the loss allowance of Rs.1.75 million over and above the ECL model for Stage 2.

28.2.8. Movement of loss allowance

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



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FY 2019-20	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at April 01, 2019	80.69	-	-	80.69
Net addition / (deletion)	(15.30)	36.48	-	21.18
As at March 31, 2020	65.39	36.48	-	101.87

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, 2021

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Financial assets:						
Cash and cash equivalent	545.10	400.00	-	-	-	945.10
Loans (Gross)	-	14,465.78	7,288.33	-	-	21,754.11
Investment	-	-	-	-	245.41	245.41
Other financial assets	0.10	0.26	-	-	0.22	0.58
Total financial assets	545.20	14,866.04	7,288.33	-	245.63	22,945.20
Financial liabilities:						
Payables	16.90	-	-	-	-	16.90
Borrowings (Undiscounted)(Other than Debt Securities)	-	2,250	13,150	-	-	15,400
Other Financial liabilities	3.57	-	-	-	-	3.57
Subordinated Liabilities (Undiscounted)	-	-	-	-	45.89	45.89
Total financial liabilities	20.47	2,250.00	13,150.00	-	45.89	15,466.36
Total net financial assets / (liabilities)	524.73	12,616.04	(5,861.67)	-	199.74	7,478.84



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As at March 31, 2020

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Financial assets:						
Cash and cash equivalent	828.29	3,000.00	-	-	-	3,828.29
Loans (Gross)*	96.15	9,933.85	5,034.22	-	-	15,064.22
Investment	-	-	-	-	446.25	446.25
Other financial assets (Gross)	-	286.26	-	-	0.32	286.58
Total financial assets	924.44	13,220.11	5,034.22	-	446.57	19,625.34
Financial liabilities:						
Payable	17.36	-	-	-	-	17.36
Borrowings (Undiscounted) (Other than Debt Securities)	-	8,549.98	4,050.00	-	-	12,599.98
Other Financial liabilities	33.60	-	-	-	-	33.60
Subordinated Liabilities (Undiscounted)	-	-	-	-	45.89	45.89
Total financial liabilities	50.96	8,549.98	4,050.00	-	45.89	12,696.83
Total net financial assets / (liabilities)	873.48	4,670.13	984.22	-	400.68	6,928.51

\* Accrued interest is adjusted for moratorium wherever applicable based on the information available on point in time.

#### 28.4. Market Risk

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

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

##### 28.4.1. Currency Risk

The Company has an outstanding payable of GBP 0.02 million (Rs. 2.36 million) as on March 31, 2021. Previous year GBP 0.06 million (Rs. 5.43 million).

##### 28.4.2. Interest Rate Risk

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

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

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29. Maturity analysis of assets and liabilities

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

	March 31, 2021			March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial assets</b>						
Cash and cash equivalents	945.10	-	945.10	3,828.29	-	3,828.29
Loans (Net of ECL)	21,614.78	-	21,614.78	14,962.37	-	14,962.37
Investments	-	245.41	245.41	-	446.25	446.25
Other Financial assets	0.36	0.22	0.58	286.26	0.32	286.58
<b>Non-financial assets</b>						
Current Tax assets (Net)	-	542.76	542.76	-	633.10	633.10
Deferred Tax assets	-	964.57	964.57	-	980.18	980.18
Property, Plant and Equipment	-	17.83	17.83	-	16.23	16.23
Other Non-financial assets	4.07	-	4.07	0.88	-	0.88
<b>Total Assets</b>	<b>22,564.31</b>	<b>1,770.79</b>	<b>24,335.10</b>	<b>19,077.80</b>	<b>2,076.08</b>	<b>21,153.88</b>
<b>LIABILITIES</b>						
<b>Financial liabilities</b>						
Payables	16.90	-	16.90	17.36	-	17.36
Borrowings (other than debt securities)	15,233.30	-	15,233.30	12,334.88	-	12,334.88
Subordinated Liabilities	-	26.92	26.92	-	24.44	24.44
Other Financial liabilities	3.57	-	3.57	33.60	-	33.60
<b>Non-Financial liabilities</b>						
Provisions	2.19	2.82	5.01	0.56	2.62	3.18
Other non-financial liabilities	3.43	-	3.43	3.68	-	3.68
<b>Total Liabilities</b>	<b>15,259.39</b>	<b>29.74</b>	<b>15,289.13</b>	<b>12,390.08</b>	<b>27.06</b>	<b>12,417.14</b>
<b>Net</b>	<b>7,304.92</b>	<b>1,741.05</b>	<b>9,045.97</b>	<b>6,687.72</b>	<b>2,049.02</b>	<b>8,736.74</b>



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30. Changes in Liabilities arising from financing activities.

As on March 31, 2021

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

As on March 31, 2020

Particulars	Opening balance as on March 31, 2019	Received During the year	Repaid during the year	Closing balance as on March 31, 2020
Bank Borrowings	-	4720.00	(4,220.00)	500.00
Commercial Papers	11,800.00	24,300.00	(24,000.00)	12,100.00



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31. Related party disclosures as required by Ind AS 24

Related parties and relationships

*Names of Related parties*

*Nature of relationship*

Holding Companies

Barclays Bank PLC, United Kingdom

Ultimate holding company

Barclays Bank PLC, India Branches

Branch of holding company

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 Services Limited

Fellow subsidiary company

Mr. Ruzbeh Sutaria

Key Management Personnel  
(Director)

Mr. Rakesh Kripalani

Director

Mr. Rajeev Ghadi

Director

Mr. Nirav Mody

Director

Mr. Gurupad Pavan

Director

CS Noopur Gupta

Key Management Personnel  
(Company Secretary)



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

Year ended March 31, 2021	Holding Company and its Branches	Associates / JV / Fellow Subsidiary Company	Key Management Personnel	Total
Interest income	18.83	-	-	18.83
Barclays Bank PLC, India Branches	18.83	-	-	18.83
<i>Previous year</i>	17.85	-	-	17.85
Barclays Bank PLC, India Branches	17.85	-	-	17.85
Interest on borrowings	9.50	-	-	9.50
Barclays Bank PLC, India Branches	9.50	-	-	9.50
<i>Previous year</i>	7.24	-	-	7.24
<i>Barclays Bank PLC, India Branches</i>	7.24	-	-	7.24
Fixed deposit placed	9,500.00	-	-	9,500.00
Barclays Bank PLC, India Branches	9,500.00	-	-	9,500.00
<i>Previous year</i>	12,470.00	-	-	12,470.00
<i>Barclays Bank PLC, India Branches</i>	12,470.00	-	-	12,470.00
Fixed deposit repaid	12,100.00	-	-	12,100.00
Barclays Bank PLC, India Branches	12,100.00	-	-	12,100.00
<i>Previous year</i>	9,870.00	-	-	9,870.00
<i>Barclays Bank PLC, India Branches</i>	9,870.00	-	-	9,870.00
Repayment of Commercial Paper <sup>1</sup>	-	-	-	-
Barclays Global Service Centre Private Limited	-	-	-	-
<i>Previous year</i>	-	-	-	-
<i>Barclays Global Service Centre Private Limited</i>	-	-	-	-
Discount/Interest on Commercial Paper	-	-	-	-
Barclays Global Service Centre Private Limited	-	-	-	-
<i>Previous year</i>	-	-	-	-
<i>Barclays Global Service Centre Private Limited</i>	-	-	-	-
Sales Support Service	1.04	-	-	1.04
Barclays Bank PLC, India Branches	1.04	-	-	1.04
<i>Previous year</i>	1.03	-	-	1.03
<i>Barclays Bank PLC, India Branches</i>	1.03	-	-	1.03



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Year ended March 31, 2021	Holding Company and its Branches	Associates / JV / Fellow Subsidiary Company	Key Management Personnel	Total
Service and other cost reimbursements	0.50	12.49	-	12.99
Barclays Bank PLC, India Branches	0.50	-	-	0.50
Barclays Services Limited	-	7.82	-	7.82
Barclays Securities (India) Private Limited	-	4.67	-	4.67
Barclays Global Service Centre Private Limited	-	-	-	-
<i>Previous year</i>	5.30	6.68	-	11.98
<i>Barclays Bank PLC, India Branches</i>	5.30	-	-	5.30
Barclays Services Limited	-	4.28	-	4.28
<i>Barclays Securities (India) Private Limited</i>	-	2.40	-	2.40
Service and other cost reimbursements received	-	0.63	-	0.63
Barclays Securities India Private Limited	-	0.63	-	0.63
<i>Previous year</i>	-	2.13	-	2.13
<i>Barclays Securities India Private Limited</i>	-	2.13	-	2.13
Borrowed during the year	10,150.00	-	-	10,150.00
Barclays Bank PLC, India Branches	10,150.00	-	-	10,150.00
<i>Previous year</i>	4,200.00	-	-	4,200.00
<i>Barclays Bank PLC, India Branches</i>	4,200.00	-	-	4,200.00
Borrowings repaid during the year	10,150.00	-	-	10,150.00
Barclays Bank PLC, India Branches	10,150.00	-	-	10,150.00
<i>Previous year</i>	4,200.00	-	-	4,200.00
<i>Barclays Bank PLC, India Branches</i>	4,200.00	-	-	4,200.00
<i>Employee Cost***</i>			10.05	10.05
<i>Previous year</i>			9.23	9.23
Brokerage paid	-	-	-	-
Barclays Securities (India) Private Limited	-	-	-	-
<i>Previous year March 31, 2020</i>	-	6.31	-	6.31
Barclays Securities (India) Private Limited	-	6.31	-	6.31



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Year ended March 31, 2021	Holding Company and its Branches	Associates / JV / Fellow Subsidiary Company	Key Management Personnel	Total
Margin Placed	-	-	-	-
Barclays Securities (India) Private Limited	-	-	-	-
<i>Previous year March 31, 2020</i>	-	282.96	-	282.96
Barclays Securities (India) Private Limited	-	282.96	-	282.96
Dividend Income		-		-
Barclays Securities (India) Private Limited		-		-
<i>Previous year March 31, 2020</i>		106.35		106.35
Barclays Securities (India) Private Limited		106.35		106.35
Bank charges (Miscellaneous expenses)	0.004	-	-	0.004
Barclays Bank PLC, India Branches	0.004	-	-	0.004
<i>Previous year March 31, 2020</i>	-	-	-	-
<i>Barclays Bank PLC, India Branches</i>	-	-	-	-
Bonus Accrual	0.11	-	-	0.11
Barclays Bank PLC, UK	0.11	-	-	0.11
<i>Previous year March 31, 2020</i>	0.02	-	-	0.02
Barclays Bank PLC, UK	0.02	-	-	0.02

\*\*\*pertains to Ruzbeh Sutaria and Noopur Gupta

<u>Year ended March 31, 2021</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	516.75	-	-	516.75
Barclays Bank PLC, India Branches	516.75	-	-	516.75
<i>Previous year March 31, 2020</i>	826.05	-	-	826.05
<i>Barclays Bank PLC, India Branches</i>	826.05	-	-	826.05
Outstanding balance receivable	-	-	-	-
Barclays Securities (India) Private Limited	-	-	-	-
<i>Previous year March 31, 2020</i>	-	0.30	-	0.30
Barclays Securities (India) Private Limited	-	0.30	-	0.30



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<u>Year ended March 31, 2021</u>	<u>Holding Company</u>	<u>Associates / JV / Fellow Subsidiary Company</u>	<u>Key Management Personnel</u>	Total
Outstanding balance payable	-	4.08	-	4.08
Barclays Bank PLC, India Branches	-	-	-	-
Barclays Securities (India) Private Limited	-	1.70	-	1.70
Barclays Global Service Centre Private Limited	-	-	-	-
Barclays Services Limited	-	2.38	-	2.38
<i>Previous year March 31, 2020</i>	-	5.44	-	5.44
<i>Barclays Bank PLC, India Branches</i>	-	-	-	-
<i>Barclays Securities (India) Private Limited</i>	-	-	-	-
Barclays Global Service Centre Private Limited	-	0.01	-	0.01
Barclays Services Limited	-	5.43	-	5.43
Fixed deposits	400.00	-	-	400.00
Barclays Bank PLC, India Branches	400.00	-	-	400.00
<i>Previous year March 31, 2020</i>	3000.00	-	-	3000.00
<i>Barclays Bank PLC, India Branches</i>	3,000.00	-	-	3,000.00
Interest accrued on Fixed deposits	0.26	-	-	0.26
Barclays Bank PLC, India Branches	0.26	-	-	0.26
<i>Previous year March 31, 2020</i>	3.00	-	-	3.00
<i>Barclays Bank PLC, India Branches</i>	3.00	-	-	3.00
Margin Outstanding	-	-	-	-
Barclays Securities (India) Private Limited	-	-	-	-
<i>Previous year March 31, 2020</i>	-	282.96	-	282.96
Barclays Securities (India) Private Limited	-	282.96	-	282.96
Investments	-	245.41	-	245.41
Barclays Securities (India) Private Limited	-	245.41	-	245.41
<i>Previous year March 31, 2020</i>	-	446.25	-	446.25
<i>Barclays Securities (India) Private Limited</i>	-	446.25	-	446.25
Bonus Accrual	0.11	-	-	0.11
Barclays Bank PLC, UK	0.11	-	-	0.11
<i>Previous year March 31, 2020</i>	0.02	-	-	0.02
Barclays Bank PLC, UK	0.02	-	-	0.02



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Transactions with key management personnel are as follows:

	Year ended March, 31 2021	Year ended March, 31 2020
Short term employee benefits	10.05	9.23
	10.05	9.23

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

### 32. Capital

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

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

#### 32.1. Capital management

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

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

However, they are under constant review by the Board. For Capital to Risk Assets Ratio ('CAPAD') refer note 42(i).

