

Citicorp Finance (India) Limited

(Formerly known as CitiFinancial Consumer Finance India Limited)

Financial Statements
together with the Auditor's Report
for the year ended 31 March 2014

DIRECTORS' REPORT TO THE MEMBERS

The Directors of your Company are pleased to present the Seventeenth Annual Report on the business and operations of the Company together with the Audited Accounts for the year ended March 31, 2014.

	<i>(Rs. in 'Lakhs)</i>	
	Year ended March 31, 2014	Year ended March 31, 2013
Profit before taxation	15,324	(5,070)
Less: Provision for taxation	1,447	(1,698)
Add: Deferred Tax release	35,312	-
Profit after taxation	49,189	(3,372)
Add : Balance carried forward from previous year	(68,114)	(64,742)
Additions on account of merger	66,975	-
Addition on account of release of provision of proposed dividend and dividend distribution tax of the transferor company declared in previous year	11,575	-
Amount available for Appropriation	59,625	(68,114)
Amount transferred to Statutory Reserves	9,838	-
Amount transferred to General Reserves	2,459	-
Proposed Dividend	39,783	-
Tax on proposed Dividend	6,761	-
Balance carried forward	784	(68,114)

MERGER

During the year the Company completed the merger of Citicorp Finance (India) Limited (CFIL) with itself after due approvals from Hon'able High Courts of Delhi & Mumbai & other statutory authorities. CFIL has been engaged in providing a range of Financial Services including:

- a. Loans for purchase of commercial vehicles, construction equipment and agricultural assets and leasing and hire purchase of the aforesaid assets.
- b. Loans against financial assets.
- c. Investment in shares and securities.

The amalgamation will result in consolidation of the businesses of the companies and will strengthen its position by enabling it to harness and optimize the synergies of operations. It will also enhance the capital base of the merged entity.

NAME CHANGE OF THE COMPANY AND SHFITING OF REGISTERED OFFICE.

As part of the merger process the Company change its name from CitiFinancial Consumer Finance India Limited to Citicorp Finance (India) Limited after obtaining No Objection from Reserve Bank of India. It also shifted its registered office to Mumbai. The registered office of the company is now at 8th Floor, First International Financial Centre (FIFC), Plot Nos. C 54 & C55, G- Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.

DIVIDEND

The Board of Directors recommend a final dividend of Rs 39,783 lakhs for the year 2013-14 (excluding dividend distribution tax thereon of Rs. 6,761 lakhs) on equity shares outstanding as on March 31, 2014 to the members whose names appear in the register of members. The dividend payout is subject to approval of the members in the general meeting.

During the previous year the shareholders of the transferor company (CFIL) had not accepted the proposed dividend of Rs 9,838 lakhs on account of the ongoing merger process. The provision including the dividend distribution tax thereon has been reversed during the current year

OPERATIONS

Asset Backed Finance

The Asset Based Finance (ABF) business is primarily engaged in providing financial solutions to the obligors from the target market of commercial vehicles, construction equipment and agricultural assets and leasing and hire purchase of the aforesaid assets ever since CFIL commenced operations in 1997.

The ABF business is organized around four zones where zonal offices are located. The ABF business follows a Hub and Spoke model for sourcing business around a branch. There are 75+ hubs and 200+ spokes to support ABF's distribution and collection infrastructure which provide a very strong market presence across country and is considered as one of the renowned NBFCs in the commercial vehicles and construction equipment's industry.

ABF division is managed by a seasoned management team of ABF experts with enormous industry expertise/experience. The unit has strong organizational structure with independent risk, collection and compliance which ensures appropriate control and mitigate risk environment. The transparent functioning along with regulated and stringent processes ensure high level of confidence in the customers and has resulted in the lowest number of complaints across established NBFC's.

ABF division has developed its capabilities into sourcing Priority Sector Lending (PSL) and fulfils the PSL requirement for the Citi franchise in India. In order to achieve the same ABF division has specially focussed on Agriculture & Micro Small enterprises with emphasis on Weaker Sections and has enhanced its reach to ensure quality direct originations.

As part of ABF business strategy, the origination is focused on priority sector lending segment and ABF has extended loan of INR 1474 crores to these obligors in FY 2013-14. The unit continues to fulfil the captive PSL requirement of Citibank and during the year 2013-14, the Company has sold PSL assets of Rs. 741.47 crores to Citibank. Given the regulatory obligation of PSL assets by the banks, these assets command premium in the market place and any excess sourcing over and above the PSL requirement of the Citi franchise in India, can provide a potential upside to revenue

ABF has strong collection architecture and infrastructure to support the collection PAN India and the collection numbers as stated below is the testimony of the same. The ABF unit's NCL was at INR 47.58 crores in the FY 13-14, collection efficiency on current month demand were maintained > 98% across all months in FY 13-14. Despite the stress being witnessed in the economy and general slowdown, the origination and collection architecture has ensured that CFIL's performance is better than the industry average. This has been achieved by bifurcating the collection effort in sync with buckets namely current, soft bucket (1-60 days), Hard bucket (61-180 days) and recovery (>180 days). This has helped us optimize our resources and achieve the desired result despite stress being faced due to slow down seen in the economy.

With the formation of new government it is expected that the policy decision making would improve and industrial activity would pick up. Given the expectations of the worst behind us, we expect that FY 2014-15 to be more buoyant with demand picking up in Q3 and Q4 of the FY.

Collateralized loans

The buoyancy in the equity markets during the financial year has seen an increase in the portfolio of loans collateralized against pledge of shares and securities. As at the year ended 31st March 2014 the portfolio was of Rs 1901 crores as against Rs 1602 crores at the previous year end in erstwhile CFIL books. The Company has strong daily mark to market process wherein the LTV's are monitored very closely. Margin calls, if any are triggered immediately if the LTV exceeds the approved LTV. Due to this there has not been a single case of default in the Loan against shares portfolio.

Investments and Borrowings

Post-merger the Company has an active Treasury taking care of various risks on its balance sheet including interest rate risks, market risks and optimises

overall funding costs. Treasury generally funds the balance sheet through various products viz. non-convertible debentures (including synthetic instruments), commercial papers and inter-corporate deposits coupled with bank loans and cash credits amongst others. It invests in various products viz. government securities, treasury bills and corporate bonds. The Company enters into rupee interest rate swaps, currency swaps, equity and commodity index futures with the objective of effectively managing its interest rate, foreign currency, equity and commodity linked risks on its assets and liabilities.

Reserve Bank of India Guidelines

As per the Reserve Bank of India guidelines for Non-Banking Finance Companies, the Company has not accepted any deposits from the public and continues to be classified as a loan and investment company. Further, RBI issued a circular "Financial Regulation of Systemically Important NBFCs and Banks' Relationship with them" dated 12 December 2006 according to which the Company is categorized as a systemically important non-deposit taking NBFC and in terms of said guidelines the Company is required to maintain a minimum Capital to Risk-weighted Assets Ratio (CRAR) of 15% and also comply with the single and group entity exposure norms. We are pleased to state that the CRAR ratio of the Company as at March 31 2014 was 62.24% as compared to the prescribed ratio of 15%. As regards, compliance with the group entity exposure norms, which are applicable effective April 1, 2007, CFIL is in compliance with all the norms as on 31st March 2014.

SUBSIDIARIES

Citicorp Capital Markets Limited (CCML)

CCML is a wholly owned subsidiary of the Company. It currently functions as a flagship vehicle for Citigroup's Debt Capital Markets Underwriting and Distribution Business in India.

CCML achieved a turnover of Rs. 9.24 crores for the year ended March 31, 2014 compared to Rs. 10.98 crores achieved in the year ended March 31, 2013. The Company earned a profit after tax of Rs. 5.35 crores for the year ended March 31, 2014 compared to a profit of Rs. 6.32 crores in the year ended March 31, 2013.

Citicorp Clearing Services India Limited (CCSIL)

CCSIL, is a wholly owned subsidiary of the Company. During the current year CCSIL has achieved revenue of Rs. 4.28 crores and a Net Profit after tax of Rs 2.39 crores as against a revenue of 32 crores and a Net Profit after tax of 20.05 crores for the year ended March 31, 2013. The company is exploring new lines of business to augment the revenue.

The Directors report, Auditors report, Audited accounts of all subsidiaries of the Company for the year ended March 31, 2014 along with the statements required under Section 212 of the Companies Act are attached with this report.

CORPORATE GOVERNANCE

Vide its circular no. DNBS.PD/CC 94/03.10.042/2006-07 dated May 8, 2007; the RBI has laid down guidelines relating to Corporate Governance. The Company has initiated the process of forming various committees as required under the said circular.

The Company had already constituted Audit Committee in accordance with the provision of Section 292A of the Companies Act, 1956 read with Para 9A of the NBFC Prudential Norms (RB) Directions, 1998. Audit Committee has been entrusted with the responsibility of implementing and monitoring internal audit control systems, the scope of audit, review of annual financial statements before their submission to the Board, review of corporate accounting and reporting practices and also ensure compliance of Internal Control System. The Committee comprises of Mr. Abhijit Sen, Mr. Rohit Ranjan, Mr. Rahul Shukla, Mr. Sameer Kaul, Directors of the Company and Mr. Rakesh Bajaj, Financial Controller and Company Secretary of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 217(2AA) of the Companies Act, 1956, the Board of Directors hereby confirm that:

- i) in the preparation of the annual accounts the Company has followed the applicable accounting standards referred to in Section 211(3C) of the Companies Act, 1956;
- ii) the Board of Directors has adopted such accounting policies as referred to in the notes to the accounts in Schedule 22 and applied them consistently and made reasonable and prudent judgments and estimates in the preparation of annual accounts 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 or loss of the Company for the year ended on March 31, 2014;
- iii) the Board of Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts of the Company have been prepared on a going concern basis.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

In view of the nature of business of the Company, the particulars and the relevant data as required under Section 217 of the said Act, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not required to be provided. During the year under review, the Company did not earn income in foreign exchange. Expenditure in foreign currency was incurred on foreign travel and professional charges to the extent of Rs. 16 crores.

PROSPECTS

With the change in government in center it is expected that the economical activity would pick up. We expect growth in construction, agricultural and commercial vehicle industry. The Company would keep selling PSL assets generated. The loan against financial assets portfolio is expected to remain steady. With the diversified activities the Company should be able to spread its sources of income and risks. Barring unforeseen circumstances, the overall performance in all the businesses is expected to be sustained at current level.

DIRECTORS

Mr. Ashok Swarup, Mr. Mukesh Malik, Mr. Sanjiv Kapur, Mr. Neeraj Pant and Mr. Buvanesh Tharashankar resigned from the Board of Directors during the year. The Board places on record its appreciation of the valuable services rendered to the Company.

Pursuant to the provisions of Section 160 and other applicable provisions and rules, if any, of the Companies Act, 2013, Mr. Rahul Shukla and Mr. Sameer Kaul who were appointed as additional director of the company in terms of section 161 and rules of the Companies Act 2013 and the articles of the company and who shall hold the office up to the date of the annual general meeting of the company. The company proposes for the appointment of both the director in the general meeting

Pursuant to Section 152 of the Companies Act, 2013 two of the directors, Mr. Abhijit Sen and Mr. Anand Selvakesari, who have been longest in office, shall retire at the ensuing Annual General Meeting and they being eligible offer themselves for re-appointment. The necessary resolutions are being proposed at the ensuing Annual General Meeting.

INFORMATION PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956

Information pursuant to Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and under Section 217(1)(e) of the said Act, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 to the extent applicable are set out in the Annexure hereto. The said annexure shall, however, be provided to the Members on request to be made to the Company secretary.

FIXED DEPOSITS

The Company has not accepted any deposits from the public as defined under Non-banking Financial Companies (Reserve Bank) Directions, 1998, and hence no particulars are furnished in this report.

