

June 24, 2025

## Barclays Securities (India) Private Limited: Rating reaffirmed

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Commercial paper	250.00	250.00	[ICRA]A1+; reaffirmed
<b>Total</b>	<b>250.00</b>	<b>250.00</b>	

\*Instrument details are provided in Annexure I

### Rationale

The rating continues to draw comfort from Barclays Securities (India) Private Limited's (BSIPL) strong ultimate parentage in the form of Barclays Bank PLC (BBPLC; rated A1/Stable/P-1 by Moody's Investors Service with baseline credit assessment (BCA) of baa2). BBPLC is a global systemically important bank based in the United Kingdom (UK) with large capital market operations and a strong worldwide presence with total assets of £1.22 trillion as on December 31, 2024. It holds a 100% stake in BSIPL through its subsidiaries – Barclays Capital Securities Mauritius Limited (75% stake) and Barclays Investments & Loans (India) Private Limited (BILIL; rated [ICRA]AAA (Stable)/[ICRA]A1+; 25% stake).

BSIPL serves as the broking, wealth management and distribution arm of the Barclays Group in India with global Group companies accounting for a significant part of the business. The company's funding needs are largely for maintaining the margin requirement at stock exchanges, which is primarily funded by clients through margins (including those provided by overseas Group entities on behalf of which BSIPL undertakes transactions). BSIPL enjoys significant financial, managerial and operational support from the Group. In ICRA's view, the company will continue to benefit from the shared Barclays name, management and systems support and supervision by a strong board. The rating further considers the Group's global presence in capital markets and banking operations as well as BSIPL's adherence to the Group's global risk management systems and practices. Any weakening in BBPLC's credit profile would be a key negative factor.

### Key rating drivers and their description

#### Credit strengths

**Strong parentage** – ICRA draws comfort from BBPLC's strong global presence. BSIPL is held by BBPLC through its subsidiaries – Barclays Capital Securities Mauritius Limited (75% stake) and BILIL (25% stake). Given the shared brand name, ICRA expects an obligation on the part of BBPLC to provide support to BSIPL, if required. Thus, any material deterioration in the credit profile of the ultimate parent, BBPLC, would be a key rating sensitivity for ICRA's rating for BSIPL.

**Captive broking businesses from Group's overseas entities and domestic clientele** – BSIPL undertakes the broking/clearing business of the overseas Group entities as the Group's global clients intend to take exposure to the Indian capital markets. It also undertakes broking and other wealth management activities for the Group's domestic clients. The company enjoys strong financial, managerial and operational support from the Group and maintains its importance as a vehicle for providing the Group's global clientele with India-specific exposure. The shared name also aids traction in the wealth management business. Further, ICRA has factored in the Group's global presence in capital markets and banking operations as well as BSIPL's adherence to the Group's global risk management systems and practices.

## Credit challenges

**Operations become profitable; however, sustainability and further improvement remain monitorable** – BSIPL witnessed an improvement in its profitability (provisional) in FY2025 after becoming profitable in FY2024 with a modest profit after tax of Rs. 6.46 crore. This follows frequent years of loss-making operations, aggregating Rs. 123.07 crore, during FY2018-FY2023. The improvement in the profitability was driven by the higher client margin received by BSIPL and increased short-term interest rates, leading to better interest income on the float available from clients. The operational profitability stems from the streamlining of its activities from FY2023. The company's profitability profile was previously plagued by high operating expenses, as a proportion of income, due to significant employee expenses in the wealth management segment and shared service costs for the services availed from a Group company. The company reduced these costs by moving away from its dedicated relationship management team and relying on another Group company instead for the same.

BSIPL is likely to witness further growth in its operations in the portfolio management and broking businesses. Nonetheless, with the moderation in short-term interest rates and pressure on interest income on float, the company's ability to maintain the growth momentum in its scale of operations to generate ample income and absorb operating expenses remains monitorable amid the inherently volatile capital market business.

Acting as the wealth management, distribution and broking arm of the Barclays Group in India, most of BSIPL's broking business is derived from a Group company. Inherent to broking, the company's business operations and revenue drivers remain susceptible to the volatility in the capital markets. In ICRA's view, given the high concentration of the Group company in BSIPL's business, income growth would remain contingent on company's intention to continue taking/enhancing exposure to the Indian capital markets.

## Liquidity position: Adequate

BSIPL's funding requirements are largely for maintaining margins at the stock exchanges to carry out trades for its clients. However, it takes sufficient margins from its clients for this purpose, leading to limited borrowing requirements and funding from its own sources for operations.

## Rating sensitivities

**Positive factors** – Not applicable

**Negative factors** – The rating may be revised downwards in case of a material deterioration in BBPLC's credit profile or a weakening in BSIPL's importance to the Group, resulting in a lower likelihood of financial support from the parent.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">ICRA's Rating Methodology – Stockbroking &amp; Allied Services</a>
Parent/Group support	<p><b>Parent company:</b> BBPLC</p> <p>ICRA expects BBPLC to be willing to extend financial support to BSIPL, if needed, given the high strategic importance that it holds for the Barclays Group for meeting its diversification objectives. Moreover, the Group and BSIPL share a common name, which, in ICRA's opinion, would persuade the Group/BBPLC to provide financial support to the company to protect its reputation from the consequences of a group entity's distress.</p>
Consolidation/Standalone	Standalone

## About the company

Barclays Securities (India) Private Limited (BSIPL) is a step-down subsidiary of Barclays Bank PLC (BBPLC) with a 75% stake held by Barclays Capital Securities Mauritius Limited and the balance held by BILIL. BSIPL serves as the broking, wealth management and distribution arm of the Barclays Group in India with global Group companies accounting for the majority of its business. BSIPL reported a net profit of Rs. 6.5 crore in FY2024 on operating income of Rs. 85.0 crore compared to a net loss of Rs. 5.6 crore on operating income of Rs. 86.6 crore in FY2023. It achieved a profit before tax (PBT; provisional) of Rs. 23.3 crore in FY2025 with an asset base of Rs. 1,218 crore as on March 31, 2025.