### 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.



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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, 2021 (2020: 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, 2021 Payables (Refer note 9)	March 31, 2020 Payables (Refer note 9)
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

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

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.

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

Covid-19 outbreak was declared as a global pandemic by World Health Organisation. The Company is into lending business which is fully secured against securities and have higher resilience to downturn in the economy considering the liquidity of the collateral. It has also witnessed demand and support from the capital market/economy. The Company has been duly servicing its debt obligations, maintaining a healthy capital adequacy ratio along with adequate financial resources to run its business. As of March 31, 2021, based on the facts and circumstances existing as of that date, the Company does not anticipate any material uncertainties which affects its liquidity position and also ability to continue as a going concern.

39. General Provision for COVID-19 Deferment cases:

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

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

Sr No	Particulars	31 March, 2021
1	Advances outstanding in SMA/overdue categories, where the moratorium/deferment was extended as per COVID-19 Regulatory Package	
	- Account Level	-
	- Customer Level	-
2	Advances outstanding where asset classification benefits is extended	-
3	Provisions made as per para 5 of the COVID-19 Regulatory Package for the financial year	-
4	Provisions adjusted during the financial year ended March 31, 2020	-
5	Residual provisions in terms of paragraph 6 of the COVID-19 Regulatory Package	-

40. Disclosure pursuant to Reserve Bank of India Circular DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020 pertaining to Resolution Framework for COVID-19-related Stress.

Company has NIL restructured accounts during the year.

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41. Disclosure pursuant to Reserve Bank of India Circular DOR.STR.REC.4/21.04.048/2021-22 dated 7 April 2021 pertaining to Asset Classification and Income Recognition following the expiry of Covid-19 regulatory package.

The Company has continued with the asset classification of borrower accounts as per the extant RBI instructions/IRAC norms and as per ECL model under Ind AS financial statements for the year ended 31 March 2021.

In accordance with the instructions in aforementioned RBI circular dated April 07 2021, and the Indian Banks' Association ('IBA') advisory letter dated 19 April 2021 the Company has put in place a Board approved policy to refund/ adjust the interest on interest' charged to borrowers during the moratorium period .i.e, March 01, 2020 to August 31, 2020 The Company has estimated the said amount and made a provision of Rs. 2.28 million in the financial statements for the year ended March 31, 2021.

42. Disclosure as per RBI guidelines and circulars

Additional disclosures for the year ended March 31, 2021 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, 2021	March 31, 2020
i)	CRAR (%)	37.05%	48.99%
ii)	CRAR - Tier I capital (%)	36.28%	48.39%
iii)	CRAR - Tier II Capital (%)	0.77%	0.60%
iv)	Amount of subordinated debt raised as Tier-II capital	-	-
v)	Amount raised by issue of Perpetual Debt Instruments	-	-
vi)	Risk weighted assets	222,610.11	160,158.12

Tier I capital includes paid-up share capital and reserves

Tier II capital includes subordinated liabilities and expected credit loss

- ii) Investments

	Particulars	March 31, 2021	March 31, 2020
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	200.84	-
b)	Outside India	-	-
iii)	Net value of Investments	245.41	446.25
a)	In India	245.41	446.25
b)	Outside India	-	-



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2)	Movement of provisions held towards depreciation of investments.	-	-
i)	Opening balances	-	-
ii)	Add: Provisions made during the year	200.84	-
iii)	Less: Write-off/ Write back of excess provisions during the year	-	-
iv)	Closing balances	200.84	-

iii) Derivatives

Forward Rate Agreement / Interest Rate Swap

	Particulars	March 31, 2021	March 31, 2020
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, 2021	March 31, 2020
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)	-	-

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.

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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, 2021	March 31, 2020
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	-	-
	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	-	-

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

	Particulars	March 31, 2021	March 31, 2020
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, 2021	March 31, 2020
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 Credit impaired asset purchased

	Particulars	March 31, 2021	March 31, 2020
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	-	-

x) Details of Credit impaired asset sold

	Particulars	March 31, 2021	March 31, 2020
1	No. of accounts sold	-	-
2	Aggregate outstanding	-	-
3	Aggregate consideration received	-	-

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xi) Exposure to Real Estate Sector

Category		March 31, 2021	March 31, 2020
(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 (excluding Interest accrued but not due on loans) as on March 31, 2021 Rs 3025.00 million (Previous Year Rs 2,922.15 million).



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xii) Maturity pattern of assets and liabilities

As at March 31, 2021

	Upto one month	Over one month to upto 2 months	Over 2 months to upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto to 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Fixed Deposits	400.00	-	-	-	-	-	-	-	400.00
Advances (Gross)	4,717.06	3,995.51	5,753.21	3,328.51	3,959.82	-	-	-	21,754.11
Investments	-	-	-	-	-	-	-	245.41	245.41
Borrowings	1,950.00	3,650.00	3,450.00	6,050.00	300.00	-	-	-	15,400.00
Foreign Currency liabilities	2.36	-	-	-	-	-	-	-	2.36

As at March 31, 2020

	Upto one month	Over one month to upto 2 months	Over 2 months to upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto to 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Fixed Deposits	1,400.00	1,600.00	-	-	-	-	-	-	3,000.00
Advances (Gross)	3,479.57	3,746.30	3,343.23	2,433.04	2,062.08	-	-	-	15,064.23
Investments	-	-	-	-	-	-	-	446.25	446.25
Borrowings	-	3,700.00	4,350.00	1,250.00	2,800.00	-	-	-	12,100.00
Foreign Currency liabilities	5.43	-	-	-	-	-	-	-	5.43

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xiii) Exposure to Capital Market

	Particulars	March 31, 2021	March 31, 2020
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	245.41	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*	18,300.03	13,755.27
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)	-	-
	<b>Total Exposure to Capital Market</b>	<b>18,545.44</b>	<b>14,201.52</b>

\* Does not include interest accrued but not due on loans.

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, 2021 was Nil (2020: Nil).

xv) There are no loan and advances which are unsecured as at March 31, 2021 for which intangible securities such as charge over the rights, licenses, authority have taken as intangible collateral (2020: Nil).



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xvi) During the year there are no penalties imposed on the Company (2020: 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, 2021. (March 31, 2020: Nil)

xviii) Credit Rating

Rating Agency	Instrument	March 31, 2021	March 31, 2020
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 change in rating during the year.

xix) Provisions and Contingencies

	Particulars	March 31, 2021	March 31, 2020
i)	Provisions for depreciation on Investment	200.84	-
ii)	Provision towards NPA	-	-
iii)	Provision made towards Income tax	119.71	122.01
iv)	Other Provision and Contingencies (with details)		
	- Legal provision	-	-
	- Service tax credit/GST credit	3.75	1.10
v)	Provision for impairment loss allowance	37.47	21.18

xx) The Company has not made any draw down from reserves during the year (2020: Nil).

xxi) Concentration of Deposits, Advances, Exposures and Credit Impaired loans

a) Concentration of Advances\*

Particulars	March 31, 2021	March 31, 2020
Total Advances to twenty largest borrowers	13,590.30	10,710.67
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	62.87%	71.78%

\* Represents Gross outstanding loan balances (excluding interest accrued but not due on loans)



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b) Concentration of Exposures\*#

Particulars	March 31, 2021	March 31, 2020
Total Exposure to twenty largest borrowers / customers	14,494.15	11,132.83
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	59.77%	70.65%

\* Represents credit and investment exposure (excluding interest accrued but not due on loans)

# Represents outstanding balance or limits whichever is higher

c) Concentration of Credit Impaired Loans

Particulars	March 31, 2021	March 31, 2020
Total Exposure to top four credit impaired loans accounts	-	-

d) Sector-wise Credit Impaired Loans

	Sector	Percentage of Credit Impaired Loans to Total Advances in that sector for 2020-21	Percentage of credit Impaired Loans to Total Advances in that sector for 2019-20
1	Agriculture and allied activities	-	-
2	MSME	-	-
3	Corporate borrowers	-	-
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans	-	-
7	Other personal loans	-	-

xxii) Movement of Credit Impaired Loans

	Sector	Percentage of Credit Impaired Loans to Total Advances in that sector for 2020-21	Percentage of Credit Impaired Loans to Total Advances in that sector for 2019-20
1	Net Credit impaired loans to Net Advances (%)	-	-
2	Movement of Credit impaired loans (Gross)	-	-
a)	Opening balance	-	-
b)	Additions during the year	-	-
c)	Reductions during the year	-	-
d)	Closing balance	-	-
3	Movement of Net Credit impaired loans	-	-
a)	Opening balance	-	-
b)	Additions during the year	-	-
c)	Reductions during the year	-	-
d)	Closing balance	-	-



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4	Movement of provisions for Credit impaired loans (excluding provisions on standard assets)	-	-
a)	Opening balance	-	-
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/ Subsidiary	Other Partner in the JV	Country	Total Assets as at Mar 31, 2021
-	-	-	-

Name of the Joint Venture/ Subsidiary	Other Partner in the JV	Country	Total Assets as at Mar 31, 2020
-	-	-	-

xxiv) Off- balance sheet SPV Sponsored

Name of the SPV Sponsored as at Mar 31, 2021	
Domestic	Overseas

Name of the SPV Sponsored as at Mar 31, 2020	
Domestic	Overseas

xxv) Customer Complaints

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
No. of complaints pending at the beginning of the year	-	-
No. of complaints received during the year	9	6
No. of complaints redressed during the year	9	6
No. of complaints pending at the end of the year	-	-

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 (All amounts in Indian Rupees Millions)

43. Disclosure for the year ended March 31, 2021 in accordance with RBI Circular RBI/2019-20/170 DOR (NBFC).CC. PD. No.109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting Standards for Non-Banking Financial Companies and Asset Reconstruction Companies are specified below:

Asset Classification as per RBI Norms	Asset Classification as per Ind AS109	Gross carrying Amount as per Ind AS	Loss Allowances (provision as required under Ind AS109)	Net Carrying Amount	Provision required as per IRACP Norms	Difference between Ind AS 109 provisions and IRACP norms
Performing Assets						
Standard	Stage1	21,754.11	139.33	21,614.78	87.02	52.31
	Stage2	-	-	-	-	-
Subtotal		21,754.11	139.33	21,614.78	87.02	52.31
Non-Performing assets (NPA)						
Substandard		-	-	-	-	-
Doubtful		-	-	-	-	-
Subtotal		-	-	-	-	-
Other items such as guarantee, loan commitment, etc. which are in the scope of Ind-AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) Norms		-	-	-	-	-
Subtotal		-	-	-	-	-
Total		21,754.11	139.33	21,614.78	87.02	52.31

The above table discloses the provisions amounts as per IRAC norms, while the Company has made a provision of impairment loss allowance of Rs. 139.33 million as per the Company's policy which is in excess of the IRACP norms.