AUDITORS

It is proposed to re-appoint M/s BSR & Co. as Statutory Auditors and they have confirmed that their re-appointment, if made, will be within the limits laid down under Section 139 of the Companies Act, 2013.

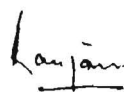
ACKNOWLEDGEMENT

The Board of Directors acknowledges with gratitude, the kind co-operation extended by the Reserve Bank of India and other regulatory authorities. The Board also wishes to thank its valued shareholders, bankers and other financial institutions for reposing their confidence in the Company. The Board places on record its appreciation for the performance of all staff members, which has enabled the Company to achieve the year's results.


By order of the Board of
Directors
For Citicorp Finance (India)
Limited

Mumbai

May 30, 2014



Rohit Ranjan
Managing Director



Abhijit Sen
Director

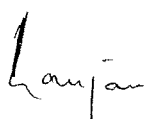
CITICORP FINANCE (INDIA) LIMITED
STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

RELATING TO SUBSIDIARY COMPANIES

A	Name of the Subsidiaries	:	Citicorp Capital Markets Limited	Citicorp Clearing Services India Limited
B	Financial Year ended	:	31-Mar-14	31-Mar-14
C	Holding Company's interest	:		
	a. No. of equity shares	:	11,42,50,000	55,000,000
	b. Face value per share	:	10	10
	c. Percentage of holding	:	100%	100%
D	The net aggregate amount of subsidiary's profit / (losses) so far as it concerns the members of the holding Company not dealt with in the holding Company's accounts for the current financial year	:	Profit Rs. 53,585,336	Profit Rs. 23,943,880
E	The net aggregate amount of subsidiary's profit / (losses) so far as its concerns the members of the holding Company not dealt with in the holding Company's accounts for the previous financial years	:	Profit Rs.83,460,473	Profit Rs.110,745,713
F	The net aggregate amount of profit/(losses) of the subsidiary which has been dealt with in the holding Company's accounts for the current financial year	:	Nil	Rs. 158,125,000
G	The net aggregate amount of profit / (losses) of the subsidiary which has been dealt with in the holding Company's accounts for the previous financial years	:	Profit Rs.590,625,000	Profit Rs.1,573,000,000

For and on behalf of the Board of Directors
For Citicorp Finance (India) Limited

Place: Mumbai
Date: May 30, 2014


Rohit Ranjan
Managing Director

B S R & Co. LLP

Chartered Accountants

1st Floor, Lodha Excelus
Apollo Mills Compound
N. M. Joshi Marg, Mahalakshmi
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India

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Independent Auditors' Report

To the Members of

Citicorp Finance (India) Limited

(Formerly known as CitiFinancial Consumer Finance India Limited)

Report on the financial statements

We have audited the accompanying financial statements of Citicorp Finance (India) Limited *(formerly known as CitiFinancial Consumer Finance India Limited)* ('the Company'), which comprise the Balance sheet as at 31 March 2014 and the Statement of profit and loss and the Cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditors' Report (Continued)

Citicorp Finance (India) Limited

(Formerly known as CitiFinancial Consumer Finance India Limited)

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of Balance sheet, of the state of affairs of the Company as at 31 March 2014;
- ii. in the case of the Statement of profit and loss, of the profit for the year ended on that date; and
- iii. in the case of Cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

As required by Section 227(3) of the Act, we report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) the Balance sheet, Statement of profit and loss and Cash flow statement dealt with by this report are in agreement with the books of account;
- d) in our opinion, the Balance sheet, Statement of profit and loss and Cash flow statement comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Act; and
- e) on the basis of written representations received from the Directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2014, from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

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

Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
30 May 2014

Citicorp Finance (India) Limited

(Formerly known as CitiFinancial Consumer Finance India Limited)

Annexure to the Independent Auditors' Report – 31 March 2014

(Referred to in our report of even date)

- 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 programme of physical verification of its fixed assets by which all fixed assets are verified on a yearly basis. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.
- ii. The Company is engaged in providing financial services. Accordingly, it does not hold any physical inventories. Thus, paragraph 4 (ii) of the Order is not applicable.
- iii. According to the information and explanations given to us, we are of the opinion that there are no companies, firms or other parties covered in the register required under section 301 of the Act. Accordingly, paragraph 4(iii) of the Order is not applicable.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and nature of its business with regards to purchase of fixed assets sale of services. We have not observed any major weakness in the internal control system during the course of the audit.
- v. As noted in paragraph 4(iii) we are of the opinion that there are no companies, firms or other parties covered in the register required under section 301 of the Act.
- vi. According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by Reserve Bank of India and the provisions of Section 58A, Section 58AA or any other relevant provisions of the Act and the rules framed there under apply.
- vii. In our opinion, the Company being part of Citigroup entities has a central internal audit system commensurate with its size and the nature of its business.
- viii. The Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Act for any of the activities conducted / services rendered by the Company. Accordingly paragraph 4(viii) of the order is not applicable.
- ix. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, service tax, 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 sales tax, wealth tax, customs duty, excise duty, cess, investor education and protection fund and employees' state insurance as on 31 March 2014.

Citicorp Finance (India) Limited

(Formerly known as CitiFinancial Consumer Finance India Limited)

Annexure to the Independent Auditors' Report – 31 March 2014 (Continued)

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax and other material statutory dues were in arrears as at 31 March 2014 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, other than those stated below there are no dues of income-tax, provident fund, service tax and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute.

Details of statutory dues which have not been deposited on account of any dispute:

Name of the statute	Nature of dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax including interest	205	A.Y. 2003-2004	Commissioner of Income tax (Appeals)
	Income tax including interest	73	A.Y. 2005-2006	Income tax Appellate Tribunal
	Income tax including interest	91	A.Y. 2006-2007	Income tax Appellate Tribunal
	Income tax including interest	1,830	A.Y. 2006-2007	Income tax Appellate Tribunal
West Bengal Value Added Tax Act, 2003	Sales tax	5	F.Y 2005-2006	Senior Joint
		3	F.Y 2006-2007	Commissioner of Sales Tax West Bengal
		4	F.Y. 2007-2008	
The Delhi Sales Tax Act, 1975	Non submission of Form C and Form E 1	<u>57</u>	F.Y. 1998-1999	Sales - tax Officer, Delhi
		<u>2,267</u>		

- x. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xi. In our opinion, and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to any bank or debenture holder. The Company did not have any dues to any financial institution during the year.
- xii. In our opinion, the Company has maintained adequate records in cases where it has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

Citicorp Finance (India) Limited

(Formerly known as CitiFinancial Consumer Finance India Limited)

Annexure to the Independent Auditors' Report – 31 March 2014 (Continued)

- xiii. In our opinion and according to the information and explanations given to us, the Company is not a chit fund / nidhi / mutual benefit fund / society. Accordingly, the provisions of clause 4 (xiii) of the Order is not applicable to the Company.
- xiv. Based on information and explanations provided by the management, in respect of dealing or trading in shares and securities, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares and securities have been held by the Company in its own name or are in the process of transfer in its name, except to the extent of exemption granted under section 49 of the Act.
- xv. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- xvi. In our opinion and according to information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- xvii. In terms of the Guidelines of Reserve Bank of India on Asset Liability Management System for non-banking finance companies, the Company regularly carries out an analysis of its assets and liabilities on the basis of their residual maturity and reprising patterns. Our examination of the same indicates that generally the funds raised on short-term basis have not been used for long-term investments.
- xviii. As noted in paragraph 4(iii) we are of the opinion that there are no companies, firms or other parties covered in the register required under section 301 of the Act.
- xix. According to the information and explanations given to us, the Company has created security or charge in respect of debentures issued during the year.
- xx. The Company has not raised any money by public issues during the year.
- xxi. According to the information and explanations given to us, we noted certain instances of fraud on the Company during the year. As informed, these frauds represent certain instances of misrepresentation of collaterals by customers and fabrication of security documents and non-deposit of monies collected on behalf of the Company by the collection agents amounting to Rs. 49 lakhs. As explained to us, the entire amount outstanding against the above has been written off in the books of accounts enduring the year. According to the information and explanation given to us, no other fraud on or by the Company has been noticed or reported during the course of our audit.

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



Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
30 May 2014

Citicorp Finance (India) Limited

(Formerly known as 'CitiFinancial Consumer Finance India Limited')

Balance sheet

as at 31 March 2014

(Currency: Indian Rupees in Lakhs)

	Note No.	31 March 2014	31 March 2013
I. EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
Share capital	3	289,330	204,234
Reserves and surplus	4	47,617	(33,086)
		<u>336,947</u>	<u>171,148</u>
2. NON-CURRENT LIABILITIES			
Long term borrowings	5	34,988	-
Other long term liabilities	6	5,704	-
Long term provisions	7	13,528	-
		<u>54,220</u>	<u>-</u>
3. CURRENT LIABILITIES			
Short term borrowings	8	68,703	-
Trade payables	9	2,794	1,537
Other current liabilities	10	57,537	2,114
Short term provisions	11	57,229	4,609
		<u>186,263</u>	<u>8,260</u>
TOTAL		<u><u>577,430</u></u>	<u><u>179,408</u></u>
II. ASSETS			
1. NON-CURRENT ASSETS			
Fixed Assets			
Tangible assets	12	232	114
Intangible assets		-	8
		<u>232</u>	<u>122</u>
Non current investments	13	37,410	-
Deferred tax assets	25.9	41,626	-
Long term loans and advances	14	145,137	13,869
Other non-current assets	15	13,070	1,534
		<u>237,475</u>	<u>15,525</u>
2. CURRENT ASSETS			
Current investments	16	29,716	-
Cash and bank balances	17	43,905	52,271
Short term loans and advances	18	256,370	109,017
Other current assets	19	9,964	2,595
		<u>339,955</u>	<u>163,883</u>
TOTAL		<u><u>577,430</u></u>	<u><u>179,408</u></u>
Significant accounting policies	2		

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W

Manoj Kumar Vijai

Partner

Membership No: 046882

Mumbai

30 May 2014



Rohit Ranjan

Managing Director

Mumbai

30 May 2014

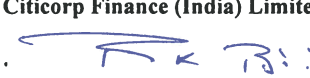
For and on behalf of the Board of Directors

Citicorp Finance (India) Limited



Abhijit Sen

Director



Rakesh Bajaj

Financial Controller
& Company Secretary

Citicorp Finance (India) Limited

(Formerly known as 'CitiFinancial Consumer Finance India Limited')

Statement of profit and loss

for the year ended 31 March 2014

(Currency: Indian Rupees in Lakhs)

	Note No.	31 March 2014	31 March 2013
REVENUE			
Revenue from operations	20	53,262	25,624
Other income	21	17,939	7,515
Total Revenue		<u>71,201</u>	<u>33,139</u>
EXPENSES			
Employee benefits	22	6,913	4,937
Finance costs	23	16,843	4,191
Depreciation	12	150	316
Other expenses	24	31,971	28,765
Total Expenses		<u>55,877</u>	<u>38,209</u>
PROFIT/(LOSS) BEFORE TAX		15,324	(5,070)
TAX EXPENSE:			
Current tax		6,407	(1,698)
MAT credit entitlement		(4,960)	-
Net current tax		1,447	(1,698)
Deferred tax	25.9	(35,312)	-
PROFIT/(LOSS) FOR THE YEAR		<u>49,189</u>	<u>(3,372)</u>
EARNINGS PER EQUITY SHARE:			
Basic and diluted earnings per share of Rs. 7.50 (Previous Year: Rs. 10) face value	25.8	1.28	(0.17)
Significant accounting policies	2		

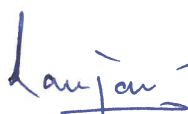
The accompanying notes form an integral part of these financial statements.

As per our report of even date attached.

