



CITICORP FINANCE (INDIA) LIMITED

NINETEENTH ANNUAL REPORT

FINANCIAL YEAR – 2015-16

Corporate Information

BOARD OF DIRECTORS

Mr. Rohit Ranjan	MANAGING DIRECTOR
Mr. Rahul Shukla	DIRECTOR
Mr. Niraj Parekh	DIRECTOR
Ms. Sabiha Kazi	DIRECTOR
Mr. Saurabh Shah	INDEPENDENT DIRECTOR
Mr. Deepak Ghaisas	INDEPENDENT DIRECTOR

CHIEF FINANCIAL OFFICER-

- Mr. Ganesh Ramanathan

COMPANY SECRETARY-

- Mr. Sameer Upadhyay

REGISTERED OFFICE-

- 8th Floor, First International Financial Centre,
C-54 & 55, G-Block,
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051

AUDITORS -

- **Ms. B S R & Co. LLP**

SECRETARIAL AUDITOR

- **ZAINAB H. POONAWALA & ASSOCIATES**

DEBENTURE TRUSTEE-

- **IDBI TRUSTESHIP SERVICES LIMITED**

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Citicorp Finance (India) Limited



ANNUAL GENERAL MEETING OF CITICORP FINANCE (INDIA) LIMITED

Notice is hereby given that the 19th Annual General Meeting of the Citicorp Finance (India) Limited will be held on Monday, 29th day of August, 2016 at 10.30am at the Registered Office of the company situated at **8TH FLOOR, FIRST INTERNATIONAL FINANCIAL CENTRE, PLOT NOS. C-54 & C-55, G-BLOCK, BANDRA-KURLA COMPLEX, BANDRA (EAST), MUMBAI - 400 051, MAHARASHTRA** to transact the following business:

Ordinary Business:

- 1. To consider and adopt:**
the standalone and consolidated Balance Sheet, Profit & Loss Account, Cash Flow Statement along-with Schedules, Notes to account, Auditor Report including Report as per Companies (Auditor's Report) Order, 2016 and Reports of the Board of Director for the Financial Year ended March 31, 2016.
- 2. To declare a dividend on equity shares**
To consider and if thought fit to pass with or without modification(s) the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to Section 123 of the Companies Act, 2013 and rules made thereon a final Dividend Rs. 0.30 per equity share (face value of Rs. 7.50 each) amounting to Rs. 115.11 crore (including Dividend Distribution Tax of Rs. 23.44 crore) on the paid up equity share capital of the company as recommended by the Board in their meeting held on May 27, 2016 be and is hereby approved and declared in the Meeting."
- 3. To appoint Directors in place of those retiring by rotation.**
To consider and if thought fit to pass with or without modification(s) the following resolution as an ordinary resolution:

"RESOLVED THAT Mr. Niraj Parekh (Din: 07089550), Director, who retires by rotation and, being eligible, offers himself for re-appointment, be and is hereby re-appointed as director of the company."
- 4. To appoint Auditors and to authorize the Board to fix their remuneration.**
To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder, M/s. B S R & Co. LLP, Chartered Accountants, holding firm registration no: 101245W/W100022, retiring Auditors, being qualified, having offered themselves for re-appointment, be and is hereby re-appointed as Statutory Auditors of the Company for the Financial Year 2016-2017, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company, at such remuneration and on such terms and conditions as may be agreed between the Auditor and Board of Directors.

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RESOLVED FURTHER THAT any Director or Company Secretary be and is hereby authorized to coordinate with Auditors and to do any acts, things and deeds to give effect to this resolution.”

Special Business:

5. **Re-appointment of Ms. Sabiha Kazi (DIN 07361331) as Director of the company**
To consider and if thought fit to pass with or without modification(s) the following resolution as an ordinary resolution:

“**RESOLVED THAT** Ms. Sabiha Kazi (holding DIN: 07361331) who was appointed as an Additional Director, pursuant to Section 161 of the Companies Act, 2013 and who holds office up to the date of next Annual General Meeting and for the appointment of whom, the Company has received a notice under Section 160 of the Companies Act, 2013 from herself proposing her candidature for the office of a Director, be and is hereby appointed as a Director of the Company.”

RESOLVED FURTHER THAT any Director or Company Secretary be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution.”

**By Order of the Board
For Citicorp Finance (India) Limited**

A handwritten signature in blue ink, appearing to read "Sameer Upadhyay".

**Sameer Upadhyay
Company Secretary**

**Date: August 05, 2016
Place: Mumbai**

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Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE EFFECTIVE PROXIES MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. In case of joint shareholders, the member whose name appears in the register of member first will be entitled to receive the notice of meeting.
3. The copies of the relevant documents can be inspected at the registered office of the company on any working day during the business hours.
4. The dividend would be paid to those members whose name appears in the Register of Members as on August 18, 2016.
5. The register of members of the company will remain closed from Friday, August 19, 2016 to Monday, August 29, 2016 both days inclusive, for the purpose of payment of final dividend.
6. The resolutions will be taken as passed effectively on the date of Annual General Meeting.
7. In terms of the requirements of the Secretarial Standards – 2 on “General Meetings” the Route – Map for the location of the aforesaid meeting is enclosed herewith as Annexure I.

A handwritten signature in blue ink, consisting of a stylized, cursive letter 'L' or similar character.

Citicorp Finance (India) Limited



EXPLANATORY STATEMENT

Explanatory statement pursuant to Section 102 of the Companies Act, 2013 and Secretarial Standard-2 issued by Institute of Company Secretaries of India (ICSI).

ITEM NO. 4

The Board at its meeting held on Mar 20, 2015 had appointed Mr. Niraj Parekh as Director of the company in accordance with the provisions of Section 161 of the Act, on the recommendation of Nomination and Remuneration Committee. Mr. Niraj Parekh holds office as director till the date of Nineteenth Annual General Meeting. Since, Mr. Niraj Parekh is liable to retire by rotation at this Nineteenth Annual General Meeting as per provision of Section 152 of the Companies Act, 2013, being eligible, offers himself for re-appointment, it is proposed to re-appoint Mr. Niraj Parekh as Director of the company.

Mr. Niraj Parekh is Cluster Finance Officer (CFO) India Subcontinent and has done remarkably well in various roles he has handled till date. He has done MS (Electrical Engineering) from Stanford University, Stanford CA, USA and MBA from MIT Sloan School of Management. He is an experienced finance professional with broad experience across consumer and corporate banking and has the ability to execute complex business strategies and M&A deals. He is valuable asset to the organization. He has been with Citi for nearly 16 years and has held number of roles in New York and Singapore including Head of Corporate M&A in Asia. Since 2012, he has been Head of Financial Planning and Analysis for India. He is well qualified to be included in the Board of Directors of the company and his appointment as director will be beneficial and in the interest of the Company.

Further, additional disclosure as per Secretarial Standard -2 issued by ICSI are as below:

Mr. Niraj Parekh (DIN: 07089550), Director, being the director retiring by rotation, being eligible for reappointment.

Date of Birth	27-09-1976 (39 years)
Qualification	<ul style="list-style-type: none"> • Master of Business Administration – MIT Sloan School of Management, Cambridge, MA, USA • MS (Electrical Engineering) – Stanford University, Stanford, CA, USA
Experience	16 years
Term and Condition of re-appointment and remuneration	Non-Executive Director liable to retire by rotation.
Remuneration last drawn	Nil
Date of first appointment on the board	March 20, 2015

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Shareholding in the Company	Nil
Relationship with other Director or Manager to KMPs	Nil
Number of Board Meeting attended during the Financial Year 2015-16	4 (four)
Other Directorship	1. Orbitech Private Limited 2. Citicorp Services India Private Limited (formerly known as Citicorp Services India Limited)
Membership / Chairmanship of Committees of other Boards	Nil

ITEM NO. 6

Ms. Sabiha Kazi had appointed as Additional Director of the company w.e.f January 19, 2016 through circular resolution in accordance with the provisions of Section 161 of the Act, on the recommendation of Nomination and Remuneration Committee. Ms. Sabiha Kazi holds office as Additional director of the company till the date of Nineteenth Annual General Meeting. The company has received a notice under Section 160 of the Companies Act, 2013 from herself proposing her candidature for the office of a Director. It is proposed to appoint Ms. Sabiha Kazi as Director of the company.

Ms. Sabiha Kazi is a senior banker holding an MBA degree in Marketing, with vast experience across retail and the wholesale bank. She has held leadership positions in sales and relationship management.

She has done her B.Sc. –Physics from Fergusson College Pune and BA – Marketing from Poona University.

She is been associated with Citi for the past 27 years and done remarkably well in her field. At present she is positioned as Chief Operating Officer of the Private Bank in India since 2013.

Further, additional disclosure as per Secretarial Standard -2 issued by ICSI are as below:

Ms. Sabiha Kazi (Din: 07361331), Director, being eligible for appointment as Director.

Date of Birth	19-03-1967 (49 years)
Qualification	MBA - Marketing
Experience	27 years
Term and Condition of re-	Non-Executive Director liable to

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appointment and remuneration	retire by rotation.
Remuneration last drawn	Nil
Date of first appointment on the board	January 19, 2016
Shareholding in the Company	Nil
Relationship with other Director or Manager of KMPs	Nil
Number of Board Meeting attended during the Financial Year 2015-16	4 (four)
Other Directorship	Nil
Membership/Chairmanship of Committees of other Boards	Nil

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

**Sameer Upadhyay
Company Secretary**

**Date: August 05, 2016
Place: Mumbai**

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Annexure I

Route Map for Venue of the Meeting

Citicorp Finance (India) Limited

Registered Office:

8th Floor, First International Financial Center, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400051.

Landmark: Near Hotel Sofitel, Bandra Kurla Complex





DIRECTORS' REPORT

To,
The Members,
Citicorp Finance (India) Limited

Your Directors are pleased to present their nineteenth annual report to the shareholders, together with the financial statements for the year ended March 31, 2016.

OPERATIONAL RESULTS

The summary of the financial performance of the company for the period ended March 31, 2016 as compared to the previous financial year is stated below:

Particulars	Rs. in crore	
	Year Ended March 31, 2016	Year Ended March 31, 2015
1. Total Income	640.77	641.97
2. Profit before Exceptional Item and Tax	261.48	287.23
3. Exceptional Item	-	170.04
4. Profit before tax	261.48	457.27
5. Current Tax	54.79	88.38
6. MAT Credit Entitlements	(54.79)	(88.38)
7. Net Current Tax	-	-
8. Deferred Tax	88.30	149.65
9. Profit after Taxation	173.18	307.62
10. Add : Balance carried forward from previous year	21.48	7.84
11. Balance of Transferor on account of merger	-	14.98
12. Amount available for Appropriation (9+10+11)	194.67	330.44
13. Amount transferred to Statutory Reserves	34.64	61.52
14. Interim Dividend	-	122.97
15. Tax on Interim Dividend	-	25.18
16. Proposed Dividend	115.11	84.87
17. Tax on proposed Dividend	26.78	14.42
18. Balance carried forward	18.13	21.48

STATE OF THE COMPANY'S AFFAIRS AND OPERATIONS REVIEW

The Profit before tax for the year has decreased from Rs. 457.27 crore during previous year to Rs. 261.48 crore during the current year. The previous year profit included exceptional income amounting to Rs. 170.04 crores (Current Year Nil) which pertains to recovery of interest relating to non-performing investments in debentures of a public limited company.

The company operates in four segments:

- a) Corporate loans
- b) Advance against Financial Assets (AAFA)



- c) Treasury and
- d) Other Loans.

Detail description of each segment is given below:

a) Corporate loans

The Corporate loans segment provides secured and unsecured loans to corporates.

Its revenue consists of interest on loans and service charges. The revenue for the year increased from Rs. 142.24 crore (Previous Year) to Rs. 192.17 crore (Current Year) by 35.10% and increase in the total assets from Rs. 1772.33 crore (Previous year) to Rs. 3610.90 crore (Current Year).

b) Advance against Financial Assets (AAFA)

The Advance against Financial Assets (AAFA) segment provides loans against securities to high net worth individuals, brokers and corporate. Its revenue consists of interest on loans and service charges. The revenue for the year increased from Rs. 225.73 crore (Previous Year) to Rs. 278.94 crore (Current Year) by 23.6 % and increase in the total assets from Rs. 21.73 crore (Previous year) to Rs. 28.95 crore (Current Year) mainly on account of increase in asset base.

The company continues to actively manage any market risk emanating from the underlying marketable securities and proactively ensures appropriate steps are taken to minimize risks emanating from volatility. Our processes have stood us in good stead through some bouts of market volatility witnessed in early 2016.

c) Treasury

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. It also provides funds to other segments as per the needs of business and excess capital with other segments is deployed back with treasury. There is an internal transfer price attached to the funds so provided or deployed, which forms part of inter-segment revenues. The revenue for the year decreased from Rs. 238.46 crore (Previous Year) to Rs. 36.20 crore (Current Year) by 84.81% mainly on account of one time recovery interest income of Rs. 170 crore from NPAs.

d) Other Loans.

The Other Loans segment includes Asset Based Finance (ABF) and Personal loan portfolio. ABF provides services in the form of loans for the purchase of commercial vehicles, construction equipment 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 assignment etc.

Personal loan portfolio bought during the year is unsecured loan given to individuals.

The ABF portfolio earned interest of Rs 36.94 crore in current year as against Rs. 59.86 crore in previous year. A sourcing and collection fee income of Rs. 43.86 crore was earned in current year as against Rs. 32.61 crore in previous year by the ABF team. The on book portfolio was Rs. 224.11 crore in the current year as against Rs. 318.34 crore in previous year. Company has purchased personal loan portfolio from Citibank and as at the year end the balance was Rs 338.01 crore.

FUTURE OUTLOOK

The Company would keep selling PSL assets generated. The Corporate loan and Loan against securities 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.

DIVIDEND

The Board of Directors have recommended a final dividend of Rs. 115.11 crore (including Dividend Distribution Tax) @ Rs. 0.30 per equity share (face value Rs. 7.50 each) for the financial year 2015-16 (previous year total dividend was Rs. 207.84 crore). Applicable taxes such as Dividend Distribution Tax shall be paid by the company.

The dividend, if approved at the ensuing annual general meeting, would be paid to those members whose name appears in the Register of Members as on August 18, 2016

TRANSFER TO SPECIAL RESERVE/ OTHER RESERVES

During year ended March 31, 2016, the company has appropriated Rs. 34.64 crores towards the Special Reserve (Previous Year – Rs. 61.52 Crores) in accordance with requirements under Section 451C of the Reserve Bank of India Act, 1934.

SHARE CAPITAL

The authorized share capital of the company stands at Rs. 39,520,000,000 (Rs. Thirty Nine Hundred Fifty Two Crore only) as at March 31, 2016. The issued, subscribed and paid up share capital of the company as at March 31, 2016 is Rs 28,932,952,732 (Rs. Twenty Eight Hundred Ninety Three Crores Twenty Nine Lacs Fifty Two Thousand Seven Hundred and Thirty Two only). There is no change in the share capital during the year.

EXTRACT OF ANNUAL RETURN

As required by Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report is attached herewith as **Annexure I**.

RELATED PARTY TRANSACTIONS

The particulars of every contract or arrangement entered into by the company with its related parties pursuant to Section 188 of the Companies Act, 2013 for the financial year 2015- 2016 are in the ordinary course of business and at arm's length. The statement showing related party transaction in Form No. AOC-2 is enclosed herewith as **Annexure II**. For further details of related party transactions please refer **clause 12 of Notes to financial statement**.

RESERVE BANK OF INDIA GUIDELINES ON PUBLIC DEPOSITS

As per the Reserve Bank of India guidelines for Non-Banking Finance Companies, during the financial year 2015-16 the company has not accepted any deposits from the public. Further, RBI issued a circular "Financial Regulation of Systemically Important NBFCs and Banks' Relationship with them" dated December 12, 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 of the company as on March 31, 2016 was 42.38% as compared to the prescribed ratio of 15%. As regards, compliance with the group entity exposure norms, which are applicable effective April 1, 2007, the company is in compliance with all the norms as on March 31, 2016.

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

Event subsequent to the date of financial statements has been updated in the respective section.

CAPITAL EXPENDITURES

The company incurred Rs. 1.80 crore in fixed assets during the year as capital expenditure (Previous year Rs. 2.64 crore).

SALE OF NON PERFORMING ASSETS (NPAs)

There was no sale of NPAs during the financial year 2015-16.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Conservation of Energy, Technology Absorption

The company, being a financial services company, the particulars regarding conservation of energy and technology absorption are not relevant to its activities.

b) Foreign Exchange Earnings

There were no foreign exchange earnings during the financial year 2015-16 (Previous Year - Nil)

c) Foreign Exchange Expenditure

Rs. in crore

	For the year ended March 31, 2016	For the year ended March 31, 2015
Technology and software expenses	13.70	11.32
Professional and legal expenses	3.16	2.20
Service bureau expenses	0.98	-
Total	17.84	13.52

SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY

The company did not have any subsidiary or joint venture during the financial year 2015-16. The company has one associate company, India Infradebt Limited.

AUDITORS AND REPORTS

a) Statutory Auditors

At the Annual General Meeting held on August 24, 2015, B S R & Co. LLP, Chartered Accountants, holding firm registration no. 101245W/W100022 was appointed as statutory auditors of the company to hold the office till the conclusion of next Annual General Meeting.

The members of Audit Committee considered the proposal for the re-appointment of B S R & Co. LLP and recommended to the Board. The Board in their meeting held on May 27, 2016 considered and approved the re-appointment of B S R & Co. LLP as statutory auditors of the company for the financial year 2016-17. The said re-appointment is subject to approval of shareholders at the annual general meeting.

M/s. B S R & Co. LLP has confirmed that their re-appointment, if made, will comply with the eligibility criteria in terms of Section 141 of the Companies Act, 2013.

b) Secretarial Auditor

The Board of Directors of the company at its meeting held on March 23, 2016 has appointed M/s Zainab H. Poonawala & Associates, Practicing Company Secretary, Certificate of Practice No. 8874 as secretarial auditor of the company for the financial year 2015-16 and 2016-17, as required under Section 204 of the Companies Act, 2013 and rules made thereunder. The secretarial audit report in form MR-3 for the financial year 2015-16 is enclosed herewith as Annexure III.

c) Internal Auditors

Pursuant to Section 138 of the Companies Act, 2013 read with rule 13 of The Companies (Accounts) Rules, 2014, Mr. Sampath Kumar has been appointed as Internal Auditor of the company.



The role of Internal Audit is to provide independent, objective, reliable, valued and timely assurance to the Boards of Directors, the Audit Committee and senior management over the effectiveness of governance, risk management, and controls that mitigate current and evolving risks and enhance the control culture within the company.

d) Auditors Observations (Statutory and Secretarial Auditor)

The Auditor's Report issued by statutory auditor of the company for the year ended March 31, 2016 does not contain any qualification, reservation or adverse remark.

The statutory auditors in their report to members have made certain observations, which though are not qualifications in nature, have been explained as under:

- In para 7(b), the Auditors have mentioned that following dues have not been paid:

Name of the statute	Nature of dues	Amount (Rs. in crore)	Period to which the amount relates	Forum where dispute is pending
Karnataka Value Added tax Act,	Value Added tax	2.32	March 31, 2008	Karnataka Appellate Tribunal
		5.74	March 31, 2009	
		9.00	March 31, 2008	
		1.06	March 31, 2008	
	Total	18.12		

As can be seen in the table, the company is in the appeal before the Karnataka Appellate Tribunal against the said orders/ demands and based on facts and/ or sound legal opinions, it considers it appropriate to challenge the orders/ demands.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

VOLUNTARY REVISION OF FINANCIAL STATEMENTS OR BOARD'S REPORT

The company has not opted for revision of its Financial Statements or its Board's Report.

RISK MANAGEMENT

a) Governance Structure

The company has robust Corporate Governance process in place emanating from Board of Directors which comprises of highly qualified and experienced members. The Board has formed various committees to review and supervise various critical operations and processes. The company has also adopted a Corporate Governance Code. Further, the company has framed various policies for suitable dissemination and conduct of the employees in general. The company has constituted Risk Management Committee consisting of 3 Directors including Managing Director, CFO, Company Secretary, Finance Representative, Treasurer, Operations Head, Representative of Risk Management team and Respective business head. The committee has been entrusted with the responsibility to identify, evaluate and discuss any business and operational risk faced by the company. The company has also formed Audit Committee consisting of both Independent Director and one Non-Executive Director to look after the matters related to internal controls and compliance, in addition to Asset Liability Committee (ALCO) which manages risk associated with lending and borrowing, resultant gaps in the funding positions of the company, manage interest rate risk and determine the pricing criteria of various assets and liabilities of the company. There are various other committees to look after various activities and mitigate associated risks.

b) Business and Management Continuity Risk

The company has a well-structured network of branches with the centralized operation from Mumbai. Additionally, the affairs and operations of the company are run and managed by its management personnel as a collective group for its efficient functioning.



Additionally, the company has also adopted Operation Risk Management Policy and Treasury Risk Management Policy.

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operation in future. Below is the update on few critical pending cases:

Case No. 1: (Supreme Court) CCFIL vs. State of Kerala & Ors., Case No: SLP (Civil) 34891/2009, [renumbered as Civil Appeal No. 5192 of 2012].

- a. In the captioned Matter the Inspecting Assistant Commissioner at Thrissur under the provisions of the Kerala Money Lenders Act, 1958 ("KML Act") directed the company to obtain registration under Section 3 of the KML Act. A penalty was also imposed of Rs. 0.10 crore for the year 2004-2005 and a penalty of Rs. 0.75 crore for the year 2005-2006 under Section 18 D of the KML Act.
- b. Initially we filed the Writ Petition before the High Court which was dismissed then the company went for Special Leave Petition (SLP) before the Supreme Court, to hold that the Petitioner being an NBFC is governed by a central act and that the Reserve Bank of India alone was the competent authority to regulate and supervise the operations of the Petitioner.
- c. SLP filed by Muthoot Fincorp is also pending before the Supreme Court and for issues similar.
- d. On July 15, 2011, the Supreme Court granted our prayer seeking status quo in the matter.

Case No. 2: CCRA Matter - CCFIL vs. Office of the Collector of Stamps, Department of Revenue, Delhi

The company had received an order from SDM, Delhi alleging for evasion of stamp duty upon issuance of shares to its shareholders. The company, based upon leading external subject matter opinions has preferred an appeal besides depositing the demand amount of Rs. 1.57 crore under protest and an application has also been filed with CCRA to refer the case to High Court for seeking guidance on the substantial questions of law. The matter has been heard by Competent Authority and the order is awaited. Matter was listed on May 20, 2016 but was not taken up by Divisional Commissioner - CCRA on May 20, 2016. Further, the company has not received any fresh notice of further hearing.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

During the year under review following changes in Directors and KMP were noted:

Ms. Anuranjita Kumar resigned from the directorship of the company w.e.f January 18, 2016 (end of business hours) and Ms. Sabiha Kazi was appointed as Additional Director of the company w.e.f January 19, 2016 (who is eligible to hold office up to the date of ensuring annual general meeting).

Mr. Niraj Parekh, Director, retires by rotation at the forthcoming annual general meeting and being eligible to offers himself for reappointment.

Mr. Rajesh Kumar Aggarwal resigned from the position of Company Secretary w.e.f November 6, 2015 (end of business hours) and Mr. Sameer Upadhyay inducted as Company Secretary of the company w.e.f November 7, 2015.



Mr. Ankit Agarwal resigned from the position of Chief Financial Officer w.e.f August 31, 2015 (end of business hours) and Mr. Ganesh Ramanathan inducted as Chief Financial Officer of the Company w.e.f November 6, 2015.

RECEIPT OF ANY COMMISSION BY MD / WTD FROM A COMPANY OR FOR RECEIPT OF COMMISSION / REMUNERATION FROM ITS HOLDING OR SUBSIDIARY

Nil

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The company has received necessary declarations from Independent Directors of the company under Section 149(7) of the Companies Act, 2013 and rules made thereunder, that the Independent Directors of the company meet the criteria of their Independence laid down in Section 149(6). Please refer enclosed herewith **Annexure IV**.

RE-APPOINTMENT OF INDEPENDENT DIRECTOR

There was no change in Independent Directors during the financial year 2015-16.

NOMINATION & REMUNERATION POLICY

The company has well defined Nomination and Remuneration Policy on Directors' and KMP appointment and remuneration which also lays down criteria for determining qualifications and other matters. Each such proposed appointment is considered by the Nomination and Remuneration Committee, consisting of four Directors including one Managing Director, one Non-Executive Director and two Independent Directors. The parameters such as educational qualification, professional competence, relevant experience as well as attributes such as integrity, independence, accountability, prudence, work ethics etc. play an important role during such discussions. Suitable declarations are also obtained from the incumbent to that extent in compliance with applicable laws and regulations.

VIGIL MECHANISM

In pursuant to the provisions of Section 177(9) and (10) of the Companies Act, 2013, a Vigil Mechanism Policy for directors and employees to report genuine concerns has been established. The said policy is placed on the website of the company at www.citicorpfinance.co.in.

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS PROVIDED UNDER SECTION 178 (3)

Please refer Nomination and Remuneration Policy Section.

PARTICULARS OF LOANS, GUARANTEE OR INVESTMENT

The company, being NBFC, the provisions of the Section 186 of the Companies Act, 2013 relating to the loans, guarantee or investment is not applicable.

DISQUALIFICATIONS OF DIRECTORS

On the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors in their meeting held on May 27, 2016, none of the directors is disqualified from being appointed as a director.

CORPORATE GOVERNANCE

Company's Philosophy

The company since its establishment has held a firm belief of carrying on the business with greater transparency and accountability, the mandate, composition and working procedures of committees so as to:

- Ensure transparent and fair relationship with the Stakeholders, Investors, Customers, Employees, Creditors, Government in all its dealings;
- Institute systems and processes to ensure the compliance with the statutes, laws and regulations as are applicable from time to time;
- To ensure the governing body/ Board of Directors ("Board") of company should be comprised of directors having a requisite qualifications, expertise, track records, match integrity criteria and are competent to discharge their responsibilities (individually and collectively);
- To have effective system of internal controls monitoring and vigilance mechanism.

BOARD OF DIRECTOR

(i) Composition

As on March 31, 2016, the Board of the company consisted of six directors, of whom one is executive director and 5 are non-executive directors including two independent directors and one woman director.

Details of Directors as on March 31, 2016 are as below:

S. No.	Name	Designation
1	Mr. Rohit Ranjan	Managing Director
2	Mr. Niraj Parekh	Director
3	Mr. Rahul Shukla	Director
4	Mr. Sabiha Kazi	Additional Director
5	Mr. Deepak Ghaisas	Independent Director
6	Mr. Saurabh Shah	Independent Director

No Director is inter-se related to any other Director on the Board nor is related to the other Key Managerial Personnel of the company.

(ii) Board Meetings

During the year ended March 31, 2016, the company had held 5 (Five) Board Meetings and the gap between two meetings did not exceed 120 days (One Hundred and Twenty days). The dates on which the said meetings were held are as under:

May 28, 2015; July 28, 2015; November 06, 2015; December 03, 2015; March 23, 2016.