**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
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44. Disclosure on liquidity risk as on March 31, 2021, pursuant to guidelines on liquidity risk management framework for non-banking financial companies in accordance with RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 are specified below:

(i) Funding Concentration based on significant counterparty\* (both deposits and borrowings)

Number of Significant Counterparties	Amount	% of Total Deposits	% of Total Liabilities
08 (Eight)	15,098.81	NA	98.77%

\*Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

(ii) Top 20 large deposits

Not applicable. The Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India does not accept public deposits.

(iii) Top 20 borrowings

Amount	% of Total Borrowings
15,400.00	100%

(iv) Funding Concentration based on significant instrument/product\*

Name of instrument/product	Outstanding Amount	% of Total liabilities/Assets
Commercial Paper Borrowings (Discounted Value)	15,098.81	98.77%

\*Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
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(v) Stock Ratios

Particulars	as a % of total public funds*	as a % of total liabilities	as a % of total assets
Commercial papers	NA	99.63%	62.60%
Non-convertible debentures (original maturity of less than one year)	NA	NA	NA
Other short-term liabilities	NA	99.81%	62.71%

(vi) Institutional set-up for liquidity risk management

Liquidity Risk Management Overview

The effective management of liquidity risk is essential to retaining the confidence of financial markets and maintaining the sustainability of the business. To manage liquidity risk, the firm has developed a control framework that is designed to deliver appropriate liquidity resources as well as term and structure of funding, that is consistent with the liquidity risk appetite set by the Board.

The liquidity control framework

The control framework incorporates a range of tools to monitor, limit and stress testing of the Group's on and off balance sheet positions, to calibrate the effective size, tenure and profile of the liquidity pool, and to develop a range of effective counter balancing measures that can be applied in the event of a stress. Together these tools reduce the likelihood that a liquidity stress could led in an inability to meet obligations as they fall due.

Governance

The Funding and Liquidity Management (FLM) team in Treasury has first line of defense responsibility for managing liquidity risk in the Barclays Group. The Risk function has second line of defense responsibility for oversight and governance of the liquidity risk mandate. The Barclays PLC Board approves the Group Liquidity Risk Appetite and reviews material issues impacting funding and liquidity risk. The Group Treasury committee monitors and manages liquidity risk in line with prescribed liquidity risk appetite and objectives, and delegates first line of defense liquidity risk management responsibility at key subsidiaries to respective Asset and Liability Committees. The Funding and Liquidity Risk (FLR) function recommends the liquidity risk appetite, monitors the liquidity profile against the approved risk appetite and escalates material issues impacting liquidity risk, to the Group and respective entity Boards.

Risk Appetite

The Liquidity Risk Appetite represents the level of liquidity risk the firm chooses to take in pursuit of its business objectives and in meeting its regulatory obligations. A key expression of liquidity risk is through stress testing, which is designed to inform the calibration of the minimum liquidity pool required to meet stressed outflows estimated across multiple risk appetite scenarios.



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
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#### Liquidity limits

The FLR function defines a range of limits across on and off balance sheet positions to monitor and support control the extent of liquidity risk taken at an overall level as well as across key liquidity risk drivers.

#### Contingency and Recovery Planning, and Early warning indicators

As part of crisis preparedness, the FLM team maintains a range of contingency actions that can be deployed to restore the liquidity position in a range of stress situations. The FLM team also monitors a range of market and internal indicators for early signs of liquidity risk. These indicators along with other monitoring activities are designed to detect the emergence of increased liquidity risk at the earliest opportunity and maximize the time available to execute appropriate mitigating management actions. Early warning indicators are used as part of the assessment of whether to invoke crisis management protocols, which includes execution of the contingency funding actions as appropriate.

#### 45. The Corporate Social Responsibility Expenditure

Gross amount required to be spent by the Company during the year – Rs.13.06 million (2020: Rs. 11.43 million)

Amount spent during the year on:

Sr. No.	Particulars	In cash	Yet to be paid in cash	Year ended March 31, 2021
(i)	Construction/acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	13.07	-	13.07

Sr. No.	Particulars	In cash	Yet to be paid in cash	Year ended March 31, 2020
(i)	Construction/acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	11.43	-	11.43

46. There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2021 (2020: Nil).

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

48. Frauds reported pursuant to RBI Master direction for March 31, 2021: NIL (March 31,2020 : NIL).



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
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49. Previous year's figures have been regrouped/rearranged, where necessary.

50. There is no financing of parent company products.

51. Expenditure / Remittances in Foreign Currencies.

Particulars	March 21, 2021	March 21, 2020
Service Cost and other charges	7.82	4.28

52. Standards issued but not yet effective

There are few standards issued however, the same are not yet effective, the amendments are extensive and the Company will evaluate the same to give effect to them as and when required by law.

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

Sd/-

Milind Ranade  
*Partner*  
Membership No. 100564

Place : Mumbai  
Date : June 07, 2021

For and on behalf of the Board

Sd/-

Rakesh Kripalani  
*Director*  
DIN No. 02877283

Sd/-

Noopur Gupta  
*Company Secretary*  
ACS 27413

Place : Mumbai  
Date : June 07, 2021

Sd/-

Ruzbeh Sutaria  
*Director*  
DIN No. 07889937

## 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 (the 'Holding Company') and its associate, which comprise the consolidated balance sheet as at 31 March 2021, 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 the 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 2021, and consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated 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 Consolidated Financial Statements* section of our report. We are independent of the Holding Company and its associate in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters (Continued)

Description of Key Audit Matter

The key audit matter	How the matter was addressed in our audit
<p>1. Impairment of loans of the Holding Company</p> <p>Charge: INR 3.74 crore for year ended 31 March 2021</p> <p>Provision: INR 13.93 crore at 31 March 2021</p> <p><i>Refer to the accounting policies in "Note [2.7.1] to the Consolidated Financial Statements: Overview of ECL principles", "Note [2.1.5] to the Consolidated Financial Statements: Significant Accounting Policies- use of estimates and judgements" and "Note [4] to the Consolidated Financial Statements: Loans"</i></p> <p><b>Subjective estimate</b></p> <p>Under Ind AS 109, Financial Instruments, allowance for loan losses are determined using expected credit loss ('ECL') model. The estimation of ECL on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECLs are:</p> <ul style="list-style-type: none"> <li>- Data inputs - The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model.</li> <li>- Model estimations - Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach.</li> <li>- Economic scenarios - Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them especially when considering the current uncertain economic environment arising from COVID-19.</li> </ul> <p>The effect of these matters is that, as part of our risk assessment, we determined that the impairment of loans and advances to customers, including off balance sheet elements, has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. The credit risk sections of the financial statements (Note No. 28.2) disclose the sensitivities estimated by the Company.</p>	<p>Our key audit procedures included:</p> <p><b>Design / controls</b></p> <p>We performed end to end process walkthroughs to identify the key systems, applications and controls used in the ECL processes. We tested the relevant manual (including spreadsheet controls), general IT and application controls over key systems used in the ECL process.</p> <p>Key aspects of our controls testing involved the following</p> <ul style="list-style-type: none"> <li>Testing the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs, data, and assumptions into the Ind AS 109 impairment models.</li> <li>Testing the 'Governance Framework' controls over validation, implementation, and model monitoring in line with the RBI guidance.</li> <li>Testing the design and operating effectiveness of the key controls over the application of the staging criteria.</li> <li>Testing key controls relating to selection and implementation of material macro-economic variables and the controls over the scenario selection and application of probability weights.</li> <li>Testing management's controls over authorization and calculation of post model adjustments and management overlays.</li> <li>Testing management's controls on compliance with Ind AS 109 disclosures related to ECL.</li> <li>Testing key controls operating over the information technology in relation to loan impairment management systems, including system access and system change management, program development and computer operations.</li> </ul> <p><b>Test of details</b></p> <p>Key aspects of our testing included:</p> <ul style="list-style-type: none"> <li>Sample testing over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data and reasonableness of economic forecasts, weights, and model assumptions applied.</li> </ul>

Key Audit Matters (Continued)

The key audit matter	How the matter was addressed in our audit
<p>1. Impairment of loans (Continued)</p> <p>Disclosures</p> <p>The disclosures regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL results. Further, disclosures to be provided as per RBI circulars with regards to non-performing assets and provisions will also be an area of focus, particularly as this will be the first year some of these disclosures will be presented and are related to an area of significant estimate.</p>	<p>Model calculations testing through re-performance.</p> <p>Assessing disclosures - We assessed whether the disclosures appropriately disclose and address the uncertainty which exists when determining the ECL. As part of this, we assessed the sensitivity analysis that is disclosed. In addition, we assessed whether the disclosure of the key judgements and assumptions made was sufficiently clear.</p>

The key audit matter	How the matter was addressed in our audit
<p>2. Information technology</p> <p>IT systems and controls</p> <p>The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. The Company uses 7 systems for its overall financial reporting.</p> <p>We have focused on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems.</p>	<p>Our key audit procedures to assess the IT system access management included the following:</p> <p>General IT controls / user access management</p> <p>Tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations.</p> <p>Tested the design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights and preventative controls designed to enforce segregation of duties.</p> <p>For a selected group of key controls over financial and reporting system, we independently performed procedures to determine that these controls remained unchanged during the year or were changed following the standard change management process.</p> <p>Evaluated the design, implementation and operating effectiveness of the significant accounts-related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission.</p> <p>Other areas that were independently assessed included password policies, security configurations, system interface controls, controls over changes to applications and databases and that business users, developers and production support did not have access to change applications, the operating system or databases in the production environment.</p> <p>Performed security configuration review and other tests on certain aspects of the cyber security on network security management mechanism, operational security of key information infrastructure, data, and client information management, monitoring and emergency management.</p>

## Other information

The Holding Company's Board of Directors is 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. The other information is expected to be made available to us after the date of the auditor's report.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

## Management's responsibility for the consolidated financial statements

The Holding Company's management and the Board of Directors are responsible for the preparation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit / loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flows of the Holding Company 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.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Holding Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective management and the Board of Directors of the Holding Company and its associate are responsible for assessing the 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 the Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

## Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3) (i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit;

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and the Board of Directors;

Conclude on the appropriateness of management and the Board of Directors 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 Group to cease to continue as a going concern;

Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

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. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

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 independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on other legal and regulatory requirements

- (A) As required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law have been kept so far as it appears from our examination of those books.
  - c) 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 books of account maintained for the purpose of the preparation of the consolidated financial statements.

- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2021 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its associate company incorporated in India, none of the directors of the Holding Company and its associate incorporated in India is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to the consolidated financial statements of the Holding Company and its associate company, the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.
- (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 consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Holding Company and its associate. Refer Note 26 to the consolidated financial statements;
  - ii. The Holding Company and its associate did not have any long-term contracts including derivative contract for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company or its associate company during the year ended 31 March 2021; and
  - iv. 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 these consolidated financial statements since they do not pertain to the financial year ended 31 March 2021.
- (C) 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 Holding Company being a private company, provisions of Section 197 of the Act are not applicable to the Holding Company and no reporting is required under this clause for the year ended 31 March 2021. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Sd/-

Milind Ranade  
Partner  
Membership No. 100564  
UDIN: 21100564AAAAFJ3580

Mumbai  
July 29, 2021

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 2021

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

(Referred to in paragraph 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 Company as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to the consolidated financial statements of Barclays Investments and Loans (India) Private Limited (the 'Holding Company'), as of that date.

In our opinion, the Holding Company has, in all material respects, adequate internal financial controls with reference to the consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to the consolidated financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note').

#### Management's Responsibility for Internal Financial Controls

The Holding Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to the consolidated financial statements based on the criteria established by the Holding 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 Holding 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 (the 'Act').