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



Manoj Kumar Vijai
Partner
Membership No: 046882



Rohit Ranjan
Managing Director



Abhijit Sen
Director



Rakesh Bajaj
Financial Controller
& Company Secretary

Mumbai
30 May 2014

Mumbai
30 May 2014

For and on behalf of the Board of Directors
Citicorp Finance (India) Limited

Citicorp Finance (India) Limited
(Formerly known as 'CitiFinancial Consumer Finance India Limited')

Cash flow statement

for the year ended 31 March 2014

(Currency: Indian Rupees in Lakhs)

	31 March 2014	31 March 2013
Cash flows from operating activities		
Profit before tax	15,324	(5,070)
Add:-		
Depreciation and amortisation	150	316
Unrealized Gain / (loss) on derivatives	4,760	606
Discount amortised on issue or charged-off on buy-back of debentures	6	11
Amortization of debt issuance and loan origination costs	443	1,051
(Gain) / loss on sale of long term investments	(5,219)	-
(Gain) / loss on sale of fixed assets	(38)	(32)
Less:-		
Reversal of diminution in the value of investments	180	
Provision/liabilities no longer required written back	217	781
Reversal of provision for standard assets and bad and doubtful debts	1,644	4,501
Interest income on income tax refund	-	282
Dividend income	1,738	-
Operating profit before working capital changes	11,647	(8,682)
(Increase) / Decrease in other current and non current assets	(7,202)	253
(Increase) / Decrease in loans and advances	22,466	162,681
Increase / (Decrease) in provisions and liabilities and trade payables*	3,621	(18,836)
	18,885	144,098
Net cash from operating activities before taxes	30,532	135,416
Less: Taxes paid	3,534	659
Cash flows generated from / (used in) operating activities - A	26,998	134,757
Cash flows from investing activities		
Dividend income	1,738	-
Recovery from investments	5,469	-
Net (investment)/proceeds from deposits with banks	(24,012)	2,363
(Acquisition) of short term investments	(29,716)	-
Sale proceeds of fixed assets	84	62
Purchase of fixed assets	(38)	-
Cash flows generated from / (used in) investing activities - B	(46,475)	2,425
Cash flows from financing activities		
(Decrease) / Increase in secured loans (net)	(21,943)	-
(Decrease) / Increase in secured term loans (net)	(37,800)	(90,150)
(Decrease) / Increase in unsecured loans (net)	30,503	(81)
Cash flows generated from / (used in) financing activities - C	(29,240)	(90,231)
Net decrease in cash and cash equivalents - (A+B+C)	(48,717)	46,951
Cash and cash equivalents at the beginning of the year	57,372	3,675
Cash and cash equivalents at the end of the year	8,655	50,626

*Current portion of secured borrowings is included as financing activities under secured loans.

Note:

- 1) Cash and cash equivalents comprise of balances with banks in current accounts and fixed deposit accounts (Refer Note 17).
- 2) Adjustments have been carried out to opening cash and cash equivalents on account of merger (Refer Note 25.16)

As per our report of even date attached.

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

Chartered Accountants

Firm's Registration No: 101248W

Manoj Kumar Vijai


Partner

Membership No: 046882

Mumbai

30 May 2014


Rohit Ranjan
Managing Director


Abhijit Sen
Director

For and on behalf of the Board of Directors
Citicorp Finance (India) Limited


Rakesh Bajaj
Financial Controller &
Company Secretary

30 May 2014

Citicorp Finance (India) Limited

(Formerly known as 'CitiFinancial Consumer Finance India Limited')

Notes to the financial statements (continued)

as at 31 March 2014

(Currency: Indian Rupees in Lakhs)

	As at 31 March 2014	As at 31 March 2013
Note 3:		
SHARE CAPITAL		
AUTHORISED CAPITAL:		
5,269,333,333 (Previous year : 2,746,000,000) Equity shares of Rs.7.50 (Previous year: Rs 10) each	<u>395,200</u>	<u>274,600</u>
ISSUED, SUBSCRIBED AND FULLY PAID UP:		
3,857,727,031 (Previous year : 2,042,338,070) Equity shares of Rs.7.50 (Previous year: Rs 10) each	<u>289,330</u>	<u>204,234</u>
Reconciliation of the number of shares		
At the beginning of the year	2,042,338,070	2,042,338,070
New shares issued on account of merger (Refer note 25.16)	1,815,388,961	-
At the end of the year	<u>3,857,727,031</u>	<u>2,042,338,070</u>
Terms/rights attached to Equity shares		
The Company has only one class of equity shares having a par value of Rs 7.50 (Previous year Rs.10) per share.		
All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting.		
The dividend proposed by the Board of Directors is subject to the approval of the share holders in the ensuing annual general meeting.		
In the event of liquidation of the Company the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
Equity Shares held by Holding Company		
Associates Financial Services (Mauritius) LLC	20,423	20,423
Details of shareholding more than 5% shares in the Company		
Associates Financial Services (Mauritius) LLC	20,423	20,423
Citibank Overseas Investment Corporation	18,154	-
Note 4:		
RESERVES AND SURPLUS		
Statutory reserve:		
(Created pursuant to Section 45 I C of Reserve Bank of India Act, 1934 as amended by RBI (Amendment) Act, 1997)		
Opening balance	13,766	13,766
Add:		
Balance of the transferor company on account of merger	20,770	-
Additions during the year	9,838	-
Closing balance	<u>44,374</u>	<u>13,766</u>
General reserve:		
Opening balance	-	-
Add: Balance of the transferor company on account of merger	14,900	-
Add: Transfer out of profit and loss on account of declaration of current years' dividend	2,459	-
Less: Transfer to profit and loss account as per scheme of amalgamation	(14,900)	-
Closing balance	<u>2,459</u>	<u>-</u>

Citicorp Finance (India) Limited

(Formerly known as 'CitiFinancial Consumer Finance India Limited')

Notes to the financial statements (continued)

as at 31 March 2014

(Currency: Indian Rupees in Lakhs)

	As at 31 March 2014	As at 31 March 2013
Note 4:		
RESERVES AND SURPLUS (continued)		
Amalgamation Reserve		
Opening balance	21,262	21,262
Less: Transfer to profit and loss account as per scheme of amalgamation	<u>(21,262)</u>	<u>-</u>
Closing balance	-	21,262
Securities premium account:		
Opening balance	-	-
Add: Additions during the year*	1,607	-
Less: Utilised during the year*	<u>1,607</u>	<u>-</u>
Closing balance	-	-
(*Represents premium received on non convertible redeemable debentures utilised against debt issue expenses)		
Balance in the statement of profit and loss:		
Opening balance	(68,114)	(64,742)
Add:		
Balance of the transferor company on account of merger	16,970	-
On account of capital reduction	96,443	-
Transfer from general reserve as per scheme of amalgamation	14,900	-
Transfer from amalgamation reserve as per scheme of amalgamation	21,262	-
Provision for dividend proposed last year no longer required.	9,894	-
Provision for dividend distribution tax provided last year no longer required.	1,681	-
Amount carried forward from statement of profit and loss	49,189	(3,372)
Less:		
Goodwill on account of merger	29,960	-
Transfer to general reserve as per scheme of amalgamation	14,900	-
Transfer to statutory reserve as per scheme of amalgamation	20,770	-
Addition to opening profit and loss balance as per scheme of amalgamation	16,970	-
Proposed dividend (Rs 1.03 per equity share (Previous year: Rs. NIL per equity share))	39,783	-
Tax on proposed dividend	6,761	-
Transfer to general reserve	2,459	-
Transfer to statutory reserve	<u>9,838</u>	<u>-</u>
	784	(68,114)
Total	<u><u>47,617</u></u>	<u><u>(33,086)</u></u>

Note 5:**LONG TERM BORROWINGS****SECURED**

Long term maturities of non convertible redeemable debentures

34,967 -

(The Company has issued secured non-convertible debentures under various series on different terms and conditions, which have been secured by a pari passu charge on the Company's immovable property and movable financial assets)

(Refer Note 25.4)

Long term maturities of finance lease obligation

21 -

Total34,988 -

Citicorp Finance (India) Limited

(Formerly known as 'CitiFinancial Consumer Finance India Limited')

Notes to the financial statements (continued)

as at 31 March 2014

(Currency: Indian Rupees in Lakhs)

	As at 31 March 2014	As at 31 March 2013
Note 6:		
OTHER LONG TERM LIABILITIES		
Franchisee and other liabilities	1,172	-
Cash profit on loan transfer transactions pending recognition	1,196	-
Interest accrued but not due on borrowings	3,336	-
Total	5,704	-
Note 7:		
LONG TERM PROVISIONS		
Provision for employee benefits - Gratuity	4	-
Provision for standard assets	313	-
Provision for Cenvat credit	12,830	-
Provision for loan losses	381	-
Total	13,528	-
Note 8:		
SHORT TERM BORROWINGS		
SECURED		
Loans repayable on demand from banks	35,000	-
UNSECURED		
Loans repayable on demand from banks	600	-
(Loans from related parties- Rs. 600 (Previous Year : NIL))		
Term loans from related party - Citibank N.A. (Previous Year : NIL)	3,200	-
Commercial Papers	29,903	-
Total	68,703	-

Citicorp Finance (India) Limited

(Formerly known as 'CitiFinancial Consumer Finance India Limited')

Notes to the financial statements (continued)

as at 31 March 2014

(Currency: Indian Rupees in Lakhs)

	As at 31 March 2014	As at 31 March 2013
Note 9:		
TRADE PAYABLES		
Expense payables	2,787	1,530
(Payable to related parties- Rs.851(Previous Year : Rs 291))		
Dues to Micro, Small and Medium enterprises	7	7
Total	<u>2,794</u>	<u>1,537</u>
Note 10:		
OTHER CURRENT LIABILITIES		
Current maturities of non convertible redeemable debentures (refer note 25.4)	38,512	109
Current maturities of finance lease obligations	22	-
Interest accrued but not due on borrowings	4,942	56
Dealer held disbursal and other liabilities	3,517	1,561
Mark to market on derivatives (net)	28	4
Collection payables on servicing portfolio	9,876	384
Cash profit on loan transfer transactions pending recognition	640	-
Total	<u>57,537</u>	<u>2,114</u>
Note 11:		
SHORT TERM PROVISIONS		
Proposed dividend	39,783	-
Dividend distribution tax	6,761	-
Provision for loan assignment	5,326	2,376
Provision for non-performing assets	69	1,386
Provision for bonus	47	23
Provision for value added tax	4,118	128
Provision for litigations	453	453
Provision for standard assets	672	243
Total	<u>57,229</u>	<u>4,609</u>

Citicorp Finance (India) Limited

(Formerly known as 'CitiFinancial Consumer Finance India Limited')

Notes to the financial statements (*Continued*)

as at 31 March 2014

(Currency: Indian Rupees in Lakhs)

Note 12:

Fixed Assets

	GROSS BLOCK				DEPRECIATION					NET BLOCK		
	As at 1-Apr-13	Additions on account of Merger	Additions	Deletions/ Adjustments	As at 31-Mar-14	As at 1-Apr-13	Additions on account of Merger	For the year	Deductions/ Adjustments	As at 31-Mar-14	As at 31-Mar-14	As at 31-Mar-13
Tangible Assets												
Building	-	61	-	-	61	-	17	1	-	18	43	-
Freehold Land	5	-	-	-	5	-	-	-	-	-	5	5
Leasehold Improvements	881	-	-	231	650	849	-	30	229	650	-	32
Furniture and fixtures*	372	210	-	127	455	368	184	13	127	438	17	4
Office equipments	495	79	1	241	334	492	63	7	240	322	12	3
Electrical installations	-	176	9	29	156	-	69	14	10	73	83	-
Vehicles	288	-	-	75	213	219	-	34	58	195	18	69
Computer equipments	1,141	424	4	516	1,053	1,140	411	8	513	1,046	7	1
Total	3,182	950	14	1,219	2,927	3,068	744	107	1,177	2,742	185	114
Assets taken on lease - Vehicles	-	160	24	30	154	-	98	35	26	107	47	-
Intangible Assets												
Internally generated Software	2,987	-	-	-	2,987	2,979	-	8	-	2,987	-	8
Software	162	-	-	4	158	162	-	-	4	158	-	-
Business Rights	1,157	-	-	-	1,157	1,157	-	-	-	1,157	-	-
	4,306	-	-	4	4,302	4,298	-	8	4	4,302	-	8
GRAND TOTAL	7,488	1,110	38	1,253	7,383	7,366	842	150	1,207	7,151	232	122
Previous year	8,828			1,340	7,488	8,360		316	1,310	7,366	122	

* Includes assets given to the employees.