Attendance of each Director is as below:

Members	No. of Board Meeting		Whether attended last AGM held on Aug 24, 2016
	Held	Attended	
Mr. Rohit Ranjan (MD)	5	3	Yes
Mr. Rahul Shukla	5	2	No
Mr. Niraj Parekh	5	4	Yes
Ms. Sabiha Kazi (Women Director)	5	1*	No
Mr. Deepak Ghaisas (ID)	5	5	Yes

Mr. Saurabh Shah (ID)	5	5	Yes
Ms. Anuranjita Kumar (Women Director)	5	1**	No

** Ms. Anuranjita Kumar has resigned from the directorship of the company with effect from Jan 18, 2016 (end of business hours).

* Ms. Sabiha Kazi inducted as an Additional Director of the company with effect from Jan 19, 2016.

(iii) Details of Equity Shares of the company held by the Directors as on March 31, 2016

S. No.	Name	Category	No of Equity Shares	Remark
1	Mr. Rohit Ranjan	Managing Director	1	Citibank Overseas Investment Corporation jointly with Mr. Rohit Ranjan

FAMILIARISATION PROGRAMME OF THE INDEPENDENT DIRECTORS

Independent Directors are provided with necessary documents, reports and internal policies to enable them to familiarize with the company's procedures and practices.

Periodic presentations are made at the Board and committee meetings, on the business and performance updates of the company, business strategy and risks involved.

The details of the familiarization program of the Independent Directors are available on the website of the company at www.citicorpfinance.co.in.

COMMITTEE DETAILS

The company under the supervision of the Board has constituted following committees to ensure uninterrupted and smooth operation of the company. The brief scope of work and details of meeting held during year along with attendance of members related to each committee is described as under:

(i) Audit Committee

The role of the Audit Committee is primarily relate to oversight of the company's financial reporting process, disclosure of financial information and appointment / re-appointment of the statutory auditors approve or any subsequent modification of transactions of the company with related parties.

It includes ensuring compliance to the internal control systems and review the financial statements which are presented to the Board for their consideration and to perform all the responsibilities/duties as mentioned in the Audit Committee Charter.

During the financial year 2015-16, the Audit Committee met two times. Meetings of Audit Committee were held on May 28, 2015 and March 23, 2016.

The composition of the Audit Committee as on March 31, 2016 is as under:

- a) Mr. Niraj Parekh, Director
- b) Mr. Deepak Ghaisas, Independent Director
- c) Mr. Saurabh Shah, Independent Director

Details of the members participation at the meetings of the committee held during the financial year 2015-16 are as under:

Members	No. of Meeting	
	Held	Attended
Mr. Niraj Parekh	2	1
Mr. Deepak Ghaisas	2	2
Mr. Saurabh Shah	2	2

(ii) Nomination and Remuneration Committee

The primary role of the committee is to ensure that the persons to be appointed as directors or on senior management position of the company possess requisite qualifications, expertise, track record and integrity. The committee ascertains the “fit and proper” status of the existing as well as the proposed directors.

The committee will also recommend a policy relating to the remuneration of the directors, key managerial personnel and other employees.

Additionally, it ensures that self-declaration is obtained from every director (existing or proposed) in the prescribed format.

The composition of Nomination and Remuneration Committee as on March 31, 2016 are as under:

- a) Mr. Rohit Ranjan, Managing Director
- b) Mr. Rahul Shukla, Director
- c) Mr. Deepak Ghaisas, Independent Director
- d) Mr. Saurabh Shah, Independent Director

During the financial year 2015-16, the members of committee met once. The meeting was held on November 06, 2015

Details of the members participation at the meeting of the committee held during the financial year 2015-16 are as under:

Members	No. of Meeting	
	Held	Attended
Mr. Rohit Ranjan	1	1
Mr. Rahul Shukla	1	0*
Ms. Anuranjita Kumar	1	0**
Mr. Deepak Ghaisas	1	1
Mr. Saurabh Shah	1	1

* Mr. Rahul Shukla inducted as a member of the committee with effect from February 29, 2016

** Ms. Anuranjita Kumar ceased to be a member of the committee with effect from February 29, 2016.

(iii) Share Allotment and Transfer Committee

The committee approve, monitor transfers, transmission, splitting and consolidation of the shares issued by the company.

It monitor the redressal mechanism of complaints received from the shareholders relating to transfer of shares, non receipt of annual report and other matters pertaining to investor’s servicing.

The composition of Share Allotment and Transfer Committee as on March 31, 2016 are as under:

- a) Mr. Rohit Ranjan, Managing Director
- b) Mr. Niraj Parekh, Director

- c) Ms. Sabiha Kazi, Additional Director
- d) Mr. Ganesh Ramanathan, Chief Financial Officer
- e) Mr. Sameer Upadhyay, Company Secretary
- f) Mr. Rakesh Bajaj, Finance Controller
- g) Mr. Amarjeet Singh Kalsi, Ops head

No meeting held during the financial year 2015-16.

Note:

- a) Mr. Vivek Jain ceased to be a member of the committee with effect from Nov 6, 2015 (end of business hours) and Mr. Vijay Sethi inducted as a member of the committee with effect from Nov 7, 2015 and ceased to be a member of the committee with effect from Feb 29, 2016.
- b) Mr. Ankit Agarwal ceased to be a member of the committee with effect from Aug 31, 2015 (end of business hours) and Mr. Ganesh Ramanathan inducted as a member of the committee with effect from Nov 6, 2015.
- c) Mr. Sameer Upadhyay inducted as a member of the committee with effect from Nov 7, 2015.
- d) Ms. Anuranjita Kumar inducted as a member of the committee with effect from Dec 3, 2015 and continues till Feb 29, 2016.
- e) Ms. Sabiha Kazi inducted as a member of the committee with effect from Feb 29, 2016.

Please note that the committee has been dissolved with effect from May 27, 2016

(iv) Debenture Allotment and Transfer Committee

The role of the committee is to allot the debentures and ensure that at the time of issuance of debentures, all requisite resolutions are passed and necessary documentation is maintained.

The composition of Debenture Allotment and Transfer Committee as on March 31, 2016 are as under:

- a) Mr. Rohit Ranjan, Managing Director
- b) Mr. Niraj Parekh, Director
- c) Ms. Sabiha Kazi, Additional Director
- d) Mr. Sameer Upadhyay, Company Secretary
- e) Mr. Ganesh Ramanathan, Chief Financial Officer
- f) Mr. Rakesh Bajaj, Finance Controller
- g) Mr. Amarjeet Singh Kalsi, Ops head
- h) Mr. Vijay Sethi, Treasurer

During the financial year 2015-16, the members of committee met 32 (Thirty Two) times. The meeting were held on April 24, 2015; April 30, 2015; May 15, 2015; May 22, 2015; May 29, 2015; June 10, 2015; June 22, 2015; June 29, 2015; July 03, 2015; July 27, 2015; July 31, 2015; August 07, 2015; September 28, 2015; October 01, 2015; October 30, 2015; November 19, 2015; November 30, 2015; December 03, 2015; December 09, 2015; January 22, 2016; January 29, 2016; February 02, 2016; February 10, 2016; February 17, 2016; February 25, 2016; February 29, 2016; March 02, 2016; March 16, 2016; March 21, 2016; March 23, 2016; March 30, 2016 and March 31, 2016.

Details of the members participation at the meetings of the committee held during the financial year 2015-16 are as under:

Members	No. of Meeting	
	Held	Attended
Mr. Rohit Ranjan	32	0
Mr. Niraj Parekh	32	0
Ms. Anuranjita Kumar	32	0*
Ms. Sabiha Kazi	32	0*
Mr. Rahul Shukla	32	0*

Mr. Sameer Upadhyay	32	17**
Mr. Ganesh Ramanathan	32	0***
Mr. Rakesh Bajaj	32	27
Mr. Vijay Sethi	32	17****
Mr. Amarjeet Singh Kalsi	32	31
Mr. Ankit Agarwal	32	2***
Mr. Vivek Jain	32	15****
Mr. Rajesh Kumar Aggarwal	32	0**

* Ms. Anuranjita Kumar and Mr. Rahul Shukla ceased to be a member of the committee with effect from February 29, 2016 and Ms. Sabiha Kazi inducted as a member of the committee with effect from February 29, 2016.

** Mr. Sameer Upadhyay inducted as a member of the committee with effect from November 7, 2016 and Mr. Rajesh Kumar Aggarwal ceased to be a member of the committee with effect from November 6, 2016 (end of business hours).

*** Mr. Ankit Agarwal ceased to be a member of the committee with effect from August 31, 2015 (end of business hours) and Mr. Ganesh Ramanathan inducted as a member of the committee with effect from November 6, 2015.

**** Mr. Vivek Jain ceased to be a member and Mr. Vijay Sethi inducted as a member of the committee with effect from November 6, 2015.

(v) Asset Liability Committee

The committee reviews and monitors the risk associated with lending and borrowing, resultant gaps in the funding positions of the company manage interest rate risk and determine the pricing criteria of various assets and liabilities of the company.

The composition of Asset Liability Management Committee as on March 31, 2016 is as under:

- a) Mr. Rohit Ranjan, Managing Director
- b) Mr. Rahul Shukla, Director
- c) Mr. Niraj Parekh, Director
- d) Mr. Ganesh Ramanathan, Chief Financial Officer
- e) Mr. Sameer Upadhyay, Company Secretary
- f) Mr. Vijay Sethi, Treasurer*
- g) Mr. Rakesh Bajaj, Finance Controller
- h) Mr. Prasen Kale, Credit & Risk
- i) Mr. Amarjeet Singh Kalsi, Ops head**
- j) Mr. Vinod Raghavan, Compliance Officer
- k) Respective Business Heads

Note:

* Also looks after the investment and resource mobilization and planning function.

** Also in-charge of IT function.

During the financial year 2015-16, the members of committee met 12 (Twelve) times. The meetings were held on. April 10, 2015; May 8, 2015; June 10, 2015; July 10, 2015; August 10, 2015; September 18, 2015; October 29, 2015; November 09, 2015; December 09, 2015; January 20, 2016; February 18, 2016 and March 16, 2016.

Details of the members participation at the meetings of the committee held during the financial year 2015-16 are as under:

Members	No. of Meeting	
	Held	Attended
Mr. Rohit Ranjan	12	2
Mr. Rahul Shukla	12	0
Mr. Niraj Parekh	12	0
Mr. Sameer Upadhyay	12	3*
Mr. Ganesh Ramanathan	12	2**
Mr. Rakesh Bajaj	12	8
Mr. Vijay Sethi	12	4***
Mr. Amarjeet Singh Kalsi	12	10
Ms. Vinod Raghavan	12	0****
Mr. Prasen Kale	12	0****
Mr. Rajesh Kumar Aggarwal	12	4*
Mr. Ankit Agarwal	12	4**
Mr. Vivek Jain	12	7***
Respective Business Heads	12	As per minutes of the meeting

* Mr. Sameer Upadhyay inducted as a member of the committee with effect from November 7, 2016 and Mr. Rajesh Kumar Aggarwal ceased to be a member of the committee with effect from November 6, 2016 (end of business hours).

** Mr. Ankit Agarwal ceased to be a member of the committee with effect from August 31, 2015 (end of business hours) and Mr. Ganesh Ramanathan inducted as a member of the committee with effect from November 6, 2015.

*** Mr. Vivek Jain ceased to be member and Mr. Vijay Sethi inducted as a member of the committee with effect from November 6, 2015.

**** Mr. Prasen Kale and Mr. Vinod Raghavan inducted as a member of the committee with effect from February 29, 2016.

(vi) Borrowing Committee

The role of the committee is to evaluate the borrowing programs of the company.

The composition of Borrowing Committee as on March 31, 2016 are as under:

- Mr. Rohit Ranjan, Managing Director
- Mr. Rahul Shukla, Director
- Mr. Niraj Parekh, Director
- Mr. Ganesh Ramanathan, Chief Financial Officer
- Mr. Sameer Upadhyay, Company Secretary
- Mr. Rakesh Bajaj, Finance Controller
- Mr. Vijay Sethi, Treasurer

No meeting held during the financial year 2015-16.

Note:

* Mr. Sameer Upadhyay inducted as a member of the committee with effect from November 7, 2016 and Mr. Rajesh Kumar Aggarwal ceased to be a member of the committee with effect from November 6, 2016.

** Mr. Ankit Agarwal ceased to be a member of the committee with effect from August 31, 2015 (end of business hours) and Mr. Ganesh Ramanathan inducted as a member of the committee with effect from November 6, 2015.

*** Mr. Vivek Jain ceased to be a member and Mr. Vijay Sethi inducted as a member of the committee with effect from November 6, 2015.



**** Ms. Anuranjita Kumar ceased to be a member of the committee with effect from February 29, 2016.

Please note that the committee has been dissolved with effect from May 27, 2016

(vii) Stakeholder Relationship Committee

The role of the committee is to consider and resolve the grievances of security/debenture holders of the company.

During the financial year 2015-16, the committee has not received any complaints /grievance, hence no meeting held during the year.

The composition of Stakeholder Relationship Committee as on March 31, 2016 is as under:

- a) Mr. Rohit Ranjan, Managing Director
- b) Mr. Niraj Parekh, Director
- c) Ms. Sabiha Kazi, Additional Director
- d) Mr. Sameer Upadhyay, Company Secretary
- e) Mr. Ganesh Ramanathan, Chief Financial Officer
- f) Mr. Rakesh Bajaj, Finance Controller
- g) Mr. Amarjeet Singh Kalsi, Ops head

Note:

* Mr. Sameer Upadhyay inducted as a member of the committee with effect from November 7, 2016 and Mr. Rajesh Kumar Aggarwal ceased to be a member of the committee with effect from November 6, 2016 (end of business hours).

** Mr. Ankit Agarwal ceased to be a member of the committee with effect from August 31, 2015 (end of business hours) and Mr. Ganesh Ramanathan inducted as a member of the committee with effect from November 6, 2015.

*** Mr. Vivek Jain ceased to be a member of the committee with effect from November 6, 2015, Mr. Vijay Sethi inducted as a member of the committee with effect from November 6, 2015 and ceased to be a member company with effect from February 29, 2016.

**** Ms. Anuranjita Kumar ceased to be a member of the committee and Ms. Sabiha Kazi inducted as a member of the committee with effect from February 29, 2016.

(viii) Corporate Social Responsibility Committee (CSR)

The role of the committee is as follow:

- To recommend to the Board , CSR project/programs to be undertaken by the company
- To recommend to the Board, expenditure to be incurred for each CSR project/program
- To recommend to the Board, modifications/changes to the CSR Policy, as necessary
- To implement and monitor CSR activities and provide timely updates

The composition of Corporate Social Responsibility Committee (CSR) as on March 31, 2016 is as under:

- a) Mr. Rohit Ranjan, Managing Director
- b) Mr. Niraj Parekh, Director
- c) Mr. Rahul Shukla, Director
- d) Ms. Sabiha Kazi, Additional Director
- e) Mr. Deepak Ghaisas, Independent Director
- f) Mr. Saurabh Shah, Independent Director
- g) Member of Citigroup Corporate Affairs team
- h) Mr. Sameer Upadhyay, Company Secretary

During the financial year 2015-16, the members of committee met 2 (Two) times. The meetings were held on May 28, 2016 and March 23, 2016.

Details of the members participation at the meetings of the committee held during the financial year 2015-16 are as under:

Members	No. of Meeting	
	Held	Attended
Mr. Rohit Ranjan	2	1
Mr. Niraj Parekh	2	1
Mr. Rahul Shukla	2	2
Ms. Sabiha Kazi	2	1*
Mr. Deepak Ghaisas	2	2
Mr. Saurabh Shah	2	2
Mr. Sameer Upadhyay	2	1**
Mr. Rajesh Kumar Aggarwal	2	1**
Mr. Debasis Ghosh (Member of Corporate affairs team)	2	1***
Ms. Shahin Dastur (Member of Corporate affairs team)	2	1

* Ms. Sabiha Kazi and members of corporate affairs team inducted as a member of the committee with effect from February 29, 2016.

** Mr. Sameer Upadhyay inducted as a member of the committee with effect from November 7, 2016 and Mr. Rajesh Kumar Aggarwal ceased to be a member of the committee with effect from November 6, 2016 (end of business hours).

(ix) Loans and Investment Committee

The role of the committee is to evaluate the loans and investments undertaken by the company in its normal course of business.

The composition of Loan and Investment Committee as on March 31, 2016 is as under:

- a) Mr. Rohit Ranjan, Managing Director
- b) Mr. Niraj Parekh, Director
- c) Mr. Rahul Shukla, Director
- d) Mr. Ganesh Ramanathan, Chief Financial Officer
- e) Mr. Rakesh Bajaj, Finance Controller
- f) Mr. Sameer Upadhyay, Company Secretary
- g) Mr. Vijay Sethi, Treasurer

During the financial year 2015-16, the members of committee met 9 (Nine) times. Meetings were held on April 14, 2015; May 19, 2015; May 29, 2015; June 04, 2015; June 05, 2015; June 10, 2015; June 16, 2015; June 17, 2015 and June 22, 2015.

Details of the members participation at the meetings of the committee held during the financial year 2015-16 are as under:

Members	No. of Meeting	
	Held	Attended
Mr. Rohit Ranjan	9	0
Mr. Niraj Parekh	9	0
Ms. Anuranjita Kumar	9	0*
Mr. Rahul Shukla	9	0
Mr. Sameer Upadhyay	9	0**
Mr. Ganesh Ramanathan	9	0***
Mr. Rakesh Bajaj	9	9
Mr. Vijay Sethi	9	0***
Mr. Rajesh Kumar Aggarwal	9	0**
Mr. Ankit Agarwal	9	9****
Mr. Vivek Jain	9	9***

*Mr. Anuranjita Kumar ceased to be a member of the committee with effect from February 29, 2016.

** Mr. Sameer Upadhyay inducted as a member of the committee with effect from November 7, 2016 and Mr. Rajesh Kumar Aggarwal ceased to be a member of the committee with effect from November 6, 2016 (end of business hours).

*** Mr. Vivek Jain ceased to be a member of the committee with effect from November 6, 2015. Mr. Vijay Sethi inducted as a member of the committee with effect from November 6, 2015 and ceased to be a member of the committee with effect from February 29, 2016.

**** Mr. Ankit Agarwal ceased to be a member of the committee with effect from August 31, 2015 (end of business hours) and Mr. Ganesh Ramanathan inducted as a member of the committee with effect from November 6, 2015.

Note: The committee has been dissolved with effect from May 27, 2016

(x) Risk Management Committee (RMC)

The role of the committee is to identify, evaluate and discuss any business and operational risk faced by the company.

The composition of Risk Management Committee as on March 31, 2016 is as under:

- Mr. Rohit Ranjan, Managing Director
- Mr. Niraj Parekh, Director
- Mr. Rahul Shukla, Director
- Mr. Ganesh Ramanathan, Chief Financial Officer
- Mr. Rakesh Bajaj- Finance Controller
- Mr. Sameer Upadhyay, Company Secretary
- Mr. Vijay Sethi, Treasurer
- Mr. Amarjeet Singh Kalsi, Ops head
- Representative of Risk Management team
- Respective Business heads

During the financial year 2015-16, the committee once on April 17, 2015.

Members	No. of Meeting	
	Held	Attended
Mr. Rohit Ranjan	1	1
Mr. Niraj Parekh	1	1
Mr. Rahul Shukla	1	1
Mr. Rajesh Kumar	1	1*

Mr. Rakesh Bajaj	1	1
Mr. Ankit Agarwal	1	1**
Mr. Vivek Jain	1	1***
Mr. Amarjeet Singh Kalsi	1	1
Mr. Asheesh Goel	1	1
Mr. Ganesh Ramanathan	1	0**
Mr. Sameer Upadhyay	1	0*
Mr. Vijay Sethi	1	0***
Representative of Risk Management team	1	As per minutes of the meeting
Respective Business heads	1	As per minutes of the meeting

* Mr. Sameer Upadhyay inducted as a member of the committee with effect from November 7, 2016 and Mr. Rajesh Kumar Aggarwal ceased to be a member of the committee with effect from November 6, 2016 (end of business hours).

** Mr. Ankit Agarwal ceased to be a member of the committee with effect from August 31, 2015 (end of business hours) and Mr. Ganesh Ramanathan inducted as a member of the committee with effect from November 6, 2015.

*** Mr. Vivek Jain ceased to be a member of the committee with effect from November 6, 2015. Mr. Vijay Sethi inducted as a member of the committee with effect from November 6, 2015 and ceased to be a member of the committee with effect from February 29, 2016.

GENERAL BODY MEETINGS

(i) Annual General Meeting

During the financial year 2015-16, one Annual General Meeting was held on August 24, 2015.

(ii) Extraordinary General Meeting

During the financial year 2015-16, two (2) Extraordinary General Meetings were held viz. April 25, 2015 and March 23, 2016.

MEETING OF INDEPENDENT DIRECTORS

Section 149(8) of the Companies Act, 2013 read with Schedule IV require the Independent Directors of the company to hold at least one meeting in a year, without the attendance of non-independent directors and members of management.

During the financial year 2015-16, one meeting of Independent Directors was held on December 3, 2015 to:

- (a) review the performance of non-independent directors and the Board as a whole
- (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non- executive directors;

ROLE OF COMPANY SECRETARY IN CORPORATE GOVERNANCE

The Company Secretary plays a key role in ensuring that the Board (including Committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the company, to ensure compliance with applicable statutory requirements and secretarial standards, to provide guidance to directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters.

FORMAL LETTER OF APPOINTMENT TO INDEPENDENT DIRECTORS

The company issues a formal letter of appointment to independent directors in the manner as provided in the Companies Act, 2013. The terms and conditions of appointment of independent directors are placed on the website of the company at www.citicorpfinance.co.in.

BOARD EVALUATION

The performance evaluation of the Board as a whole, Individual Directors, Chairperson of Board meeting and all the committees are done on annual basis with specific focus on the below matter:

- a) devotion of enough time and attention to long term strategic issues;
- b) proactively contributes in to development of strategy and risk management;
- c) openness and transparency in the discussion amongst Board Members,
- d) quality, quantity and timeliness of flow of information, discharge of fiduciary duties.
- e) expertise and experience etc.

Manner in which such formal annual evaluation was made by the Board is given below:

Performance evaluation sheet for Board as a whole, Individual Directors, Chairperson of Board meeting and all the committees were circulated to all the Directors. Based on the said criteria, rating sheets were filled by each of the directors with regard to evaluation of performance of the Board as a whole, Individual Directors (except for the director being evaluated), Chairperson of the board meeting and all the committees, and sent it to the chairman.

The report of performance evaluation so arrived at was then noted and discussed by the Nomination and Remuneration committee and Board at their meetings held on May 27, 2016

After evaluation it has been concluded that the Board of Directors/Chairperson/ Committees/ Board as a whole are constituted with knowledgeable and committed professionals of utmost integrity. The Board of Directors/Chairperson/ Committees/ Board as a whole are independent in making its decision and also capable and committed to address the conflict of interest and impress upon the functionaries of the company to focus on transparency, accountability, probity, integrity, equity and responsibility.

PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The company is aligned to and follows Citigroup Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the work place which is in accordance with local laws. The Policy defines the scope of Sexual Harassment and articulates the approach to raising issues and the redressal of the same.

During the financial year ended March 31, 2016, the company has not reported any such Complaints/Concerns.

FRAUD

During the financial year ended March, 2016, no instances of frauds committed by the company or its employees have been reported. 4 customer related frauds involving Rs. 0.08 Lakh were detected in the financial year 2015-16 compared to 28 frauds amounting to Rs. 4.48 Lakh in the financial year 2014-15 which have been appropriately reported to Reserve Bank of India in accordance with the applicable guidelines on calendar year basis. These instances mainly relate to 3 (Previous Year 16) cases of misappropriation and criminal breach of trust amounting to Rs. 0.08 Lakh (Previous Year Rs. 0.98 Lakh) and 1 (Previous Year 12) case of cheating and forgery involving nil loss (Previous Year Rs. 3.5 Lakh).

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Pursuant to the provisions of Section 135 and Schedule VII of the Companies Act, 2013, the company has constituted a CSR Committee who is responsible to oversee the CSR projects/programs



to be undertaken by the company, the expenditure to be incurred for each CSR project/program, to implement and monitor CSR activities, provide timely updates and to do all the acts and things as mentioned in the CSR Policy of the company. The CSR Policy has been uploaded on the website of the company at www.citicorpfinance.co.in.

The company is committed to enabling socio-economic progress in the communities where we live and work and has developed its Corporate Social Responsibility program to comply with the requirements of Section 135 of the Companies Act, 2013 and rules made thereunder, and has aligned its projects and programs across some of the areas indicated in Schedule VII of the Companies Act, 2013 and the rules made thereunder. The priority areas are as follows:

1. Eradicating hunger and poverty and malnutrition, preventive healthcare and Sanitation;
2. Promotion of Education;
3. Gender equality and women empowerment;
4. Ensuring environmental sustainability including renewable energy projects;
5. Contribution to the Prime Minister's Relief Fund and other similar welfare schemes;
6. Protection of national heritage, armed forces benefit, rural sports, rural development and contributions to technology incubators and academic institutions;
7. Livelihood enhancement projects;
8. Educating the masses and promoting road safety awareness in all facets of road usage;
9. Research and studies in areas specified under CSR;
10. Supplementing government schemes like mid-day meals through additional nutrition;
11. Provisions of aid and appliances to differently abled.

Please refer committee section for composition of CSR Committee.

The mandatory disclosures on CSR are enclosed herewith as per **Annexure V**.

LISTING

The Non-convertible Debentures (NCDs) of the company are listed on The National Stock Exchange of India Limited (NSE). During the financial year 2015-16, there is no default in repayment of debenture holders.

However, two Debenture holders had remained unpaid as the debenture holders were not traceable since 2009 and 2010 despite the best efforts of the company. The details of these unpaid investors/debenture holders are given below:

Name of Investor	ISIN No.	Maturity Date	Total Amount Payable (Rs.) at the beginning of the year	Maximum during the year;	At the end of the year
Xaviour Josephbabu Vallonthaiel	INE915D07JF2	6-Nov-09*	500,000	-	500,000
Anurag Kanchanbaras Rajendra Prakash Kanchanbaras	INE915D07JL0	3-Mar-10	1,071,500	-	1,071,500

Note-* Seven year will be completed on 5-Nov-16, post which the company will initiate to transfer it to IEPF.

The company has paid the Annual Listing Fees for the year 2016-2017 to NSE where the company's debentures are listed.



DEBENTURE TRUSTEE

The Board of Director of the company has appointed IDBI Trusteeship Services Limited as Debenture Trustee of the company in their meeting dated January 24, 2014. Contact details of Debenture Trustee are as below:

IDBI Trusteeship Services Limited

Asian Building, Ground Floor
17, R. Kamani Marg, Ballard Estate
Mumbai - 400 001
Contact No: 022 4080 7080

REDEMPTION OF DEBENTURES

During the financial year 2015-16, Debentures amounting to Rs. 522.07 crore have been redeemed/paid (Previous Year Rs. 437.50 crore).