#### Auditor's Responsibility

Our responsibility is to express an opinion on the 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 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/-

Milind Ranade  
Partner  
Membership No. 100564  
UDIN: 21100564AAAAFJ3580

Mumbai  
July 29, 2021



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021**  
**(All amounts in Indian Rupees millions)**

	<u>Note</u>	<u>Audited As at March 31 2021</u>	<u>Audited As at March 31 2020</u>
<b>ASSETS</b>			
<b>(1) Financial assets</b>			
(a) Cash and cash equivalents	3	945.10	3,828.29
(b) Loans	4	21,614.78	14,962.37
(c) Investments	5	237.63	438.47
(d) Other financial assets	6	0.58	286.58
<b>Total financial assets</b>		<b>22,798.09</b>	<b>19,515.71</b>
<b>(2) Non-financial assets</b>			
(a) Current tax assets (Net)		542.76	633.10
(b) Deferred tax assets (Net)		964.57	980.18
(c) Property, plant and equipment	7	17.83	16.23
(e) Other non-financial assets	8	4.07	0.88
<b>Total non-financial assets</b>		<b>1,529.23</b>	<b>1,630.39</b>
<b>Total assets</b>		<b>24,327.33</b>	<b>21,146.10</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(1) Financial liabilities</b>			
(a) Payables			
(i) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises	9	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		16.90	17.36
(a) Borrowings (Other than debt securities)	10	15,233.30	12,334.88
(b) Subordinated liabilities	11	26.92	24.44
(c) Other financial liabilities	12	3.57	33.64
<b>Total financial liabilities</b>		<b>15,280.69</b>	<b>12,410.32</b>
<b>(2) Non-financial liabilities</b>			
(a) Provisions	13	5.01	3.18
(b) Other non-financial liabilities	14	3.43	3.68
<b>Total non-financial liabilities</b>		<b>8.44</b>	<b>6.86</b>
<b>(3) EQUITY</b>			
(a) Share capital	15	10,903.29	10,903.29
(b) Other equity	16	(1,865.09)	(2,174.36)
<b>Total equity</b>		<b>9,038.20</b>	<b>8,728.92</b>
<b>Total liabilities and equity</b>		<b>24,327.33</b>	<b>21,146.10</b>

Significant accounting policies

2

The notes are an integral part of these financial statements

As per our report of even date

**For B S R & Co. LLP**

Chartered Accountants  
 Firm registration No. 101248W/W-100022

Sd/-

Milind Ranade  
 Partner  
 Membership No. 100564

Date : July 29 2021

**For and on behalf of the Board**

Sd/-

Rakesh Kripalani  
 Director  
 DIN No. 02877283

Date : July 29 2021

Sd/-

Rajeev Ghadi  
 Director  
 DIN No. 00522420

Date : July 29 2021

Sd/-

Noopur Gupta  
 Company Secretary  
 ACS 27413

Date : July 29 2021

**BARCLAYS INVESTMENTS AND LOANS (INDIA) PRIVATE LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2021**  
**(All amounts in Indian Rupees millions)**

	Note	March 31, 2021	March 31, 2020
<b>REVENUE FROM OPERATIONS</b>			
(i) Interest income	17	1,351.34	1,657.73
(ii) Dividend income		-	
<b>(I) Total revenue from operations</b>		<b>1,351.34</b>	<b>1,657.73</b>
(II) Other income	18	10.00	3.79
<b>(III) Total income ( I + II )</b>		<b>1,361.34</b>	<b>1,661.52</b>
<b>EXPENSES</b>			
(i) Finance costs	19	587.86	888.53
(ii) Impairment on financial instruments	20	103.01	21.18
(iii) Employee benefits expenses	21	42.26	35.56
(iv) Depreciation, amortization and impairment	22	0.39	0.34
(v) Other expenses	23	48.58	42.31
<b>(IV) Total expenses</b>		<b>782.10</b>	<b>987.92</b>
<b>(V) Profit before exceptional items and tax (III-IV)</b>		<b>579.23</b>	<b>673.60</b>
<b>(VI) Exceptional items</b>		<b>-</b>	<b>-</b>
<b>(VII) Profit before share of loss of associate (V -VI )</b>		<b>579.23</b>	<b>673.60</b>
<b>(VIII) Share of net loss in associate</b>		<b>(133.69)</b>	<b>(73.48)</b>
<b>(IX) Profit before tax (VII +VIII )</b>		<b>445.54</b>	<b>600.12</b>
<b>(X) Tax expense</b>			
(1) Current tax		119.60	122.07
(2) Deferred tax charge		15.61	(980.18)
<b>Total tax expense (1+2)</b>		<b>135.21</b>	<b>(858.11)</b>
<b>(XI) Net Profit after tax (IX-X)</b>		<b>310.33</b>	<b>1,458.23</b>
<b>(XII) Other comprehensive income</b>			
(A) (i) Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit liabilities		0.61	(0.36)
<b>Sub-total</b>		<b>0.61</b>	<b>(0.36)</b>
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.11)	0.06
			-
<b>Other comprehensive income</b>		<b>0.51</b>	<b>(0.30)</b>
Share of net other comprehensive income in associate		(1.56)	1.16
<b>Other comprehensive income</b>		<b>(1.06)</b>	<b>0.86</b>
<b>Earnings per equity share [Face value of Rs. 50 (2020: Rs.50) (Note 25)</b>			
Basic and diluted		<b>1.42</b>	<b>6.69</b>

Significant accounting policies

2

The notes are an integral part of these financial statements

**For B S R & Co. LLP**

Chartered Accountants  
Firm registration No. 101248W/W-100022

Sd/-

Milind Ranade  
Partner  
Membership No. 100564

Date : July 29 2021

**For and on behalf of the Board**

Sd/-

Rakesh Kripalani  
Director  
DIN No. 02877283  
Sd/-

Date : July 29 2021

Sd/-

Rajeev Ghadi  
Director  
DIN No. 00522420

Date : July 29 2021

Sd/-

Noopur Gupta  
Company Secretary  
ACS 27413

Date : July 29 2021

**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED MARCH 31, 2021**  
 (All amounts in Indian Rupees millions)

	March 31, 2021	March 31, 2020
<b>Cash flows from operating activities</b>		
Profit before taxation	445.54	600.12
<b>Adjustments for</b>		
Impairment loss allowance	103.01	21.18
Interest income on fixed deposits	(18.83)	(17.85)
Dividend income	-	-
Depreciation, amortisation and impairment	0.39	0.34
Provision for compensated absences and gratuity	1.13	1.66
Interest on borrowings	587.86	888.53
Provision for service tax/ goods and service tax	3.75	1.11
<b>Operating profit before working capital changes</b>	<b>1,122.86</b>	<b>1,495.09</b>
<b>Adjustments for</b>		
(Increase)/Decrease in loans	(6,689.89)	1,927.35
(Increase)/Decrease in other financial assets	286.26	(282.96)
(Increase)/Decrease in intangible assets under development	-	-
(Increase)/Decrease in non financial assets	(6.94)	(1.99)
(Increase)/Decrease in Investment	133.74	179.83
(Decrease)/Increase in payables	(0.46)	4.98
(Decrease)/Increase in other financial liabilities	(30.07)	33.64
(Decrease)/Increase in non financial liabilities	(0.24)	(0.97)
(Decrease)/Increase in provisions	1.30	(1.42)
Cash generated from operations	(6,306.30)	1,858.46
Payment of taxes (net)	(29.38)	(136.48)
<b>Net cash used in from operating activities (A)</b>	<b>(5,212.82)</b>	<b>3,217.07</b>
<b>Cash flows from investing activities</b>		
Interest received on fixed deposits	18.57	14.85
Purchase of fixed assets	(1.99)	-
<b>Net cash generated from investing activities (B)</b>	<b>16.58</b>	<b>14.85</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	12,750.00	4,720.00
Repayments of borrowings	(13,250.00)	(4,220.00)
Proceeds from commercial papers	23,990.44	23,548.41
Repayment of commercial papers (includes accretion of discount on commercial paper)	(21,150.00)	(24,000.00)
Interest on borrowings	(27.38)	(24.46)
<b>Net cash used in financing activities (C)</b>	<b>2,313.06</b>	<b>23.95</b>
<b>Net decrease in cash and cash equivalents (A + B + C)</b>	<b>(2,883.19)</b>	<b>3,255.87</b>
Cash and cash equivalents as at beginning of the period	3,828.29	572.42
Cash and cash equivalents as at the end of the period	945.10	3,828.29

Notes :

1. Cash and cash equivalents include the following:

	As at March 31, 2021	As at March 31, 2020
Balance with bank		
- In current account	545.10	828.29
- In fixed deposit account (original maturity of less than 3 months)	400.00	3,000.00
	<u>945.10</u>	<u>3,828.29</u>

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

As per our report of even date

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

Sd/-

Milind Ranade  
 Partner  
 Membership No. 100564

Date : July 29 2021

**For and on behalf of the Board**

Sd/-

Rakesh Kripalani  
 Director  
 DIN No. 02877283

Date : July 29 2021

Sd/-

Noopur Gupta  
 Company Secretary  
 ACS 27413

Date : July 29 2021

Sd/-

Rajeev Ghadi  
 Director  
 DIN No. 00522420

Date : July 29 2021

**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021**  
 (All amounts in Indian Rupees millions)

A. Equity share capital

	No. of shares	Amount
Equity shares of Rs. 50 each issue, subscribed and fully paid up		
As on March 31, 2020	218,065,712	10,903
Changes in equity share capital during the year	<u>218,065,712</u>	<u>10,903</u>
As on March 31, 2021	218,065,712	10,903
Changes in equity share capital during the period	<u>218,065,712</u>	<u>10,903</u>

B. Other equity

	Reserves and Surplus						Other comprehensive income	Total
	Statutory reserves	Securities premium	General reserve	Capital redemption reserve	Retained earnings Surplus/(Deficit)	Contribution by parent		
Opening balance as on April 01, 2019	535.98	6.15	35.70	2.11	(4,252.65)	39.28	(0.03)	(3,633.46)
Profit for the period					1,458.23			1,458.23
Other comprehensive income							0.86	0.86
Dividends								
Transfer to statutory reserve u/s 45IA of RBI Act 1934	327.61				(327.61)			
Changes during the year	<u>327.61</u>				<u>1,130.62</u>		<u>0.86</u>	<u>1,459.10</u>
Closing balance as on March 31, 2020	<u>863.59</u>	<u>6.15</u>	<u>35.70</u>	<u>2.11</u>	<u>(3,122.04)</u>	<u>39.28</u>	<u>0.84</u>	<u>(2,174.36)</u>
Opening balance as on March 01, 2020	863.59	6.15	35.70	2.11	(3,122.04)	39.28	0.84	(2,174.36)
Profit for the period					310.33			310.33
Other comprehensive income							(1.06)	(1.06)
Transfer to statutory reserve u/s 45IA of RBI Act 1934	61.74				(61.74)			
Changes during the period	<u>61.74</u>				<u>248.59</u>		<u>(1.06)</u>	<u>309.27</u>
Closing balance as on March 31, 2021	<u>925.33</u>	<u>6.15</u>	<u>35.70</u>	<u>2.11</u>	<u>(2,873.45)</u>	<u>39.28</u>	<u>(0.22)</u>	<u>(1,865.09)</u>

As per our report of even date

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

Sd/-  
 Milind Ranade  
 Partner  
 Membership No. 100564

Date : July 29 2021

**For and on behalf of the Board**

Sd/-  
 Rakesh Kripalani  
 Director  
 DIN No. 02877283

Sd/-  
 Rajeev Ghadi  
 Director  
 DIN No. 00522420

Date : July 29 2021

Date : July 29 2021

Sd/-  
 Noopur Gupta  
 Company Secretary  
 ACS 27413

Date : July 29 2021



## BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED

Notes forming part of consolidated financial statements

For the year ended March 31, 2021

(All amounts in Indian Rupees Millions)

### 1. Background

Barclay's Investments & Loans (India) Private Limited, Subsidiary of Barclays Bank PLC United Kingdom (the 'Company') is a private limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is a non-deposit taking systemically important (ND-SI) non-banking financial company ('NBFC') registered with Reserve Bank of India ('RBI'). The Company is primarily engaged in lending activities. The Company's registered office is at Barclays, Nirlon Knowledge Park, 10th Floor, B-6, Off Western Express Highway, Goregaon (East), Mumbai - 400 063.