Citicorp Finance (India) Limited

(Formerly known as 'CitiFinancial Consumer Finance India Limited')

Notes to the financial statements (continued)

as at 31 March 2014

(Currency: Indian Rupees in Lakhs)

Note 13:**NON-CURRENT INVESTMENTS**

(Valued at cost unless stated otherwise)

31 March 2014 31 March 2013**IN SUBSIDIARY COMPANIES****UNQUOTED****IN EQUITY SHARES**

114,250,000 (Previous year : NIL) Equity shares of Rs. 10/- each of Citicorp Capital Markets Limited, fully paid up

11,430

-

55,000,000 (Previous year : NIL) Equity shares of Rs 10/- each of Citicorp Clearing Services India Limited, fully paid up

5,500

-

SUB TOTAL**16,930**

-

IN ASSOCIATE COMPANIES**UNQUOTED****IN EQUITY SHARES**

8,700,000 (Previous year : NIL) Equity shares of Rs. 10/- each of India Infradebt Limited, fully paid up

8,700

-

SUB TOTAL**8,700**

-

IN OTHER COMPANIES

192,720 (Previous year : NIL) Equity shares of Rs. 10/- each of Rediff.com India Limited, fully paid up

868

-

784,570 (Previous year : NIL) Equity shares of Rs. 10/- each of Prime Telesystems Limited, fully paid up

480

-

117,176 (Previous year: NIL) Equity shares of Rs. 10/- each of Secova Eservices Limited, fully paid up

13

-

255,450 (Previous year : NIL) Equity shares of Rs. 10/- each of Tejas Networks Limited, fully paid up

770

-

875,000 (Previous year: NIL) Equity shares of Rs. 10/- each of Grameen Capital India Limited, fully paid up

88

-

3,265,306 (Previous year: NIL) Equity shares of Rs. 10/- each of High Mark Credit Information Services Limited, fully paid up

400

-

12,50,000 (Previous year : NIL) Equity shares of Rs. 10/- each of NSDL e-Governance Infrastructure Limited, fully paid up

1,644

-

2,786,639 (Previous year : NIL) Equity shares of Rs. 10/- each of Swojas Energy Foods Limited, fully paid up

651

-

Less: Provision for diminution in value

(2,734)

-

SUB TOTAL**2,180**

-

Citicorp Finance (India) Limited

Notes to the financial statements (continued)

as at 31 March 2014

(Currency: Indian Rupees in Lakhs)

Note 13:

NON-CURRENT INVESTMENTS (continued)

(Valued at cost unless stated otherwise)

IN DEBENTURES

UNQUOTED

300,000 (Previous year : NIL) 18% optionally convertible debentures of Rs. 1000/- each of Primus Retail Private Limited

31 March 2014

31 March 2013

3,000

-

6,000,000 (Previous year : NIL) 16.50% Non convertible debentures of Rs. 100/- each of Vikas Telecom Limited

6,000

-

6,000,000 (Previous year : NIL) 18.00% Non convertible debentures of Rs. 100/- each of Vikas Telecom Limited

6,000

-

Less: Provision for diminution in value

(5,400)

-

SUB TOTAL

9,600

-

GRAND TOTAL

37,410

-

AGGREGATE COST OF UNQUOTED INVESTMENTS

45,545

-

AGGREGATE PROVISION FOR DIMINUTION IN THE VALUE OF INVESTMENTS

8,135

-

Citicorp Finance (India) Limited

(Formerly known as 'CitiFinancial Consumer Finance India Limited')

Notes to the financial statements (continued)

as at 31 March 2014

(Currency: Indian Rupees in Lakhs)

	As at 31 March 2014	As at 31 March 2013
Note 14:		
LONG TERM LOANS AND ADVANCES		
Secured and considered good		
Loans for commercial vehicles and construction equipment	50,540	-
Advance against financial assets and other loans	54,803	-
Finance lease receivables	1,947	-
(Finance lease to related parties- Rs. 1,947 (Previous Year : NIL))		
Unsecured and considered good		
Unsecured loans	18,013	-
Deposits	330	415
Prepaid expenses	22	-
Advance tax (net of provision Rs 77,670 lakhs (Previous year: Rs 31,934 lakhs))	19,482	13,454
Total	<u><u>145,137</u></u>	<u><u>13,869</u></u>
Note 15:		
OTHER NON-CURRENT ASSETS		
Unamortized costs (net)	163	-
Deposits with banks (maturity over 12 months)	-	1,534
Cenvat Input Tax Credit	12,898	-
Debt issue costs	9	-
Total	<u><u>13,070</u></u>	<u><u>1,534</u></u>
Note 16:		
CURRENT INVESTMENTS		
Investment in Commercial Papers	27,221	-
Investment in Corporate Bonds	2,495	-
Total	<u><u>29,716</u></u>	<u><u>-</u></u>
Note 17:		
CASH AND BANK BALANCES		
A) Cash and cash equivalents*		
Cash and cheques in hand	82	901
Balance with banks		
- In current accounts	7,121	2,176
- In fixed deposits (with original maturity of less than 3 months)	1,451	47,550
B) Other bank balances		
- In fixed deposits	35,251	1,644
Total	<u><u>43,905</u></u>	<u><u>52,271</u></u>

(* Cash and cash equivalents meets the definition as per 'AS 3-Cash Flow Statements')

Citicorp Finance (India) Limited

(Formerly known as 'CitiFinancial Consumer Finance India Limited')

Notes to the financial statements (continued)

as at 31 March 2014

(Currency: Indian Rupees in Lakhs)

	As at 31 March 2014	As at 31 March 2013
Note 18:		
SHORT TERM LOANS AND ADVANCES		
Secured and considered good		
Loans for commercial vehicles and construction equipment	28,176	-
Advances against financial assets and other mortgage loans	195,341	92,090
Finance lease receivables	1,670	-
(Finance lease to related parties- Rs.1,608 (Previous Year : NIL))		
Unsecured and considered good		
Trade advances	94	-
Unsecured loans	30,764	15,231
Other advances	210	234
Security deposits	41	41
Prepaid expenses	15	35
Receivable from Staff	7	-
Unsecured and considered doubtful		
Unsecured loans	52	1,386
Doubtful advances	-	20
Less: Provision for doubtful advances	-	(20)
Total	<u>256,370</u>	<u>109,017</u>
Note 19:		
OTHER CURRENT ASSETS		
Interest accrued on loans and advances	6,460	1,155
Interest accrued on investments	127	-
Interest accrued on fixed deposits	178	156
Unamortized costs (net)	233	712
Debt issue costs	24	-
Margin money with exchanges	1,672	-
Other receivables	1,270	572
Total	<u>9,964</u>	<u>2,595</u>

Citicorp Finance (India) Limited

(Formerly known as 'CitiFinancial Consumer Finance India Limited')

Notes to the financial statements (Continued)

for the year ended 31st March 2014

(Currency: Indian Rupees in Lakhs)

31 March 2014 31 March 2013

Note 20:**REVENUE FROM OPERATIONS****INTEREST INCOME**

Interest on loans	19,679	22,677
Interest on advances against financial and other assets	24,769	-
Interest on fixed deposits	6,110	2,916
Interest on investments	39	-
Interest on trade advances	36	-
Finance lease income	591	-
	<u>51,224</u>	<u>25,593</u>

FEE INCOME

Collection & Sourcing fees	2,018	27
Other fees	20	4
	<u>2,038</u>	<u>31</u>

Total

	<u>53,262</u>	<u>25,624</u>
--	---------------	---------------

Note 21:**OTHER INCOME**

Dividend Income		
- From Subsidiaries	1,581	-
- From Others	156	-
Net gain on investments (Refer note : 25.17)	5,209	-
Gain on derivatives (net)	2,464	-
Commission from insurance agency	1,745	10
Bad debts recovered (net)	4,474	-
Reversal of provisions for litigations	217	-
Reversal of provisions for standard assets	65	290
Reversal of provision for diminution in investments (net)	180	-
Reversal of provisions for bad and doubtful debts and other liabilities.	1,579	4,992
Proceeds from sale of written off loans	-	1,887
Miscellaneous income	231	304
Profit on sale of fixed assets	38	32
Total	<u>17,939</u>	<u>7,515</u>

Note 22:**EMPLOYEE BENEFIT EXPENSES**

Salaries and wages	6,372	4,549
Contribution to provident fund and other funds	249	166
Gratuity	9	18
Staff welfare expenses	283	204
Total	<u>6,913</u>	<u>4,937</u>

Citicorp Finance (India) Limited

(Formerly known as 'CitiFinancial Consumer Finance India Limited')

Notes to the financial statements (Continued)

for the year ended 31st March 2014

(Currency: Indian Rupees in Lakhs)

31 March 2014 31 March 2013

Note 23:**FINANCE COSTS**

Interest on non convertible debentures	9,909	3,386
Interest on overdraft	36	91
Interest on commercial paper	44	-
Interest on borrowings from banks	6,844	714
Interest on finance lease	10	-
Total	16,843	4,191

Note 24:**OTHER EXPENSES**

Rent	1,111	834
Premises maintenance costs	445	436
Rates and taxes	1,630	30
Bad debts written off (net)	-	5,425
Loss on assignment of asset portfolio (net)	16,461	11,942
Provision for litigations	12	453
Advisory fees	728	3
Bank charges	225	169
Brokerage	62	3
Distribution and placement Fees	355	182
Credit rating and surveillance fees	92	-
Service bureau expenses	5,485	5,121
Technology and software expenses	2,367	2,313
Loss on derivatives	-	54
Stamping / franking charges	435	-
Travelling and conveyance expenses	435	188
Telephone expenses	259	329
Professional and legal expenses	1,599	784
Payments to the auditors		
(a) statutory audit	45	25
(b) tax audit	6	3
(c) limited review	4	8
(d) reimbursement of expenses	-	1
Miscellaneous expenses	215	462
Total	31,971	28,765

Citicorp Finance (India) Limited

(Formerly known as 'CitiFinancial Consumer Finance India Ltd')

Notes to the financial statements

for the year ended 31 March 2014

(Currency: Indian Rupees in Lakhs)

1 Background

Citicorp Finance (India) Limited ("the Company") (formerly known as 'CitiFinancial Consumer Finance India Limited) incorporated in India on 1 May 1997, is registered with the Reserve Bank of India ('RBI') as a Non-Banking Financial Company ('NBFC') *vide* Certificate No. N.14.00002 dated 21 April 2004. It is a non-deposit taking systemically important Non-Banking Financial Company ('NBFC-ND-SI'). Citicorp Finance (India) Limited is a loan and investment Non-Banking Financial Company ('NBFC'), as defined under section 45IA of the Reserve Bank of India Act, 1934.

Pursuant to the Scheme of Amalgamation ("the Scheme") under Sections 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956, as sanctioned by Court order dated 23 December 2013 passed by Hon'ble High Court of Judicature at Bombay and Court order dated 18 November 2013 passed by High Court of Delhi at New Delhi, Citicorp Finance (India) Limited (CFIL) has been merged with CitiFinancial Consumer Finance India Ltd. (CCFIL) with effect from 1 April 2013 i.e. the Appointed Date.