CREDIT RATING

The company has obtained/ revalidated external ratings from reputed agencies (ICRA) for its debt.

The company's financial discipline, highest safety and prudence are reflected in the strong credit ratings ascribed by rating agencies as given below:

By ICRA: PP-MLD [ICRA] AAA (pronounced Principal Protected Market Linked Debentures ICRA triple A) with stable outlook

By CRISIL: CRISIL AAA/CRISIL PP-MLD AAAr/Stable'

INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 125 of the Companies Act, 2013, the dividend/interest/refund of applications which remains unclaimed/ unpaid for a period of seven years from the date of transfer to the unpaid dividend /interest/refund account is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

During the financial year 2015-16, no amount was required to be transferred to Investor Education and Protection Fund.

DISCLOSURES RELATED TO EMPLOYEES

The details of employees as required by the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed herewith as **Annexure VI**. In terms of first proviso to Section 136 of the Act, the Report and Accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars as required pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The said information is available for inspection by the members at the registered office of the company during business hours on working days of the company up to the date of the ensuing annual general meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary in this regard.

DISCLOSURES PERTAINING TO CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Companies Act, 2013 (the "Act") and Accounting Standard (AS)-21 on Consolidated Financial Statements read with AS-23 on Accounting for Investments in Associates, the audited consolidated financial statement is provided in the Annual Report.

A statement containing the salient features of the financial statements of the associate company are enclosed herewith form AOC-1 as **Annexure-VII**.

APPOINTMENT OF RELATIVES OF DIRECTORS TO AN OFFICE OR PLACE OF PROFIT

None of the relatives of any directors has been appointed to an office or place of profit of the company as per available records.

RATIO OF REMUNERATION TO EACH DIRECTOR

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and as amended from time to time, are forming part of this report as per enclosed herewith **Annexure – VIII**.

TRAINING AND DEVELOPMENT

The company provides various training & skill development related opportunities to its employees to continuously upgrade their knowledge, skills & professional competence, besides ensuring compliance of various local laws and regulations.

During the year, below mentioned training were imparted covering Man hours and Man days respectively.

Training	Man Hours	Man Days
Functional	1144	143
Leadership	106	12
Mandatory	4308	539
New Hire	37	5
Professional Development	100	12

DIRECTORS'S RESPONSIBILITY STATEMENT

In pursuance of Section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis; and

(e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



ACKNOWLEDGEMENT

The Directors express their gratitude to the co-operation and guidance extended by the Reserve Bank of India, National Stock Exchange, Securities Exchange Board of India and other regulatory authorities. The Director also takes this opportunity to thank the shareholders, banks and other financial institutions for reposing their confidence in us. The employees of the company contributed significantly in achieving the results. The Directors take this opportunity of thanking them and hope that they will maintain their commitment to excellence in the years to come.

For Citicorp Finance (India) Limited

Rohit Ranjan
Managing Director
DIN- 00003480

Niraj Parekh
Director
DIN-07089550

Date: August 05, 2016
Place: Mumbai

ANNEXURE INDEX

Annexure	Content
i	Annual Return Extracts in MGT 9
ii	Related Party Transaction AOC-2
iii	Secretarial Audit Report
iv	Declaration from Independent Directors on annual basis
v	Annual Report on Corporate Social Responsibility
vi	Disclosure related to employee
vii	AOC – 1
viii	Ratio of remuneration to each Director



Annexure I

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on financial year ended 31.03.2016

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.**

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U65910MH1997PLC253897
2.	Registration Date	01/05/1997
3.	Name of the company	Citicorp Finance (India) limited
4.	Category/Sub-category of the company	Non-Banking Finance Company(NBFC)
5.	Address of the Registered office & contact details	8th Floor, First International Financial Centre, C-54&C-55, G-Block, Bandra Kurla Complex Bandra(E) Mumbai Maharashtra INDIA 400051
6.	Whether listed company	Listed (debt listed)
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover
1	Loan against securities	6492	43.80%
2	Corporate Loan	6492	30.00%
3.	Treasury activities	6492	5.65%
4.	Other Loans	6492	14.97%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Associates Financial Services (Mauritius)LLC IFS Court, Bank Street, TwentyEight, Cybercity, Ebene 72201, Mauritius	-	Holding	53	2 (46)
2	India Infradebt Limited ICICI Bank Towers Bandra-Kurla Complex Mumbai – 400 051	U65923MH2012PLC237365	Associate	29	2(6)

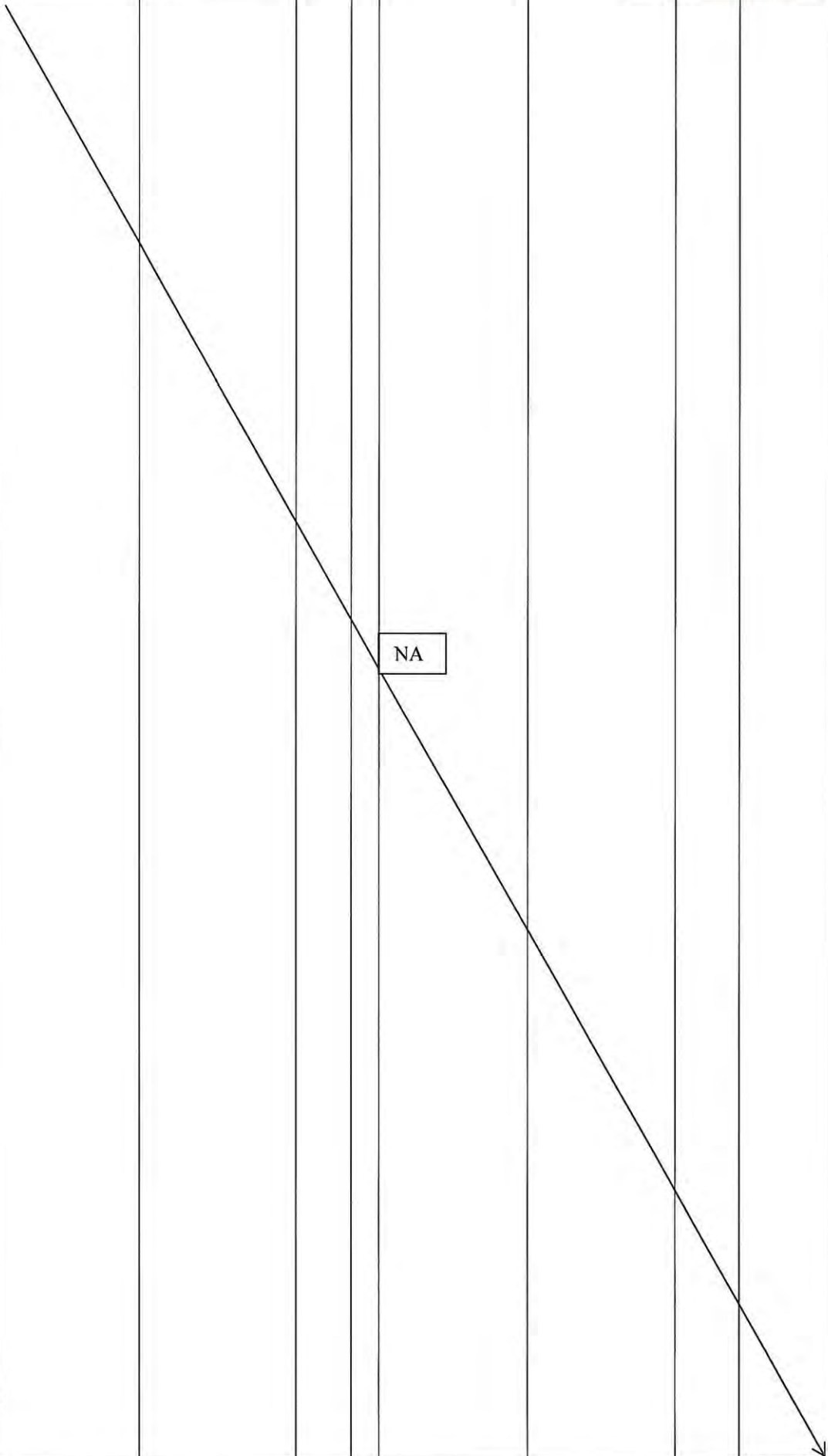
IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A. Category-wise Share Holding

Category of Share holders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
	Demat	Physical	Total	Demat	Physical	Total	
A. Promoters (1) Indian							

g) Indivi dual/ HUF								
h) Centra l Govt								
i) State Govt								
(s)								
j) Bodie s Corp.	3,857,727,031	3,857,727,031	100	0	3,857,727,031	3,857,727,031	100	0
k) Banks / FI								
l) Any Other ...								
Sub- total (A)	3,857,727,031	3,857,727,031	100	0	3,857,727,031	3,857,727,031	100	0
(1):- (2) Forei gn								
a) NRIs - Indivi duals								
b) Other — Indivi duals								
c) Bodie s Corp.								
d) Banks / FI								
e) Any Other								

Sub-total (A) (2):- Total share holding of Promoter (A) = (A)(1) + (A)(2)	3,857,727,031	3,857,727,031	100		3,857,727,031	3,857,727,031	100	0
B. Public Share holding 1. Institutions a) Mutual Funds b) Banks / FI c) Central Govt. d) State Govt. e) Venture Capital Funds f) Insurance Companies	<div style="border: 1px solid black; padding: 5px; display: inline-block;">NA</div>							

g) FIIs h) Foreign Venture Capital Funds i) Others (specify) Sub-total (B)(1) :-								
2. Non-Institutions a) Bodies Corp. i) Indian ii) Overseas b) Individuals i) Individual shareholders holding nominal share capital upto Rs. 1 lakh ii)								

NA

Individual shareholders holding nominal share capital in excess of Rs 1 lakh (c) Others (specify) Sub-total (B)(2) :- Total Public Share holding (B)=(B)(1) + (B)(2)	<div style="border: 1px solid black; display: inline-block; padding: 5px;">NA</div>							
C. Shares held by Custodian for GDRs & ADRs								
Grand Total (A+B+C)	3,857,727,031	3,857,727,031	100	0	3,857,727,031	3,857,727,031	100	0

B) Shareholding of Promoter-

S N o.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Associates Financial Services (Mauritius) LLC	2,042,338,070	53	-	2,042,338,070	53	-	-
2	Citibank Overseas Investment Corporation	1,815,388,966	47	-	1,815,388,966	47	-	-
3	Citibank Overseas Investment Corporation jointly with Mr. Vivek Gomes	1	0	-	1	0	-	-
4	Citibank Overseas Investment Corporation jointly with Mr. R. Muralidharan	1	0	-	1	0	-	-
5	Citibank Overseas Investment Corporation jointly with Mr. Rohit Ranjan	1	0	-	1	0	-	-
6	Citibank Overseas Investment Corporation jointly with Mr. Viral Damania	1	0	-	1	0	-	-
7	Citibank Overseas Investment Corporation jointly with Mr. Kushagra Sheth	1	0	-	1	0	-	-
	Total	3,857,727,031	100	-	3,857,727,031	100	-	-

C) Change in Promoters' Shareholding (please specify, if there is no change): No Change in the shareholding pattern during the financial year 2015-16.

S.No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NA	NA	NA	NA
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	NA	NA	NA	NA
	At the end of the year	NA	NA	NA	NA

**D) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

S. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year(AFSM)	2,042,338,070	53	2,042,338,070	53
	At the beginning of the year(COIC)	1,815,388,956	47	1,815,388,956	47
	Citibank Overseas Investment Corporation jointly with Mr. Vivek Gomes	1	0	1	0
	Citibank Overseas Investment Corporation jointly with Mr. R. Muralidharan	1	0	1	0
	Citibank Overseas Investment Corporation jointly with Mr. Rohit Ranjan	1	0	1	0
	Citibank Overseas Investment Corporation jointly with Mr. Viral Damania	1	0	1	0

Citibank Overseas Investment Corporation jointly with Mr. Kushagra Sheth	1	0	1	0
Total holding at the end of year	3,857,727,031	100	3,857,727,031	100
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
At the end of the year	3,857,727,031	100	3,857,727,031	100

E) Shareholding of Directors and Key Managerial Personnel:

S.No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1	0	1	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	1	0	1	0

F) INDEBTEDNESS -Indebtedness of the company including interest outstanding/accrued but not due for payment.

Rs. in crore

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,567.00	429.10	-	1,996.10
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	98.77	-	-	98.77
Total (i+ii+iii)	1,665.77	429.10	-	2,094.87
Change in Indebtedness during the financial year				

• Addition	2,291.15	1,763.16	-	4,054.31
• Reduction	972.18	429.10	-	1,401.28
Net Change	1,318.97	1,334.06	-	2,653.03
Indebtedness at the end of the financial year				
i) Principal Amount	2,847.86	1,763.16	-	4,611.02
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	136.88	-	-	136.88
Total (i+ii+iii)	2,984.74	1,763.16	-	4,747.91

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

S.No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Rohit Ranjan (Managing Director)*	----	----	
1	Gross salary				-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NA	NA	NA	NA
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NA	NA	NA	NA
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NA	NA	NA	NA
2	Stock Option	NA	NA	NA	NA
3	Sweat Equity	NA	NA	NA	NA
4	Commission - as % of profit - others, specify...	NA	NA	NA	NA
5	Others, please specify	NA	NA	NA	NA
	Total (A)	NA	NA	NA	NA
	Ceiling as per the Act	NA	NA	NA	NA

* The appointment of Managing Director is on secondment basis. The details of secondment charges are available with the company.

B. Remuneration to other directors

S. No.	Particulars of Remuneration	Mr. Deepak Ghaisas	Mr. Saurabh Shah	Total Amount
1	Independent Directors			
	Fee for attending board committee meetings	3,96,000	3,96,000	7,92,000
	Commission	-	-	-

	Others, please specify	-	-	-
	Total (1)	3,96,000	3,96,000	7,92,000
2	Other Non-Executive Directors	-	-	-
	Fee for attending board committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (2)	-	-	-
	Total (B)=(1+2)	3,96,000	3,96,000	7,92,000
	Total Managerial Remuneration	3,96,000	3,96,000	7,92,000
	Overall ceiling as per the Act	1,00,000*	1,00,000*	2,00,000*

* As per rule 4 of chapter XIII appointment and remuneration of managerial personnel sitting fee shall not exceed one lakh rupees per meeting of the Board or committee thereof.

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

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CS (Sameer Upadhyay)*	CS (Rajesh Kumar Aggarwal)*	CFO (Ganesh Ramanathan)**	CFO (Ankit Agarwal)**
1	Gross salary	The information is available with the company.			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	others, specify...				
5	Others, please specify				
	Total				



* Mr. Sameer Upadhyay inducted as Company Secretary with effect from Nov 7, 2015 and Mr. Rajesh Kumar Aggarwal resigned from the position of Company Secretary with effect from Nov 6, 2015 (end of business hours).

** Mr. Ganesh Ramanathan inducted as Chief Financial Officer of the company with effect from Nov 7, 2015 and Mr. Ankit Agarwal resigned from the directorship of the company with effect from Aug 31, 2015 (end of business hours).

VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty		Please refer Section "Significant and material orders passed by the regulators" of the Director's Report.			
Punishment					
Compounding					
B. DIRECTORS					
Penalty		Please refer Section "Significant and material orders passed by the regulators" of the Director's Report.			
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty		Please refer Section "Significant and material orders passed by the regulators" of the Director's Report.			
Punishment					
Compounding					

For Citicorp Finance (India) Limited

Date: August 05, 2016
Place: Mumbai


Rohit Ranjan
Managing Director
DIN- 00003480


Niraj Parekh
Director
DIN-07089550



Annexure - II

FORM NO. AOC -2

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NA
b)	Nature of contracts/arrangements/transaction	NA
c)	Duration of the contracts/arrangements/transaction	NA
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	All Transaction are at Arm's Length basis
e)	Justification for entering into such contracts or arrangements or transactions'	NA
f)	Date of approval by the Board	NA
g)	Amount paid as advances, if any	NA
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

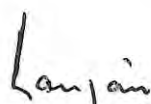
2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details	Nature of Relationship
a)	Name (s) of the related party & nature of relationship	Citibank NA-India branch. Citibank NA -Singapore branch Citicorp Investment Bank Singapore Ltd Citigroup Global Markets India Pvt Ltd Citigroup Technology Inc. Citigroup Global Market Asia Limited Citicorp Services India Pvt Ltd Citibank US	Holding Holding Fellow Subsidiary Fellow Subsidiary Fellow Subsidiary Fellow Subsidiary Fellow Subsidiary Holding

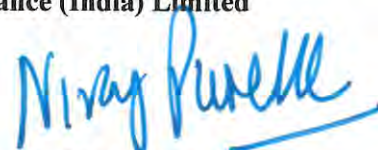
<p>b)</p>	<p>Nature of contracts/arrangements/transaction</p>	<p>1. Citibank NA India : <u>Receivable:</u> - Lease rentals received -Sale of Loan portfolio -Servicing fees for loan portfolio <u>Payable:</u> -Sourcing fees received -Fee paid for loans referral in connection with Loans against securities -Support service charges paid/received for seconded personnel -Interest earned on deposits -Interest on Short term loans</p> <p>2. Citibank NA-Singapore branch -Technology / support expenses paid</p> <p>3. Citicorp Investment Bank Singapore Ltd - Purchase and sale of Bonds</p> <p>4. Citigroup Global Markets India Pvt Ltd - Rent paid/recovered, Finance Lease Transactions, Merchant banking fees</p> <p>5. Citigroup Technology Inc. - Fees related to Global Technology Infrastructure.</p> <p>6. Citigroup Global Market Asia Limited - Fees payable w.r.t risk management, hedging strategy, equity market advisory services and other related support services.</p> <p>7. Citicorp Services India Pvt Ltd - Fees payable w.r.t. HR related services, Rent paid, Compliance fees, Technology support services, etc - Receivables: Interest earned</p>	
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		on finance lease, internal control services to CSIPL etc. 8. Citibank US - Payables w.r.t availing Citi Travel and Expense system for employees to claim their reimbursement	
c)	Duration of the contracts/arrangements/transaction	FY 2015-16	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	All terms and conditions are as per transfer pricing regulations	
e)	Date of approval by the Board	27/05/2016	
f)	Amount paid as advances, if any	-	

For Citicorp Finance (India) Limited



Rohit Ranjan
Managing Director
DIN- 00003480



Niraj Parekh
Director
DIN-07089550

Date: August 05, 2016

Place: Mumbai

Zainab H Poonawala & Associates

Practising Company Secretaries

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED **31st MARCH, 2016**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,

Citicorp Finance (India) Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Citicorp Finance (India) Limited (hereinafter called the Company)**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **Citicorp Finance (India) Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March 2016** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Citicorp Finance (India) Limited ("the Company")** for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (**not applicable to the Company during the audit period**);
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder(**not applicable to the company during the audit period**);
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;



- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (**not applicable to the company during the audit period**);
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (**not applicable to the company during the audit period**);
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**not applicable to the company during the audit period**);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (**not applicable to the company during the audit period**);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 ;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (**not applicable to the company during the audit period**);
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009(**not applicable to the company during the audit period**); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;**(not applicable to the company during the audit period)**
- (vi) IRDA Regulations applicable to Corporate Agents.
- (vii) RBI Act, 1934 read with all notifications and circulars issued by the Reserve Bank of India for Non-Banking Finance Companies

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange(s), for listing of Non-Convertible Debentures;



During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through unanimously.


We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines (as mentioned above and listed in **Annexure I**).

We further report that during the audit period the company has:

1. Issued Non-Convertible Debentures under Private Placement in Series and complied with the applicable provisions of the Companies Act, 2013, Rule 14 of Chapter III, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Listing Obligation and Disclosures Requirement) 2015 and Notifications issue by RBI.

Place: Mumbai

Date: 30/6/2016



Zainab H Poonawala

FCS No.:7916

C P No.: 8874



Annexure I: Laws And Act applicable to the Company

1. Employees' Provident Fund Act,1952 and Rules
2. Professional Tax Act,1975 and Rules
3. Payment of Gratuity Act, 1972
4. Employment Exchanges (Compulsory Notification of vacancies) Act, 1959
5. Equal Remuneration Act, 1976
6. Minimum Wages Act, 1948
7. Payment of Bonus Act, 1965
8. Shop and Establishment Act, 1948
9. Maternity Benefit Act, 1961
10. Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013
11. Income Tax Act, 1961
12. Finance Act, 1994



Declaration under Section 149(6) of the Companies Act, 2013

To
The Board of Directors
Citicorp Finance (India) Limited
Mumbai

Dear Sir(s)

I **Deepak Keshav Ghaisas**, holding DIN 00001811 being an Independent Director of Citicorp Finance (India) Limited ("***CFIL***"), hereby confirm that:-

- a. I meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013;
- b. I do not hold designation of managing director or a whole – time director or a nominee director in CFIL or its holding, subsidiary or associate company;
- c. I possess relevant expertise and experience as required for the designation;
- d. I possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, administration, research and corporate governance related to the Company's business;
- e. I am not the nominee of any financial institution or of the government or any of any other person, to represent their interest on the Board;
- f. I am or was not promoter of the company or its holding, subsidiary or associate and also not related to the promoters or directors in the company, its holding, subsidiary or associate company;
- g. I do not have or have had any pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- h. None of my relative has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

- i. Neither I nor any of my relative holds or has held the position of key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the current financial year;
- j. Neither I or any of my relative is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the current financial year:
 - 1. In a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company;
 - 2. In a legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;
- k. I or any of my relative do not hold together with my relatives 2% or more of the total voting power of the company;
- l. I or any of my relative is not a material supplier, service provider or customer or a lessor or lessee of the company;
- m. Neither I or nor any of my relatives is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives twenty-five percent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that hold two percent or more of the total voting power of the company;
- n. I am not disqualified to act as an Independent Director under any provision of Companies Act, 2013 and rules made there under, or any other law for the time being in force in India.

Place: Mumbai

Dated this 31st day of March, 2016

DIN - 00001811



Signature:

Deepak Keshav Ghaisas

Declaration under Section 149(6) of the Companies Act, 2013

To
The Board of Directors
Citicorp Finance (India) Limited
Mumbai

Dear Sir(s)

I, **Saurabh Surendra Shah**, holding **DIN 02094645** being an Independent Director of Citicorp Finance (India) Limited (“**CFIL**”), hereby confirm that:-

- a. I meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013;
- b. I do not hold designation of managing director or a whole – time director or a nominee director in CFIL or its holding, subsidiary or associate company;
- c. I possess relevant expertise and experience as required for the designation;
- d. I possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, administration, research and corporate governance related to the Company’s business;
- e. I am not the nominee of any financial institution or of the government or any of any other person, to represent their interest on the Board;
- f. I am or was not promoter of the company or its holding, subsidiary or associate and also not related to the promoters or directors in the company, its holding, subsidiary or associate company;
- g. I do not have or have had any pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- h. None of my relative has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

- i. Neither I nor any of my relative holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the current financial year;
- j. Neither I or any of my relative is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the current financial year:
 - 1. In a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company;
 - 2. In a legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;
- k. I or any of my relative do not hold together with my relatives 2% or more of the total voting power of the company;
- l. I or any of my relative is not a material supplier, service provider or customer or a lessor or lessee of the company;
- m. Neither I or nor any of my relatives is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives twenty-five percent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that hold two percent or more of the total voting power of the company;
- n. I am not disqualified to act as an Independent Director under any provision of Companies Act, 2013 and rules made there under, or any other law for the time being in force in India.

Place: Mumbai

Dated this 25th day of April 2016

Signature:

Saurabh Surendra Shah
DIN -02094645

Annexure V

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

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

Pursuant to the provisions of section 135 and schedule VII of the Companies Act, 2013, the company has constituted a CSR Committee of the Board of Directors who is responsible oversee the CSR projects/programs to be undertaken by the company, the expenditure to be incurred for each CSR project/program and to implement and monitor CSR activities and provide timely updates. The CSR Policy has been uploaded on the website of the company at www.citicorpfinance.co.in.

The company is committed to enabling socio-economic progress in the communities where we live and work and has developed its Corporate Social Responsibility program to comply with the requirements of Section 135 of the Act and the Companies Rules, 2014, and has aligned its projects and programs across some of the areas indicated in Schedule VII of the Act and the Rules for the year, April 2015-March 2016.

The priority areas are as follows:

1. Eradicating hunger and poverty and malnutrition, preventive healthcare and Sanitation
2. Promotion of Education
3. Gender equality and women empowerment
4. Ensuring environmental sustainability including renewable energy projects
5. Contribution to the Prime Minister's Relief Fund and other similar welfare schemes
6. Protection of national heritage, armed forces benefit, rural sports, rural development and contributions to technology incubators and academic institutions
7. Livelihood enhancement projects
8. Educating the masses and promoting road safety awareness in all facets of road usage
9. Research and studies in areas specified under CSR
10. Supplementing government schemes like mid-day meals through additional nutrition
11. Provisions of aid and appliances to differently abled

- (2) The Composition of the CSR Committee.

The Composition of Corporate Social Responsibility Committee (CSR) as on March 31, 2016 is as under:

- a) Mr. Rohit Ranjan, Managing Director
- b) Mr. Niraj Parekh, Director
- c) Mr. Rahul Shukla, Director
- d) Ms. Sabiha Kazi, Additional Director
- e) Mr. Deepak Ghaisas, Independent Director
- f) Mr. Saurabh Shah, Independent Director
- g) Mr. Sameer Upadhyay, Company Secretary
- h) Representative of Corporate affairs team

- (3) Average net profit of the company for last three financial years- **Rs. 186.08 crore**
(4) Prescribed CSR Expenditure (two percent of the amount as in item 3 above)—**Rs. 3.72 crore**

(5) Details of CSR spent during the financial year.

(a) Total amount spent during the financial year; **Rs. 2.04 crore**

(b) Amount unspent, if any; **Rs. 1.68 crore**

(c) Manner in which the amount spent during the financial year is detailed below

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget project or Programs wise	Amount spent on the projects or Programs Sub Heads; (1) Direct expenditure on projects or programs (2) Overhead s	Cumulative expenditure up to the reporting period	Amount Spent Direct or through implementing agency
1	Towards promoting Financial Inclusion and Empowerment through Human Capital for Third Sector's	To economically empower meritorious girls from marginalized sections of society and build their social and leadership skills. The girls receive training of over 520 hours over four years and an annual scholarship, based on a scorecard that tracks their academic, training,	Karnataka and Maharashtra	85,000	85,000	85,000	Through implementing partner - Human Capital for Third Sector's Catalyst Program that provides scholarships for girls from Low income backgrounds who are undertaking professional education in engineering, medicine, architecture, law and CA.