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

### 2. Significant accounting policies

#### 2.1. Basis of preparation

##### 2.1.1. Statement of compliance

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

##### 2.1.2. Basis of measurement

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

##### 2.1.3. Functional and presentation currency

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

##### 2.1.4. Presentation of the financial statements

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

## 2.1.5. Significant accounting judgements, estimates and assumptions

### Use of estimates and judgements

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

## 2.2. Recognition of interest income

### 2.2.1. The effective interest rate method

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

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

### 2.2.2. Interest income

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

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

## 2.3. Financial instruments – initial recognition

### 2.3.1. Date of recognition

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

### 2.3.2. Initial measurement of financial instruments

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

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

### 2.3.3. Measurement categories of financial assets and liabilities

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

Amortised cost - Refer Note 2.4.1

Fair Value through Other Comprehensive Income (FVOCI) - Refer Note 2.4.2

Fair Value through Profit and Loss (FVTPL) - Refer Note 2.4.4

## 2.4. Financial assets and liabilities

### 2.4.1. Amortised cost

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

The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below.

#### 2.4.1.1. Business model assessment

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

BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
Notes forming part of consolidated financial statements  
For the year ended March 31, 2021  
(All amounts in Indian Rupees Millions)

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

How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel.

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

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

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

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

#### 2.4.1.2. The SPPI test

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

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

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

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

BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
Notes forming part of consolidated financial statements  
For the year ended March 31, 2021  
(All amounts in Indian Rupees Millions)

#### 2.4.2. Financial Assets at FVOCI

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

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

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

#### 2.4.3. Financial liability at amortised cost

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

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

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

The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis.

The liabilities are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
Notes forming part of consolidated financial statements  
For the year ended March 31, 2021  
(All amounts in Indian Rupees Millions)

#### 2.4.5. Equity instruments

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

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

#### 2.4.6. Investment in associate

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.

#### 2.5. Reclassification of financial assets and liabilities

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

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

##### 2.6.1. 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.

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.

BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED  
Notes forming part of consolidated financial statements  
For the year ended March 31, 2021  
(All amounts in Indian Rupees Millions)

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

### 2.6.2.1. Financial assets

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

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

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

### 2.6.2.2. Financial liabilities

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

## 2.7. Impairment of financial assets

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

### 2.7.1. Overview of the ECL principles

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

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.

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The 12m ECL is the portion of LTECLs that represent the ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.  
Both LTECLs and 12m ECLs are calculated on an individual basis, depending on the nature of the underlying portfolio of financial instruments.

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

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

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

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

#### 2.7.2. Note for Impairment of assets other than loans

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

#### 2.7.3. Undrawn loan commitments

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

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#### 2.7.4. The Calculation of ECLs

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

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

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

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

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

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

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

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

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

#### 2.8. Collateral repossessed

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

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

#### 2.9. Write-off

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

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#### 2.10. Determination of fair value

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

Level 1 financial instruments –Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. 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 a whole.

#### 2.11. Foreign currency transactions

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

#### 2.12. Lease

The Company has adopted Ind AS - 116, effective annual reporting period beginning April 1, 2019. The Company does not have any property on lease for period ended March 31, 2021.



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#### 2.13. Revenue recognition

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

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

#### 2.14. Borrowing costs

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

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

#### 2.15. Cash and cash equivalents

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

#### 2.16. Property, plant and equipment and intangible assets

Property, plant and equipment

##### (a) Recognition and measurement

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

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

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

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

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

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

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

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

(b) Subsequent expenditure

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

(c) Depreciation

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

Asset	Management estimate of useful life	Useful life as per Schedule II
Buildings	60 years	60 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 Rs. 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.

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#### Intangible assets

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

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

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

#### 2.17. Impairment of non-financial assets

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

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

#### 2.18. Retirement and other employee benefits

##### i. Defined Contribution Plan:

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

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

##### ii. Defined Benefit Plan:

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

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

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

iii. Short-term employee benefits

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

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

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

iv. Other Long- term Employee Benefits:

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

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

2.19. Provision and contingent assets/liabilities

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

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

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

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obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for. Contingent assets are disclosed where an inflow of economic benefits is probable. Contingent assets are not recognised in the financial statements.

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

## 2.20. Taxes

### i. Income Tax

Income tax expense consists of current and deferred tax.

### ii. Current Tax

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

### iii. Deferred Tax

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

### iv. Minimum Alternate Tax ('MAT')

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

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

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

When the GST incurred on a purchase of assets is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset, as applicable.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables respectively in the balance sheet.

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#### 2.21. Dividends on ordinary shares

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

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

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

#### 2.22. Earnings Per Share

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

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

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3. Cash and cash equivalents

	As at March, 31 2021	As at March, 31 2020
Balances with banks:		
- In current account	545.10	828.29
- Deposit with bank (with original maturity less than 3 months)	4,00.00	3,000.00
<b>Total</b>	<b>945.10</b>	<b>3,828.29</b>

4. Loans (at amortised cost)

	As at March, 31 2021	As at March, 31 2020
(a) Loans	21,617.62	14,921.82
Interest accrued but not due on loans	136.49	142.40
Less: Impairment loss allowance	(139.33)	(101.85)
<b>Net Total</b>	<b>21,614.78</b>	<b>14,962.37</b>
(b) Secured by Hypothecation of securities	21,754.11	14,989.60
Unsecured*	-	74.62
Gross Total	21,754.11	15,064.22
Less: Impairment loss allowance	(139.33)	(101.85)
<b>Net Total</b>	<b>21,614.78</b>	<b>14,962.37</b>
* Pertains to PY 2019-20 and represents collateral under the Company's lien frozen on account of legal proceedings on client.		
(c) Loans in India		
- Public sectors	-	-
- Others	21,754.11	15,064.22
Gross Total	21,754.11	15,064.22
Less: Impairment loss allowance	(139.33)	(101.85)
<b>Net Total - A</b>	<b>21,614.78</b>	<b>14,962.37</b>
Loans outside India	-	-
Less: Impairment loss allowance	-	-
<b>Net Total - B</b>	<b>-</b>	<b>-</b>
<b>Net Total (A+B)</b>	<b>21,614.78</b>	<b>14,962.37</b>

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## 5. Investments (at amortised cost)

	As at March, 31 2021	As at March, 31 2020
(a) Investment in associate in India (Unquoted):		
44,625,000 (2020: 44,625,000) Equity shares of Rs.10 each fully paid up held in Barclays Securities (India) Private Limited	294.57	294.57
Add: Carry forward of share in profit	143.90	194.36
Add: Share of profit/(loss) for the year	(135.30)	(50.46)
Less: Allowance for impairment loss	(65.54)	
<b>Net Total</b>	<b>237.63</b>	<b>438.47</b>

## 6. Other financial assets (at amortised cost)

	As at March, 31 2021	As at March, 31 2020
Interest accrued but not due:		
- Fixed deposit	0.26	3.00
Margin with related party	-	282.96
Receivable from related party	-	0.30
Security deposits	0.32	0.32
<b>Net Total</b>	<b>0.58</b>	<b>286.58</b>



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7. Property plant and equipment and intangible assets

As at March 31, 2021

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

As at March 31, 2020

Property, plant and equipment	Gross Block				Accumulated Depreciation				Net Block
	Balance as at April 01, 2019	Additions	Disposal/Write off	Balance as at March 31, 2020	Balance as at April 01, 2019	Depreciated on charge for the year	On disposals/Write off	Balance as at March 31, 2020	Balance as at March 31, 2020
Freehold property	17.25	-	-	17.25	0.68	0.34	-	1.02	16.23
Computers	-	-	-	-	-	-	-	-	-
Total	17.25	-	-	17.25	0.68	0.34	-	1.02	16.23
Intangibles									
Softwares	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-



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8. Other non-financial assets

	As at March, 31 2021	As at March, 31 2020
Balance with Government Authorities:		
- Service tax/Goods and service tax	294.26	290.50
Less: Provision for balance with government authorities	(294.26)	(290.50)
Capital Advance	3.25	-
TDS Receivable	0.82	0.88
<b>Total</b>	<b>4.07</b>	<b>0.88</b>

9. Payables

	As at March, 31 2021	As at March, 31 2020
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*	16.90	17.36
<b>Total</b>	<b>16.90</b>	<b>17.36</b>

\* Trade Payables includes Rs. 4.06 million (Previous Year: Rs. 5.44 million) payable to related parties.

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

	As at March, 31 2021	As at March, 31 2020
Debt securities in India:		
<u>Secured</u>		
(Secured by pari passu charge on receivable)		
Borrowing from Bank**		
- Working Capital Loans	-	300.00
- Overdraft	-	199.98
<u>Unsecured</u>		
Commercial Paper*		
- From banks	-	-
- From others	15,400.00	12,100.00
Less: Unamortized of discount	(166.70)	(265.10)
<b>Total</b>	<b>15,233.30</b>	<b>12,334.88</b>

During the year, the effective interest on the commercial paper recorded in Interest expense was Rs. 571.02 million (2020: Rs. 876.97 million). The actual interest paid during the year was Rs. 628.68 million (2020: Rs. 920.12 million).

\*Maximum amount outstanding during the year Rs. 15,413.89 million (2020: Rs. 15,193.20 million); Rate of discount ranging from 3.75%-6.25% (2020: 6.20%-8.25%); Tenure ranging from 62 days to 365 days (2020: 81 days to 364 days).



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\*\*Maximum amount outstanding during the year Rs.1,650 million (2020: Rs. 850 million); Rate of interest ranging from 4.70%-8.35% (2020: 7.20%-9.70%); Tenure ranging from 1 day to 13 days (2020: 1 day to 35 days).

Refer note 28.3 'Liquidity Risk' for maturity pattern.

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

11. Subordinated liabilities (at amortised cost)

	As at March, 31 2021	As at March, 31 2020
Subordinated liabilities outside India: (2021: 458,875, 2020: 458,875) 0.01% Cumulative Redeemable Preference Shares (‘CRPS’) of Re. 1 each, fully paid up held by Barclays Bank PLC, United Kingdom, the holding company	26.92	24.44
<b>Total</b>	<b>26.92</b>	<b>24.44</b>

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

	As at March, 31 2021	As at March, 31 2020
Barclays Bank PLC, United Kingdom, the holding company	458,875 100%	458,875 100%

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, 2019	458,875	458,875
Add : Issued during the year	-	-
As at March 31, 2020	458,875	458,875
Add : Issued during the year	-	-
<b>As at March 31, 2021</b>	<b>458,875</b>	<b>458,875</b>

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

Arrears of preference dividend Rs.0.0006 million (2020: Rs.0.0006 million).

During the year, the effective interest on the preference share recorded in Interest expense was Rs. 2.48 million (2020: Rs. 2.26 million). The actual interest paid during the year was Nil (2020: Nil).



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12. Other financial liabilities

	As at March, 31 2021	As at March, 31 2020
Interest accrued on bank borrowing	-	0.08
Revenue Received in Advance	1.26	0.56
Other payables	2.31	32.96
<b>Total</b>	<b>3.57</b>	<b>33.60</b>

13. Provisions

	As at March, 31 2021	As at March, 31 2020
Provision for employee benefits:		
- Gratuity	1.68	1.82
- Compensated absences	1.77	1.14
- Bonus	1.56	0.22
Others	-	-
<b>Total</b>	<b>5.01</b>	<b>3.18</b>

14. Other non-financial liabilities

	As at March, 31 2021	As at March, 31 2020
Statutory dues	3.43	3.68
Others	-	-
<b>Total</b>	<b>3.43</b>	<b>3.68</b>

15. Share capital

	As at March, 31 2021	As at March, 31 2020
Authorised share capital:		
299,986,000 (2019: 299,986,000) Equity shares of Rs.50 each	14,999.30	14,999.30
2,000 (2019: 2,000) 7.5% Cumulative Redeemable Preference Shares of Rs. 100 each	0.20	0.20
500,000 (2019: 500,000) 0.01% Cumulative Redeemable Preference Shares of Re. 1 each	0.50	0.50
	<b>15,000.00</b>	<b>15,000.00</b>
Issued, subscribed and paid-up		
218,065,712 (2019:218,065,712) Equity shares of Rs.50 each, fully paid up	10,903.29	10,903.29
	<b>10,903.29</b>	<b>10,903.29</b>

458,875 0.01% Cumulative Redeemable Preference Shares of Re. 1 each, fully paid up (total face value of Rs.0.46 million) issued on September 21, 2006 are classified as financial liability (Refer note 11).