The name of the amalgamated Company has been changed from "*CitiFinancial Consumer Finance India Limited*" to "*Citicorp Finance (India) Limited*" with effect from 17 February 2014.

Associates Financial Services (Mauritius) LLC, a Company incorporated in Mauritius holds 53% in the Company and remaining 47% is held by Citibank Overseas Investment Corporation, a company incorporated in Delaware U.S.A.

The company is engaged in a range of Financial Services including:

- a. Loans for purchase of commercial vehicles, construction equipment and agricultural assets and leasing and hire purchase of the aforesaid assets
- b. Loans against financial assets
- c. Investment in shares and securities

2 Significant accounting policies

The accounting policies set out below have been applied consistently to the period presented in the financial statements.

2.1 Basis of preparation of financial statements

These financial statements have been prepared and presented on the accrual basis of accounting and comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, the relevant provisions of the Companies Act, 1956, the RBI guidelines as issued by the RBI in respect of NBFCs and other accounting principles generally accepted in India to the extent applicable. The financial statements are prepared in Indian rupees rounded off to the nearest lakh.

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Notes to the financial statements (Continued)

for the year ended 31 March 2014

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2.2 Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amount of assets, liabilities, income and expenses and disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are received on an on-going basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

2.3 Current –non- current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- a) It is expected to be realised in the Company's normal operating cycle;
- b) It is expected to be realised within 12 months after the reporting date; or
- c) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a) It is expected to be settled in the Company's normal operating cycle;
- b) It is due to be settled within 12 months after the reporting date; or
- c) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

2.4 Fixed assets and depreciation

Fixed assets are stated in the books at historical cost inclusive of all incidental expenses incurred for acquisition of such assets, less depreciation. In respect of additions/deletions, depreciation is provided for the period for which the asset is used. Depreciation on fixed

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2.4 Fixed assets and depreciation (Continued)

assets is provided on a straight-line basis at rates that are higher than or equal to the corresponding rates prescribed in Schedule XIV of the Companies Act, 1956, except for:

- a) assets provided to employees which are depreciated at the rate of 25% on a straight line basis on accordance with the employment terms; and
- b) assets taken on lease which are depreciated at rates consistent with the technical evaluation of the useful life

The rates of depreciation mentioned in both the cases above are greater than the corresponding rates prescribed in schedule XIV of the Companies Act, 1956 in respect of these assets.

Further, lease hold improvements are depreciated over the primary lease period or useful life whichever is shorter. All assets costing individually less than Rs 5,000 are fully depreciated in the year of purchase.

Depreciation rates used are as follows:

Class of fixed assets	Rate of depreciation
Office buildings	2.00 percent
Computer equipment	33.33 percent
Furniture and fixtures	10.00 percent
Furniture and fixtures – in leased premises	16.66 percent
Electrical equipment	10.00 percent
Electrical equipment– in leased premises	16.66 percent
Office equipment	14.29 percent
Plant and machinery	14.00 percent

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

2.5 Investments

Cost includes purchase cost, brokerage, stamp duty, etc. Discount received or premium paid on purchase of investments, as the case may be, is accreted or amortized, over the residual tenure of the security to give a constant yield to maturity.

Broken period interest is recognised in the Balance sheet as Interest accrued but not due.

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2.5 Investments (continued)

Investments are classified as long-term and current at the time of making of each investment. Generally, investment which is to be liquidated in a period of 1 year from the date of purchase of an investment is classified as current investment.

Long Term investments are carried at cost less any diminution in value other than temporary in accordance with the prudential norms for valuation of investments prescribed by the RBI and Accounting Standard 13 "Accounting for investments".

Quoted current investments are stated at lower of cost and market value determined based on published sources such as quotes from news wire agencies, recognised stock exchange Fixed Income Money Market and Derivatives Association ('FIMMDA'), etc.

Unquoted current investment is stated at lower of cost and market value determined based on broker polling through rates sourced from empanelled brokers.

2.6 Employee benefits

Short term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short term employee benefits. Benefits include salaries and wages bonus and ex-gratia. The undiscounted amount of short term employee benefits to be paid in exchange for employee service is recognized as an expense as the related service is rendered by employee.

Post-employment benefits

Gratuity

The Company pays gratuity to employees who retire or resign after a minimum period of five years of continuous service. The Company's contributions to gratuity fund (defined benefit scheme) in respect of its employees are managed by a trust, which invests the fund with Life Insurance Corporation of India ('LIC').

Actuarial valuation of the gratuity liability for the above fund is determined by an independent actuary appointed by the Company. In accordance with the gratuity fund's rules, actuarial valuation of gratuity liability is calculated based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition as per the projected unit credit method.

Superannuation fund

The Company contributes to superannuation fund (defined contribution scheme) in respect of the employee opting for superannuation scheme from certain level and above through a trust duly approved by the Income Tax. The trust has a master policy for management of the members fund with Life Insurance Corporation of India, Government of India Undertaking. These contributions are charged to the statement of profit and loss account of the financials.

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2.6 *Employee benefits (continued)*

Provident fund

The company makes specified monthly contributions towards employee provident fund to government administrators provision fund scheme which is a defined contribution plan. The company's contribution is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related services.

Compensated absences

No provision for compensated absences is made since the Company does not have a policy for encashment of leave nor does it allow carry forward of unavailed leave.

2.7 *Revenue recognition*

Interest and commission income are accounted on accrual basis except in respect of penal interest charged on overdue instalments, which is recognised as and when collected.

Fee income is recognised on an accrual basis based on contractual terms with the customer.

Hire purchase income and income on finance leases as defined in AS 19 - Accounting for Leases ('AS 19') prescribed by the Companies (Accounting Standards) Rules, 2006 are recognized by applying the internal rate of return implicit in the underlying contracts, on the diminishing balance of the financed amount over the period of the agreement so as to provide a constant periodic rate of return on the net investment outstanding on these contracts.

Income on loan/hire purchase/finance lease contracts is suspended on accounts that are contractually delinquent beyond a period determined by management. Suspended income on such accounts is recognized as and when collected.

Dealers'/Manufacturers' incentive is recognised as income over the period of the underlying transaction by applying the internal rate of return implicit in the agreement, on the diminishing balance of the financed amount, so as to provide a constant periodic rate of return on the net investment outstanding on the contracts. However, if a contract is foreclosed/written-off, such dealer/manufacture incentive is recognized as income at the time of foreclosure.

Rentals receivable under operating leases, as defined in AS 19 prescribed by the Companies (Accounting Standards) Rules, 2006 is recognised on an accrual basis.

Interest income on investments is recorded on an accrual basis from the date of last coupon. Interest paid for broken period on purchase of investment is not charged to statement of profit and loss. Premium paid or discount received at the time of purchase of securities is amortised or accreted, as the case may be, over the remaining period of the investment to maturity to give constant yield to maturity. The amortised or accreted amount is charged against or credited, as the case may be, to interest income on securities.

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2.7 Revenue recognition (Continued)

The un-amortised/un-accreted portion of premium or discount as the case may be is adjusted in the carrying amount of securities.

The cost of securities is computed based on First in first out (FIFO) method.

Dividend is recognised as income as and when the right to receive the same is established.

The Company's policies are in compliance with the prudential norms for income recognition as prescribed by the RBI for Non-Banking Financial Companies.

2.8 Cost of borrowings

Interest expenses on fixed/floating rate borrowings are recorded on accrual basis. Expenses incurred on issue of debt with maturity beyond one year are amortised over the tenure of the debt except to the extent adjusted in securities premium account.

Premium/discount on issue of commercial paper and other instruments is accreted / amortised over the tenor of the instrument.

2.9 Loan origination/acquisition costs

Loan origination/acquisition costs such as dealer commission, documentation costs etc., net of fees, are recognized as an expense over the tenure of the underlying contracts by applying the internal rate of return implicit in the agreement on the diminishing balance of the financed amount so as to provide a constant periodic rate of return on the net investment outstanding on the contracts. However, if the contract is foreclosed/written-off, the unamortised portion of the loan origination/acquisition cost is recognized as a charge to the statement of profit and loss at the time of the foreclosure.

2.10 Bad debts & provision for doubtful debts

Assets including loans and advances, hire purchase receivables and lease receivables are identified as bad/doubtful based on the duration of delinquency. The duration is set at appropriate levels for each product. The policy for provision/write off and non-accrual of interest on delinquent assets varies depending on terms, security and loan loss experience in respect of each product. The Company's policy on provisioning/write off meets the prudential norms for asset classification prescribed by the RBI for Non-Banking Financial Companies.

A general provision has been made on standard assets as prescribed by the Reserve Bank of India for Non-Banking Financial Companies.

2.11 Loan assignment

The Company undertakes sale by way of assignment of its commercial loans. In most cases, post assignment, the Company continues to service the loans transferred to the assignee in the capacity of a servicing agent on negotiated commercial terms. The Company does not provide credit enhancement in the form of cash collaterals for such deals.

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2.11 Loan assignment (continued)

The Company follows the requirement of minimum holding period, minimum retention requirement and amortization of gain arising on assignment transactions as per the provisions of 'Revisions to the Guidelines on Securitisation Transactions' vide circular no DNBS. PD. No. 301/3.10.01/2012-13 dated 21 August 2012 ('the guidelines') issued by the RBI.

Loss arising on assignment transaction is recognized immediately in the statement of profit and loss.

2.12 Accounting for leases

Lease transactions are accounted for in accordance with AS 19 – Leases prescribed by the Companies (Accounting Standards) Rules, 2006.

Operating leases:

- a. Lease payments are recognized as expense in the statement of profit and loss on a straight line basis.
- b. Lease rentals received on assets given out on operating leases are recognized as revenue in the statement of profit and loss.
- c. All initial direct costs for assets given out are capitalised.

Finance leases:

- a. Assets taken on finance lease are recognised as a fixed asset at the fair market value of the asset or present value of the minimum lease payments, whichever is lower, as prescribed under AS 19 prescribed by the Companies (Accounting Standards) Rules, 2006. An equivalent liability is created at the inception of the lease. Rentals paid are apportioned between finance charge and principal based on the implicit rate of return in the contract. The finance charge is shown as an interest expense and the principal amount is reduced from secured loans.
- b. Depreciation on such assets is provided at rates consistent with a technical evaluation of the useful life, which is greater than corresponding rates prescribed in Schedule XIV of the Companies Act, 1956.
- c. Assets given out on financial leases are shown as amounts recoverable from the lessee. The rentals received on such leases are apportioned between the financial charge using the implicit rate of return, which is recognized as income and against principal outstanding, which is reduced from the amounts receivable.

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2.13 Foreign currency transactions

Transactions in foreign currency are recorded at the exchange rate prevailing on the dates of transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the balance sheet date are restated at the closing exchange rates. Gain/ loss arising on actual payments/realisations and year-end restatements are recognised in the statement of profit and loss.

2.14 Derivatives

The Company enters into interest rate swaps ('IRS') and currency swaps with the objective of effectively managing its interest rate risk on its assets and liabilities. These swaps are accounted at fair value. Certain structured debt instruments issued by the Company have returns linked to non-interest related benchmarks. The non-interest related return component in the instrument is separated and accounted for at fair value with changes in the fair value recognised in the statement of profit and loss. The host debt instrument is accounted like any other regular fixed rate debenture and interest is accrued at the prevalent market rate of interest at the time of issue.

Open positions in derivatives are marked to market with gains and losses recognised in the statement of profit and loss.

2.15 Taxation

Current and deferred tax

Income tax expense comprises current tax and deferred tax charge or credit. The current charge for income tax is based on the estimated tax liability as computed after taking credit for allowances and exemptions in accordance with the Income Tax laws applicable for the year.