	KAT ALYS T Progra m	mentoring and volunteering hours, as well as leadership skills. The girls also receive training on their managerial skills, which includes communication, personality development, leadership, team work, and other such desired skills.					
2	Towar ds eradic ating hunge r, povert y and malnu tritio, promot ing health care, and sanitat ion in Chenn ai after the Flood s in Nove mber - Relief and Rehab ilitatio n	Contributions were made to United Way of Chennai to support the relief and rehabilitation of noteworthy institutes when the Chennai floods caused havoc in the city in November 2015. Most of the institutions were shelter homes for the elderly and orphaned, school for special needs, and such. Redevelopment and strengthening of the infrastructure, which included plastering, painting,	Chenna i	5,400,00 0	5,400,00 0	5,400,00 0	Through implementation partner - United Way of Chennai, who in turn, contributed to 6 institutions: 1. Thiruvallur Gurukulam- Residential and day school for 350 children from very low income backgrounds including tribal 2. Little Drops- Home for the aged and destitute about 700 residents plus 1000 children 3. Balamandir - School that houses 2000 children, most of whom are orphans, been around for over 90 years, has been totally washed out 4. Spastics Society for Tamil Nadu - Works with children with special needs, where

		<p>plumbing and electricity, to enable functioning of the NGOs, providing clean potable water, replenishing kitchen utensils for basic food to be provided, and beds to sleep on for residents.</p>					<p>all therapeutic equipment got destroyed along with records of students</p> <p>5. Little Flower Convent -Secondary school for the blind and deaf</p> <p>6. Home for poor boys- floods demolished the entire building and all the beds were washed away</p> <p>United Way of Chennai (UWC) is dedicated to improving lives in state of Tamil Nadu by identifying and addressing the long term needs of communities by promoting and encouraging voluntary charitable service and volunteerism. UWC aims to help develop, support and strengthen community service projects and improve lives by acting as an intermediary between the corporate and the development sector, promoting corporate social responsibility and working as a catalyst to increase the flow of resources from all parts of society for community and social development projects.</p>
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3	Towards eradicating hunger, poverty and malnutrition, promoting health care, and sanitation in Chennai after the Floods in November - Relief and Rehabilitation	To support United Way of Chennai in their efforts of rehabilitation efforts in Chennai, by way of a marathon	Chennai	225,000	225,000	225,000	Through implementation partner, United Way of Chennai: United Way of Chennai (UWC) is dedicated to improving lives in state of Tamil Nadu by identifying and addressing the long term needs of communities by promoting and encouraging voluntary charitable service and volunteerism. UWC aims to help develop, support and strengthen community service projects and improve lives by acting as an intermediary between the corporate and the development sector, promoting corporate social responsibility and working as a catalyst to increase the flow of resources from all parts of society for community and social development projects.
4	Towards promoting Education and Training towards Health and Safety	Tata Institute of Social Sciences (TISS) and Citi have partnered to enhance cybercrime security training and to build the capacity of the Mumbai Police, by building capacity to professionally handle, combat,	Maharashtra	14,600,000	14,600,000	14,600,000	Through Implementation Partner TATA Institute of Social Sciences- TISS has been continually responding to the changing social realities through development and application of knowledge.

	initiates	and prevent cybercrime. Through the program, 13 forensic workstations will be provided to the 13 zonal offices of the Deputy Commissioners of Mumbai Police for cyber-investigation, to be used across police stations in the city. In addition, around 200 police officers will be skilled to use the new technology and develop soft skills required to solve cybercrime.					
5.	Giving at Citi Payroll Giving Program)	Supporting seven partner NGOs by matching employee contribution under the legal entity as part of our CSR contribution under the Citi Payroll Giving Program. Following are the partner NGOs that have been supported under the program: 1. The Akshaya Patra	Bengaluru, Mumbai, Rural Maharashtra, New Delhi, Chennai, East and Western districts of Sikkim	49,800	49,800	49,800	Through implementation partner United Way of Mumbai: United Way Mumbai, is a non-profit organization with expertise in CSR services, workplace campaigns and community impact programs in marginalized rural and urban communities. Through its partnerships with 400+ NGOs across the country, the organization leads programs working on education, health, livelihood,

	Foundation 2. Cancer Patients Aid Association 3. Habitat for Humanity Trust 4. HelpAge India 5. SOS Children's Village 6. Women's India Trust 7. WWF India					environment, inclusion, public safety and disaster response. UWM has proven expertise and over a decade long experience in designing and implementing end to end workplace campaigns for mid to large sized organizations, creating payroll giving and employee engagement strategies which correspond with employee skill-sets and passion that are also aligned closely with the charitable goals of the corporate partner. Since inception, UWM's workplace campaigns have successfully channelized over 20000 employee donations to committed causes.
	Total			20,359,800	20,359,800	20,359,800

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

We have made significant strides in the second year of implementation of the CSR rules, the company is still in the process of building out capacity to support CSR activities and identifying and funding viable projects. The company is fully committed towards CSR and is working on building out capacity and identifying appropriate projects.



We hereby affirm that CSR Policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of CSR projects and activities in compliance with our CSR objectives

For Citicorp Finance (India) Limited

Mr. Rohit Ranjan
Managing Director
DIN-00003480

Mr. Deepak Ghaisas
Independent Director
DIN-00001811

Mr. Niraj Parekh
Director
DIN-07089550

Date: August 05, 2016
Place: Mumbai

Annexure - VI

Statement of Particulars of employees pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

S. No.	Name	Designation / Nature of Duties	Remuneration* Received (Rs.)	Qualification	Experience in years	Age in years	Date of commencement of employment/Last Working Date with CFIL	Last employment held
1	2	3	4	5	6	7	8	9
1	Asheesh Goel	SVP	*	CA	22	47	Nov-00/Apr-15	Birla Global Fin. Ltd
2	Rakesh Bajaj	SVP	*	CA/CS/CWA	17	45	Aug-08	Deloitte
3	Rajesh Aggarwal	SVP	*	CA/CS	20	44	Jul-08	Ranbaxy
4	Rajeev Seth	SVP	*	M. Com	30	58	May-99/Feb-16	Indian Hotel Co
5	Ritu Baweja	AVP	*	PGDB M	15	38	Oct-00/Apr-15	CFIL
6	Bhupendra Singh	Manager	*	MCA	13	37	Apr-08/Apr-15	CFIL
7	Tanu Pathak	AVP	*	Post Grad	11	37	Jan-05/May-15	CFIL
8	Sapna Arora	AVP	*	B. Com	15	36	Jan-03/Jun-15	CFIL
9	Arun Uchil	VP	*	MBA	18	40	Dec-99/Oct-15	CFIL
10	Kunal Dixit	VP	*	MBA	14	40	Aug-06/Nov-15	CFIL

*The remuneration details are available with the company.



Notes:

- The above employees are for the financial year 2015-16
- All appointments are / were non-contractual
- Remuneration as shown above comprises of Salary, Leave Salary, Bonus, Gratuity where paid, Leave Travel Assistance, Medical Benefit, House Rent Allowance, Perquisites and company's contribution to Provident Fund and Superannuation Fund. Remuneration on cash basis.
- None of the above employees is related to any Director of the company employed for part of the financial year.

For Citicorp Finance (India) Limited

**Rohit Ranjan
Managing Director
DIN- 00003480**

**Niraj Parekh
Director
DIN-07089550**

**Date: August 05, 2016
Place: Mumbai**

Annexure VII

Form AOC-1

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

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.....)	NA
1. Sl. No.	NA
2. Name of the Subsidiary	NA
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
4. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	NA
5. Share capital	NA
6. Reserves & surplus	NA
7. Total assets	NA
8. Total Liabilities	NA
9. Investments	NA
10. Turnover	NA
11. Profit before taxation	NA
12. Provision for taxation	NA
13. Profit after taxation	NA
14. Proposed Dividend	NA
15. % of shareholding	NA

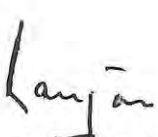
1. Names of subsidiaries which are yet to commence operations- NA
2. Names of subsidiaries which have been liquidated or sold during the year- As at March 31, 2016 the company does not have any subsidiaries.

Part "B": Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act,
2013 related to Associate Companies and Joint Ventures

Name of Associates/ Joint Ventures	India Infradebt Limited
1. Latest audited Balance Sheet Date	31/03/2016
2. Shares of Associate/Joint Ventures held by the company on the year end a. No. b. Amount of Investment in Associates/Joint Venture c. Extend of Holding %	87,000,000 Rs. 870,000,000.00 29%
3. Description of how there is significant influence	Holding more than 20%
4. Reason why the associate/ joint venture is not consolidated	NA
5. Networth attributable to Shareholding as per latest audited Balance Sheet	110.18 crore
6. Profit / Loss for the year i. Considered in Consolidation ii. Not Considered in Consolidation	8.47 crore Nil

- Names of associates or joint ventures which are yet to commence operations-NA
- Names of associates or joint ventures which have been liquidated or sold during the year-NA

For Citicorp Finance (India) Limited



Rohit Ranjan
Managing Director
DIN-00003480



Niraj Parekh
Director
DIN-07089550



Ganesh Ramanathan
Chief Financial Officer



Sameer Upadhyay
Company Secretary

Date: August 05, 2016
Place: Mumbai

Annexure –VIII

**DETAILS IN TERMS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH
RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF
MANAGERIAL PERSONNEL) RULES, 2014**

1. **The ratio of remuneration of each director to the median remuneration of the employees for the financial year**
16.86

2. **The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive officer, Company Secretary or Manager, if any, in the financial year**
The percentage increase in remuneration of the MD, Chief Financial Officer and Company Secretary is as follows:

Mr. Rohit Ranjan (Managing Director): The company did not pay any remuneration/secondment charges upto the date of his original tenure. He was reappointed in January 2015 and the company has decided to pay secondment charges to Citibank effective that date. Therefore, % increase is not applicable in his case.

Mr. Ganesh Ramanathan- 0%

Mr. Sameer Upadhyay- 0%

Mr. Ankit Agarwal*-0%

Mr. Rajesh Kumar Aggarwal**-7.5%

*Mr. Ankit Agarwal ceased to be Chief Financial Officer of the company with effect from August 31, 2015 (end of business hours) and Mr. Ganesh Ramanathan inducted as Chief Financial Officer of the company with effect from November 6, 2015.

** Mr. Rajesh Kumar Aggarwal ceased to be Company Secretary of the company with effect from November 6, 2016 (end of business hours) and Mr. Sameer Upadhyay inducted as Company Secretary of the company with effect from November 7, 2016

3. **The percentage increase in the median remuneration of employees in the financial year**
The percentage increase in the median remuneration of the employees in the financial year is around 6.63%.

4. **The number of permanent employees on the rolls of the company**
264 (as on 31-Mar-16)

5. **The explanation on the relationship between average increase in remuneration and the company performance**

The Company follows prudent remuneration practices under the guidance of the Board and the Nomination and Remuneration Committee. The company's approach to remuneration is intended to drive meritocracy within the framework of prudent risk management. Remuneration is linked to corporate performance, business performance and individual performance. Employee compensation takes into account the factors including financial performance of the company, comparison with peers and industry benchmarking.

The Net profit after tax has reduced from Rs. 307.62 crore (Previous Year) to Rs. 173.18 crore (Current Year). Total assets of the company have increased from Rs. 6225.66 crore (as at end of previous year) to Rs. 8836.57 crore (as at end of current year) by 41.9%. Considering the performance of the company during the year, the Board of Directors considers that the relationship between average increase in remuneration of the employees and each of the KMPs is reasonable and fair and is in line with the performance of the company.



6. **Comparison of the remuneration of the Key Managerial Personnel against the performance of the company**

The Company completed the first full year of operations and laid the foundations for achieving its long term business objectives. Accordingly the remuneration of the KMPs was determined based on the above and is in line with market. Please refer para 5 for further details.

7. **Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year**

The company doesn't have equity shares listed on any Stock Exchange and hence, the para is not applicable.

8. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**

Please refer para 5.

9. **Comparison of the each remuneration of the KMPs against the performance of the company**

Please refer para 5.

10. **The key parameters for any variable component availed by the directors**

The Company follows prudent remuneration practices under the guidance of the Board and Nomination and Remuneration Committee (NRC). The Key Performance Indicators (KPIs) are fixed for the Managing Director, which are paid by the company to Citibank as secondment charges. At the end of the financial year the performance of the company as well the performance of the MD and CEO based on KPIs is presented to the BGC. Based on the performance assessment by the BGC, the variable component of the remuneration for the MD & CEO is recommended to and approved by the Board. The Independent Directors are paid sitting fee @ Rs. 36,000/- per meeting, which are within the maximum permissible amount under the Companies Act, 2013 together with Rules thereunder.

11. **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year**

Nil

12. **Affirmation that the remuneration is as per the remuneration policy of the company**


Affirmed

Date: August 05, 2016

Place: Mumbai


Rohit Ranjan
Managing Director
DIN- 00003480

For Citicorp Finance (India) Limited


Niraj Parekh
Director
DIN-07089550

Citicorp Finance (India) Limited

Financial statements
together with the Auditors' Report
for the year ended 31 March 2016

Citicorp Finance (India) Limited

Financial statements together with the Auditors' Report

for the year ended 31 March 2016

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Statement of profit and loss

Cash flow statement

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B S R & Co. LLP

Chartered Accountants

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Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

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Independent Auditor's Report To the Members of Citicorp Finance (India) Limited

Report on the standalone financial statements

We have audited the accompanying standalone financial statements of Citicorp Finance (India) Limited (the "Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's responsibility for standalone financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a 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 standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.



Independent Auditor's Report (Continued)

Citicorp Finance (India) Limited

Auditor's responsibility (Continued)

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and its profits and its 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, 2016 (the "Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

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Independent Auditor's Report (Continued)

Citicorp Finance (India) Limited

Report on other legal and regulatory requirements (Continued)

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 25 (1) to the standalone financial statements;
- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable; and
- iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

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

Chartered Accountants

Firm's Registration No: 101248W/W-100022



Sameer Mota

Partner

Membership No: 109928

Mumbai
27 May 2016

Citicorp Finance (India) Limited

Annexure A to the Independent Auditor's Report-31 March 2016

The Annexure referred to in Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified on an annual 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- 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. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. The Company has not accepted any deposits from the public.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any services rendered by the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, value added tax, service tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance, customs duty, excise duty and cess. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, value added tax, sales tax, service tax and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

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Citicorp Finance (India) Limited

Annexure A to the Independent Auditor's Report-31 March 2016 (Continued)

- (b) According to the information and explanations given to us, there are no dues of provident fund, income tax, service tax and other material statutory dues that have not been deposited on account of dispute. However, accordingly to information and explanations given to us, the following dues of value added tax have not been deposited by the Company on account of disputes.

Name of the statute	Nature of dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
Karnataka Value Added Tax Act, 2003	Value Added tax	232	Year ended 31 March 2008	Karnataka Appellate Tribunal
		574	Year ended 31 March 2009	
		900	Year ended 31 March 2010	
		106	Year ended 31 March 2011	
		<u>1,812</u>		

- viii. The Company has not defaulted in repayment of dues to any financial institution, bank, Government or debenture holders during the year.
- ix. In our opinion and according to the information and explanations given to us, the Company has utilized the money raised by way of debt instruments and the term loans during the year for the purposes for which they were raised.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.

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Citicorp Finance (India) Limited

Annexure A to the Independent Auditor's Report-31 March 2016 (Continued)

- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For BSR & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022



Sameer Mota

Partner

Membership No: 109928

Mumbai
27 May 2016

Citicorp Finance (India) Limited

Annexure - B to the Independent Auditor's Report of even date on the standalone financial statements of Citicorp Finance (India) Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of Citicorp Finance (India) Limited (the "Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Citicorp Finance (India) Limited

Annexure - B to the Independent Auditor's Report of even date on the standalone financial statements of Citicorp Finance (India) Limited (Continued)

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Chartered Accountants

Firm's Registration No: 101248W/W-100022



Sameer Mota

Partner

Membership No: 109928

Mumbai
27 May 2016

Citicorp Finance (India) Limited

Balance sheet

as at 31 March 2016

(Currency: Indian Rupees in Lakhs)

	Note No.	31 March 2016	31 March 2015
I. EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
Share capital	3	289,330	289,330
Reserves and surplus	4	59,477	56,348
		<u>348,807</u>	<u>345,678</u>
2. NON-CURRENT LIABILITIES			
Long term borrowings	5	77,315	68,495
Other long term liabilities	6	7,108	7,113
Long term provisions	7	619	583
		<u>85,042</u>	<u>76,191</u>
3. CURRENT LIABILITIES			
Short term borrowings	8	221,317	82,910
Trade payables	9	2,125	1,800
Other current liabilities	10	203,570	96,359
Short term provisions	11	22,796	19,628
		<u>449,808</u>	<u>200,697</u>
TOTAL		<u><u>883,657</u></u>	<u><u>622,566</u></u>
II. ASSETS			
1. NON-CURRENT ASSETS			
Fixed assets			
Tangible assets	12	463	401
Intangible assets		-	-
Capital work in progress		83	-
		<u>546</u>	<u>401</u>
Non current investments	13	10,457	10,480
Deferred tax assets (Net)	25.9	17,832	26,662
Long term loans and advances	14	125,131	109,922
Other non current assets	15	950	44
		<u>154,916</u>	<u>147,509</u>
2. CURRENT ASSETS			
Current investments	16	29,722	64,819
Cash and bank balances	17	27,647	22,573
Short term loans and advances	18	631,818	350,957
Other current assets	19	39,554	36,708
		<u>728,741</u>	<u>475,057</u>
TOTAL		<u><u>883,657</u></u>	<u><u>622,566</u></u>
Significant accounting policies	2		

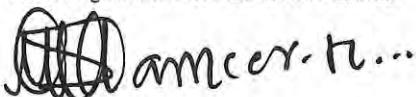
The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For BSR & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022



Sameer Mota

Partner

Membership No: 109928

Mumbai

27 May 2016


For and on behalf of the Board of Directors

Citicorp Finance (India) Limited


Rohit Ranjan
Managing Director


Niraj Parekh
Director


Ganesh Ramanathan
Chief Financial Officer


Sameer Upadhyay
Company Secretary

Mumbai
27 May 2016

Citicorp Finance (India) Limited

Statement of profit and loss for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

	Note No.	31 March 2016	31 March 2015
REVENUE			
Revenue from operations	20	57,649	52,368
Other income	21	6,428	11,829
Total Revenue		64,077	64,197
EXPENSES			
Employee benefits	22	4,710	5,111
Finance costs	23	19,877	15,571
Depreciation	12	109	89
Other expenses	24	13,233	14,703
Total Expenses		37,929	35,474
PROFIT BEFORE EXCEPTIONAL ITEM AND TAX		26,148	28,723
EXCEPTIONAL ITEM	25.19	-	17,004
PROFIT BEFORE TAX		26,148	45,727
TAX EXPENSE:			
Current tax		5,479	8,838
MAT credit entitlement		(5,479)	(8,838)
Net current tax		-	-
Deferred tax	25.9	8,830	14,965
PROFIT FOR THE YEAR		17,318	30,762
EARNINGS PER EQUITY SHARE:			
Basic and diluted earnings per share of Rs. 7.50 face value	25.8	0.45	0.80

Significant accounting policies

2

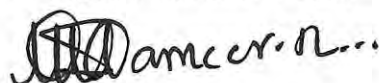
The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For BSR & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022



Sameer Mota

Partner

Membership No: 109928

Mumbai

27 May 2016



Rohit Ranjan

Managing Director



Ganesh Ramanathan

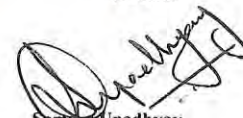
Chief Financial Officer

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



Niraj Parekh

Director



Saumil Upadhyay

Company Secretary

Mumbai

27 May 2016

Citicorp Finance (India) Limited

Cash flow statement

for the year ended 31 March 2016

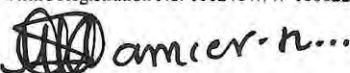
(Currency: Indian Rupees in Lakhs)

	31 March 2016	31 March 2015
Cash flows from operating activities		
Profit before tax	26,148	45,728
<u>Add:-</u>		
Depreciation and amortisation	109	89
Provision for diminution in the value of investments	23	-
Provision for doubtful advances and standard assets	1,135	1,576
Provision for other liabilities	428	167
Unrealized loss on derivatives	-	1,936
Discount amortised on issue or charged-off on buy-back of debentures	6	3
Amortization of debt issuance and loan origination costs	277	566
Gain on sale of Long term investments	-	(258)
Gain on sale of Short term investments	(150)	(286)
Gain on sale of fixed assets	(10)	(30)
<u>Less:-</u>		
Unrealized gain on derivatives	4,827	-
Reversal of diminution in the value of investments	-	2,400
Amortisation of subvention income	366	230
Reversal of provision for standard restructured assets and bad and doubtful debts	1,513	1,555
Dividend income	75	69
Operating profit before working capital changes	21,185	45,237
Decrease / (increase) in other current and non current assets	(830)	14,001
Increase in loans and advances	(289,440)	(48,533)
(Decrease) / increase in provisions, liabilities and trade payables*	(7,508)	15,416
	(297,778)	(19,116)
Net cash used in operating activities before taxes	(276,593)	26,121
Less: Taxes paid	6,701	10,237
Cash flows used in operating activities - A	(283,294)	15,884
Cash flows from investing activities		
Dividend income	75	69
Recovery from investments	-	12,658
Net proceeds from / (acquisition) of short term investments	35,247	(23,387)
Sale proceeds of fixed assets	20	33
Purchase of fixed assets	(263)	(264)
Cash flows generated from investing activities - B	35,079	(10,891)
Cash flows from financing activities		
Increase in secured loans (net)	128,081	48,175
Increase in unsecured loans (net)	133,407	9,207
Dividend and dividend distribution tax	(10,263)	(61,358)
Cash flows generated from / (used in) financing activities - C	251,225	(3,976)
Net increase in cash and cash equivalents - (A+B+C)	3,010	1,017
Cash and cash equivalents at the beginning of the year	16,229	15,212
Cash and cash equivalents at the end of the year (Refer Note 17)	19,239	16,229

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

As per our report of even date attached.

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


 Sameer Mota

Partner
Membership No: 109928

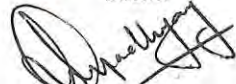
Mumbai
27 May 2016

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


Rohit Ranjan
Managing Director


Ganesh Ramanathan
Chief Financial Officer


Niraj Parekh
Director


Sameer Upadhyay
Company Secretary

Mumbai
27 May 2016

Citicorp Finance (India) Limited

Notes to the financial statements (continued)

as at 31 March 2016

(Currency: Indian Rupees in Lakhs)

	As at 31 March 2016	As at 31 March 2015
Note 3:		
SHARE CAPITAL		
AUTHORISED CAPITAL:		
5,269,333,333 (Previous year : 5,269,333,333) Equity shares of Rs.7.50 each	<u>395,200</u>	<u>395,200</u>
ISSUED, SUBSCRIBED AND FULLY PAID UP:		
3,857,727,031 (Previous year : 3,857,727,031) Equity shares of Rs.7.50 each	<u>289,330</u>	<u>289,330</u>
Reconciliation of the number of shares		
At the beginning of the year	3,857,727,031	3,857,727,031
Issued during the year	-	-
At the end of the year	<u>3,857,727,031</u>	<u>3,857,727,031</u>
Terms/rights attached to Equity shares		
The Company has only one class of equity shares having a par value of Rs 7.50 per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting.		
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	2,042,338,070	2,042,338,070
Details of shareholding more than 5% shares in the Company		
Associates Financial Services (Mauritius) LLC (% held 52.94 % (Previous Year: 52.94 %))	2,042,338,070	2,042,338,070
Citibank Overseas Investment Corporation (% held 47.06 % (Previous Year: 47.06 %))	1,815,388,961	1,815,388,961
Note 4:		
RESERVES AND SURPLUS		
Statutory reserve:		
(Created pursuant to Section 45 I C of the Reserve Bank of India Act, 1934 as amended by RBI (Amendment) Act, 1997)		
Opening balance	50,526	44,374
Add: Transfer from surplus in the statement of profit and loss	3,464	6,152
Closing balance	<u>53,990</u>	<u>50,526</u>
General reserve:		
Opening balance	3,674	2,459
Add: Balance of the transferor company on account of merger (refer note 25.17)	-	1,215
Closing balance	<u>3,674</u>	<u>3,674</u>



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

as at 31 March 2016

(Currency: Indian Rupees in Lakhs)

	As at 31 March 2016	As at 31 March 2015
Note 4:		
RESERVES AND SURPLUS (continued)		
Balance in the statement of profit and loss:		
Opening balance	2,148	784
Add:		
Balance of the transferor company on account of merger (refer note 25.17)	-	1,498
Amount carried forward from the statement of profit and loss	17,318	30,762
Less:		
Proposed final dividend (Rs. 0.30 per equity share (Previous year : Rs. 0.22 per equity share))	11,511	8,487
Tax on proposed final dividend	2,344	1,442
Interim dividend (Rs. Nil (Previous year : Rs 0.32 per equity share))	-	12,297
Tax on interim dividend	-	2,518
Tax on final dividend of earlier year	334	-
Transfer to statutory reserve	3,464	6,152
	<u>1,813</u>	<u>2,148</u>
Total	<u><u>59,477</u></u>	<u><u>56,348</u></u>
Note 5:		
LONG TERM BORROWINGS		
SECURED		
Long term maturities of non convertible redeemable debentures (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)	77,305	68,474
Long term maturities of finance lease obligation	10	21
Total	<u><u>77,315</u></u>	<u><u>68,495</u></u>
Note 6:		
OTHER LONG TERM LIABILITIES		
Franchisee and other liabilities	810	848
Cash profit on loan transfer transactions pending recognition	191	539
Interest accrued but not due on borrowings	6,107	5,726
Total	<u><u>7,108</u></u>	<u><u>7,113</u></u>
Note 7:		
LONG TERM PROVISIONS		
Provision for employee benefits - gratuity	140	71
Provision for standard assets	262	274
Provision for non performing assets	195	-
Provision for loan losses	22	238
Total	<u><u>619</u></u>	<u><u>583</u></u>



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

as at 31 March 2016

(Currency: Indian Rupees in Lakhs)

	As at 31 March 2016	As at 31 March 2015
Note 8:		
SHORT TERM BORROWINGS		
SECURED		
Loans repayable on demand from banks (Interest rate range from 10.40% to 10.65% (Previous Year: from 11% to 11.25%)) (The above loan is secured by a pari passu charge on the movable financial assets)	45,000	40,000
UNSECURED		
Loans repayable on demand from banks (Loans from related parties- Rs. 965 (Previous Year : Rs. 997)) (Interest rate range from 9.30% to 13.50% (Previous year: 13.50%))	35,965	997
Commercial paper (Interest rate range from 7.50% to 9.45% (Previous Year: from 8.25% to 9.50%))	140,352	41,913
Total	221,317	82,910
Note 9:		
TRADE PAYABLES		
Total outstanding due to Micro, Small and Medium Enterprises (Refer Note 25.14)	145	16
Total outstanding due to creditors other than Micro, Small and Medium Enterprises (Payable to related parties- Rs.1,205 (Previous Year : Rs. 491))	1,980	1,784
Total	2,125	1,800
Note 10:		
OTHER CURRENT LIABILITIES		
Current maturities of non convertible redeemable debentures (refer note 25.4)	162,460	48,191
Current maturities of finance lease obligations	11	14
Interest accrued but not due on borrowings	7,599	4,152
Dealer held disbursal and other liabilities (Payable to related parties- Rs.480 (Previous Year : Nil))	5,214	3,563
Mark to market on derivatives	22,952	31,656
Collection payables on servicing portfolio (Payable to related parties- Rs. 5,084 (Previous Year : Rs. 7,859))	5,165	8,458
Cash profit on loan transfer transactions pending recognition	169	325
Total	203,570	96,359
Note 11:		
SHORT TERM PROVISIONS		
Proposed dividend	11,511	8,487
Dividend distribution tax	2,344	1,442
Provision for loan assignment	2,529	3,037
Provision for standard restructured advances	-	1,513
Provision for bonus	35	27
Provision for value added tax	3,407	3,727
Provision for litigations	1,048	619
Provision for standard assets	1,922	776
Total	22,796	19,628



Citicorp Finance (India) Limited

Notes to the financial statements (continued) as at 31 March 2016

(Currency: Indian Rupees in Lakhs)

Note 12:

Fixed assets

	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK	
	As at 1-Apr-15	Additions	Deletions/ Adjustments	As at 1-Apr-15	For the year	Deductions/ Adjustments	As at 31-Mar-16	As at 31-Mar-15
Tangible assets								
Building	61	-	-	20	2	-	22	39
Freehold land	5	-	-	-	-	-	-	5
Leasehold improvements	448	-	448	448	-	448	-	-
Furniture and fixtures*	239	-	186	226	3	188	41	12
Office equipments	248	59	187	241	16	187	70	50
Electrical installations	342	48	18	372	38	8	101	271
Vehicles	209	-	209	209	0	209	-	-
Computer equipments	1,011	73	631	991	30	630	391	62
Sub-Total	2,563	180	1,679	2,206	89	1,670	625	439
Assets taken on lease - Vehicles	113	-	-	69	20	-	89	24
Total (A)	2,676	180	1,679	2,275	109	1,670	714	463
Intangible assets								
Internally generated software	2,973	-	2,973	2,973	-	2,973	-	-
Software	158	-	158	158	-	158	-	-
Business rights	1,157	-	1,157	1,157	-	1,157	-	-
Total (B)	4,288	-	4,288	4,288	-	4,288	-	-
GRAND TOTAL (A+B)	6,964	180	5,967	6,563	109	5,958	714	463
Previous year	7,383	264	683	7,151	89	677	6,563	401
Capital work-in-progress								83

* Includes assets given to the employees.