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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, 2019	218,065,712	10,903.29
Add : Issued during the year	-	-
As at March 31, 2020	218,065,712	10,903.29
Add : Issued during the year	-	-
As at March 31, 2021	218,065,712	10,903.29

15.2. Rights, preferences and restrictions attached to equity shares:

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

15.3. Shares held by the holding company:

	As at March, 31 2021	As at March, 31 2020
126,134,137 shares (2020: 126,134,137 shares) held by Barclays Bank PLC, United Kingdom, the holding company	6,306.71	6,306.71
91,930,466 shares (2020: 91,930,466 shares) held by Barclays Mauritius Overseas Holding Limited, Mauritius, a subsidiary of Barclays Bank PLC, United Kingdom	4,596.52	4,596.52

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

	As at March, 31 2021	As at March, 31 2020
Barclays Bank PLC, United Kingdom, the holding company	126,134,137 57.84%	126,134,137 57.84%
Mauritius Overseas Holding Limited, Mauritius, a subsidiary of Barclays bank PLC, United Kingdom	91,930,466 42.16%	91,930,466 42.16%

Number of equity shares held by minority shareholders are 1,109 (2020: 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.



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

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

There are no events occurred after reporting date other than RBI approval received on May, 03 2021 for capital reduction. Approval from Hon'ble NCLT is awaited.

16. Nature and purpose of reserves

16.1. Statutory 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 Act.

16.3. General reserve

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

16.4. Capital redemption reserve

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

16.5. Surplus in the statement of profit or loss

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

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16.6. Contribution by parent

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

16.7. 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 March, 31 2021	Year ended March, 31 2020
Interest on loans	1,332.51	1,639.88
Interest on fixed deposits	18.83	17.85
<b>Total</b>	<b>1,351.34</b>	<b>1,657.73</b>

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

18. Other income

	Year ended March, 31 2021	Year ended March, 31 2020
Interest on income tax refund	9.78	3.45
Bad Debt Recovered	0.22	0.34
<b>Total</b>	<b>10.00</b>	<b>3.79</b>

19. Finance cost

	Year ended March, 31 2021	Year ended March, 31 2020
Discount on Commercial Paper	558.03	861.81
Interest on Bank borrowings	14.36	9.30
Other borrowing Cost	12.99	15.16
Interest on subordinated liabilities	2.48	2.26
<b>Total</b>	<b>587.86</b>	<b>888.53</b>

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

20. Impairment on financial instrument

	Year ended March, 31 2021	Year ended March, 31 2020
Loans	37.47	21.18
Investments	65.54	-
<b>Total</b>	<b>103.01</b>	<b>21.18</b>

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



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21. Employee benefit expenses

	Year ended March, 31 2021	Year ended March, 31 2020
Salaries and wages	39.61	32.88
Contribution to provident and other funds	1.51	1.37
Staff Welfare	-	0.01
Gratuity	0.48	0.74
Compensated expenses	0.66	0.56
<b>Total</b>	<b>42.26</b>	<b>35.56</b>

22. Depreciation

	Year ended March, 31 2021	Year ended March, 31 2020
Depreciation on property plant and equipment	0.39	0.34
<b>Total</b>	<b>0.39</b>	<b>0.34</b>

23. Other expenses

	Year ended March, 31 2021	Year ended March, 31 2020
Travel and conveyance	-	0.01
Communication costs	-	0.01
Legal and professional charges	7.85	6.91
Service cost and other reimbursement (net)	12.36	9.85
Repairs and maintenance	2.36	3.88
Printing and stationery	0.03	0.02
Auditor's fees and expenses (Note 23.1)	5.45	5.10
Provision for goods and service tax asset	3.75	1.10
Insurance	0.20	0.15
Corporate social responsibility (Refer Note 42)	13.07	11.43
Other expenditure	3.51	3.85
<b>Total</b>	<b>48.58</b>	<b>42.31</b>

23.1. Auditor's remuneration

	Year ended March, 31 2021	Year ended March, 31 2020
Audit and limited review	5.02	4.67
Tax audit	0.10	0.10
Certification	0.13	0.13
Reimbursement of expenses	0.20	0.20
<b>Total</b>	<b>5.45</b>	<b>5.10</b>



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24. Income tax

The components of income tax expense for the years ended March 31, 2021 and 2020 are:

	Year ended March, 31 2021	Year ended March, 31 2020
Current tax	119.60	122.07
Deferred tax	15.61	(980.18)
<b>Total tax</b>	<b>135.21</b>	<b>(858.11)</b>

24.1. Amounts recognised in other comprehensive income

	Year ended March, 31 2021			Year ended March, 31 2020		
	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)	0.62	(0.11)	0.51	(0.36)	0.06	(0.30)
<b>Total</b>	<b>0.62</b>	<b>(0.11)</b>	<b>0.51</b>	<b>(0.36)</b>	<b>0.06</b>	<b>(0.30)</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, 2021 and 2020 is, as follows:

	Year ended March, 31 2021	Year ended March, 31 2020
Accounting profit before tax as per standalone financials statement	444.55	779.59
Applicable tax rate	17.47%	17.47%
Computed tax expense	77.67	136.21
<u>Tax effect of:</u>		
- Provision for GST input credit	0.66	0.19
- Expense for earning exempt income	-	0.78
- Provision for impairment loss allowance	41.64	3.70
- Interest on subordinated liabilities	0.43	0.40
- Dividend Income exempt under section 10(34)	-	(18.58)
- Ind AS Transition Reserve	(0.69)	(0.69)
<b>Income tax expense reported in the statement of profit and loss</b>	<b>119.71</b>	<b>122.01</b>



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24.3. Following are the components of deferred tax:

As on March 31, 2021

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

As on March 31, 2020

Particulars	Opening Balance	Recognised / (reversed) through profit and loss	Recognised / reclassified from other comprehensive income	Closing Balance
Deferred Tax Assets :-				
Contingency provision against standard assets	-	29.66	-	29.66
Provision for Impairment on Investment	-	-	-	-
Employee benefits	-	0.91	-	0.91
Depreciation on property, plant, equipment & intangibles	-	28.40	-	28.40



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Carry Forward Losses & Unabsorbed depreciation	-	230.11	-	230.11
MAT Credit	-	691.10	-	691.10
Deferred Tax Liabilities :-				
Debt issue expenses	-	-	-	-
Investments measured at fair value	-	-	-	-
Loans measured at FVTOCI	-	-	-	-
<b>Net Deferred Tax Asset</b>	<b>-</b>	<b>980.18</b>	<b>-</b>	<b>980.18</b>

24.4. Components of current tax assets

	As at March, 31 2021	As at March, 31 2020
TDS and advance tax	1,355.84	1,326.47
Less: Tax provision	(813.08)	(693.37)
<b>Total current tax assets (net of provision)</b>	<b>542.76</b>	<b>633.10</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 March, 31 2021	Year ended March, 31 2020
a) Net profit for the year attributable to equity holders	310.33	1,458.23
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) (face value of Rs.50 each)</b>	<b>1.42</b>	<b>6.69</b>

26. Contingent liabilities

	Year ended March, 31 2021	Year ended March, 31 2020
Claims against the company not acknowledged as debt:		
- Income Tax matters*	473.84	473.84
- Legal case	4.19	4.19
<b>Total</b>	<b>478.03</b>	<b>478.03</b>

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



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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 total expense charged to income of Rs.1.51 million (2020: Rs. 1.37 million) represents contributions payable to this plan by the Company at rates specified in the rules of the plan.

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

### 27.2. Defined benefit plan

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

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

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

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

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

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



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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.



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Gratuity

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

A.	Reconciliation of Defined benefit obligation	March 31, 2021	March 31, 2020
1.	Defined benefit obligation at beginning of the year	1.82	0.72
2.	Service cost		
	a. Current service cost	0.35	0.68
	b. Past service cost	-	-
	c. (Gain) / loss on settlements	-	-
3.	Interest expenses	0.12	0.06
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	(0.32)	-
	b. Effect of changes in financial assumptions	0.10	0.41
	c. Effect of experience adjustments	(0.40)	(0.05)
6.	Transfer In /Out		
	a. Transfer In	-	-
	b. Transfer out	-	-
7.	Defined benefit obligation at end of year	1.68	1.82

\* Less than 100

\*\* Less than 10,000

B.	Amounts recognized in the balance sheet	March 31, 2021	March 31, 2020
1.	Defined benefit obligation	1.68	1.82
2.	Fair value of plan assets	-	-
3.	Funded status	1.68	1.82
4.	Effect of asset ceiling	-	-
5.	Net defined benefit liability (asset)	1.68	1.82

There are no investments in plan assets.

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C.	Components of defined benefit cost	March 31, 2021	March 31, 2020
1.	Service cost recognised in statement of profit and loss (P&L)		
	a. Current service cost	0.35	0.68
	b. Past service cost	-	-
	c. (Gain) / loss on settlements	-	-
	d. Total service cost recognised in statement of profit and loss	0.35	0.68
2.	Net interest cost		
	a. Interest expense on DBO	0.12	0.06
	b. Interest (income) on plan assets	-	-
	c. Interest expense on effect of (asset ceiling)	-	-
	d. Total net interest cost	0.12	0.06
3.	Remeasurements (recognized in Other comprehensive Income - OCI)		
	a. Effect of changes in demographic assumptions	(0.32)	-
	b. Effect of changes in financial assumptions	0.10	0.41
	c. Effect of experience adjustments	(0.40)	(0.05)
	d. (Return) on plan assets (excluding interest income)	-	-
	e. Changes in asset ceiling (excluding interest income)	-	-
	f. Total remeasurements included in OCI	(0.62)	0.36
4.	Total defined benefit cost recognized in P&L and OCI	0.14	1.10

D.	Re-measurement	March 31, 2021	March 31, 2020
	a. Actuarial Loss/(Gain) on DBO	(0.62)	0.36
	b. Returns above Interest Income	-	-
	c. Change in Asset ceiling	-	-
	Total Re-measurements (OCI)	(0.62)	0.36

\* Less than 100

\*\* Less than 10,000

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E.	Reconciliation of OCI (Re-measurement)	March 31, 2021	March 31, 2020
1.	Recognised in OCI at the beginning of year	0.86	0.50
2.	Recognised in OCI during the period	(0.62)	0.36
3.	Recognised in OCI at the end of the year	0.25	0.86

F.	Sensitivity analysis - DBO end of Period	March 31, 2021	March 31, 2020
1.	Discount rate +100 basis points	1.58	1.52
2.	Discount rate -100 basis points	1.81	2.20
3.	Salary Increase Rate +1%	1.79	2.08
4.	Salary Increase Rate -1%	1.58	1.60
5.	Attrition Rate +1%	1.66	1.74
6.	Attrition Rate -1%	1.70	-

G.	Significant actuarial assumptions	March 31, 2021	March 31, 2020
1.	Discount rate Current Year	6.49%	6.83%
2.	Annual increase in salary cost	6.83%	7.78%
3.	Attrition Rate	11.00%	9.00%
4.	Retirement Age	60	60
5.	Pre-retirement mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
6.	Disability	Nil	Nil

H.	Maturity profile of defined benefit obligation	March 31, 2021	March 31, 2020
	Weighted average duration of DBO	7	21

I.	Expected cash flows for following year	March 31, 2021	March 31, 2020
1.	Expected employer contributions / Addl. Provision Next Year	0.35	0.68
2.	Expected total benefit payments		
	Year 1	0.09	-
	Year 2	0.17	-
	Year 3	0.28	-
	Year 4	0.29	0.22
	Year 5	0.12	0.31
	Next 5 years	0.52	0.03