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences that result between the profit offered for income taxes and the profit as per the Company's financial statements.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised subject to management's judgement that their future realisation is reasonably certain, except where there is unabsorbed depreciation and carry forward losses under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realization of such asset. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonable / virtually certain (as the case may be) to be realised.

Minimum alternate tax (MAT)

The Company recognises MAT credit available as an asset only to the extent that the Company, based on reasonable evidence, will be able to recoup / set off MAT credit against income tax liability during the specified period i.e. the period for which MAT credit set off is allowed.

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2.15 Taxation (continued)

Minimum alternate tax (MAT) (continued)

The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will be able to recoup set off of MAT credit against the income tax liability during the specified period.

2.16 Provisions and contingent liabilities

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

2.17 Earnings per share ('EPS')

The basic EPS is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the reporting year.

Number of equity shares used in computing diluted EPS comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares, which would have been issued on the conversion of all dilutive potential shares. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year except where the results would be anti-dilutive.

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Note 25

(1) Off balance sheet items, contingent liabilities and capital commitments:

	As at 31 March 2014	As at 31 March 2013
Income tax assessments	2,644	2,062
Estimated amount of contracts remaining to be executed on capital account	17	Nil

A description of the nature of contingent liabilities is set out below:

The Company has been assessed under Income tax Act, 1961, as a result of which the total demand, primarily on account of certain disallowances in the course of assessment for various years, outstanding against the Company is Rs 1,061lakhs (Previous year Rs 471 lakhs).

In the above cases, the Company has partly paid the aforesaid demand under protest and is in the process of appeal against the same with the appropriate tax authorities. The Company has sought legal opinion in the aforesaid demands and is of the opinion that the disallowances / demands are not tenable and highly unlikely to be retained by higher authorities. Accordingly, the Company is not carrying any provision in its books as a result of the above mentioned additions.

The Company has received further demands of Rs. 1,830 lakhs (previous year Rs. 1,830 lakhs) which are not considered as sustainable in view of orders by Honourable Supreme Court and other appellate authorities in favour of the Company in preceding years and hence these demands have not been considered as contingent liabilities.

There are outstanding demands against the Company under Service tax/ Tamil Nadu General Sales Tax Act, 1959, primarily on account of subvention income, second sale and transit sale and on account of excess Cenvat credit amounting to Rs. 1,270 lakhs (previous year Rs. 1,270 lakhs).

Although, the Company has completely/partially paid the aforesaid demands under protest, it is of firm belief, supported by opinions from tax counsels, that such disallowances/ demands are not tenable and highly unlikely to be retained by higher authorities. It is in appeal against the same with the appellate authorities. The Company is not carrying any provision in its books as a result of the above mentioned additions.

Further, there are few customers who have initiated legal proceedings against the Company for a total compensation demanded of Rs. 216 lakhs (previous year Rs. 321 lakhs). The Company is of firm belief, supported by opinions from legal department, that such disallowances/ demands are not tenable and highly unlikely to be retained by higher authorities.

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Further, Department of Revenue has raised a liability of Rs. 97 lakhs (previous year –Nil) against stamp duty on share certificates. The company has filed an application with CCRA for seeking stay under section 70(2) of the India Stamp Act. The case is still pending from the authority. The Company has placed a Bank Guarantee issued by Citibank N.A. – India branches for an amount of Rs. 30 lakhs.

(2) **Movement in provision is set out below:**

Particulars	As at 1 April 2013	Addition on account of merger w.e.f. 1 April 2013	Created during the year	Utilized/ Released during the year	As at 31 March 2014
Loans and advances against commercial vehicles and construction equipment (including NPA)	-	643	347	593	397
Investments	-	8,315	108	288	8,135
Provision on assignment of asset portfolio.	2,377	215	2,734	-	5,326
Provision for Cenvat credit	-	-	12,830	-	12,830
Provision for Value Added Tax (VAT)#	128	3,872	270	152	4,118
Provision for litigation	453	217	197	414	453
Total	2,958	13,262	16,486	1,447	31,259

The Company makes provision on account of potential liability on VAT on sale of repossessed stock

(3) **Expenditure in foreign currency on accrual basis comprises:**

	For the year ended 31 March 2014	For the year ended 31 March 2013
Link & connectivity charges	1359	1436
Professional charges	240	-
Total	1599	1436

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(4) The Company has issued secured non convertible debentures under various series on different terms and conditions.

a) Details of Long term Non convertible redeemable debentures are as follows:

Series No	Maturity / Call Date	31 March 14	31 March 13
395	6-Apr-15	160	-
510	26-Apr-15	1,010	-
454	28-May-15	320	-
401	30-May-15	549	-
408	30-Jun-15	600	-
468	30-Jun-15	1,152	-
411	28-Aug-15	407	-
415 I	26-Sep-15	860	-
415 II	26-Sep-15	265	-
421	28-Oct-15	310	-
425	3-Nov-15	500	-
427	3-Nov-15	1,080	-
429	28-Nov-15	667	-
432 I	28-Nov-15	300	-
432 II	28-Nov-15	200	-
434	29-Dec-15	977	-
507	5-Jan-16	1,005	-
476 I	28-Jan-16	250	-
476 II	28-Jan-16	445	-
500	28-Jan-16	590	-
440	2-Feb-16	350	-
405	26-Feb-16	350	-
441 I	27-Feb-16	502	-
441 II	27-Feb-16	590	-
407	25-Mar-16	150	-
457	6-May-16	600	-
446 I	28-May-16	1,000	-
446 II	28-May-16	385	-
471	29-May-16	465	-
472	12-Jun-16	335	-
452	28-Jun-16	2,156	-
453	28-Jun-16	1,563	-
473 I	30-Jun-16	1,593	-
473 II	30-Jun-16	744	-
481	28-Jul-16	1,005	-
475	28-Jul-16	735	-
455	30-Jul-16	820	-
456	30-Jul-16	1,068	-
463 I	27-Aug-16	973	-
463 II	27-Aug-16	195	-
466	27-Aug-16	720	-
474	25-Oct-16	500	-

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a) Details of Long term Non convertible redeemable debentures (continued):

Series No	Maturity / Call Date	31 March 14	31 March 13
479	25-Nov-16	1,010	-
487	16-Dec-16	505	-
514	28-Feb-17	200	-
506	25-Mar-17	640	-
503	30-Mar-17	965	-
505	29-Apr-17	285	-
509	30-May-17	785	-
512	28-Jun-17	945	-
516	29-Jul-17	570	-
518	29-Jul-17	620	-
Total		34,971	

b) Details of Current Non-convertible redeemable debentures are as follows:

Series No	Maturity / Call Date	31 March 14	31 March 13
338	8-Nov-13	-	109
459	27-Apr-14	400	-
348 I	29-Apr-14	499	-
348 II	29-Apr-14	3,043	-
461	7-May-14	500	-
462	7-May-14	500	-
398	8-May-14	127	-
399	8-May-14	503	-
460	27-May-14	380	-
355 I	30-May-14	1,464	-
355 II	30-May-14	1,538	-
422	26-Jun-14	562	-
467	28-Jun-14	530	-
469	29-Jun-14	455	-
448	24-Jul-14	1,070	-
464	24-Jul-14	1,500	-
470	26-Aug-14	1,500	-
478	31-Aug-14	555	-
420	28-Sep-14	1,252	-
495	26-Oct-14	305	-
497	26-Oct-14	1,105	-
392	28-Oct-14	1,008	-
431	28-Oct-14	520	-
430	28-Oct-14	359	-
493 I	28-Oct-14	360	-
493 II	28-Oct-14	305	-
494	28-Oct-14	1,950	-
374	24-Nov-14	500	-
436	27-Nov-14	770	-
501	30-Nov-14	505	-

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b) Details of Current Non-convertible redeemable debentures (continued):

Series No	Maturity / Call Date	31 March 14	31 March 13
499	30-Nov-14	710	-
504	30-Nov-14	200	-
439	28-Dec-14	843	-
502	28-Dec-14	520	-
383	31-Dec-14	805	-
384	31-Dec-14	420	-
445	7-Jan-15	500	-
496	25-Jan-15	405	-
391	30-Jan-15	503	-
447	30-Jan-15	1,611	-
443	26-Feb-15	440	-
484	26-Feb-15	200	-
485	26-Feb-15	330	-
508	1-Mar-15	635	-
511	5-Mar-15	1,505	-
515	13-Mar-15	2,505	-
444	26-Mar-15	350	-
498 I	26-Mar-15	1,095	-
498 II	26-Mar-15	470	-
513	29-Mar-15	400	-
Total		38,512	109

(5) **Loan assignment deals**

The Company sells loans through direct assignment. The information related to loan assignment made by the Company during the year, as an originator is given below:

Particulars	31 March 2014	31 March 2013
Total number of loan assets assigned during the year (Nos)	7,254	-
Total amount of exposures retained by the Company to comply with MRR	6,745	-
Total book value of loan assets assigned	74,316	-
Sale consideration received for the assigned assets	74,939	-
Net gain/(loss) on account of assigned assets	537	-
Gains amortized during the year as per the RBI guidelines	1,439	-

As the Company has taken a decision to sell the existing portfolio of mortgages business, the entire profit/ (loss) arising on sale by way of assignment has been taken in the current year. The details are as follows.

Particulars	31 March 2014	31 March 2013
Total number of loan assets assigned during the year (Nos)	9,278	4,504
Total book value of loan assets assigned	92,989	68,376
Sale consideration received for the assigned assets	76,554	58,605
Net gain/(loss) on account of assigned assets	(17,354)	(11,688)
Gains amortized during the year as per the RBI guidelines	-	-

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- (6) Segmental information is in accordance with AS – 17 Segment Reporting prescribed by the Companies (Accounting Standards) Rules, 2006.

Basis of preparation

The Segment reporting policy complies with the accounting policies adopted for preparation and presentation of financial statements of the Company and is in conformity with AS 17 prescribed by the Companies (Accounting Standards) Rules, 2006. The segmentation is based on the nature of products offered by the Company, and its internal reporting systems. Secondary segmentation based on geography has not been presented as the Company operates only in India and the Company perceives that there is no significant difference in its risks and returns in operating from different geographic areas within India. The Company operates in three segments: Equipment Finance (EF), Treasury and Advance Against Financial Assets (AAFA).

The Equipment Finance segment provides services in the form of loans for the purchase of commercial vehicles, construction equipments and agricultural assets. It also provides leasing and hire purchase products. The segment earns income in the form of interest on loans, loan assignments, lease rentals, hire premium, management fees, subventions, income from securitisation etc.

The Treasury segment undertakes various activities of investments in corporate debt and government securities, loans, funding and gapping and structured products. Revenues of the Treasury segment consist of interest income on assets and gains from investment activities. Treasury provides funds to other segments as per the needs of business and excess capital with segments is deployed back with Treasury. There is a transfer price attached to the funds so provided or deployed, which forms part of inter-segment revenues.

The Advance Against Financial Assets segment provides loans against security of financial assets to high net worth individuals, brokers and corporate. Its revenue consists of interest on loans and service charges.

Segment – wise income and expenses include certain allocations. Interest cost is charged by Treasury segment to other segments based on net assets put up and respective resources deployed by each segment.

Segment assets represent the net assets put up by that segment. Segment liabilities represent capital infused in the Company for each segment and liabilities undertaken by respective segments.

Items which are not directly attributable to any particular segment and which cannot be reasonably allocated to various segments are consolidated under 'Unallocated' column.

Further, capital and reserves and surplus are shown as unallocated since the same cannot be directly identified with any particular segment.