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

as at 31 March 2016

(Currency: Indian Rupees in Lakhs)

Note 13:	31 March 2016	31 March 2015
NON-CURRENT INVESTMENTS (Valued at cost unless stated otherwise)		
IN ASSOCIATE COMPANIES (UNQUOTED)		
IN EQUITY SHARES		
87,000,000 (Previous year : 87,000,000) Equity shares of Rs. 10/- each of India Infradebt Limited, fully paid up	8,700	8,700
SUB TOTAL	8,700	8,700
IN OTHER COMPANIES (UNQUOTED)		
192,720 (Previous year : 192,720) Equity shares of Rs. 5/- each of Rediff.com India Limited, fully paid up	868	868
784,570 (Previous year : 784,570) Equity shares of Rs. 10/- each of Prime Telesystems Limited, fully paid up	480	480
117,176 (Previous year : 117,176) Equity shares of Rs. 10/- each of Secova Eservices Limited, fully paid up	13	13
255,450 (Previous year : 255,450) Equity shares of Rs. 10/- each of Tejas Networks Limited, fully paid up	770	770
875,000 (Previous year : 875,000) Equity shares of Rs. 10/- each of Grameen Capital India Limited, fully paid up	88	88
12,50,000 (Previous year : 12,50,000) Equity shares of Rs. 10/- each of NSDL e-Governance Infrastructure Limited, fully paid up	1,644	1,644
Less: Provision for diminution in value	(2,106)	(2,083)
SUB TOTAL	1,757	1,780
IN DEBENTURES (UNQUOTED)		
300,000 (Previous year : 300,000) 18% optionally convertible debentures of Rs. 1,000/- each of Primus Retail Private Limited	3,000	3,000
Less: Provision for diminution in value	(3,000)	(3,000)
SUB TOTAL	-	-
GRAND TOTAL	10,457	10,480
AGGREGATE COST OF UNQUOTED INVESTMENTS	15,563	15,563
AGGREGATE PROVISION FOR DIMINUTION IN THE VALUE OF INVESTMENTS	5,106	5,083



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

as at 31 March 2016

(Currency: Indian Rupees in Lakhs)

	As at 31 March 2016	As at 31 March 2015
Note 14:		
LONG TERM LOANS AND ADVANCES		
Secured and considered good		
Loans for commercial vehicles and construction equipments	12,255	18,018
Advance against financial assets and other loans	17,770	38,635
Finance lease receivables	2,321	2,285
(Finance lease to related parties- Rs. 2,321 (Previous Year : Rs. 2,285))		
Gross amount receivable from customers under hire purchase agreements	34	34
Less : Unearned hire purchase premium	(33)	(33)
Less : Instalments received in advance	(1)	(1)
	<u> -</u>	<u> -</u>
Unsecured and considered good		
Unsecured loans	55,475	20,308
Deposits	218	286
Prepaid expenses	56	55
Advance tax (net of provision Rs. 87,960 and MAT credit of Rs. 19,277) (Previous Year : net of provision Rs. 98,941 and MAT credit of Rs. 13,798)	37,036	30,335
Total	<u><u>125,131</u></u>	<u><u>109,922</u></u>
Note 15:		
OTHER NON-CURRENT ASSETS		
Unamortized costs (net)	672	28
Deposits with banks (maturity over 12 months)	4	4
(Deposit with related parties - Rs. 4 (Previous Year : Rs. 4))		
Cenvat input tax credit	12,259	12,834
Provision for cenvat credit	(12,259)	(12,834)
	<u> -</u>	<u> -</u>
Debt issue costs	-	3
Other deposits	274	9
Total	<u><u>950</u></u>	<u><u>44</u></u>
Note 16:		
CURRENT INVESTMENTS		
Investment in certificate of deposits	29,722	64,819
Total	<u><u>29,722</u></u>	<u><u>64,819</u></u>



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

as at 31 March 2016

(Currency: Indian Rupees in Lakhs)

	As at 31 March 2016	As at 31 March 2015
Note 17:		
CASH AND BANK BALANCES		
A) Cash and cash equivalents*		
Cash and cheques in hand	934	2,690
Balance with banks		
- In current accounts	644	1,447
(Balances with related parties - Rs. 483 (Previous Year : Rs. 1,290))		
- In fixed deposits (with original maturity of less than 3 months)	17,661	12,092
(Fixed deposits with related parties - Rs. 17,661 (Previous Year : Rs. 12,902))		
B) Other bank balances		
- In fixed deposits (Includes margin deposit of Rs. 6,000 (Previous Year: Rs 3,400))	8,408	6,344
(Fixed deposits with related parties - Rs. 2,344 (Previous Year : Rs. 2,882))		
Total	27,647	22,573
(* Cash and cash equivalents meets the definition as per 'AS 3-Cash Flow Statements')		

Note 18:

SHORT TERM LOANS AND ADVANCES

Secured and considered good

Loans for commercial vehicles and construction equipments	10,011	13,646
Advances against financial assets and other loans	314,188	223,712
Finance lease receivables	1,487	1,421
(Finance lease to related parties- Rs.1,487 (Previous Year: Rs. 1,421))		
Gross amount receivable from customers under hire purchase agreements	2	2
Less : Unearned hire purchase premium	(1)	(1)
Less : Instalments received in advance	(1)	(1)
	-	-

Unsecured and considered good

Trade advances	145	170
Unsecured loans	305,907	111,925
Security deposits	50	-
Prepaid expenses	-	4
Receivable from staff	10	1
Other advances	20	78
Total	631,818	350,957

Note 19:

OTHER CURRENT ASSETS

Mark to market on derivatives	32,672	31,791
Interest accrued on loans and advances	4,314	2,989
Interest accrued on fixed deposits	70	64
(Interest accrued from fixed deposits with related parties - Rs. 4 (Previous Year : Rs. 8))		
Unamortized costs (net)	404	22
Debt issue costs	11	8
Margin money with exchanges	65	152
Other receivables	2,018	1,682
(Receivables from related parties - Rs. 1,571 (Previous Year : Rs. 1,043))		
Total	39,554	36,708



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Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

31 March 2016

31 March 2015

Note 20:

REVENUE FROM OPERATIONS

INTEREST INCOME

Interest on loans	3,694	5,986
Interest on advances against financial and other assets	47,112	36,797
Interest on fixed deposits	694	3,952
Interest on investments	1,207	1,804
Interest on trade advances	18	18
Finance lease income	538	550
	<u>53,263</u>	<u>49,107</u>

FEE INCOME

Collection and sourcing fees	4,112	3,225
Other fees	274	36
	<u>4,386</u>	<u>3,261</u>

Total

57,649 52,368

Note 21:

OTHER INCOME

Dividend income		
- From others	75	69
Gain on sale of investments (net)	150	543
Gain on derivatives (net)	1,494	792
Gain on loan assignment	1,058	4,192
Commission from insurance agency	1,617	1,617
Bad debts recovered (net)	138	-
Reversal of provision for standard restructured advances	1,513	-
Reversal of provision for diminution in investments (net)	-	2,400
Reversal of provisions for bad and doubtful debts and other liabilities	-	1,555
Profit on sale of fixed assets	10	30
Miscellaneous income	373	631
Total	<u>6,428</u>	<u>11,829</u>

Note 22:

EMPLOYEE BENEFITS

Salaries and wages	4,319	4,571
Contribution to provident fund and other funds	191	209
Gratuity	110	115
Staff welfare expenses	90	216
Total	<u>4,710</u>	<u>5,111</u>



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

31 March 2016

31 March 2015

Note 23:

FINANCE COSTS

Interest on non convertible debentures	11,770	9,119
Interest on commercial paper	6,005	209
Interest on borrowings from banks	2,096	6,227
Interest on finance lease	5	8
Other interest	1	8
Total	19,877	15,571

Note 24:

OTHER EXPENSES

Rent	915	1,111
Premises maintenance costs	494	616
Rates and taxes	128	729
Bad debts written off (net)	-	339
Diminution, other than temporary, in the value of investments (net)	23	-
Provision for standard assets	1,135	64
Provision for standard restructured advances	-	1,513
Provision for litigations	431	167
Advisory fees	324	228
Bank charges	107	126
Brokerage	61	57
Distribution and placement fees	398	455
Credit rating and surveillance fees	206	158
Service bureau expenses	2,405	2,664
Technology and software expenses	1,660	1,804
Stamping / franking charges	226	124
Travelling and conveyance expenses	375	381
Telephone expenses	93	140
Professional and legal expenses	675	1,081
Collection expenses	831	961
Corporate Insurance agency expenses	504	453
Loan sourcing expenses	1,552	1,013
HR processing charges	103	-
Payments to the auditors		
(a) statutory audit	56	48
(b) tax audit	9	8
(c) limited review	6	6
Corporate social responsibility expenses (Refer Note 25.16)	204	78
Miscellaneous expenses	312	379
Total	13,233	14,703

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Citicorp Finance (India) Limited

Notes to the financial statements

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

1 Background

Citicorp Finance (India) Limited (“the Company”) 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.13.02079 dated 10 October 2014. It is a non-deposit taking systemically important Non-Banking Financial Company (‘NBFC-ND-SI’). The Company is a loan and investment NBFC as defined under section 45IA of the Reserve Bank of India Act, 1934.

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 Service activities which includes:

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

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 under section 133 of the Companies Act, 2013 (the ‘Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014, the guidelines as issued by RBI in respect of NBFCs and other accounting principles generally accepted in India to the extent applicable. The financial statements have been prepared in Indian rupees rounded off to the nearest lakh.

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 reviewed on an on-going basis. Any revision to accounting estimates is recognized prospectively in current and future periods.



Citicorp Finance (India) Limited

Notes to the financial statements (*continued*)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

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 at historical cost inclusive of all incidental expenses incurred for acquisition of such assets, less depreciation and impairment. In respect of additions / deletions, depreciation is provided for the period for which the asset is used. Depreciation on fixed assets is provided on a straight-line basis over the useful lives of assets which are lower than or equal to the corresponding useful lives prescribed under Part C of Schedule II of the Act. Acquired intangible assets are recorded at the consideration paid for acquisition of such assets. Intangible assets other than business rights are amortized over their respective individual estimated useful life on a straight line basis, commencing from the date the asset is available for its intended use.

Lease hold improvements are depreciated over the lease period (including renewal, if any) or useful life whichever is shorter. All assets individually costing less than Rs 5,000 are fully depreciated in the year of purchase.

As disclosed in table below, the estimated useful life of fixed assets of the Company is different from useful life prescribed in Schedule II of the Act. Based on the nature of fixed assets used by the Company and past experience of its usage and technical evaluation, the Company considers that the useful life for respective assets to be appropriate.



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

Fixed assets and depreciation (continued)

Class of fixed assets	Estimated useful life
Office buildings	50 years
Computer equipment	3 years
Furniture and fixtures – in leased premises	6 years
Electrical equipment– in leased premises	6 years
Vehicles- Lease	4 years

The Company assesses at the 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.

Investments are recorded on a trade date and broken period interest is recognised in the balance sheet as interest accrued but not due.

Investments are classified as long term and current at the time of purchase of each investment. Investment which is to be liquidated in a period of one year from the date of purchase is classified as current investment.

Long term investments are carried at cost less any diminution in value other than temporary.

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 investments are 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 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.

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Citicorp Finance (India) Limited

Notes to the financial statements (*continued*)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

Employee benefits (continued)

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'), a Government of India Undertaking.

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 in a trust duly approved by the Income Tax authorities. The trust has a master policy for management of the members' fund with LIC. These contributions are charged to the statement of profit and loss during the period in which the employee renders the related services.

Provident fund

The Company makes specified monthly contributions towards employee provident fund to government administered provident 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 recognised on a period proportionate basis except in respect of penal interest charged on overdue instalments, which is recognised when there is a reasonable certainty over its collection.

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'), 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.



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

Revenue recognition (continued)

Incentives from Dealers' / Manufacturers' 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 / manufacturer incentive is recognized as income at the time of foreclosure / write off.

Rentals receivable under operating leases, as defined in AS 19, is recognised on an accrual basis.

Interest income on investments is recorded on a period proportionate basis. Interest paid for broken period on purchase of investment is not charged to the 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.

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 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 RBI for NBFCs.

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 / write off.



Citicorp Finance (India) Limited

Notes to the financial statements (*continued*)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

2.10 *Bad debts and 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 RBI for NBFCs.

A general provision has been made on standard assets as prescribed by RBI for NBFCs.

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.

In accordance with RBI circular no DNBS. PD. No. 301/3.10.01/2012-13 dated 21 August 2012 'Revisions to the Guidelines on Securitisation Transactions', 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 the circular and loss arising on assignment transaction is recognized immediately in the statement of profit and loss.

2.12 *Accounting for leases*

Operating leases:

- a. Lease payments are recognized as expense in the statement of profit and loss on a straight line basis over the entire lease term.
- b. Lease rentals received on assets given out on operating leases are recognized as revenue in the statement of profit and loss.

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. 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. 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.



Citicorp Finance (India) Limited

Notes to the financial statements (*continued*)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

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 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.

During the year, the Company has presented mark to market on derivative transactions on a gross basis in accordance with the presentation requirements as set out in the Guidance Note on accounting for derivative contracts. Accordingly, comparative information for the previous year is presented on a similar basis.

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 law 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 at the 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.



Citicorp Finance (India) Limited

Notes to the financial statements (*continued*)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

Taxation (continued)

Minimum alternate tax (MAT)

The Company recognises MAT credit available as an asset only to the extent that the Company, based on virtual / reasonable evidence (as the case may be), 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.

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 virtual / reasonable evidence (as the case may be) that it will be able to set off 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 the 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.



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

Note 25

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

	As at 31 March 2016	As at 31 March 2015
Tax assessments	6,226	2,469
Customer litigations	1,147	1,212
Estimated amount of contracts remaining to be executed on capital account	130	2

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.3,144 lakhs (Previous year Rs.1,199 lakhs).

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).

There are outstanding demands against the Company under Karnataka Value Added Tax Act, 2003, primarily on account of disallowance of input tax credit amounting to Rs 1,812 lakhs (previous year: Nil)

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 for the above cases.

Further, there are few customers who have initiated legal proceedings against the Company for a total compensation demand of Rs.1,147 lakhs (previous year Rs.1,212 lakhs). The Company believes that such demands are not tenable and are highly unlikely to be confirmed by higher authorities.



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

(2) Movement in provision is set out below:

Particulars	As at 1 April 2015	Created during the year	Utilized / Released during the year	As at 31 March 2016
Loans and advances against commercial vehicles and construction equipment (including NPA)	238	156	177	217
Investments	5,083	23	-	5,106
Provision on assignment of asset portfolio	3,037	-	508	2,529
Provision for Cenvat credit	12,834	83	658	12,259
Provision for Value Added Tax (VAT)#	3,727	47	367	3,407
Provision for litigation	620	547	119	1,048
Total	25,539	856	1,829	24,566

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

(3) Expenditure in foreign currency on accrual basis:

	For the year ended 31 March 2016	For the year ended 31 March 2015
Technology and software expenses	1,370	1,132
Professional and legal expenses	316	220
Service bureau expenses	98	-
Total	1,784	1,352

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

a) Details of long term equity linked non-convertible redeemable debentures are as follows:

Series No	Maturity / Call Date	31 March 16	31 March 15	Series No	Maturity / Call Date	31 March 16	31 March 15
457	6-May-16	-	600	481	28-Jul-16	-	1,005
446 I	28-May-16	-	1,000	475	28-Jul-16	-	685
446 II	28-May-16	-	365	455	30-Jul-16	-	660
471	29-May-16	-	465	456	30-Jul-16	-	1,058
472	12-Jun-16	-	35	463 I	27-Aug-16	-	853
452	28-Jun-16	-	2,054	463 II	27-Aug-16	-	195
453	28-Jun-16	-	1,336	466	27-Aug-16	-	710
473 I	30-Jun-16	-	1,341	474	25-Oct-16	-	500
473 II	30-Jun-16	-	674	541 I	30-May-18	480	480

Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

Series No	Maturity / Call Date	31 March 16	31 March 15	Series No	Maturity / Call Date	31 March 16	31 March 15
506	25-Mar-17	-	640	541 II	30-May-18	225	225
503	30-Mar-17	-	965	514	28-Feb-17	-	200
505	29-Apr-17	285	285	542 I	14-May-17	510	510
509	30-May-17	785	785	549 I	13-Aug-17	325	-
512	28-Jun-17	920	945	549 II	12-Sep-18	530	-
516	29-Jul-17	545	570	550 II	19-Sep-18	100	-
518	29-Jul-17	620	620	551 I	27-Aug-17	165	-
519 I	29-Dec-17	505	505	551 II	2-Oct-18	555	-
520 I	10-Aug-16	-	5,010	551 IV	2-Oct-18	240	-
521 I	28-Sep-17	335	335	553 II	30-Oct-18	410	-
521 III	29-Aug-16	-	435	553 III	30-Oct-18	379	-
522 I	28-Sep-17	955	955	554 II	30-Oct-18	870	-
523 I	11-Sep-16	-	2,505	554 III	30-Oct-18	310	-
523 II	13-Jul-17	2,505	2,505	556 I	27-Nov-18	300	-
524 II	24-Nov-17	1,005	1,005	556 II	27-Nov-18	578	-
524 III	28-Nov-17	510	510	557 I	28-Nov-18	500	-
525 II	30-Oct-16	-	480	559 II	26-Jan-19	420	-
525 III	28-Nov-17	630	630	561 I	27-Feb-19	1,700	-
525 IV	30-Nov-17	310	310	562 I	19-Mar-19	1,080	-
526 III	29-Dec-17	260	260	567 II	1-Jun-19	450	-
526 IV	29-Dec-17	745	745	568 I	1-Jun-19	2,500	-
527 II	29-Dec-17	660	660	568 II	1-Jun-19	595	-
529 II	31-Jan-18	655	680	568 VI	1-Jun-19	350	-
529 IV	13-Jan-18	10,010	10,010	571 II	31-Dec-17	200	-
530 I	30-Jul-18	2,515	2,515	571 III	1-Mar-18	200	-
530 II	31-Jan-18	585	585	571 IV	29-Jun-19	100	-
530 III	1-Jan-17	-	1,505	571 VI	29-Jun-19	450	-
531 III	31-Jan-18	370	370	572 II	1-Mar-18	100	-
531 IIII	30-Oct-16	-	505	572 V	29-Jun-19	300	-
532 II	27-Feb-18	375	375	572 VII	29-Jun-19	200	-
533 II	27-Feb-18	175	175	574 IV	14-Jul-19	100	-
535 II	31-Mar-18	250	250	575 I	20-Apr-17	1,600	-
536 I	27-Mar-18	5,025	5,025	575 IV	21-Jun-17	500	-
536 II	27-Mar-18	5,000	5,000	576 I	31-Mar-18	100	-
536 III	31-Mar-18	175	175	576 II	30-Mar-18	620	-
536 IV	31-Mar-18	305	305	576 III	31-Mar-18	350	-
537 I	10-Apr-18	653	653	576 IV	29-Jun-17	450	-
539 II	1-May-18	155	155	576 V	30-Jul-19	100	-
540 I	30-May-18	195	195	577 I	31-Dec-17	3,000	-
Total						62,317	68,489

b) Details of long term non-convertible redeemable debentures are as follows:

Series No	Interest Rate	Maturity / Call Date	31 March 16	31 March 15
577 IV	8.95%	30-Jun-17	15,000	-
Total			15,000	-



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

c) Details of current equity linked non-convertible redeemable debentures are as follows:

Series No	Maturity / Call Date	31 March 16	31 March 15	Series No	Maturity / Call Date	31 March 16	31 March 15
395	06-Apr-15	-	400	456	30-Jul-16	1,001	-
401	30-May-15	-	499	463 I	27-Aug-16	743	-
405	26-Feb-16	-	3,043	463 II	27-Aug-16	195	-
407	25-Mar-16	-	500	466	27-Aug-16	670	-
408	30-Jun-15	-	500	471	29-May-16	390	-
411	28-Aug-15	-	127	472	12-Jun-16	35	-
415 I	26-Sep-15	-	503	474	25-Oct-16	500	-
415 II	26-Sep-15	-	380	473 I	30-Jun-16	1,232	-
421	28-Oct-15	-	1,464	473 II	30-Jun-16	643	-
425	03-Nov-15	-	1,538	475	28-Jul-16	590	-
425	03-Nov-15	-	500	503	30-Mar-17	940	-
427	03-Nov-15	-	1,080	506	25-Mar-17	640	-
429	28-Nov-15	-	488	514	28-Feb-17	200	-
432 I	28-Nov-15	-	300	520 I	10-Aug-16	5,010	-
432 II	28-Nov-15	-	200	521 III	29-Aug-16	435	-
434	29-Dec-15	-	896	523 I	11-Sep-16	2,505	-
440	02-Feb-16	-	350	525 II	30-Oct-16	480	-
441 I	27-Feb-16	-	412	530 III	1-Jan-17	1,505	-
441 II	27-Feb-16	-	485	531 III	30-Oct-16	505	-
454	28-May-15	-	20	545 I	16-Apr-16	3,000	-
476 I	28-Jan-16	-	225	546 I	16-Apr-16	300	-
476 II	28-Jan-16	-	335	548 III	17-May-16	500	-
500	28-Jan-16	-	520	548 V	17-May-16	1,000	-
507	5-Jan-16	-	1,005	549 III	31-May-16	150	-
510	26-Apr-15	-	1,010	550 III	7-Jun-16	25	-
519 II	28-Jul-15	-	505	551 III	30-Jun-16	1,000	-
520 IV	11-Jun-15	-	995	552 II	25-Jun-16	1,000	-
520 V	20-Dec-15	-	1,455	552 III	25-Jun-16	605	-
522 II	28-Jun-15	-	595	555 II	3-Aug-16	4,000	-
525 I	2-Sep-15	-	215	558 I	7-Sep-16	2,500	-
526 I	30-Sep-15	-	130	559 I	30-Oct-16	550	-
527 I	30-Sep-15	-	425	559 III	15-Oct-16	1,600	-
527 III	15-Sep-15	-	595	560 I	18-Oct-16	12,000	-
528 I	4-Oct-15	-	2,005	562 II	4-Dec-16	3,400	-
528 II	3-Jan-16	-	205	563 II	15-Dec-16	2,300	-
530 IV	28-Oct-15	-	235	564 I	18-Dec-16	400	-
530 V	1-Dec-15	-	404	565 I	24-Dec-16	3,000	-
531 I	30-Oct-15	-	855	568 IV	11-Feb-17	210	-
532 III	2-Dec-15	-	1,215	568 V	11-Feb-17	1,150	-
533 I	2-Dec-15	-	295	569 I	17-Feb-17	8,500	-
533 III	2-Dec-15	-	495	570 I	25-Feb-17	900	-
534 I	18-Nov-15	-	22,505	570 A	25-Feb-17	12,500	-
538 I	20-Jan-16	-	2,995	571 I	11-Mar-17	700	-
541 III	2-Mar-16	-	485	572 I	16-Mar-17	1,800	-
544 II	15-Mar-16	-	400	573 I	2-Jun-16	6,000	-
446 II	28-May-16	115	-	575 V	30-Mar-17	5,000	-
452	28-Jun-16	1,870	-	576 VIII	1-Oct-16	3,000	-
453	28-Jun-16	1,101	-	576 IX	23-Jun-16	6,000	-



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

Series No	Maturity / Call Date	31 March 16	31 March 15	Series No	Maturity / Call Date	31 March 16	31 March 15
455	30-Jul-16	565	-				
Total						104,960	48,196

d) Details of current non-convertible redeemable debentures are as follows:

Series No	Interest Rate	Maturity / Call Date	31 March 16	31 March 15
570 II	9.85%	12-May-16	5,000	-
576 X	9.75%	23-Jun-16	20,000	-
577 III	9.20%	29-Sep-16	32,500	-
Total			57,500	-

(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 2016	31 March 2015
Total number of loan assets assigned during the year (Nos)	1,659	5,386
Total amount of exposures retained by the Company to comply with MRR	2,089	4,978
Total book value of loan assets assigned	20,167	57,279
Sale consideration received for the assigned assets	20,391	57,849
Gain on account of assigned assets	179	291
Gains amortized during the year as per RBI guidelines (includes gains amortized of previous years assignment)	683	1,262

The Company had sold the portfolio of mortgages business in the previous year. Accordingly, the entire profit / (loss) arising on sale by way of assignment has been taken in the previous year. The details are as follows.