### Barclays Bank PLC

BBPLC is the non-ring-fenced bank of the Barclays Group, accounting for around 80% of the Group's total assets as on December 31, 2024. It houses the Group's corporate and investment banking activities along with other non-capital market activities including payments, wealth management, and international consumer and card activities. The bulk of its operations is split between the Group's key markets of the UK and the United States (US) though it has a presence in continental Europe and other major global financial centres. As on December 31, 2024, BBPLC's CET I capital ratio stood at 12.1% on an asset base of £1.2 trillion with a net profit of £3.7 billion in CY2024.

### Key financial indicators (standalone)

BSIPL	FY2023	FY2024	FY2025
	Audited	Audited	Provisional
Net operating income	86.6	85.0	107.8
Profit after tax	-5.6	6.46	23.3
Net worth	91.4	97.4	120.6
Total debt/Net worth (times)	1.10	1.08	0.79
Total assets	746	962	1,218
PAT/ATA	-0.71%	0.76%	2.13%
Return on average net worth	-6.14%	6.84%	21.34%

Source: BSIPL, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

### Status of non-cooperation with previous CRA: Not applicable

### Any other information: None

### Rating history for past three years

Instrument	Type	Current (FY2026)		Chronology of rating history for the past 3 years					
		Rated amount (Rs. crore)	FY2026	FY2025		FY2024		FY2023	
			Jun 24, 2025	Date	Rating	Date	Rating	Date	Rating
Commercial paper	Short term	250.00	[ICRA]A1+	June 4, 2024	[ICRA]A1+	June 6, 2023	[ICRA]A1+	June 7, 2022	[ICRA]A1+

Source: BSIPL and ICRA Research

## Complexity level of the rated instrument

Instrument	Complexity indicator
Commercial paper programme	Very Simple <sup>^</sup>

<sup>^</sup>Complexity is based on the general terms of issue of such instruments

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

**Annexure I: Instrument details**

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
NA	Commercial paper	Unplaced	NA	NA	250.00	[ICRA]A1+

Source: ICRA Research

**Annexure II: List of entities considered for consolidated analysis**

Not applicable

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Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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## ICRA Limited

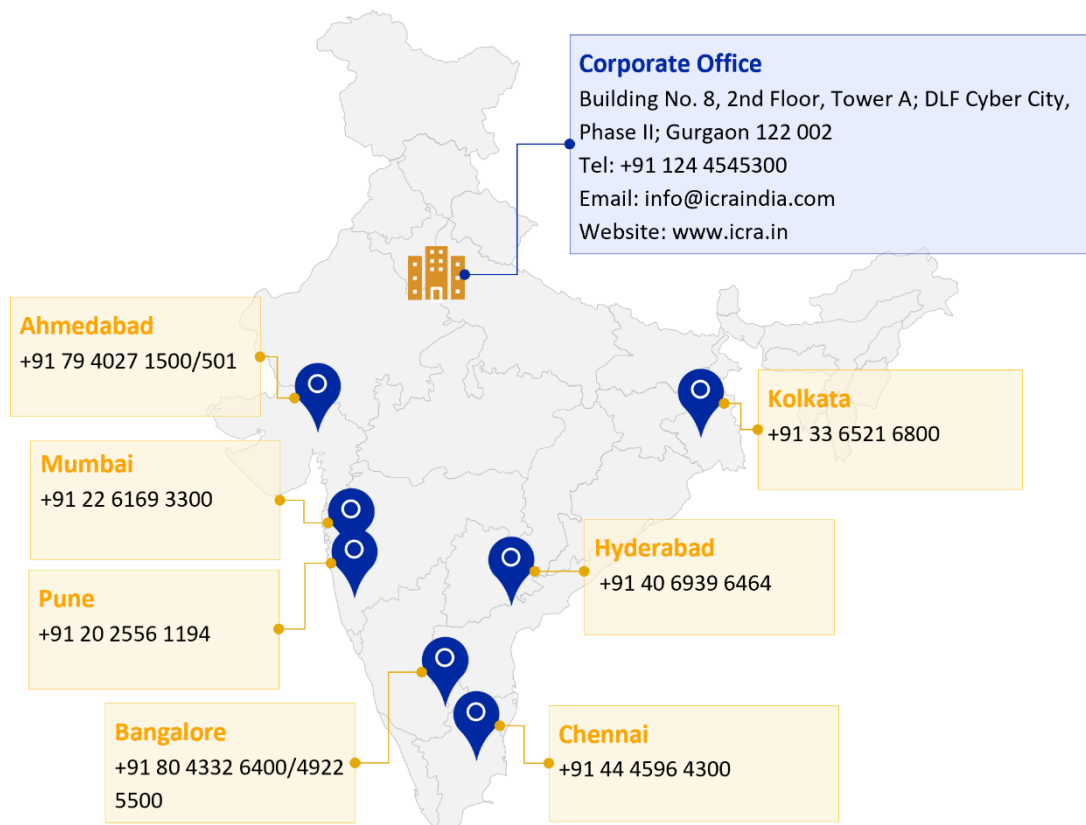


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