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Notes to the financial statements (Continued)

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Summary of the segments for the year ended 31 March 2014

	EF		Treasury		AAFA		Unallocated		Total	
	31 Mar 14	31 Mar 13	31 Mar 14	31 Mar 13	31 Mar 14	31 Mar 13	31 Mar 14	31 Mar 13	31 Mar 14	31 Mar 13
Revenue										
Segment revenue	12,952	-	15,740	-	24,639	-	17,870	-	71,201	-
Inter-segment revenues	(4,707)	-	14,733	-	(10,026)	-	-	-	-	-
TOTAL REVENUE	8,245	-	30,473	-	14,613	-	17,870	-	71,201	-
Result										
Segment result	3,178	-	12,216	-	13,939	-	(14,009)	-	15,324	-
Income tax	-	-	-	-	-	-	(1,447)	-	(1,447)	-
Deferred tax	-	-	-	-	-	-	35,312	-	35,312	-
Net segment result	3,178	-	12,216	-	13,939	-	19,856	-	49,189	-
Other information (relating to the current period)										
Capital expenditure	11	-	-	-	-	-	27	-	38	-
Depreciation	45	-	1	-	-	-	104	-	150	-
Significant non-cash expenses included in segment expense										
Bad debts written off and provision for bad debts (net), Includes permanent diminution in the value of long term investment	-	-	-	-	-	-	-	-	-	-
	294	-	(180)	-	300	-	(6,712)	-	(6,298)	-
Capital employed as at	31 Mar 14	31 Mar 13	31 Mar 14	31 Mar 13	31 Mar 14	31 Mar 13	31 Mar 14	31 Mar 13	31 Mar 14	31 Mar 13
Segment assets	84,885	-	115,499	-	300,131	-	76,915	-	577,430	-
Segment liabilities	(24,178)	-	(157,226)	-	(14,716)	-	(381,310)	-	(577,430)	-
Net segment assets/ (liabilities)	60,707	-	(41,727)	-	285,415	-	(304,395)	-	-	-

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(7) Leases

Disclosure for leases in accordance with Accounting Standard 19 - Leases prescribed by the Companies (Accounting Standards) Rules, 2006.

A. The Company has taken cars on finance lease on such terms and conditions as documented in respective lease agreements.

	As at 31 March 2014	As at 31 March 2013
Net carrying value of the assets as at the date of balance sheet	47	-
Total of minimum lease payments as at the balance sheet date		
♦ Not later than one year	26	-
♦ Later than one year and not later than five years	25	-
Total	<u>51</u>	<u>-</u>
Present value of minimum lease payments as at the balance sheet date		
♦ Not later than one year	22	-
♦ Later than one year and not later than five years	21	-
Total	<u>43</u>	<u>-</u>

B Assets given on financial lease comprise of vehicles and equipments which are based on documented agreements and are entered into in the normal course of business of the Company.

	As at 31 March 2014	As at 31 March 2013
Gross Investment as at the date of balance sheet		
♦ Not later than one year	1,986	-
♦ Later than one year and not later than five years	2,124	-
Total	<u>4,110</u>	<u>-</u>
Present value of minimum lease payments as at the balance sheet date		
♦ Not later than one year	1,670	-
♦ Later than one year and not later than five years	1,947	-
Total	<u>3,617</u>	<u>-</u>
Unearned finance charges	651	-
Unguaranteed residual value	-	-
Accumulated provision for minimum lease payment receivable	-	-

There are no provisions relating to contingent rent.

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Notes to the financial statements (Continued)

for the year ended 31 March 2014

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(8) Earnings per share ('EPS')

EPS is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding for the year.

	2013- 14	2012- 13
Profit available to equity shareholders (A)		
Profit after tax (Rs .in Lakhs)	49,189	(3,372)
Weighted average number of equity shares		
Number of shares at the beginning of the year	2,042,338,070	2,042,338,070
Shares issued during the year (Refer note 25.16)	1,815,388,961	-
Total number of equity shares outstanding at the end of the year	3,857,727,031	2,042,338,070
Weighted average number of equity shares (B)	3,857,727,031	2,042,338,070
Nominal value of equity shares	7.5	10
Basic earnings per share [(A)/(B)]	1.28	(0.17)
Diluted earnings per share [(A)/(B)]	1.28	(0.17)

(9) Deferred tax

The breakup of deferred tax assets is as under:

	As at 31 March 2014	As at 31 March 2013
Deferred tax assets:		
a. Provision for doubtful assets/valuation loss/ /assignment/value added tax.	7,457	2,110
b. Depreciation and lease rentals	5,262	-
c. Disallowance of Expenses.	1,414	(164)
d Unabsorbed business loss and depreciation	25,338	32,434
e. Unrealized losses on derivatives	2,155	18
Total	<u>41,626</u>	<u>34,398</u>

In view of the merger as mentioned in note no 16 below and the level of sanctioned loans, the Company is of view that there is virtual certainty of earning taxable profits in the near future and hence deferred tax assets of Rs 41,626 lakhs (Previous year NIL) has now been recognised in the books of accounts.

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Notes to the financial statements (Continued)

for the year ended 31 March 2014

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(10) Derivatives

In accordance with the requirements of the Companies (Accounting Standards) Rules, 2006 press release dated December 2, 2005, the following quantitative disclosures are made regarding derivative instruments:

Particulars	As at 31 March 2014	As at 31 March 2013
Derivatives (Notional principal amount)		
Futures & Options:		
Equity (Net of long and short)	(3,774)	-
Commodity	4,201	-

The Company enters into equity, commodity and index futures and options with the objective of effectively managing its equity and commodity linked liabilities.

(11) Employee retirement benefits

Reconciliation of opening and closing balance of the present value of the defined benefit obligation for gratuity benefits is given below:

Particulars	31 March 2014	31 March 2013
Change in obligations		
Present value of defined benefits obligations at the beginning of the year	336	356
Employer service cost	59	55
Plan amendments	-	-
Interest cost	34	28
Acquisitions Cost/(Credit)	179	-
Actuarial (gains) / losses	(55)	(35)
Actual benefits payments	(188)	(68)
Present value of defined benefits obligations at the end of the year	365	336
Change in plan assets		
Plan assets as at the beginning of the year	386	421
Acquisition adjustment	52	-
Expected return on plan assets	28	33
Actual Company contributions	83	-
Actual benefits payments	(188)	(68)
Actuarial gain / (losses)	-	-
Plan assets at the end of the year	361	386
Net asset/(liability) recognized		
Present value of defined benefits obligations as at the end of the year	365	336
Fair value of plan assets as at the end of the year	361	386
Funded status surplus/(deficit)	-	-
Net liability recognized in balance sheet	(4)	50

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Notes to the financial statements (Continued)

for the year ended 31 March 2014

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(11) Employee retirement benefits (continued)

Particulars	31 March 2014	31 March 2013
Components of employer expense		
Current services cost	59	55
Interest cost	34	28
Expected return on assets	(28)	(33)
Past Service Cost	-	-
Actuarial (gains) and losses	(55)	(35)
Net cost	10	15
Assumptions		
Discount rate	9.25%	8.10%
Expected return on assets	8.50%	8.50%
Salary escalation rate	8.00%	8.00%
Withdrawal rate	15.00%	As per Table
Mortality	LIC (2006-08) ultimate	LIC (1994-96) ultimate

	31 March 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010
Experience history					
Defined benefit obligation at the end of the period	(365)	(336)	(356)	(479)	(566)
Plan assets at the end of the period	361	386	421	518	354
Funded status	(4)	50	65	39	(212)
Experience gain/ (loss) adjustments on plan liabilities	24	50	69	156	(93)
Experience gain/ (loss) adjustments on plan assets	-	-	4	24	(11)
Actuarial gain / (loss) due to change of assumptions	31	(16)	21	-	24

The estimates of future salary increases, considered in actuarial valuation, take into consideration inflation, seniority, promotion and other relevant factors.

The Company's gratuity fund is managed by its insurer, Life Insurance Corporation of India. The plan assets under the fund are invested in approved securities.

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Notes to the financial statements (Continued)

for the year ended 31 March 2014

(Currency: Indian Rupees in Lakhs)

(12) Related party disclosures

Related parties with whom a controlling relationship exists and/or with whom transactions have taken place:

A. Holding Companies

Associates Financial Services (Mauritius) LLC

Enterprises which exercise control:

Citibank Overseas Investment Corporation ('COIC')

Citibank N.A. and its branches.

Citigroup Inc. (the ultimate Holding Company).

B. Subsidiaries

Citicorp Capital Markets Limited ('CCML').

Citicorp Clearing Services India Limited ('CCSIL').

C. Fellow Subsidiaries

Citigroup Global Markets India Private Limited.

Citigroup Global Markets Inc.

Citigroup Technology Inc.

Citigroup Global Markets Asia Limited.

Citicorp Services (India) Limited.

D. Associates

India Infradebt Limited

E. Key Management Personnel

Rohit Ranjan (Managing director)

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Notes to the financial statements (Continued)

for the year ended 31 March 2014

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Details of related party transactions during the year are given below:

Nature of Related party transaction	HOLDING COMPANY and companies exercising control.		SUBSIDIARIES		FELLOW SUBSIDIARIES	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
Asset given on lease	1,332	-	-	-	662	-
Lease rentals received for assets given on lease	2,004	-	1	-	287	-
Fixed deposits placed	1,137,527	214,826	-	-	-	-
Fixed deposits matured	1,139,549	177,139	-	-	-	-
Loans taken	919,550	-	-	-	-	-
Loans repaid	934,850	19,000	-	-	-	-
Loan portfolio sale	74,939	-	-	-	-	-
Fixed assets sale	0.43	5	-	-	19	-
Net movement in bank accounts	1,462	-	-	-	-	-
Transaction processing fees earned	-	-	1	-	-	-
Management fee & foreclosure charges	2,043	91	-	-	1	-
Interest received on deposits	4,025	1,206	-	-	-	-
Co-location expenses recovered	-	-	-	-	19	-
Arrangement, placement, merchant banker fees & brokerage paid	484	19	-	2	3	2
Advisory fees paid	425	19	-	-	-	-
Equity Dividend received	-	-	1,581	-	-	-
Technology & software expenses Incurred	1,494	1,477	-	-	267	127
Secondment charges incurred	412	170	-	-	-	-
Secondment charges earned	235	-	-	-	-	-
Co-location expenses paid	237	-	-	-	97	150
Interest & bank charges paid	6,769	711	-	-	-	-
Fraud control & AAFA fee	105	-	-	-	-	-
Fee for HR & ICU service earned	-	-	5	-	8	-
HR Related Exp incurred	-	-	-	-	123	51
Net interest received on derivatives	71	-	-	-	-	-
Interest rate swap expense (net)	-	11	-	-	-	-
Risk management fee incurred	-	-	-	-	240	-

Details of related party outstanding balances as at the year-end are given below:

Nature of Related party transaction	HOLDING COMPANY and companies exercising control.		SUBSIDIARIES		FELLOW SUBSIDIARIES	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
Finance lease principal receivable	2,742	-	-	-	893	-
Accounts receivable	466	81	-	-	33	41
Fixed deposits	4,649	23,728	-	-	-	-
Accounts payable	9,815	291	-	-	215	25
Cash credit / overdraft	6,018	774	-	-	-	-
Term loan outstanding	3,200	-	-	-	-	-

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for the year ended 31 March 2014

(Currency: Indian Rupees in Lakhs)

(13) Break-up of marked to market positions on derivatives:

Particulars	31 March 2014	31 March 2013
Equity futures and options	(87)	-
Commodity futures	29	-
Total	(58)	-

(14) Micro and Small Enterprises:

Under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED'), the following disclosure is made based on the information and records available with the Company in respect of the Micro, Small and Medium Enterprises who have registered with the competent authorities:

Particulars	31 March 2014	31 March 2013
Principal amount remaining unpaid to any supplier as at the year end	7	7
Interest due thereon	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-

(15) The Company has not accepted deposits, within the meaning of 'Public Deposits' as defined in the prudential norms issued by the Reserve Bank of India.