Particulars	31 March 2016	31 March 2015
Total number of loan assets assigned during the year (Nos)	-	779,989
Total book value of loan assets assigned	-	419
Sale consideration received for the assigned assets	-	3,425
Net gain on account of assigned assets	-	2,682
Gains amortized during the year as per RBI guidelines	-	-



Citicorp Finance (India) Limited

Notes to the financial statements *(continued)*

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

(6) Segmental information is in accordance with AS – 17 Segment Reporting

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. 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 four segments: Advance Against Financial Assets (AAFA), Corporate loans, Treasury and Others which include Equipment Finance and Personal loans.

The AAFA segment provides loans against securities to high net worth individuals, brokers and corporate. Its revenue consists of interest on loans.

The Corporate loans segment provides secured and unsecured loans to corporates. Its revenue consists of interest on loans and service charges.

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 other segments is deployed back with Treasury. There is an internal transfer price attached to the funds so provided or deployed, which forms part of inter-segment revenues.

Others include Equipment Finance and Personal loan portfolio. Equipment Finance 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 assignment etc. Personal loan portfolio bought during the year is unsecured loan given to individuals.

Segment wise income and expenses include certain allocations. Interest cost is charged by Treasury segment to other segments based on average portfolio balance of 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.



Citicorp Finance (India) Limited

Notes to the financial statements (continued) for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

Summary of the segments for the year ended 31 March 2016

	AAFA		Corporate Loans		Treasury		Others		Unallocated		Total	
	31-Mar-16	31 Mar 15	31-Mar-16	31 Mar 15	31-Mar-16	31 Mar 15	31-Mar-16	31 Mar 15	31-Mar-16	31 Mar 15	31-Mar-16	31 Mar 15
Revenue												
Segment revenue	28,067	22,609	19,220	14,224	3,620	23,846	9,590	11,346	3,580	5,221	64,077	77,246
Inter-segment revenues	(10,089)	(6,993)	(7,310)	(4,374)	18,583	13,224	(1,184)	(1,857)	-	-	-	-
TOTAL REVENUE	17,978	15,616	11,910	9,850	22,203	37,070	8,406	9,489	3,580	5,221	64,077	77,246
Result												
Segment result	15,849	13,371	11,910	9,778	799	22,636	28	2,200	(2,438)	(2,258)	26,148	45,727
Income tax	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax	-	-	-	-	-	-	-	-	(8,830)	(14,965)	(8,830)	(14,965)
Net segment result	15,849	13,371	11,910	9,778	799	22,636	28	2,200	(11,268)	(17,223)	17,318	30,762
Other information (relating to the current period)												
Capital expenditure	-	-	-	-	3	-	24	41	153	223	180	265
Depreciation	-	-	-	-	2	2	31	33	76	54	109	89
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	1,135	1,587	-	-	23	(2,400)	(55)	659	(84)	(1,886)	1,019	(2,040)
Capital employed as at												
Segment assets	293,031	220,056	370,073	177,203	100,316	127,183	63,880	39,163	56,357	58,961	883,657	622,566
Segment liabilities	(18,041)	(15,324)	(11,910)	(10,158)	(328,106)	(263,589)	(13,426)	(20,298)	(512,174)	(313,197)	(883,657)	(622,566)
Net segment assets/(liabilities)	274,990	204,732	358,163	167,045	(227,790)	(136,406)	50,454	18,865	(455,817)	(254,236)	-	-



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

(7) Leases

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

	As at 31 March 2016	As at 31 March 2015
Net carrying value of the assets as at the date of balance sheet	24	43
Total of minimum lease payments as at the balance sheet date		
♦ Not later than one year	13	19
♦ Later than one year and not later than five years	11	24
Total	24	43
Present value of minimum lease payments as at the balance sheet date		
♦ Not later than one year	11	14
♦ Later than one year and not later than five years	10	21
Total	21	35

- 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 2016	As at 31 March 2015
Gross investment as at the date of balance sheet		
♦ Not later than one year	1,867	1,804
♦ Later than one year and not later than five years	2,602	2,616
Total	4,469	4,420
Present value of minimum lease payments as at the balance sheet date		
♦ Not later than one year	1,487	1,421
♦ Later than one year and not later than five years	2,321	2,285
Total	3,808	3,706
Unearned finance charges	704	739
Unguaranteed residual value	-	-
Accumulated provision for minimum lease payment receivable	-	-

There are no provisions relating to contingent rent.



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

(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.

	31 March 2016	31 March 2015
Profit available to equity shareholders (A)		
Profit after tax	17,318	30,762
Weighted average number of equity shares		
Number of shares at the beginning of the year	3,857,727,031	3,857,727,031
Shares issued during the year	-	-
Total number of equity shares outstanding at the end of the year	3,857,727,031	3,857,727,031
Weighted average number of equity shares (B)	3,857,727,031	3,857,727,031
Nominal value of equity shares	7.5	7.5
Basic earnings per share [(A)/(B)]	0.45	0.80
Diluted earnings per share [(A)/(B)]	0.45	0.80

(9) Deferred tax

The breakup of deferred tax assets is as under:

	As at 31 March 2016	As at 31 March 2015
Deferred tax assets:		
a. Provision for doubtful assets / valuation loss / assignment	6,436	6,923
b. WDV of fixed assets as per tax	5,582	6,376
c. Disallowance of expenses	1,427	1,019
d. Unabsorbed business loss and depreciation	3,251	10,767
e. Unrealized losses on derivatives	970	10,565
f. Lease rental payable	7	12
f. Interest accrued but not due on debentures	4,684	3,354
Subtotal	22,357	39,016
Deferred tax liabilities:		
a. WDV of fixed assets as per books	160	136
b. Unrealized gain on derivatives	3,047	10,959
c. Lease rental receivable	1,318	1,259
Subtotal	4,525	12,354
Total	17,832	26,662

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. 17,832 lakhs (Previous year Rs. 26,662 lakhs) is being recognised in the books of accounts.



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

(10) Derivatives

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

Particulars	As at 31 March 2016	As at 31 March 2015
Derivatives (notional principal amount)		
Futures and options:		
Equity (net of long and (short))	25,093	(5,298)
Commodity	-	169

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

(11) Disclosure pursuant to Accounting Standard – 15 (Revised) "Employee Benefits"

(A) Defined Contribution Plan

Amount of Rs. 191 lakhs (Previous year: Rs. 209 lakhs) is recognised as an expense for provident fund and superannuation fund included in "Employee Benefits"

(B) 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 2016	31 March 2015
Change in obligations		
Present value of defined benefits obligations at the beginning of the year	379	365
Employer service cost	38	40
Plan amendments	-	-
Interest cost	26	28
Acquisitions cost/(credit)	-	2
Actuarial (gains) / losses	41	55
Settlement cost	-	12
Actual benefits payments	(89)	(123)
Present value of defined benefits obligations at the end of the year	395	379
Change in plan assets		
Plan assets as at the beginning of the year	308	361
Adjustment	(29)	-
Expected return on plan assets	22	28
Actual company contributions	45	49
Actual benefits payments	(89)	(123)
Actuarial gain / (losses)	(2)	(7)
Plan assets at the end of the year	255	308



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

Employee retirement benefits (continued)

Net asset/(liability) recognized		
Present value of defined benefits obligations as at the end of the year	395	379
Fair value of plan assets as at the end of the year	255	308
Net liability recognized in the balance sheet	(140)	(71)

Particulars	31 March 2016	31 March 2015
Components of employer expense		
Current services cost	38	41
Interest cost	26	28
Expected return on assets	(22)	(28)
Past service cost	-	-
Settlement cost/ (credit)	-	12
Actuarial (gains) and losses	43	62
Net cost	85	115
Assumptions		
Discount rate	7.70%	7.80%
Expected return on assets	8.50%	8.50%
Salary escalation rate	10.00%	8.00%
Withdrawal rate	15.00%	15.00%
Mortality	LIC (2006-08) ultimate	LIC (2006-08) ultimate

	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Experience history					
Defined benefit obligation at the end of the period	(395)	(379)	(365)	(336)	(356)
Plan assets at the end of the period	255	308	361	386	421
Funded status	(140)	(71)	(4)	50	65
Experience gain/ (loss) adjustments on plan liabilities	-	(22)	24	50	69
Experience gain/ (loss) adjustments on plan assets	(1)	(7)	-	-	4
Actuarial gain / (loss) due to change of assumptions	(42)	(32)	31	(16)	21

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.



Citicorp Finance (India) Limited

Notes to the financial statements (*continued*)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

(12) Related party disclosures

The company has a policy of carrying all related party transaction domestic or international at arm's length.

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. Fellow subsidiaries

Citigroup Global Markets India Private Limited

Citigroup Global Markets Inc.

Citigroup Technology Inc.

Citigroup Global Markets Asia Limited

Citicorp Services India Private Limited

Citicorp Investment Bank Singapore Limited

C. Associates

India Infradebt Limited

D. Key Management Personnel

Rohit Ranjan (Managing director)



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

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

Nature of Related party transaction	Holding Companies and companies exercising control		Fellow Subsidiaries	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Asset given on lease	1,802	1,941	789	807
Lease rentals received for assets given on lease	1,502	1,773	586	461
Fixed deposits placed	352,870	415,343	-	-
Fixed deposits matured	347,843	419,977	-	-
Loans taken	4,491,900	1,837,900	-	-
Loans repaid	4,491,900	1,841,100	-	-
Loan portfolio purchase personal loan	34,827	-	-	-
Loan portfolio purchase domestic trade finance	8,981	-	-	-
Loan portfolio sale	20,391	57,849	-	-
Fixed assets sale	-	2	-	-
Net movement in bank accounts	774	2,638	-	-
Securities purchased	-	-	79,125	33,212
Securities sold	-	-	1,607	23,651
Advisory fees paid	1,023	490	-	-
Arrangement, placement, merchant banker fees & brokerage paid	409	479	-	3
Co-location expenses paid	491	319	106	102
Co-location expenses recovered	-	-	13	78
Fee for HR and ICU service earned	-	-	3	3
HR related expenses incurred	98	-	30	47
AAFA referral fee	57	51	-	-
Interest and bank charges paid	1,990	6,133	-	-
Interest received on deposits	310	691	-	-
Management / servicing fee and foreclosure charges	4,092	3,209	-	-
Risk management fee incurred	-	-	316	220
Secondment charges incurred (includes managing director's remuneration of Rs. 202 (Previous year: Rs. 33))	593	452	-	-
Secondment charges earned	607	672	-	-
Technology and software expenses	1,112	1,159	330	305
Reimbursements (net expenses)	-	7	-	50
Equity Dividend Paid	8,487	52,079	-	-



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

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

Nature of Related party transaction	Holding Companies and companies exercising control		Fellow Subsidiaries	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	Finance lease principal receivable	2,206	2,636	1,122
Accounts receivable	1,369	896	202	15
Fixed deposits	20,009	14,982	-	-
Accounts payable	6,006	8,234	283	68
Cash credit / overdraft	965	997	-	-
Bank Balances	483	1,290	-	-

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

Particulars	31 March 2016	31 March 2015
Equity futures and options	(6,002)	(695)
Commodity futures	-	(474)
Total	(6,002)	(1,169)

(14) Micro, Small and Medium 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 2016	31 March 2015
Principal amount remaining unpaid to any supplier as at the year end	136	8
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	1	8
Amount of interest accrued and remaining unpaid at the end of the accounting year	9	8

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

Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

(16) Corporate social responsibility expense:

Particulars	31 March 2016	31 March 2015
Gross amount required to be spent during the year	372	93
Amount spent during the year	-	-
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above		
In cash	58	78
Yet to be paid in cash	146	-
Total	204	78

- (17) During the year ended 31 March 2015, pursuant to the Scheme of Amalgamation ("the Scheme") under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 as sanctioned by Minutes of Order dated 28 November 2014 passed by Hon'ble High Court of Judicature at Mumbai, Citicorp Capital Markets Limited (CCML) and Citicorp Clearing Services India Limited (CCSIL), both wholly owned subsidiaries of the Company were amalgamated with the Company with effect from 1 April 2014 i.e. the Appointed Date.

The amalgamation was accounted for under the "Pooling of Interests Method" as per Accounting Standard (AS) 14 "Accounting for Amalgamation".

In accordance with the said Scheme, all the assets, debts, liabilities, duties, and obligations of CCML and CCSIL have been vested in the Company with effect from 1 April 2014 and have been recorded at their respective book values under the pooling of interests method of accounting for amalgamation. The reserves and surplus of CCML and CCSIL of Rs. 1,366 lakhs and Rs 1,347 lakhs respectively have been merged with those of the Company in the same form as they appeared in the financial statements of the transferor companies. There were no differences in the accounting policies of CCML and CCSIL with that of the Company.

As there is no surplus arising out of difference between the value of the assets over the value of the liabilities including reserves of the transferor companies transferred to the transferee company after adjusting for the book value of investments in the shares of the transferor companies, the amount required to be transferred to capital reserve in terms of para 9 of the High Court order, is determined at 'Nil'.



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

- (19) During the year ended 31 March 2015, the Company had one time recovery of interest amounting to Rs. 17,004 lakhs relating to non-performing investments.
- (20) In accordance with RBI notification No. DNBS.PD.CC. No. 256 /03.10.042 / 2011-12 dated March 2, 2012, Rs. 0.08 lakhs of fraud was detected and reported during the financial year ended 31 March 2016 (Previous year Rs 4 lakhs).
- (21) 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 2016 (Previous year Nil).
- (22) 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 2016 (Previous year Nil).
- (23) **Previous year's figures**

Figures for the previous year have been re-grouped wherever necessary, to confirm to current year's classification. The details for regrouping are as follows:

Description	Regrouped to	Regrouped from	Amount as on 31 March 2015
Provision for Cenvat credit	Other non-current Assets	Long term provisions	12,834
Provision for statutory dues	Other deposits	Expense payables	190
Margin deposit	Fixed deposit	In fixed deposits (with original maturity of less than 3 months)	1,400
Other advances	Other deposits	Short term loans and advances	198
Cheques in hand	Cash and cheques in hand	Other receivables	2,669
Secondment Fees paid	Salary and wages		149
Electricity and other maintenance cost	Premises maintenance costs		290
Collection related expenses	Collection expenses		961
Insurance agency expenses	Corporate insurance agency expenses	Service bureau expenses	440
Commission paid for loan sourcing	Loan sourcing expenses		519
Technology related expenses	Technology and software expenses		24
Professional fees paid	Professional and legal expenses		84

Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2016

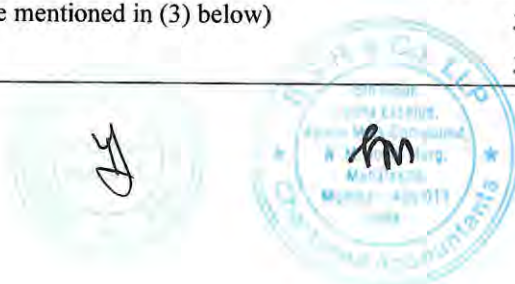
(Currency: Indian Rupees in Lakhs)

Description	Regrouped to	Regrouped from	Amount as on 31 March 2015
Other expenses	Miscellaneous expenses		28
Commission paid for loan sourcing	Loan sourcing expenses	Advisory fees	494
Insurance agency expenses	Corporate insurance agency expenses	Miscellaneous expenses	13

(24) 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					
<u>Liabilities side :</u>		31 March 2016		31 March 2015	
(1)	Loans and advances availed by the non-banking finance company inclusive of interest accrued thereon but not paid:	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
	(a) Debentures : Secured	239,765	Nil	116,664	Nil
	: Unsecured	Nil	Nil	Nil	Nil
	(other than falling within the meaning of public deposits*)				Nil
	(b) Deferred Credits	Nil	Nil	Nil	Nil
	(c) Term Loans	Nil	Nil	Nil	Nil
	(d) Inter-corporate loans and borrowing	Nil	Nil	Nil	Nil
	(e) Commercial Paper	140,352	Nil	41,913	Nil
	(f) Other Loans (specify nature) – Banks Loans	Nil	Nil	Nil	Nil
	(g) Other Loans (specify nature) – Cash Credit	80,965	Nil	40,997	Nil
	(g) Other Loans (specify nature) – Finance Lease Obligation	21	Nil	35	Nil
	* Please see Note 1 below				
	<u>Assets side :</u>	Amount outstanding			
(2)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :	31 March 2016		31 March 2015	
	(a) Secured (Including those mentioned in (3) below)	358,032		294,011	
	(b) Unsecured	361,527		132,403	



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

(24) a) Additional NBFC disclosures (continued)

Particulars			
<u>Assets side :</u>		Amount outstanding	
(3)	Break up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities		
		31 March 2016	31 March 2015
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Finance lease	3,808	3,706
	(b) Operating lease	Nil	Nil
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	Nil	Nil
	(b) Repossessed Assets	Nil	Nil
	(iii) Other loans counting towards AFC activities (refer note 4)		
	(a) Loans where assets have been repossessed	18	44
	(b) Loans other than (a) above	22,249	31,620
(4)	Break-up of Investments :		
	<u>Current Investments :</u>		
	1. <u>Quoted :</u>	31 March 2016	31 March 2015
	(i) Shares : (a) Equity	Nil	Nil
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of mutual funds	Nil	Nil
	(iv) Government Securities	Nil	Nil
	(v) Others (please specify)	Nil	Nil
	2. <u>Unquoted :</u>		
	(i) Shares : (a) Equity	Nil	Nil
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of mutual funds	Nil	Nil
	(iv) Government Securities	Nil	Nil
	(v) Others – Certificates of Deposits	29,722	64,819



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

(24) a) Additional NBFC disclosures (continued)

Particulars							
Assets side :		Amount outstanding					
(4)	Break-up of Investments :						
	Long Term investments :	31 March 2016	31 March 2015				
	1. Quoted :						
	(i) Share : (a) Equity	Nil	Nil				
	(b) Preference	Nil	Nil				
	(ii) Debentures and Bonds	Nil	Nil				
	(iii) Units of mutual funds	Nil	Nil				
	(iv) Government Securities	Nil	Nil				
	(v) Others (Please specify)	Nil	Nil				
	2. Unquoted :						
	(i) Shares : (a) Equity	10,457	10,480				
	(b) Preference	Nil	Nil				
	(ii) Debentures and Bonds	Nil	Nil				
	(iii) Units of mutual funds	Nil	Nil				
	(iv) Government Securities	Nil	Nil				
	(v) Others (Please specify)	Nil	Nil				
(5)	Borrower group-wise classification of assets financed as in (2) and (3) above : Refer note 2 and 4 below						
	Category	Amount net of provisions					
		31 March 2016			31 March 2015		
		Secured	Unsecured	Total	Secured	Unsecured	Total
	1. Related Parties **						
	(a) Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
	(b) Companies in the same group	3,808	Nil	3,808	3,706	Nil	3,706
	(c) Other related parties	Nil	Nil	Nil	Nil	Nil	Nil
	2. Other than related parties	64,548	361,527	426,075	76,662	132,403	209,065
	Total	68,356	361,527	429,883	80,368	132,403	212,771
(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						
		31 March 2016			31 March 2015		
	Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)		Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	
	1. Related Parties **						
	(a) Subsidiaries***		Nil	Nil		Nil	Nil
	(b) Companies in the same group		Nil	Nil		Nil	Nil
	(c) Other related parties		11,018	8,700		10,171	8,700
	2. Other than related parties***		30,790	31,479		65,866	66,600
	Total		41,808	40,179		76,037	75,300
	** As per Accounting Standard 18 (Please see Note 3)			*** Refer note 5			

Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

(24) a) Additional NBFC disclosures (continued)

Particulars			
Assets side :		Amount outstanding	
(7)	Other information	31 March 2016	31 March 2015
(i)	Gross Non-Performing Assets		
(a)	Related parties	Nil	Nil
(b)	Other than related parties	471	Nil
(ii)	Net Non-Performing Assets		
(a)	Related parties	Nil	Nil
(b)	Other than related parties	276	Nil
(iii)	Assets acquired in satisfaction of debt	Nil	Nil

Notes:

- As defined in Paragraph 2(1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
- 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 point (4) above.
- Excludes loan against financial assets.
- The break-up value or NAV of investments are arrived based on the audited financial statements for the year ended 31 March 2015 as the latest audited financial statements are not available

(24) Additional NBFC disclosures

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.

i. CRAR

Items	31 March 2016	31 March 2015
i) CRAR (%)	42.38	62.05
ii) CRAR - Tier I capital (%)	42.10	61.8
iii) CRAR - Tier II Capital (%)	0.28	0.25
iv) Amount of subordinated debt raised as Tier-II capital	Nil	Nil
v) Amount raised by issue of Perpetual Debt Instruments	Nil	Nil



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

(24) b) Additional NBFC disclosures (continued)

ii. Exposures

Exposure to Real Estate Sector

Category		31 March 2016	31 March 2015
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	Nil
(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;	Nil	Nil
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitized 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

Exposure to Capital Market

Particulars		31 March 2016	31 March 2015
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	10,457	10,480
(ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	Nil	Nil
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	289,458	217,347
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds' does not fully cover the advances;	Nil	Nil
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
(vi)	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	Nil	Nil
(vii)	bridge loans to companies against expected equity flows / issues;	Nil	Nil
(viii)	all exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
	Total Exposure to Capital Market	299,915	227,827

Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

(24) b) Additional NBFC disclosures (continued)

iii. Asset Liability Management

Maturity pattern of certain items of assets and liabilities as of 31 March 2016

	(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	460	-	-	-	350	-	-	-	810
Market Borrowings	458	822	395	507	868	722	51	-	3,823
Assets									
Advances**	1,168	310	896	1,279	2,668	840	35	-	7,196
Investments	-	-	297	-	-	-	-	105	402

Maturity pattern of certain items of assets and liabilities as of 31 March 2015

	(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	410	-	-	-	-	-	-	-	410
Market Borrowings	37	406	22	31	412	641	43	-	1,592
Assets									
Advances**	1169	143	481	879	846	765	18	-	4,301
Investments	-	-	648	-	-	-	-	105	753

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



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

(24) b) Additional NBFC disclosures (continued)

iv. Investments

Particulars		31 March 2016	31 March 2015
1	Value of Investments		
(i)	Gross Value of Investments	45,285	80,382
	(a) In India	45,285	80,382
	(b) Outside India,	-	-
(ii)	Provisions for Depreciation	5,106	5,083
	(a) In India	5,106	5,083
	(b) Outside India,	-	-
(iii)	Net Value of Investments	40,179	75,299
	(a) In India	40,179	75,299
	(b) Outside India.	-	-
2	Movement of provisions held towards depreciation on investments.		
	(i) Opening balance	5,083	8,135
	(ii) Add : Provisions made during the year	23	-
	(iii) Less: Write-off / write-back of excess provisions during the year	-	3,052
	(iv) Closing balance	5,106	5,083

v. Details of Non-performing Financial Assets sold

Particulars		31 March 2016	31 March 2015
1	No. of accounts sold	-	-
2	Aggregate outstanding	-	-
3	Aggregate consideration received	-	-

vi. Details of Single Borrower limit (SGL) / Group Borrower Limit (GBL) exceeded by NBFC

During the year ended 31 March 2016 and 31 March 2015 the Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by RBI.

vii. Unsecured advances

There are no unsecured advances against intangible assets.

viii. Disclosure of penalties imposed by RBI - None

ix. Sector-wise NPAs

Sl. No.	Sector	Percentage of NPAs to total advances in that sector	
		31 March 2016	31 March 2015
1	Agriculture and allied activities	0.93%	Nil
2	MSME	5.29%	Nil
3	Corporate borrowers	Nil	Nil
4	Services	Nil	Nil
5	Unsecured personal loans	Nil	Nil
6	Auto loans	Nil	Nil
7	Other personal loans	Nil	Nil



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

(24) b) Additional NBFC disclosures (continued)

x. Concentration of NPAs

	(Amount in Rs. crore)	
	31 March 2016	31 March 2015
Total Exposure to top four NPA accounts	1.04	Nil

xi. Customer complaints

Particulars	31 March 2016	31 March 2015
(a) No. of complaints pending at the beginning of the year	6	11
(b) No. of complaints received during the year	672	748
(c) No. of complaints redressed during the year	665	753
(d) No. of complaints pending at the end of the year	13	6

xii. Movement of NPAs

Particulars	31 March 2016	31 March 2015
(i) Net NPAs to Net Advances (%)	0.04%	-
(ii) Movement of NPAs (Gross)		
(a) Opening balance	-	139
(b) Additions during the year	1,190	1
(c) Reductions during the year	719	140
(d) Closing balance	471	-
(iii) Movement of Net NPAs		
(a) Opening balance	-	70
(b) Additions during the year	793	1
(c) Reductions during the year	517	71
(d) Closing balance	276	-
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	-	69
(b) Provisions made during the year	397	-
(c) Write-off / write-back of excess provisions	202	69
(d) Closing balance	195	-

xiii. Break up of 'Provisions and Contingencies' shown under the head expenditure in the statement of profit and loss

Particulars	31 March 2016	31 March 2015
Provision towards NPA	-	(69)
Provision made towards Income tax	-	-
Provision for Assignment of portfolio	(508)	(2,289)
Provision for Cenvat Credit	-	4
Provision for VAT	(321)	(673)
Provision for Litigations	428	167
Provision for depreciation on investment	23	-
Provision for Standard Assets including restructured standard advance	1,135	1,576

xiv. Registration obtained from other financial sector regulators

The Company is registered with IRDA as Corporate Agent for soliciting insurance business of both life and general insurance.



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

(24) b) Additional NBFC disclosures (continued)

xv. Credit Ratings

The latest available ratings assigned by ICRA as of 14 March 2016 to the Company is as below:

Particulars	31 March 2016	31 March 2015
(i) Rating Assigned	“Stable”	“Stable”
(ii) Name of the Rating Agency	ICRA	ICRA
(iii) Rating of products		
(a) Commercial Paper	(ICRA) A1+	(ICRA) A1+
(b) Debentures	(ICRA) AAA (Stable)	(ICRA) AAA (Stable)
(c) Market Linked Debentures.	PP-MLD (ICRA) AAA (Stable)	PP-MLD (ICRA) AAA (Stable)

xvi. Concentration of Advances and Exposures#

Details	31 March 2016	31 March 2015
Total advances to twenty largest borrowers	483,293	326,930
Percentage of advances to twenty largest borrowers to total advances of the Company	67.17%	76.01%
Total exposure to twenty largest borrowers /customers	607,150	343,920
Percentage of exposures to twenty largest borrowers / customers to total exposure of the Company on borrowers / customers	59.74%	70.81%

#includes unutilised limits.