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SUMMARY

	Assets / Liabilities	March 31, 2021	March 31, 2020
1.	Defined benefit obligation at end of year	1.68	1.82
2.	Fair value of plan assets at end of year	-	-
3.	Net defined benefit liability (asset)	1.68	1.82
4.	Defined benefit cost included in the statement of profit and loss	0.48	0.74
5.	Total remeasurements included in OCI	(0.62)	0.36
6.	Total defined benefit cost recognized in the statement of profit and loss and OCI	(0.14)	1.10

Compensated absences

	Defined benefit obligation at end of year	March 31, 2021	March 31, 2020
	Current Obligation	0.56	0.34
	Non-Current Obligation	1.21	0.80
	Total	1.77	1.14

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

As at March 31, 2020	Carrying amount		Fair value
	Amortised cost	FVOCI	
Financial liabilities not measured at fair value - Subordinated liabilities (Level 2)	24.44	-	23.60
Total	24.44	-	23.60

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



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28.2. Credit Risk

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

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

28.2.1. Staging and SICR

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

Days Past Due Status Criteria:

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

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

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



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28.2.2. Definition of Default

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

28.2.3. Probability of Default (PD)

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

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

28.2.4. Forward Looking Adjustment

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

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

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

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

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

Loss Given Default (LGD)

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



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28.2.5. Exposure at Default (EAD)

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

The Company has considered expected cash flows for all the loans at DPD bucket level for each of the segments, which was used for computation of ECL. Moreover, the EAD comprised of principal component, accrued interest and also the future interest for the outstanding exposure. 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 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, 2021	March 31, 2020	April 01, 2019
Fair value of collaterals	57,186.08	31,506.84	36,071.14

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28.2.7. Provision for expected credit losses:

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

As at March 31, 2021

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

\*Loss allowances includes ECL on undrawn limits of Rs. 2,656.56 million at credit conversion factor of 20.00%

As at March 31, 2020

	Stage 1	Stage 2	Stage 3	Total
Total gross carrying value	14,847.22	74.60	-	14,921.82
Loss allowance*	(64.78)	(36.46)	-	(101.24)
Net carrying value	14,782.44	38.14	-	14,820.58
Interest accrued but not due on loans:				
Total gross carrying value	142.39	0.02	-	142.41
Loss allowance	(0.60)	(0.01)	-	(0.61)
Net carrying value	141.79	0.01	-	141.80

\* Loss allowances includes ECL on undrawn limits of Rs.1,426.73 million at credit conversion factor of 20.00%

# The Company has exercised management overlay to calculate the loss allowance of Rs.1.75 million over and above the ECL model for Stage 2.

28.2.8. Movement of loss allowance

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



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FY 2019-20	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at April 01, 2019	80.69	-	-	80.69
Net addition / (deletion)	(15.30)	36.48	-	21.18
As at March 31, 2020	65.39	36.48	-	101.87

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, 2021

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Financial assets:						
Cash and cash equivalent	545.10	400.00	-	-	-	945.10
Loans (Gross)	-	14,465.78	7,288.33	-	-	21,754.11
Investment	-	-	-	-	237.63	237.63
Other financial assets	0.10	0.26	-	-	0.22	0.58
Total financial assets	545.20	14,866.04	7,288.33	-	237.95	22,937.42
Financial liabilities:						
Payables	16.90	-	-	-	-	16.90
Borrowings (Undiscounted)(Other than Debt Securities)	-	2,250	13,150	-	-	15,400
Other Financial liabilities	3.57	-	-	-	-	3.57
Subordinated Liabilities (Undiscounted)	-	-	-	-	45.89	45.89
Total financial liabilities	20.47	2,250.00	13,150.00	-	45.89	15,466.36
Total net financial assets / (liabilities)	524.73	12,616.04	(5,861.67)	-	192.06	7,471.06



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As at March 31, 2020

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Financial assets:						
Cash and cash equivalent	828.29	3,000.00	-	-	-	3,828.29
Loans (Gross)*	96.15	9,933.85	5,034.22	-	-	15,064.22
Investment	-	-	-	-	438.47	438.47
Other financial assets (Gross)	-	286.26	-	-	0.32	286.58
Total financial assets	924.44	13,220.11	5,034.22	-	438.79	19,617.56
Financial liabilities:						
Payable	17.36	-	-	-	-	17.36
Borrowings (Undiscounted) (Other than Debt Securities)	-	8,549.98	4,050.00	-	-	12,599.98
Other Financial liabilities	33.64	-	-	-	-	33.64
Subordinated Liabilities (Undiscounted)	-	-	-	-	45.89	45.89
Total financial liabilities	51.00	8,549.98	4,050.00	-	45.89	12,696.87
Total net financial assets / (liabilities)	873.44	4,670.13	984.22	-	392.90	6,920.70

\* Accrued interest is adjusted for moratorium wherever applicable based on the information available on point in time.

#### 28.4. Market Risk

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

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

##### 28.4.1. Currency Risk

The Company has an outstanding payable of GBP 0.02 million (Rs. 2.36 million) as on March 31, 2021. Previous year GBP 0.06 million (Rs. 5.43 million).

##### 28.4.2. Interest Rate Risk

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

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



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29. Maturity analysis of assets and liabilities

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

	March 31, 2021			March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial assets</b>						
Cash and cash equivalents	945.10	-	945.10	3,828.29	-	3,828.29
Loans (Net of ECL)	21,614.78	-	21,614.78	14,962.37	-	14,962.37
Investments	-	237.63	237.63	-	438.47	438.47
Other Financial assets	0.36	0.22	0.58	286.26	0.32	286.58
<b>Non-financial assets</b>						
Current Tax assets (Net)	-	542.76	542.76	-	633.10	633.10
Deferred Tax assets	-	964.57	964.57	-	980.18	980.18
Property, Plant and Equipment	-	17.83	17.83	-	16.23	16.23
Other Non-financial assets	4.07	-	4.07	0.88	-	0.88
<b>Total Assets</b>	<b>22,564.31</b>	<b>1,763.10</b>	<b>24,327.31</b>	<b>19,077.80</b>	<b>2,068.31</b>	<b>21,146.10</b>
<b>LIABILITIES</b>						
<b>Financial liabilities</b>						
Payables	16.90	-	16.90	17.36	-	17.36
Borrowings (other than debt securities)	15,233.30	-	15,233.30	12,334.88	-	12,334.88
Subordinated Liabilities	-	26.92	26.92	-	24.44	24.44
Other Financial liabilities	3.57	-	3.57	33.64	-	33.64
<b>Non-Financial liabilities</b>						
Provisions	2.19	2.82	5.01	0.56	2.62	3.18
Other non-financial liabilities	3.43	-	3.43	3.68	-	3.68
<b>Total Liabilities</b>	<b>15,259.39</b>	<b>29.74</b>	<b>15,289.13</b>	<b>12,390.08</b>	<b>27.06</b>	<b>12,417.17</b>
<b>Net</b>	<b>7,304.92</b>	<b>1,733.77</b>	<b>9,038.18</b>	<b>6,687.72</b>	<b>2,041.25</b>	<b>8,728.93</b>



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30. Changes in Liabilities arising from financing activities.

As on March 31, 2021

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

As on March 31, 2020

Particulars	Opening balance as on March 31, 2019	Received During the year	Repaid during the year	Closing balance as on March 31, 2020
Bank Borrowings	-	4720.00	(4,220.00)	500.00
Commercial Papers	11,800.00	24,300.00	(24,000.00)	12,100.00



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31. Related party disclosures as required by Ind AS 24

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 Services Limited	Fellow subsidiary company
Mr. Ruzbeh Sutaria	Key Management Personnel (Director)
Mr. Rakesh Kripalani	Director
Mr. Rajeev Ghadi	Director
Mr. Nirav Mody	Director
Mr. Gurupad Pavan	Director
CS Noopur Gupta	Key Management Personnel (Company Secretary)



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

Year ended March 31, 2021	Holding Company and its Branches	Associates / JV / Fellow Subsidiary Company	Key Management Personnel	Total
Interest income	18.83	-	-	18.83
Barclays Bank PLC, India Branches	18.83	-	-	18.83
<i>Previous year</i>	17.85	-	-	17.85
Barclays Bank PLC, India Branches	17.85	-	-	17.85
Interest on borrowings	9.50	-	-	9.50
Barclays Bank PLC, India Branches	9.50	-	-	9.50
<i>Previous year</i>	7.24	-	-	7.24
<i>Barclays Bank PLC, India Branches</i>	7.24	-	-	7.24
Fixed deposit placed	9,500.00	-	-	9,500.00
Barclays Bank PLC, India Branches	9,500.00	-	-	9,500.00
<i>Previous year</i>	12,470.00	-	-	12,470.00
<i>Barclays Bank PLC, India Branches</i>	12,470.00	-	-	12,470.00
Fixed deposit repaid	12,100.00	-	-	12,100.00
Barclays Bank PLC, India Branches	12,100.00	-	-	12,100.00
<i>Previous year</i>	9,870.00	-	-	9,870.00
<i>Barclays Bank PLC, India Branches</i>	9,870.00	-	-	9,870.00
Repayment of Commercial Paper <sup>1</sup>	-	-	-	-
Barclays Global Service Centre Private Limited	-	-	-	-
<i>Previous year</i>	-	-	-	-
<i>Barclays Global Service Centre Private Limited</i>	-	-	-	-
Discount/Interest on Commercial Paper	-	-	-	-
Barclays Global Service Centre Private Limited	-	-	-	-
<i>Previous year</i>	-	-	-	-
<i>Barclays Global Service Centre Private Limited</i>	-	-	-	-
Sales Support Service	1.04	-	-	1.04
Barclays Bank PLC, India Branches	1.04	-	-	1.04
<i>Previous year</i>	1.03	-	-	1.03
<i>Barclays Bank PLC, India Branches</i>	1.03	-	-	1.03



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Year ended March 31, 2021	Holding Company and its Branches	Associates / JV / Fellow Subsidiary Company	Key Management Personnel	Total
Service and other cost reimbursements	0.50	12.49	-	12.99
Barclays Bank PLC, India Branches	0.50	-	-	0.50
Barclays Services Limited	-	7.82	-	7.82
Barclays Securities (India) Private Limited	-	4.67	-	4.67
Barclays Global Service Centre Private Limited	-	-	-	-
<i>Previous year</i>	5.30	6.68	-	11.98
<i>Barclays Bank PLC, India Branches</i>	5.30	-	-	5.30
Barclays Services Limited	-	4.28	-	4.28
<i>Barclays Securities (India) Private Limited</i>	-	2.40	-	2.40
Service and other cost reimbursements received	-	0.63	-	0.63
Barclays Securities India Private Limited	-	0.63	-	0.63
<i>Previous year</i>	-	2.13	-	2.13
<i>Barclays Securities India Private Limited</i>	-	2.13	-	2.13
Borrowed during the year	10,150.00	-	-	10,150.00
Barclays Bank PLC, India Branches	10,150.00	-	-	10,150.00
<i>Previous year</i>	4,200.00	-	-	4,200.00
<i>Barclays Bank PLC, India Branches</i>	4,200.00	-	-	4,200.00
Borrowings repaid during the year	10,150.00	-	-	10,150.00
Barclays Bank PLC, India Branches	10,150.00	-	-	10,150.00
<i>Previous year</i>	4,200.00	-	-	4,200.00
<i>Barclays Bank PLC, India Branches</i>	4,200.00	-	-	4,200.00
<i>Employee Cost***</i>			10.05	10.05
<i>Previous year</i>			9.23	9.23
Brokerage paid	-	-	-	-
Barclays Securities (India) Private Limited	-	-	-	-
<i>Previous year March 31, 2020</i>	-	6.31	-	6.31
Barclays Securities (India) Private Limited	-	6.31	-	6.31