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- (16) Pursuant to the Scheme of Amalgamation ("the Scheme") under Sections 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956 as sanctioned by Court order dated 23 December 2013 passed by Hon'ble High Court of Judicature at Bombay and Court order dated 18 November 2013 passed by the High Court of Delhi at New Delhi and intimation to Reserve Bank of India, Citicorp Finance (India) Limited (CFIL) has been merged with CitiFinancial Consumer Finance India Ltd. (CCFIL) with effect from the Appointed Date of 1 April 2013. CFIL was primarily engaged in business of loans for purchase of commercial vehicles, construction equipment, loans against financial assets and investment in shares and securities

The name of the amalgamated Company has been changed from "*CitiFinancial Consumer Finance India Limited*" to "*Citicorp Finance (India) Limited*" with effect from 17 February 2014.

The Amalgamation has been accounted for under the "Pooling of Interests Method" as prescribed by Accounting Standard (AS) 14 "Accounting for Amalgamation" prescribed by Companies (Accounting Standards) Rules, 2006.

The assets and liabilities of the amalgamating company have been accounted for in the books of accounts of the Company in accordance with the approved scheme.

For every 545 fully paid-up equity shares of Rs 10 each held in the Transferor Company, the shareholders have been issued 1000 fully paid up equity shares of Rs 10 each of the Transferee Company. Accordingly, the Company has issued 1,815,388,961 fresh equity shares of Rs 10 each amounting to Rs 181,538 lakhs as consideration amount for amalgamation to the shareholder of the Transferee Company.

Further in accordance with the scheme and pursuant to Section 100 and other applicable provision of the Companies Act, 1956, the Company has reduced the paid up share capital by Rs 96,443 lakhs (i.e. by reducing face value and paid up value of each share to Rs 7.50 from Rs 10 per share).The amount of reduction as mentioned above along with the balances in amalgamation reserve and general reserve of the Company has been utilised to adjust the debit balance in profit and loss account pursuant to the scheme.

- (17) During the current year the company has sold its equity investment in Credit Information Bureau (India) Limited (CIBIL) at a consideration of Rs 5,469 lakhs. The profit made by the company on sale of the investment is Rs 5,219 lakhs.

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(18) Details of Loan Assets subjected to Restructuring as at 31 March 2014

SL. No	Type of Restructuring		Others				
	Asset Classification		Standard	Sub Standard	Doubtful	Loss	Total
	Details						
1	Restructured Accounts as on 1st April of the FY (opening figures)*	No.of borrowers	-	2,474	-	-	2,474
		Amount outstanding		10,647			10,647
		Provision thereon		1,125			1,125
2	Fresh restructuring during the year	No.of borrowers	-	318	-	-	318
		Amount outstanding	-	76	-	-	76
		Provision thereon	-	8	-	-	8
3	Upgradations to restructured standard category during the FY	No.of borrowers	420	(420)	-	-	-
		Amount outstanding	102	(102)	-	-	-
		Provision thereon	5	(10)	-	-	(5)
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No.of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
6	Write-offs (includes recovery) of restructured accounts during the FY	No. of borrowers	-	(2,049)	-	-	(2,049)
		Amount outstanding	-	(10,527)	-	-	(10,527)
		Provision thereon	-	(1,099)	-	-	(1,099)
7	Restructured Accounts as on March 31 of the FY (closing figures*)	No. of borrowers	420	323	-	-	743
		Amount outstanding	102	94	-	-	196
		Provision thereon	5	24	-	-	29

*Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable)

There are no cases restructured on account of CDR mechanism or SME debt restructuring in the current or previous year

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- (19) In accordance with RBI notification No. DNBS.PD.CC. No. 256 /03.10.042 / 2011-12 dated March 2, 2012, Rs 49 lakhs of fraud was detected and reported during the financial year ended 31 March 2014 (Previous year Rs 11 lakhs).
- (20) In accordance with RBI notification No. DNBS.CC.PD.No.253/03.10.01/2011-12 dated December 26, 2011, the Company did not enter into any credit default swaps during the year ended 31 March 2014 (Previous year Nil).
- (21) In accordance with RBI notification No. DNBS.CC.PD.No.265/03.10.01/2011-12 dated March 21, 2012, the Company has not lent against gold jewellery during the year ended 31 March 2014 (Previous year Nil).
- (22) Additional NBFC disclosures
- a) In accordance with RBI notification No.DNBS.167/CGM(OPA)-2003 dated March 29, 2003, following are the additional disclosure under the format as prescribed vide Paragraph 9BB of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions 1998 and as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

Particulars		(Rs. in lakhs)	
Liabilities side :			
(1)	Loans and advances availed by the non-banking finance company inclusive of interest accrued thereon but not paid:	Amount out-standing	Amount overdue
	(a) Debentures : Secured	73,479	Nil
	: Unsecured	Nil	Nil
	(other than falling within the meaning of public deposits*)		
	(b) Deferred Credits	Nil	Nil
	(c) Term Loans	3,200	Nil
	(d) Inter-corporate loans and borrowing	Nil	Nil
	(e) Commercial Paper	29,903	Nil
	(f) Other Loans (specify nature) – Banks Loans	Nil	Nil
	(g) Other Loans (specify nature) – Cash Credit	35,600	Nil
	(g) Other Loans (specify nature) – Finance Lease Obligation	43	Nil
	* Please see Note 1 below		

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(22) a) Additional NBFC disclosures (continued)

	Particulars	(Rs. in lakhs)
	Assets side :	Amount outstanding
(2)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :	
	(a) Secured	328,859
	(b) Unsecured	48,923
(3)	Break up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities	
	(i) Lease assets including lease rentals under sundry debtors :	
	(a) Finance lease	3,617
	(b) Operating lease	Nil
	(ii) Stock on hire including hire charges under sundry debtors:	
	(a) Assets on hire	Nil
	(b) Repossessed Assets	Nil
	(iii) Other loans counting towards AFC activities (refer note 4)	
	(a) Loans where assets have been repossessed	152
	(b) Loans other than (a) above	78,563
(4)	Break-up of Investments :	
	Current Investments :	
	1. Quoted :	
	(i) Shares : (a) Equity	Nil
	(b) Preference	Nil
	(ii) Debentures and Bonds	2,495
	(iii) Units of mutual funds	Nil
	(iv) Government Securities	Nil
	(v) Others (please specify)	Nil
	2. Unquoted :	
	(i) Shares : (a) Equity	Nil
	(b) Preference	Nil
	(ii) Debentures and Bonds	Nil
	(iii) Units of mutual funds	Nil
	(iv) Government Securities	Nil
	(v) Others - Commercial paper	27,221

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(22) a) Additional NBFC disclosures (continued)

	Particulars	(Rs. in lakhs)		
	Assets side :	Amount outstanding		
(4)	Break-up of Investments :			
	<u>Long Term investments :</u>			
	1. <u>Quoted :</u>			
	(i) Share : (a) Equity	Nil		
	(b) Preference	Nil		
	(ii) Debentures and Bonds	Nil		
	(iii) Units of mutual funds	Nil		
	(iv) Government Securities	Nil		
	(v) Others (Please specify)	Nil		
	2. <u>Unquoted :</u>			
	(i) Shares : (a) Equity	27,809		
	(b) Preference	Nil		
	(ii) Debentures and Bonds	9,600		
	(iii) Units of mutual funds	Nil		
	(iv) Government Securities	Nil		
	(v) Others (Please specify)	Nil		
(5)	Borrower group-wise classification of assets financed as in (2) and (3) above : Please see Note 2 and 4 below			
	Category	Amount net of provisions		
		Secured	Unsecured	Total
	1. Related Parties **			
	(a) Subsidiaries	Nil	Nil	Nil
	(b) Companies in the same group	3,556	Nil	3,556
	(c) Other related parties	Nil	Nil	Nil
	2. Other than related parties	78,776	48,922	127,698
	Total	82,332	48,922	131,254

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(22) a) Additional NBFC disclosures (continued)

Particulars		(Rs. in lakhs)	
Assets side :		Amount outstanding	
(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):			
Please see note 3 below			
Category		Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties **			
(a) Subsidiaries***		18,865	16,930
(b) Companies in the same group		Nil	Nil
(c) Other related parties		8,932	8,700
2. Other than related parties***		40,201	41,496
Total		67,998	67,126
** As per Accounting Standard of ICAI (Please see Note 3)			
*** Refer note 5			
(7) Other information			
Particulars			Amount
(i)	Gross Non-Performing Assets		
	(a) Related parties		Nil
	(b) Other than related parties		12,139
(ii)	Net Non-Performing Assets		
	(a) Related parties		Nil
	(b) Other than related parties		9,670
(iii)	Assets acquired in satisfaction of debt		Nil
Notes:			
1 As defined in Paragraph 2(1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.			
2 Provisioning norms shall be applicable as prescribed in the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.			
3 All Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, are applicable including for valuation of investments and other assets and including 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 are disclosed irrespective of whether they are classified as long term or current in column (4) above.			
4 Excludes loan against financial assets.			
5 The break-up value or NAV of investments are arrived based on the audited financial statements for the year ended 31 March 2013 as the latest audited financial statements are not available.			

Citicorp Finance (India) Limited

(Formerly known as 'CitiFinancial Consumer Finance India Ltd')

Notes to the financial statements (Continued)

for the year ended 31 March 2014

(Currency: Indian Rupees in Lakhs)

(22) Additional NBFC disclosures (continued)

- b) In accordance with RBI notification No.DNBS. (PD).CC.No.125/03.05.002 / 2008-2009 dated August 1, 2008, following are the additional disclosure to the financial statements under the format as prescribed in the said notification.

CRAR

Items	Current Year	Previous Year
i) CRAR (%)	62.24	154.30
ii) CRAR - Tier I capital (%)	61.95	154.08
iii) CRAR - Tier II Capital (%)	00.29	00.22

Exposures

Exposure to Real Estate Sector

(Rs. in crores)

Category		Current year	Previous Year
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; (Individual housing loans up to Rs.15 lakh may be shown separately)	Nil	909
	(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;	96	24
	(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
	a. Residential	Nil	Nil
	b. Commercial Real Estate.	Nil	Nil
b)	Indirect Exposure		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	Nil	Nil

Citicorp Finance (India) Limited
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Notes to the financial statements (Continued)

for the year ended 31 March 2014

(Currency: Indian Rupees in Lakhs)

(22) b) Additional NBFC disclosures (continued)

Asset Liability Management

Maturity pattern of certain items of assets and liabilities

(Rs. in crores)

	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from banks	388	-	-	-	-	-	-	-	388
Market Borrowings	339	50	15	59	221	318	32		1,035
Assets									
Advances**	211	254	234	770	1,106	1,168	71	-	3,814
Investments	-	-	305	-	-	-	96	278	679

** Excludes Deposits, Prepaid expenses, Receivable from staff, Income Tax.

Citicorp Finance (India) Limited
(Formerly known as 'CitiFinancial Consumer Finance India Ltd')

Notes to the financial statements (Continued)

for the year ended 31 March 2014

(Currency: Indian Rupees in Lakhs)

(23) Prior year comparatives

The figures for the previous year do not include figures for erstwhile Citicorp Finance (India) Limited ("transferor company") which has been amalgamated with the Company effective 1 April 2013, therefore the current year figures are not comparable to those of the previous year

As per our report of even date attached.

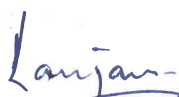
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W

For and on behalf of the Board of Directors
Citicorp Finance (India) Limited



Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
30 May 2014



Rohit Ranjan
Managing Director

Mumbai
30 May 2014



Abhijit Sen
Director



Rakesh Bajaj
*Financial Controller &
Company Secretary*