As per our report of even date attached

For B S R & Co. LLP

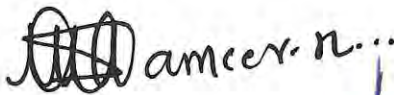
Chartered Accountants

Firm's Registration No:

101248W/W-100022

For and on behalf of the Board of Directors

Citicorp Finance (India) Limited



Sameer Mota

Partner



Rohit Ranjan

Managing
Director



Niraj Parekh

Director



Ganesh
Ramanathan
Chief Financial
Officer



Sameer
Upadhyay
Company
Secretary

Membership No: 109928

Mumbai
27 May 2016

Mumbai
27 May 2016

Citicorp Finance (India) Limited

Consolidated financial statements
together with the Auditors' Report
for the year ended 31 March 2016

Citicorp Finance (India) Limited

Consolidated financial statements together with the Auditors' Report *for the year ended 31 March 2016*

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Consolidated Cash flow statement

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B S R & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus.
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

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Independent Auditor's Report

To the Members of Citicorp Finance (India) Limited

Report on the consolidated financial statements

We have audited the accompanying Consolidated Financial Statements of Citicorp Finance (India) Limited (the "Holding Company") and its associate, comprising of the Consolidated Balance Sheet as at 31 March 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "Consolidated Financial Statements").

Management's responsibility for the consolidated financial statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of requirements of the Companies Act, 2013 (the "Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Holding Company including its associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Holding Company and its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditor's responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

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Independent Auditor's Report (Continued) **Citicorp Finance (India) Limited**

Auditor's responsibility (Continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us and audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Holding Company and its associate as at 31 March 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other matters

The Consolidated Financial Statements also include the Holding Company's share of net profit of Rs. 847 lacs for the year ended 31 March 2016, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditor whose report has been furnished to us by management, and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the associate, and our report in terms of sub section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on the reports of the other auditor.

Our opinion on the Consolidated Financial Statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

Report on other legal and regulatory requirements

As required by section 143 (3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;

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Independent Auditor's Report (Continued)
Citicorp Finance (India) Limited

Report on other legal and regulatory requirements (Continued)

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the directors of the Holding Company as on 31 March 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its associate company, none of the directors of the Holding Company and its associate company is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its associate and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company and its associate – Refer Note 25 (1) to the Consolidated Financial Statements;
 - ii. The Holding Company and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its associate.

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

Chartered Accountants

Firm's Registration No: 101248W/W-100022



Sameer Mota

Partner

Membership No: 109928

Mumbai
27 May 2016

Citicorp Finance (India) Limited

Annexure - A to the Independent Auditor's Report of even date on the consolidated financial statements of Citicorp Finance (India) Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of Citicorp Finance (India) Limited (hereinafter referred to as the "Holding Company") and its associate which are companies incorporated in India, as of that date.

Management's responsibility for internal financial controls

The respective Board of Directors of the Holding Company and its associate, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involved performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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Citicorp Finance (India) Limited

Annexure - A to the Independent Auditor's Report of even date on the consolidated financial statements of Citicorp Finance (India) Limited (Continued)

Auditor's responsibility (Continued)

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its associate, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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Citicorp Finance (India) Limited

Annexure - A to the Independent Auditor's Report of even date on the consolidated financial statements of Citicorp Finance (India) Limited (Continued)

Other matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one associate company, which is a company incorporated in India, is based on the corresponding report of the auditor of the associate company incorporated in India.

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

Chartered Accountants

Firm's Registration No: 101248W/W-100022



Sameer Mota

Partner

Membership No: 109928

Mumbai
27 May 2016

Citicorp Finance (India) Limited

Consolidated Balance sheet

as at 31 March 2016

(Currency: Indian Rupees in Lakhs)

	Note No.	31 March 2016	31 March 2015
I. EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
Share capital	3	289,330	289,330
Reserves and surplus	4	61,795	57,819
		<u>351,125</u>	<u>347,149</u>
2. NON-CURRENT LIABILITIES			
Long term borrowings	5	77,315	68,495
Other long term liabilities	6	7,108	7,113
Long term provisions	7	619	583
		<u>85,042</u>	<u>76,191</u>
3. CURRENT LIABILITIES			
Short term borrowings	8	221,317	82,910
Trade payables	9	2,125	1,800
Other current liabilities	10	203,570	96,359
Short term provisions	11	22,796	19,628
		<u>449,808</u>	<u>200,697</u>
TOTAL		<u><u>885,975</u></u>	<u><u>624,037</u></u>
II. ASSETS			
1. NON-CURRENT ASSETS			
Fixed assets			
Tangible assets	12	463	401
Intangible assets		-	-
Capital work in progress		83	-
		<u>546</u>	<u>401</u>
Non current investments	13	12,775	11,951
Deferred tax assets (Net)	25.9	17,832	26,662
Long term loans and advances	14	125,131	109,922
Other non current assets	15	950	44
		<u>157,234</u>	<u>148,980</u>
2. CURRENT ASSETS			
Current investments	16	29,722	64,819
Cash and bank balances	17	27,647	22,573
Short term loans and advances	18	631,818	350,957
Other current assets	19	39,554	36,708
		<u>728,741</u>	<u>475,057</u>
TOTAL		<u><u>885,975</u></u>	<u><u>624,037</u></u>
Significant accounting policies	2		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

 Sameer Mota

Partner

Membership No: 109928

Mumbai

27 May 2016

For and on behalf of the Board of Directors

Citicorp Finance (India) Limited

 Rohit Ranjan
Managing Director

 Niraj Parekh
Director

 Ganesh Ramanathan
Chief Financial Officer

 Sameer Upadhyay
Company Secretary

Mumbai
27 May 2016

Citicorp Finance (India) Limited

Consolidated Statement of profit and loss for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

	Note No.	31 March 2016	31 March 2015
REVENUE			
Revenue from operations	20	57,649	52,368
Other income	21	7,275	12,461
Total Revenue		64,924	64,829
EXPENSES			
Employee benefits	22	4,710	5,111
Finance costs	23	19,877	15,571
Depreciation	12	109	89
Other expenses	24	13,233	14,703
Total Expenses		37,929	35,474
PROFIT BEFORE EXCEPTIONAL ITEM AND TAX		26,995	29,355
EXCEPTIONAL ITEM	25.19	-	17,004
PROFIT BEFORE TAX		26,995	46,359
TAX EXPENSE:			
Current tax		5,479	8,838
MAT credit entitlement		(5,479)	(8,838)
Net current tax		-	-
Deferred tax	25.9	8,830	14,965
PROFIT FOR THE YEAR		18,165	31,394
EARNINGS PER EQUITY SHARE:			
Basic and diluted earnings per share of Rs. 7.50 face value	25.8	0.47	0.81

Significant accounting policies

2

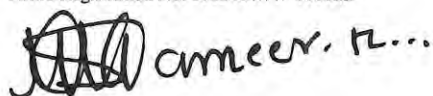
The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022



Sameer Mota

Partner

Membership No: 109928

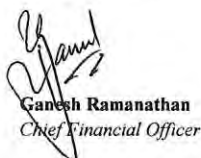
Mumbai

27 May 2016



Rohit Ranjan

Managing Director



Ganesh Ramanathan

Chief Financial Officer

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



Niraj Parekh

Director



Sameer Upadhyay

Company Secretary

Mumbai

27 May 2016

Citicorp Finance (India) Limited

Consolidated cash flow statement

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

	31 March 2016	31 March 2015
Cash flows from operating activities		
Profit before tax	26,995	46,360
<u>Add:-</u>		
Depreciation and amortisation	109	89
Provision for diminution in the value of investments	23	-
Provision for doubtful advances and standard assets	1,135	1,576
Provision for other liabilities	428	167
Unrealized loss on derivatives	-	1,936
Discount amortised on issue or charged-off on buy-back of debentures	6	3
Amortization of debt issuance and loan origination costs	277	566
Gain on sale of Long term investments	-	(258)
Gain on sale of Short term investments	(150)	(286)
Gain on sale of fixed assets	(10)	(30)
<u>Less:-</u>		
Unrealized gain on derivatives	4,827	-
Reversal of diminution in the value of investments	-	2,400
Share of profit in associates	847	632
Amortisation of subvention income	366	230
Reversal of provision for standard restructured assets and bad and doubtful debts	1,513	1,555
Dividend income	75	69
Operating profit before working capital changes	21,185	45,237
Decrease / (increase) in other current and non current assets	(830)	14,001
Increase in loans and advances	(289,440)	(48,533)
(Decrease) / increase in provisions, liabilities and trade payables*	(7,508)	15,416
	(297,778)	(19,116)
Net cash used in operating activities before taxes	(276,593)	26,121
Less: Taxes paid	6,701	10,237
Cash flows used in operating activities - A	(283,294)	15,884
Cash flows from investing activities		
Dividend income	75	69
Recovery from investments	-	12,658
Net proceeds from / (acquisition) of short term investments	35,247	(23,387)
Sale proceeds of fixed assets	20	33
Purchase of fixed assets	(263)	(264)
Cash flows generated from investing activities - B	35,079	(10,891)
Cash flows from financing activities		
Increase in secured loans (net)	128,081	48,175
Increase in unsecured loans (net)	133,407	9,207
Dividend and dividend distribution tax	(10,263)	(61,358)
Cash flows generated from / (used in) financing activities - C	251,225	(3,976)
Net decrease in cash and cash equivalents - (A+B+C)	3,010	1,017
Cash and cash equivalents at the beginning of the year	16,229	15,212
Cash and cash equivalents at the end of the year (Refer Note 17)	19,239	16,229

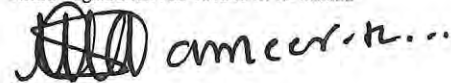
*Current portion of secured borrowings is included as financing activities under secured loans.

As per our report of even date attached.

For BSR & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022



Sameer Mota

Partner

Membership No: 109928

Mumbai

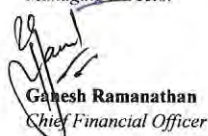
27 May 2016

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



Rohit Ranjan

Managing Director



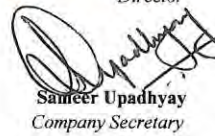
Ganesh Ramanathan

Chief Financial Officer



Niraj Parekh

Director



Sameer Upadhyay

Company Secretary

Mumbai
27 May 2016

Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued)

as at 31 March 2016

(Currency: Indian Rupees in Lakhs)

	As at 31 March 2016	As at 31 March 2015
Note 3:		
SHARE CAPITAL		
AUTHORISED CAPITAL:		
5,269,333,333 (Previous year : 5,269,333,333) Equity shares of Rs.7.50 each	<u>395,200</u>	<u>395,200</u>
ISSUED, SUBSCRIBED AND FULLY PAID UP:		
3,857,727,031 (Previous year : 3,857,727,031) Equity shares of Rs.7.50 each	<u>289,330</u>	<u>289,330</u>
Reconciliation of the number of shares		
At the beginning of the year	3,857,727,031	3,857,727,031
Issued during the year	-	-
At the end of the year	<u>3,857,727,031</u>	<u>3,857,727,031</u>
Terms/rights attached to Equity shares		
The Company has only one class of equity shares having a par value of Rs 7.50 per share.		
All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting.		
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	2,042,338,070	2,042,338,070
Details of shareholding more than 5% shares in the Company		
Associates Financial Services (Mauritius) LLC (% held 52.94 % (previous year 52.94 %))	2,042,338,070	2,042,338,070
Citibank Overseas Investment Corporation (% held 47.06 % (previous year 47.06 %))	1,815,388,961	1,815,388,961
Note 4:		
RESERVES AND SURPLUS		
Statutory reserve:		
(Created pursuant to Section 45 I C of the Reserve Bank of India Act, 1934 as amended by RBI (Amendment) Act, 1997)		
Opening balance	50,526	44,374
Add: Transfer from surplus in the statement of profit and loss	<u>3,464</u>	<u>6,152</u>
Closing balance	53,990	50,526
General reserve:		
Opening balance	3,674	2,459
Add: Balance of the transferor company on account of merger (refer note 25.17)	-	1,215
Closing balance	<u>3,674</u>	<u>3,674</u>

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Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued)

as at 31 March 2016

(Currency: Indian Rupees in Lakhs)

	As at 31 March 2016	As at 31 March 2015
Note 4:		
RESERVES AND SURPLUS (continued)		
Balance in the statement of profit and loss:		
Opening balance (includes Rs 839 - share in profit of associate; Refer note 2.1)	3,619	1,623
Add:		
Balance of the transferor company on account of merger (refer note 25.17)	-	1,498
Amount carried forward from the statement of profit and loss	18,165	31,394
Less:		
Proposed final dividend (Rs. 0.30 per equity share (Previous year : Rs. 0.22 per equity share))	11,511	8,487
Tax on proposed final dividend	2,344	1,442
Interim dividend (Rs. Nil (Previous year : Rs 0.32 per equity share))	-	12,297
Tax on interim dividend	-	2,518
Tax on final dividend of earlier year	334	-
Transfer to statutory reserve	3,464	6,152
	<u>4,131</u>	<u>3,619</u>
Total	<u><u>61,795</u></u>	<u><u>57,819</u></u>
Note 5:		
LONG TERM BORROWINGS		
SECURED		
Long term maturities of non convertible redeemable debentures (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)	77,305	68,474
Long term maturities of finance lease obligation	10	21
Total	<u><u>77,315</u></u>	<u><u>68,495</u></u>
Note 6:		
OTHER LONG TERM LIABILITIES		
Franchisee and other liabilities	810	848
Cash profit on loan transfer transactions pending recognition	191	539
Interest accrued but not due on borrowings	6,107	5,726
Total	<u><u>7,108</u></u>	<u><u>7,113</u></u>
Note 7:		
LONG TERM PROVISIONS		
Provision for employee benefits - gratuity	140	71
Provision for standard assets	262	274
Provision for non performing assets	195	-
Provision for loan losses	22	238
Total	<u><u>619</u></u>	<u><u>583</u></u>



Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued)

as at 31 March 2016

(Currency: Indian Rupees in Lakhs)

	As at 31 March 2016	As at 31 March 2015
Note 8:		
SHORT TERM BORROWINGS		
SECURED		
Loans repayable on demand from banks (Interest rate range from 10.40% to 10.65% (Previous Year: from 11% to 11.25%)) (The above loan is secured by a pari passu charge on the movable financial assets)	45,000	40,000
UNSECURED		
Loans repayable on demand from banks (Loans from related parties- Rs. 965 (Previous Year : Rs. 997)) (Interest rate range from 9.30% to 13.50% (Previous Year: 13.50%))	35,965	997
Commercial paper (Interest rate range from 7.50% to 9.45% (Previous Year: from 8.25% to 9.50%))	140,352	41,913
Total	<u>221,317</u>	<u>82,910</u>
Note 9:		
TRADE PAYABLES		
Total outstanding due to Micro, Small and Medium Enterprises (Refer Note 25.14)	145	16
Total outstanding due to creditors other than Micro, Small and Medium Enterprises (Payable to related parties- Rs.1,205 (Previous Year : Rs. 491))	1,980	1,784
Total	<u>2,125</u>	<u>1,800</u>
Note 10:		
OTHER CURRENT LIABILITIES		
Current maturities of non convertible redeemable debentures (refer note 25.4)	162,460	48,191
Current maturities of finance lease obligations	11	14
Interest accrued but not due on borrowings	7,599	4,152
Dealer held disbursal and other liabilities (Payable to related parties- Rs.480 (Previous Year : Nil))	5,214	3,563
Mark to market on derivatives	22,952	31,656
Collection payables on servicing portfolio (Payable to related parties- Rs. 5,084 (Previous Year : Rs. 7,859))	5,165	8,458
Cash profit on loan transfer transactions pending recognition	169	325
Total	<u>203,570</u>	<u>96,359</u>
Note 11:		
SHORT TERM PROVISIONS		
Proposed dividend	11,511	8,487
Dividend distribution tax	2,344	1,442
Provision for loan assignment	2,529	3,037
Provision for standard restructured advances	-	1,513
Provision for bonus	35	27
Provision for value added tax	3,407	3,727
Provision for litigations	1,048	619
Provision for standard assets	1,922	776
Total	<u>22,796</u>	<u>19,628</u>



Citicorp Finance (India) Limited

Notes to the financial statements (continued) as at 31 March 2016

(Currency: Indian Rupees in Lakhs)

Note 12:

Fixed assets

	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK	
	As at 1-Apr-15	Additions	Deletions/ Adjustments	As at 1-Apr-15	For the year	Deductions/ Adjustments	As at 31-Mar-16	As at 31-Mar-15
Tangible assets								
Building	61	-	-	20	2	-	22	39
Freehold land	5	-	-	-	-	-	-	5
Leasehold improvements	448	-	448	448	-	448	-	-
Furniture and fixtures*	239	-	186	226	3	188	41	12
Office equipments	248	59	187	241	16	187	70	50
Electrical installations	342	48	18	372	38	8	101	271
Vehicles	209	-	209	209	0	209	-	-
Computer equipments	1,011	73	631	991	30	630	391	62
Sub-Total	2,563	180	1,679	2,206	89	1,670	625	439
Assets taken on lease - Vehicles	113	-	-	69	20	-	89	24
Total (A)	2,676	180	1,679	2,275	109	1,670	714	463
Intangible assets								
Internally generated software	2,973	-	2,973	2,973	-	2,973	-	-
Software	158	-	158	158	-	158	-	-
Business rights	1,157	-	1,157	1,157	-	1,157	-	-
Total (B)	4,288	-	4,288	4,288	-	4,288	-	-
GRAND TOTAL (A+B)	6,964	180	5,967	6,563	109	5,958	714	463
Previous year	7,383	264	683	7,151	89	677	6,563	401
Capital work-in-progress								83

* Includes assets given to the employees.



Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued)

as at 31 March 2016

(Currency: Indian Rupees in Lakhs)

Note 13:

NON-CURRENT INVESTMENTS

(Valued at cost unless stated otherwise)

IN ASSOCIATE COMPANIES (UNQUOTED)

IN EQUITY SHARES

87,000,000 (Previous year : 87,000,000) Equity shares of Rs. 10/- each of India Infradebt Limited, fully paid up

11,018

10,171

SUB TOTAL

11,018

10,171

IN OTHER COMPANIES (UNQUOTED)

192,720 (Previous year : 192,720) Equity shares of Rs. 5/- each of Rediff.com India Limited, fully paid up

868

868

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

480

480

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

13

13

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

770

770

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

88

88

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

1,644

1,644

Less: Provision for diminution in value

(2,106)

(2,083)

SUB TOTAL

1,757

1,780

IN DEBENTURES (UNQUOTED)

300,000 (Previous year : 300,000) 18% optionally convertible debentures of Rs. 1,000/- each of Primus Retail Private Limited

3,000

3,000

Less: Provision for diminution in value

(3,000)

(3,000)

SUB TOTAL

-

-

GRAND TOTAL

12,775

11,951

AGGREGATE COST OF UNQUOTED INVESTMENTS

17,881

17,034

AGGREGATE PROVISION FOR DIMINUTION IN THE VALUE OF INVESTMENTS

5,106

5,083



Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued)

as at 31 March 2016

(Currency: Indian Rupees in Lakhs)

	As at 31 March 2016	As at 31 March 2015
Note 14:		
LONG TERM LOANS AND ADVANCES		
Secured and considered good		
Loans for commercial vehicles and construction equipments	12,255	18,018
Advance against financial assets and other loans	17,770	38,635
Finance lease receivables	2,321	2,285
(Finance lease to related parties- Rs. 2,321 (Previous Year : Rs. 2,285))		
Gross amount receivable from customers under hire purchase agreements	34	34
Less : Unearned hire purchase premium	(33)	(33)
Less : Instalments received in advance	(1)	(1)
	<u>-</u>	<u>-</u>
Unsecured and considered good		
Unsecured loans	55,475	20,308
Deposits	218	286
Prepaid expenses	56	55
Advance tax (net of provision Rs. 87,960 and MAT credit of Rs. 19,277) (Previous year : net of provision Rs. 98,941 and MAT credit of Rs. 13,798)	37,036	30,335
Total	<u><u>125,131</u></u>	<u><u>109,922</u></u>
Note 15:		
OTHER NON-CURRENT ASSETS		
Unamortized costs (net)	672	28
Deposits with banks (maturity over 12 months)	4	4
(Deposit with related parties - Rs. 4 (Previous Year : Rs. 4))		
Cenvat input tax credit	12,259	12,834
Provision for Cenvat credit	(12,259)	(12,834)
	<u>-</u>	<u>-</u>
Debt issue costs	-	3
Other deposits	274	9
Total	<u><u>950</u></u>	<u><u>44</u></u>
Note 16:		
CURRENT INVESTMENTS		
Investment in certificate of deposits	29,722	64,819
Total	<u><u>29,722</u></u>	<u><u>64,819</u></u>



Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued)

as at 31 March 2016

(Currency: Indian Rupees in Lakhs)

	As at 31 March 2016	As at 31 March 2015
Note 17:		
CASH AND BANK BALANCES		
A) Cash and cash equivalents*		
Cash and cheques in hand	934	2,690
Balance with banks		
- In current accounts	644	1,447
(Balances with related parties - Rs. 483 (Previous Year : Rs. 1,290))		
- In fixed deposits (with original maturity of less than 3 months)	17,661	12,092
(Fixed deposits with related parties - Rs. 17,661 (Previous Year : Rs. 12,902))		
B) Other bank balances		
- In fixed deposits (Includes margin deposit of Rs. 6,000 (Previous Year: Rs 3,400))	8,408	6,344
(Fixed deposits with related parties - Rs. 2,344 (Previous Year : Rs. 2,882))		
Total	<u>27,647</u>	<u>22,573</u>
(* Cash and cash equivalents meets the definition as per 'AS 3-Cash Flow Statements')		

Note 18:

SHORT TERM LOANS AND ADVANCES

Secured and considered good

Loans for commercial vehicles and construction equipments	10,011	13,646
Advances against financial assets and other loans	314,188	223,712
Finance lease receivables	1,487	1,421
(Finance lease to related parties- Rs.1,487 (Previous Year: Rs. 1,421))		
Gross amount receivable from customers under hire purchase agreements	2	2
Less : Unearned hire purchase premium	(1)	(1)
Less : Instalments received in advance	(1)	(1)
	<u>-</u>	<u>-</u>

Unsecured and considered good

Trade advances	145	170
Unsecured loans	305,907	111,925
Security deposits	50	-
Prepaid expenses	-	4
Receivable from staff	10	1
Other advances	20	78
Total	<u>631,818</u>	<u>350,957</u>

Note 19:

OTHER CURRENT ASSETS

Mark to market on derivatives	32,672	31,791
Interest accrued on loans and advances	4,314	2,989
Interest accrued on fixed deposits	70	64
(Interest accrued from fixed deposits with related parties - Rs. 4 (Previous Year : Rs. 8))		
Unamortized costs (net)	404	22
Debt issue costs	11	8
Margin money with exchanges	65	152
Other receivables	2,018	1,682
(Receivables from related parties - Rs. 1,571 (Previous Year : Rs. 1,043))		
Total	<u>39,554</u>	<u>36,708</u>



Citicorp Finance (India) Limited

Notes to the consolidated financial statements (Continued) for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

31 March 2016 31 March 2015

Note 20:

REVENUE FROM OPERATIONS

INTEREST INCOME

Interest on loans	3,694	5,986
Interest on advances against financial and other assets	47,112	36,797
Interest on fixed deposits	694	3,952
Interest on investments	1,207	1,804
Interest on trade advances	18	18
Finance lease income	538	550
	<u>53,263</u>	<u>49,107</u>

FEE INCOME

Collection and sourcing fees	4,112	3,225
Other fees	274	36
	<u>4,386</u>	<u>3,261</u>

Total

57,649 52,368

Note 21:

OTHER INCOME

Dividend income		
- From others	75	69
Gain on sale of investments (net)	150	543
Gain on derivatives (net)	1,494	792
Gain on loan assignment	1,058	4,192
Commission from insurance agency	1,617	1,617
Bad debts recovered (net)	138	-
Reversal of provision for standard restructured advances	1,513	-
Reversal of provision for diminution in investments (net)	-	2,400
Reversal of provisions for bad and doubtful debts and other liabilities	-	1,555
Profit on sale of fixed assets	10	30
Share in income of associate	847	632
Miscellaneous income	373	631
Total	<u>7,275</u>	<u>12,461</u>

Note 22:

EMPLOYEE BENEFITS

Salaries and wages	4,319	4,571
Contribution to provident fund and other funds	191	209
Gratuity	110	115
Staff welfare expenses	90	216
Total	<u>4,710</u>	<u>5,111</u>



Citicorp Finance (India) Limited

Notes to the consolidated financial statements (Continued) for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

31 March 2016 31 March 2015

Note 23:

FINANCE COSTS

Interest on non convertible debentures	11,770	9,119
Interest on commercial paper	6,005	209
Interest on borrowings from banks	2,096	6,227
Interest on finance lease	5	8
Other interest	1	8
Total	19,877	15,571

Note 24:

OTHER EXPENSES

Rent	915	1,111
Premises maintenance costs	494	616
Rates and taxes	128	729
Bad debts written off (net)	-	339
Diminution, other than temporary, in the value of investments (net)	23	-
Provision for standard assets	1,135	64
Provision for standard restructured advances	-	1,513
Provision for litigations	431	167
Advisory fees	324	228
Bank charges	107	126
Brokerage	61	57
Distribution and placement fees	398	455
Credit rating and surveillance fees	206	158
Service bureau expenses	2,405	2,664
Technology and software expenses	1,660	1,804
Stamping / franking charges	226	124
Travelling and conveyance expenses	375	381
Telephone expenses	93	140
Professional and legal expenses	675	1,081
Collection expenses	831	961
Corporate Insurance agency expenses	504	453
Loan sourcing expenses	1,552	1,013
HR processing charges	103	-
Payments to the auditors		
(a) statutory audit	56	48
(b) tax audit	9	8
(c) limited review	6	6
Corporate social responsibility expenses (Refer Note 25.16)	204	78
Miscellaneous expenses	312	379
Total	13,233	14,703



Citicorp Finance (India) Limited

Notes to the consolidated financial statements

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

1 Background

Citicorp Finance (India) Limited (“the Company”) 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.13.02079 dated 10 October 2014. It is a non-deposit taking systemically important Non-Banking Financial Company (‘NBFC-ND-SI’). The Company is a loan and investment NBFC as defined under section 45IA of the Reserve Bank of India Act, 1934.

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 Service activities which includes:

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

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 consolidated financial statements

These consolidated financial statements have been prepared and presented on the accrual basis of accounting and comply with the Accounting Standards prescribed under section 133 of the Companies Act, 2013 (the ‘Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014, the guidelines as issued by RBI in respect of NBFCs and other accounting principles generally accepted in India to the extent applicable. The financial statements have been prepared in Indian rupees rounded off to the nearest lakh.

As per the provisions of section 129 (3) of the Companies Act, 2013 and MCA notification dated 14 October 2014, a company needs to prepare consolidated financial statement if it has one or more subsidiaries and / or associates. The Company has one associate as on 31 March 2016. Accordingly, the Company has prepared the consolidated financial statements.

The Company’s investment in its associate is consolidated using the equity method of accounting as prescribed under Accounting Standard 23- Accounting for Investment in Associates. Under the equity method, investment in the associate is carried in the balance sheet at cost plus post acquisition changes in the Company’s share of net assets of the associate. The statement of profit and loss reflects the share of the results of operations of the associate. Unrealised gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the interest in the associate.