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Year ended March 31, 2021	Holding Company and its Branches	Associates / JV / Fellow Subsidiary Company	Key Management Personnel	Total
Margin Placed	-	-	-	-
Barclays Securities (India) Private Limited	-	-	-	-
<i>Previous year March 31, 2020</i>	-	282.96	-	282.96
Barclays Securities (India) Private Limited	-	282.96	-	282.96
Dividend Income		-		-
Barclays Securities (India) Private Limited		-		-
<i>Previous year March 31, 2020</i>		106.35		106.35
Barclays Securities (India) Private Limited		106.35		106.35
Bank charges (Miscellaneous expenses)	0.004	-	-	0.004
Barclays Bank PLC, India Branches	0.004	-	-	0.004
<i>Previous year March 31, 2020</i>	-	-	-	-
<i>Barclays Bank PLC, India Branches</i>	-	-	-	-
Bonus Accrual	0.11	-	-	0.11
Barclays Bank PLC, UK	0.11	-	-	0.11
<i>Previous year March 31, 2020</i>	0.02	-	-	0.02
Barclays Bank PLC, UK	0.02	-	-	0.02

\*\*\*pertains to Ruzbeh Sutaria and Noopur Gupta

<u>Year ended March 31, 2021</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	516.75	-	-	516.75
Barclays Bank PLC, India Branches	516.75	-	-	516.75
<i>Previous year March 31, 2020</i>	826.05	-	-	826.05
<i>Barclays Bank PLC, India Branches</i>	826.05	-	-	826.05
Outstanding balance receivable	-	-	-	-
Barclays Securities (India) Private Limited	-	-	-	-
<i>Previous year March 31, 2020</i>	-	0.30	-	0.30
Barclays Securities (India) Private Limited	-	0.30	-	0.30



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
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 (All amounts in Indian Rupees Millions)

<u>Year ended March 31, 2021</u>	<u>Holding Company</u>	<u>Associates / JV / Fellow Subsidiary Company</u>	<u>Key Management Personnel</u>	Total
Outstanding balance payable	-	4.08	-	4.08
Barclays Bank PLC, India Branches	-	-	-	-
Barclays Securities (India) Private Limited	-	1.70	-	1.70
Barclays Global Service Centre Private Limited	-	-	-	-
Barclays Services Limited	-	2.38	-	2.38
<i>Previous year March 31, 2020</i>	-	5.44	-	5.44
<i>Barclays Bank PLC, India Branches</i>	-	-	-	-
<i>Barclays Securities (India) Private Limited</i>	-	-	-	-
Barclays Global Service Centre Private Limited	-	0.01	-	0.01
Barclays Services Limited	-	5.43	-	5.43
Fixed deposits	400.00	-	-	400.00
Barclays Bank PLC, India Branches	400.00	-	-	400.00
<i>Previous year March 31, 2020</i>	3000.00	-	-	3000.00
<i>Barclays Bank PLC, India Branches</i>	3,000.00	-	-	3,000.00
Interest accrued on Fixed deposits	0.26	-	-	0.26
Barclays Bank PLC, India Branches	0.26	-	-	0.26
<i>Previous year March 31, 2020</i>	3.00	-	-	3.00
<i>Barclays Bank PLC, India Branches</i>	3.00	-	-	3.00
Margin Outstanding	-	-	-	-
Barclays Securities (India) Private Limited	-	-	-	-
<i>Previous year March 31, 2020</i>	-	282.96	-	282.96
Barclays Securities (India) Private Limited	-	282.96	-	282.96
Investments	-	245.41	-	245.41
Barclays Securities (India) Private Limited	-	245.41	-	245.41
<i>Previous year March 31, 2020</i>	-	446.25	-	446.25
<i>Barclays Securities (India) Private Limited</i>	-	446.25	-	446.25
Bonus Accrual	0.11	-	-	0.11
Barclays Bank PLC, UK	0.11	-	-	0.11
<i>Previous year March 31, 2020</i>	0.02	-	-	0.02
Barclays Bank PLC, UK	0.02	-	-	0.02



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
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(All amounts in Indian Rupees Millions)

Transactions with key management personnel are as follows:

	Year ended March, 31 2021	Year ended March, 31 2020
Short term employee benefits	10.05	9.23
	10.05	9.23

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

### 32. Capital

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

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

#### 32.1. Capital management

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

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

However, they are under constant review by the Board. For Capital to Risk Assets Ratio ('CAPAD') refer note 42(i).

### 33. Segment reporting

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

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

### 34. Transfer pricing

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

**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2021**  
 (All amounts in Indian Rupees Millions)

35. Restructured Accounts

In accordance with RBI circular DNBS.CO. PD. No. 367 / 03.10.01/2013-14 dated January 23, 2014, there are currently no reportable accounts as restructured account for the year ended March 31, 2021 (2020: 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, 2021 Payables (Refer note 9)	March 31, 2020 Payables (Refer note 9)
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

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

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.

**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2021**  
 (All amounts in Indian Rupees Millions)

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

Covid-19 outbreak was declared as a global pandemic by World Health Organisation. The Company is into lending business which is fully secured against securities and have higher resilience to downturn in the economy considering the liquidity of the collateral. It has also witnessed demand and support from the capital market/economy. The Company has been duly servicing its debt obligations, maintaining a healthy capital adequacy ratio along with adequate financial resources to run its business. As of March 31, 2021, based on the facts and circumstances existing as of that date, the Company does not anticipate any material uncertainties which affects its liquidity position and also ability to continue as a going concern.

39. General Provision for COVID-19 Deferment cases:

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

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

Sr No	Particulars	31 March, 2021
1	Advances outstanding in SMA/overdue categories, where the moratorium/deferment was extended as per COVID-19 Regulatory Package	
	- Account Level	-
	- Customer Level	-
2	Advances outstanding where asset classification benefits is extended	-
3	Provisions made as per para 5 of the COVID-19 Regulatory Package for the financial year	-
4	Provisions adjusted during the financial year ended March 31, 2020	-
5	Residual provisions in terms of paragraph 6 of the COVID-19 Regulatory Package	-

**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2021**  
 (All amounts in Indian Rupees Millions)

40. The Corporate Social Responsibility Expenditure

Gross amount required to be spent by the Company during the year – Rs.13.06 million (2020: Rs. 11.43 million)

Amount spent during the year on:

Sr. No.	Particulars	In cash	Yet to be paid in cash	Year ended March 31, 2021
(i)	Construction/acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	13.07	-	13.07

Sr. No.	Particulars	In cash	Yet to be paid in cash	Year ended March 31, 2020
(i)	Construction/acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	11.43	-	11.43

41. There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2021 (2020: Nil).

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

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

44. Expenditure / Remittances in Foreign Currencies.

Particulars	March 21, 2021	March 21, 2020
Service Cost and other charges	7.82	4.28



**BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2021**  
(All amounts in Indian Rupees Millions)

45. Standards issued but not yet effective

There are few standards issued however, the same are not yet effective, the amendments are extensive and the Company will evaluate the same to give effect to them as and when required by law.

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

Sd/-

Milind Ranade  
*Partner*  
Membership No. 100564

Place : Mumbai  
Date : July 29, 2021

For and on behalf of the Board

Sd/-

Rakesh Kripalani  
*Director*  
DIN No. 02877283

Sd/-

Noopur Gupta  
*Company Secretary*  
ACS 27413

Place : Mumbai  
Date : July 29, 2021

Sd/-

Rajeev Ghadi  
*Director*  
DIN No. 00522420

**Schedule to the Balance Sheet of a non-deposit taking non-banking financial company for year ended 31 March 2021.**  
 (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)

				(Rs. in millions)	
Particulars					
Liabilities side				Amount outstanding	Amount overdue
<b>1</b>	<b>Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:</b>				
	(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		15,233.30	-
	(f)	Public Deposits#		-	-
	(g)	Other Loans (specify nature)- Overdraft		-	-
	# Please see Note 1 below				
<b>2</b>	<b>Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :</b>				
	(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	
<b>3</b>	<b>Break-up of Loans and Advances including bills receivables [other than those included in (4) below]</b>				
	(a)	Secured (Refer Note 4 of Notes to the Financial statements)		21,617.62	
	(b)	Unsecured (Refer Note 4 of Notes to the Financial statements)			-
<b>4</b>	<b>Break up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>				
	(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		-
<b>5</b>	<b>Break-up of Investments</b>				
	<b>Current Investments</b>				
	<b>1</b>	<b>Quoted</b>			
		(i)	Shares		
			(a) Equity		-
			(b) Preference		-
		(ii)	Debentures and Bonds		-
		(iii)	Units of mutual funds		-
		(iv)	Government Securities		-
		(v)	Others (please specify)		-
	<b>2</b>	<b>Unquoted</b>			
		(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	245.41
		(b)	Preference	-
	(ii)	Debentures and Bonds		-
	(iii)	Units of mutual funds		-
(iv)	Government Securities		-	
	(v)	Others (please specify)		-
<b>6 Borrower group-wise classification of assets financed as in (3) and (4) above</b>				
Please see Note 2 below				
Loans				
		Amount net of provisions		
Category		Secured	Unsecured	Total
<b>1 Related Parties</b>				
(a)	Subsidiaries	-	-	-
(b)	Companies in the same group	-	-	-
(c)	Other related parties	-	-	-
<b>2 Other than related parties*</b>		21,617.62	-	21,617.62
<b>Total</b>		<b>21,617.62</b>	<b>-</b>	<b>21,617.62</b>
<b>7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)</b>				
Please see note 3 below				
		Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	
Category				
<b>Related Parties</b>				
(a)	Subsidiaries	-	-	
(b)	Companies in the same group	-	-	
<b>1</b> (c)	Other related parties	245.41	245.41	
<b>2 Other than related parties</b>		-	-	
<b>Total</b>		<b>245.41</b>	<b>245.41</b>	
As per Accounting Standard of ICAI (Please see Note 3)				
<b>8 Other information</b>				
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.

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, 2021
2. Shares of Associate / Joint Ventures held by the company on the year end	
No.	44,625,000
Extent of holding	25%
3. Description of how there is significant influence	<p>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.</p> <p>As per Companies Act, 2013 "significant influence" means control of at least 20% of total share capital, or of business decisions under an agreement.</p> <p>As Barclays Investments and Loans (India) Limited is</p>

	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. 1,241.46 millions as at March 31, 2021 Rs. 310.36 millions (25% of above) as at March 31, 2021
6. Profit / (Loss) for the year	Rs. (541.21) millions
i. Considered in Consolidation	Rs. (135.30) millions
ii. Not Considered in Consolidation	Rs. (405.91) millions

For and on behalf of the Board

Sd/-  
Rakesh Kripalani  
Director (DIN: 02877283)

Sd/-  
Ruzbeh Sutaria  
Director (DIN: 07889937)

Sd/-  
Noopur Gupta  
Company Secretary (ACS27413)

Place: Mumbai  
Date: July 29, 2021

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 84<sup>th</sup> Annual General Meeting of Barclays Investments & Loans (India) Private Limited held on Friday, the 24<sup>th</sup> day of September, 2021, at 11:00 am at the registered office of the Company at Nirlon Knowledge Park, Level 10, Block B-6, Off Western Express Highway, Goregaon(E), Mumbai – 400063.

Name of the Shareholder/Proxy: (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  
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

**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 84<sup>th</sup> Annual General Meeting of the Company to be held on Friday, the 24<sup>th</sup> day of September, 2021, at 11:00 am at the registered office of the Company at Nirlon Knowledge Park, Level 10, Block B-6, Off Western Express Highway, Goregaon(E), Mumbai - 400063 and at any adjournment thereof in respect of such resolutions as are indicate below:

Resolution No.	Resolution	Vote (Optional see Note 2)		
		For	Against	Abstain
1	To consider and adopt: a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2021 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, 2021 together with the Report of the Auditors thereon.			
2	Appointment of Statutory Auditors of the Company a) to fill the casual vacancy; and b) for a period of three years			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2021

Affix Revenue Stamp
---------------------------

Signature of Shareholder

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 and a scanned copy of the same be sent to [WIMCorpSecretarial@internal.barclayscapital.com](mailto:WIMCorpSecretarial@internal.barclayscapital.com) 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

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