The financial statements of the associate are prepared for the same reporting period as that of the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.



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Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

Basis of preparation of consolidated financial statements (continued)

After application of the equity method, the Company determines whether it is necessary to recognise an additional impairment loss on the Company's investment in its associates. The Company determines at each balance sheet date whether there is any objective evidence that the investment in the associate is impaired. If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the statement of profit and loss.

The Company has prepared consolidated financial statements for the first time in the current year. Accordingly, adjustment for the Company's share in profits of the associate up to 31 March 2014 has been made in retained earnings in the consolidated financial statements for the previous year ended 31 March 2015

The associate considered in the consolidated financial statement is:

Investment in Associate	Country of Incorporation	Proportion of ownership interest	
		March 2016	March 2015
India Infradebt Limited	India	29%	29%

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 reviewed 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:

- It is expected to be realised in the Company's normal operating cycle;
- It is expected to be realised within 12 months after the reporting date; or
- 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:

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



Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

Current – non-current classification (continued)

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 at historical cost inclusive of all incidental expenses incurred for acquisition of such assets, less depreciation and impairment. In respect of additions / deletions, depreciation is provided for the period for which the asset is used. Depreciation on fixed assets is provided on a straight-line basis over the useful lives of assets which are lower than or equal to the corresponding useful lives prescribed under Part C of Schedule II of the Act. Acquired intangible assets are recorded at the consideration paid for acquisition of such assets. Intangible assets other than business rights are amortized over their respective individual estimated useful life on a straight line basis, commencing from the date the asset is available for its intended use.

Lease hold improvements are depreciated over the lease period (including renewal, if any) or useful life whichever is shorter. All assets individually costing less than Rs 5,000 are fully depreciated in the year of purchase.

As disclosed in table below, the estimated useful life of fixed assets of the Company is different from useful life prescribed in Schedule II of the Act. Based on the nature of fixed assets used by the Company and past experience of its usage and technical evaluation, the Company considers that the useful life for respective assets to be appropriate.

Class of fixed assets	Estimated useful life
Office buildings	50 years
Computer equipment	3 years
Furniture and fixtures – in leased premises	6 years
Electrical equipment– in leased premises	6 years
Vehicles- Lease	4 years

The Company assesses at the 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.



Citicorp Finance (India) Limited

Notes to the consolidated financial statements (*continued*)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

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.

Investments are recorded on a trade date and broken period interest is recognised in the balance sheet as interest accrued but not due.

Investments are classified as long term and current at the time of purchase of each investment. Investment which is to be liquidated in a period of one year from the date of purchase is classified as current investment.

Long term investments are carried at cost less any diminution in value other than temporary.

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 investments are 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 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'), a Government of India Undertaking.

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 in a trust duly approved by the Income Tax authorities. The trust has a master policy for management of the members' fund with LIC. These contributions are charged to the statement of profit and loss during the period in which the employee renders the related services.



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Citicorp Finance (India) Limited

Notes to the consolidated financial statements (*continued*)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

Employee benefits (continued)

Provident fund

The Company makes specified monthly contributions towards employee provident fund to government administered provident 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 recognised on a period proportionate basis except in respect of penal interest charged on overdue instalments, which is recognised when there is a reasonable certainty over its collection.

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'), 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.

Incentives from Dealers' / Manufacturers' 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 / manufacturer incentive is recognized as income at the time of foreclosure / write off.

Rentals receivable under operating leases, as defined in AS 19, is recognised on an accrual basis.

Interest income on investments is recorded on a period proportionate basis. Interest paid for broken period on purchase of investment is not charged to the 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.

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



Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

Revenue recognition (continued)

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

Dividend is recognised as income 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 RBI for NBFCs.

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 / write off.

2.10 *Bad debts and 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 RBI for NBFCs.

A general provision has been made on standard assets as prescribed by RBI for NBFCs.

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.

In accordance with RBI circular no DNBS. PD. No. 301/3.10.01/2012-13 dated 21 August 2012 'Revisions to the Guidelines on Securitisation Transactions', 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 the circular and loss arising on assignment transaction is recognized immediately in the statement of profit and loss.

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Citicorp Finance (India) Limited

Notes to the consolidated financial statements (*continued*)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

2.12 *Accounting for leases*

Operating leases:

- a. Lease payments are recognized as expense in the statement of profit and loss on a straight line basis over the entire lease term.
- b. Lease rentals received on assets given out on operating leases are recognized as revenue in the statement of profit and loss.

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. 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. 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.

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 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.

During the year, the Company has presented mark to market on derivative transactions on a gross basis in accordance with the presentation requirements as set out in the Guidance Note on accounting for derivative contracts. Accordingly, comparative information for the previous year is presented on a similar basis.

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Citicorp Finance (India) Limited

Notes to the consolidated financial statements (*continued*)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

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 law 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 at the 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 virtual / reasonable evidence (as the case may be), 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.

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 virtual / reasonable evidence (as the case may be) that it will be able to set off 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 the 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.



Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

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.

Note 25

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

	As at 31 March 2016	As at 31 March 2015
Tax assessments	6,226	2,469
Customer litigations	1,147	1,212
Estimated amount of contracts remaining to be executed on capital account	130	2

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.3,144 lakhs (Previous year Rs.1,199 lakhs).

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).

There are outstanding demands against the Company under Karnataka Value Added Tax Act, 2003, primarily on account of disallowance of input tax credit amounting to Rs 1,812 lakhs (previous year: Nil)

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 for the above cases.

Further, there are few customers who have initiated legal proceedings against the Company for a total compensation demand of Rs.1,147 lakhs (previous year Rs.1,212 lakhs). The Company believes that such demands are not tenable and are highly unlikely to be confirmed by higher authorities.



Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

(2) Movement in provision is set out below:

Particulars	As at 1 April 2015	Created during the year	Utilized / Released during the year	As at 31 March 2016
Loans and advances against commercial vehicles and construction equipment (including NPA)	238	156	177	217
Investments	5,083	23	-	5,106
Provision on assignment of asset portfolio	3,037	-	508	2,529
Provision for Cenvat credit	12,834	83	658	12,259
Provision for Value Added Tax (VAT)#	3,727	47	367	3,407
Provision for litigation	620	547	119	1,048
Total	25,539	856	1,829	24,566

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

(3) Expenditure in foreign currency on accrual basis:

	For the year ended 31 March 2016	For the year ended 31 March 2015
Technology and software expenses	1,370	1,132
Professional and legal expenses	316	220
Service bureau expenses	98	-
Total	1,784	1,352

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

a) Details of long term equity linked non-convertible redeemable debentures are as follows:

Series No	Maturity / Call Date	31 March 16	31 March 15	Series No	Maturity / Call Date	31 March 16	31 March 15
457	6-May-16	-	600	481	28-Jul-16	-	1,005
446 I	28-May-16	-	1,000	475	28-Jul-16	-	685
446 II	28-May-16	-	365	455	30-Jul-16	-	660
471	29-May-16	-	465	456	30-Jul-16	-	1,058
472	12-Jun-16	-	35	463 I	27-Aug-16	-	853
452	28-Jun-16	-	2,054	463 II	27-Aug-16	-	195
453	28-Jun-16	-	1,336	466	27-Aug-16	-	710
473 I	30-Jun-16	-	1,341	474	25-Oct-16	-	500
473 II	30-Jun-16	-	674	541 I	30-May-18	480	480



Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued) for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

Series No	Maturity / Call Date	31 March 16	31 March 15	Series No	Maturity / Call Date	31 March 16	31 March 15
506	25-Mar-17	-	640	541 II	30-May-18	225	225
503	30-Mar-17	-	965	514	28-Feb-17	-	200
505	29-Apr-17	285	285	542 I	14-May-17	510	510
509	30-May-17	785	785	549 I	13-Aug-17	325	-
512	28-Jun-17	920	945	549 II	12-Sep-18	530	-
516	29-Jul-17	545	570	550 II	19-Sep-18	100	-
518	29-Jul-17	620	620	551 I	27-Aug-17	165	-
519 I	29-Dec-17	505	505	551 II	2-Oct-18	555	-
520 I	10-Aug-16	-	5,010	551 IV	2-Oct-18	240	-
521 I	28-Sep-17	335	335	553 II	30-Oct-18	410	-
521 III	29-Aug-16	-	435	553 III	30-Oct-18	379	-
522 I	28-Sep-17	955	955	554 II	30-Oct-18	870	-
523 I	11-Sep-16	-	2,505	554 III	30-Oct-18	310	-
523 II	13-Jul-17	2,505	2,505	556 I	27-Nov-18	300	-
524 II	24-Nov-17	1,005	1,005	556 II	27-Nov-18	578	-
524 III	28-Nov-17	510	510	557 I	28-Nov-18	500	-
525 II	30-Oct-16	-	480	559 II	26-Jan-19	420	-
525 III	28-Nov-17	630	630	561 I	27-Feb-19	1,700	-
525 IV	30-Nov-17	310	310	562 I	19-Mar-19	1,080	-
526 III	29-Dec-17	260	260	567 II	1-Jun-19	450	-
526 IV	29-Dec-17	745	745	568 I	1-Jun-19	2,500	-
527 II	29-Dec-17	660	660	568 II	1-Jun-19	595	-
529 II	31-Jan-18	655	680	568 VI	1-Jun-19	350	-
529 IV	13-Jan-18	10,010	10,010	571 II	31-Dec-17	200	-
530 I	30-Jul-18	2,515	2,515	571 III	1-Mar-18	200	-
530 II	31-Jan-18	585	585	571 IV	29-Jun-19	100	-
530 III	1-Jan-17	-	1,505	571 VI	29-Jun-19	450	-
531 II	31-Jan-18	370	370	572 II	1-Mar-18	100	-
531 III	30-Oct-16	-	505	572 V	29-Jun-19	300	-
532 II	27-Feb-18	375	375	572 VII	29-Jun-19	200	-
533 II	27-Feb-18	175	175	574 IV	14-Jul-19	100	-
535 II	31-Mar-18	250	250	575 I	20-Apr-17	1,600	-
536 I	27-Mar-18	5,025	5,025	575 IV	21-Jun-17	500	-
536 II	27-Mar-18	5,000	5,000	576 I	31-Mar-18	100	-
536 III	31-Mar-18	175	175	576 II	30-Mar-18	620	-
536 IV	31-Mar-18	305	305	576 III	31-Mar-18	350	-
537 I	10-Apr-18	653	653	576 IV	29-Jun-17	450	-
539 II	1-May-18	155	155	576 V	30-Jul-19	100	-
540 I	30-May-18	195	195	577 I	31-Dec-17	3,000	-
Total						62,317	68,489

b) Details of long term non-convertible redeemable debentures are as follows:

Series No	Interest Rate	Maturity / Call Date	31 March 16	31 March 15
577 IV	8.95%	30-Jun-17	15,000	-
Total			15,000	-

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Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

c) Details of current equity linked non-convertible redeemable debentures are as follows:

Series No	Maturity / Call Date	31 March 16	31 March 15	Series No	Maturity / Call Date	31 March 16	31 March 15
395	06-Apr-15	-	400	456	30-Jul-16	1,001	-
401	30-May-15	-	499	463 I	27-Aug-16	743	-
405	26-Feb-16	-	3,043	463 II	27-Aug-16	195	-
407	25-Mar-16	-	500	466	27-Aug-16	670	-
408	30-Jun-15	-	500	471	29-May-16	390	-
411	28-Aug-15	-	127	472	12-Jun-16	35	-
415 I	26-Sep-15	-	503	474	25-Oct-16	500	-
415 II	26-Sep-15	-	380	473 I	30-Jun-16	1,232	-
421	28-Oct-15	-	1,464	473 II	30-Jun-16	643	-
425	03-Nov-15	-	1,538	475	28-Jul-16	590	-
425	03-Nov-15	-	500	503	30-Mar-17	940	-
427	03-Nov-15	-	1,080	506	25-Mar-17	640	-
429	28-Nov-15	-	488	514	28-Feb-17	200	-
432 I	28-Nov-15	-	300	520 I	10-Aug-16	5,010	-
432 II	28-Nov-15	-	200	521 III	29-Aug-16	435	-
434	29-Dec-15	-	896	523 I	11-Sep-16	2,505	-
440	02-Feb-16	-	350	525 II	30-Oct-16	480	-
441 I	27-Feb-16	-	412	530 III	1-Jan-17	1,505	-
441 II	27-Feb-16	-	485	531 III	30-Oct-16	505	-
454	28-May-15	-	20	545 I	16-Apr-16	3,000	-
476 I	28-Jan-16	-	225	546 I	16-Apr-16	300	-
476 II	28-Jan-16	-	335	548 III	17-May-16	500	-
500	28-Jan-16	-	520	548 V	17-May-16	1,000	-
507	5-Jan-16	-	1,005	549 III	31-May-16	150	-
510	26-Apr-15	-	1,010	550 III	7-Jun-16	25	-
519 II	28-Jul-15	-	505	551 III	30-Jun-16	1,000	-
520 IV	11-Jun-15	-	995	552 II	25-Jun-16	1,000	-
520 V	20-Dec-15	-	1,455	552 III	25-Jun-16	605	-
522 II	28-Jun-15	-	595	555 II	3-Aug-16	4,000	-
525 I	2-Sep-15	-	215	558 I	7-Sep-16	2,500	-
526 I	30-Sep-15	-	130	559 I	30-Oct-16	550	-
527 I	30-Sep-15	-	425	559 III	15-Oct-16	1,600	-
527 III	15-Sep-15	-	595	560 I	18-Oct-16	12,000	-
528 I	4-Oct-15	-	2,005	562 II	4-Dec-16	3,400	-
528 II	3-Jan-16	-	205	563 II	15-Dec-16	2,300	-
530 IV	28-Oct-15	-	235	564 I	18-Dec-16	400	-
530 V	1-Dec-15	-	404	565 I	24-Dec-16	3,000	-
531 I	30-Oct-15	-	855	568 IV	11-Feb-17	210	-
532 III	2-Dec-15	-	1,215	568 V	11-Feb-17	1,150	-
533 I	2-Dec-15	-	295	569 I	17-Feb-17	8,500	-
533 III	2-Dec-15	-	495	570 I	25-Feb-17	900	-
534 I	18-Nov-15	-	22,505	570 A	25-Feb-17	12,500	-
538 I	20-Jan-16	-	2,995	571 I	11-Mar-17	700	-
541 III	2-Mar-16	-	485	572 I	16-Mar-17	1,800	-
544 II	15-Mar-16	-	400	573 I	2-Jun-16	6,000	-
446 II	28-May-16	115	-	575 V	30-Mar-17	5,000	-
452	28-Jun-16	1,870	-	576 VIII	1-Oct-16	3,000	-
453	28-Jun-16	1,101	-	576 IX	23-Jun-16	6,000	-



Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued) for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

Series No	Maturity / Call Date	31 March 16	31 March 15	Series No	Maturity / Call Date	31 March 16	31 March 15
455	30-Jul-16	565	-				
Total						104,960	48,196

d) Details of current non-convertible redeemable debentures are as follows:

Series No	Interest Rate	Maturity / Call Date	31 March 16	31 March 15
570 II	9.85%	12-May-16	5,000	-
576 X	9.75%	23-Jun-16	20,000	-
577 III	9.20%	29-Sep-16	32,500	-
Total			57,500	-

(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 2016	31 March 2015
Total number of loan assets assigned during the year (Nos)	1,659	5,386
Total amount of exposures retained by the Company to comply with MRR	2,089	4,978
Total book value of loan assets assigned	20,167	57,279
Sale consideration received for the assigned assets	20,391	57,849
Gain on account of assigned assets	179	291
Gains amortized during the year as per RBI guidelines (includes gains amortized of previous years assignment)	683	1,262

The Company had sold the portfolio of mortgages business in the previous year. Accordingly, the entire profit / (loss) arising on sale by way of assignment has been taken in the previous year. The details are as follows.

Particulars	31 March 2016	31 March 2015
Total number of loan assets assigned during the year (Nos)	-	779,989
Total book value of loan assets assigned	-	419
Sale consideration received for the assigned assets	-	3,425
Net gain on account of assigned assets	-	2,682
Gains amortized during the year as per RBI guidelines	-	-

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Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued) for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

(6) Segmental information is in accordance with AS – 17 Segment Reporting

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. 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 four segments: Advance Against Financial Assets (AAFA), Corporate loans, Treasury and Others which include Equipment Finance and Personal loans.

The AAFA segment provides loans against securities to high net worth individuals, brokers and corporate. Its revenue consists of interest on loans.

The Corporate loans segment provides secured and unsecured loans to corporates. Its revenue consists of interest on loans and service charges.

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 other segments is deployed back with Treasury. There is an internal transfer price attached to the funds so provided or deployed, which forms part of inter-segment revenues.

Others include Equipment Finance and Personal loan portfolio. Equipment Finance 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 assignment etc. Personal loan portfolio bought during the year is unsecured loan given to individuals.

Segment wise income and expenses include certain allocations. Interest cost is charged by Treasury segment to other segments based on average portfolio balance of 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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Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued) for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

Summary of the segments for the year ended 31 March 2016

	AAFA		Corporate Loans		Treasury		Others		Unallocated		Total	
	31-Mar-16	31 Mar 15	31-Mar-16	31 Mar 15	31-Mar-16	31 Mar 15	31-Mar-16	31 Mar 15	31-Mar-16	31 Mar 15	31-Mar-16	31 Mar 15
Revenue												
Segment revenue	28,067	22,606	19,220	14,227	4,467	24,460	9,590	11,346	3,580	5,238	64,924	77,877
Inter-segment revenues	(10,088)	(6,933)	(7,307)	(4,345)	18,579	13,124	(1,184)	(1,846)	-	-	-	-
TOTAL REVENUE	17,979	15,673	11,913	9,882	23,046	37,584	8,406	9,500	3,580	5,238	64,924	77,877
Result												
Segment result	15,850	14,979	11,913	9,882	1,642	22,964	28	2,212	(2,438)	(3,678)	26,995	46,359
Income tax	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax	-	-	-	-	-	-	-	-	(8,830)	(14,965)	(8,830)	(14,965)
Net segment result	15,850	14,979	11,913	9,882	1,642	22,964	28	2,212	(11,268)	(18,643)	18,165	31,394
Other information (relating to the current period)												
Capital expenditure	-	-	-	-	3	-	24	41	153	223	180	265
Depreciation	-	-	-	-	2	2	31	33	76	54	109	89
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	1,135	1,587	-	-	23	(2,400)	(55)	659	(84)	(1,886)	1,019	(2,040)
Capital employed as at												
Segment assets	293,031	219,074	370,073	178,215	102,633	128,674	63,880	39,133	56,358	58,941	885,975	624,037
Segment liabilities	(18,042)	(15,875)	(11,913)	(9,882)	(330,416)	(264,755)	(13,426)	(20,310)	(512,178)	(313,215)	(885,975)	(624,037)
Net segment assets/(liabilities)	274,989	203,199	358,160	168,333	(227,783)	(136,081)	50,454	18,823	(455,820)	(254,274)	-	-



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Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued) for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

(7) Leases

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

	As at 31 March 2016	As at 31 March 2015
Net carrying value of the assets as at the date of balance sheet	24	43
Total of minimum lease payments as at the balance sheet date		
♦ Not later than one year	13	19
♦ Later than one year and not later than five years	11	24
Total	24	43
Present value of minimum lease payments as at the balance sheet date		
♦ Not later than one year	11	14
♦ Later than one year and not later than five years	10	21
Total	21	35

- 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 2016	As at 31 March 2015
Gross investment as at the date of balance sheet		
♦ Not later than one year	1,867	1,804
♦ Later than one year and not later than five years	2,602	2,616
Total	4,469	4,420
Present value of minimum lease payments as at the balance sheet date		
♦ Not later than one year	1,487	1,421
♦ Later than one year and not later than five years	2,321	2,285
Total	3,808	3,706
Unearned finance charges	704	739
Unguaranteed residual value	-	-
Accumulated provision for minimum lease payment receivable	-	-

There are no provisions relating to contingent rent.



Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued) for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

(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.

	31 March 2016	31 March 2015
Profit available to equity shareholders (A)		
Profit after tax	18,165	31,394
Weighted average number of equity shares		
Number of shares at the beginning of the year	3,857,727,031	3,857,727,031
Shares issued during the year	-	-
Total number of equity shares outstanding at the end of the year	3,857,727,031	3,857,727,031
Weighted average number of equity shares (B)	3,857,727,031	3,857,727,031
Nominal value of equity shares	7.5	7.5
Basic earnings per share [(A)/(B)]	0.47	0.81
Diluted earnings per share [(A)/(B)]	0.47	0.81

(9) Deferred tax

The breakup of deferred tax assets is as under:

	As at 31 March 2016	As at 31 March 2015
Deferred tax assets:		
a. Provision for doubtful assets / valuation loss / assignment	6,436	6,923
b. WDV of fixed assets as per tax	5,582	6,376
c. Disallowance of expenses	1,427	1,019
d. Unabsorbed business loss and depreciation	3,251	10,767
e. Unrealized losses on derivatives	970	10,565
f. Lease rental payable	7	12
f. Interest accrued but not due on debentures	4,684	3,354
Subtotal	22,357	39,016
Deferred tax liabilities:		
a. WDV of fixed assets as per books	160	136
b. Unrealized gain on derivatives	3,047	10,959
c. Lease rental receivable	1,318	1,259
Subtotal	4,525	12,354
Total	17,832	26,662

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. 17,832 lakhs (Previous year Rs. 26,662 lakhs) is being recognised in the books of accounts.



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Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

(10) Derivatives

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

Particulars	As at 31 March 2016	As at 31 March 2015
Derivatives (notional principal amount)		
Futures and options:		
Equity (net of long and (short))	25,093	(5,298)
Commodity	-	169

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

(11) Disclosure pursuant to Accounting Standard – 15 (Revised) "Employee Benefits"

(A) Defined Contribution Plan

Amount of Rs. 191 lakhs (Previous year: Rs. 209 lakhs) is recognised as an expense for provident fund and superannuation fund included in "Employee Benefits"

(B) 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 2016	31 March 2015
Change in obligations		
Present value of defined benefits obligations at the beginning of the year		
Employer service cost	379	365
Plan amendments	38	40
Interest cost	-	-
Acquisitions cost/(credit)	26	28
Actuarial (gains) / losses	-	2
Settlement cost	41	55
Actual benefits payments	-	12
	(89)	(123)
Present value of defined benefits obligations at the end of the year	395	379
Change in plan assets		
Plan assets as at the beginning of the year		
Adjustment	308	361
Expected return on plan assets	(29)	-
Actual company contributions	22	28
Actual benefits payments	45	49
Actuarial gain / (losses)	(89)	(123)
	(2)	(7)
Plan assets at the end of the year	255	308



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Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued) for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

Employee retirement benefits (continued)

Net asset/(liability) recognized		
Present value of defined benefits obligations as at the end of the year	395	379
Fair value of plan assets as at the end of the year	255	308
Net liability recognized in the balance sheet	(140)	(71)

Particulars	31 March 2016	31 March 2015
Components of employer expense		
Current services cost	38	41
Interest cost	26	28
Expected return on assets	(22)	(28)
Past service cost	-	-
Settlement cost/ (credit)	-	12
Actuarial (gains) and losses	43	62
Net cost	85	115
Assumptions		
Discount rate	7.70%	7.80%
Expected return on assets	8.50%	8.50%
Salary escalation rate	10.00%	8.00%
Withdrawal rate	15.00%	15.00%
Mortality	LIC (2006-08) ultimate	LIC (2006-08) ultimate

	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Experience history					
Defined benefit obligation at the end of the period	(395)	(379)	(365)	(336)	(356)
Plan assets at the end of the period	255	308	361	386	421
Funded status	(140)	(71)	(4)	50	65
Experience gain/ (loss) adjustments on plan liabilities	-	(22)	24	50	69
Experience gain/ (loss) adjustments on plan assets	(1)	(7)	-	-	4
Actuarial gain / (loss) due to change of assumptions	(42)	(32)	31	(16)	21

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.



Citicorp Finance (India) Limited

Notes to the consolidated financial statements *(continued)*

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

(12) Related party disclosures

The company has a policy of carrying all related party transaction domestic or international at arm's length.

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. Fellow subsidiaries

Citigroup Global Markets India Private Limited

Citigroup Global Markets Inc.

Citigroup Technology Inc.

Citigroup Global Markets Asia Limited

Citicorp Services India Private Limited

Citicorp Investment Bank Singapore Limited

C. Key Management Personnel

Rohit Ranjan (Managing director)



Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued) for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

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

Nature of Related party transaction	Holding Companies and companies exercising control		Fellow Subsidiaries	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Asset given on lease	1,802	1,941	789	807
Lease rentals received for assets given on lease	1,502	1,773	586	461
Fixed deposits placed	352,870	415,343	-	-
Fixed deposits matured	347,843	419,977	-	-
Loans taken	4,491,900	1,837,900	-	-
Loans repaid	4,491,900	1,841,100	-	-
Loan portfolio purchase personal loan	34,827	-	-	-
Loan portfolio purchase domestic trade finance	8,981	-	-	-
Loan portfolio sale	20,391	57,849	-	-
Fixed assets sale	-	2	-	-
Net movement in bank accounts	774	2,638	-	-
Securities purchased	-	-	79,125	33,212
Securities sold	-	-	1,607	23,651
Advisory fees paid	1,023	490	-	-
Arrangement, placement, merchant banker fees & brokerage paid	409	479	-	3
Co-location expenses paid	491	319	106	102
Co-location expenses recovered	-	-	13	78
Fee for HR and ICU service earned	-	-	3	3
HR related expenses incurred	98	-	30	47
AAFA referral fee	57	51	-	-
Interest and bank charges paid	1,990	6,133	-	-
Interest received on deposits	310	691	-	-
Management / servicing fee and foreclosure charges	4,092	3,209	-	-
Risk management fee incurred	-	-	316	220
Secondment charges incurred (includes managing director's remuneration of Rs. 202 (Previous year: Rs. 33))	593	452	-	-
Secondment charges earned	607	672	-	-
Technology and software expenses	1,112	1,159	330	305
Reimbursements (net expenses)	-	7	-	50
Equity Dividend Paid	8,487	52,079	-	-



Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued) for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

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

Nature of Related party transaction	Holding Companies and companies exercising control		Fellow Subsidiaries	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Finance lease principal receivable	2,206	2,636	1,122	1,212
Accounts receivable	1,369	896	202	15
Fixed deposits	20,009	14,982	-	-
Accounts payable	6,006	8,234	283	68
Cash credit / overdraft	965	997	-	-
Bank Balances	483	1,290	-	-

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

Particulars	31 March 2016	31 March 2015
Equity futures and options	(6,002)	(695)
Commodity futures	-	(474)
Total	(6,002)	(1,169)

(14) Micro, Small and Medium 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 2016	31 March 2015
Principal amount remaining unpaid to any supplier as at the year end	136	8
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	1	8
Amount of interest accrued and remaining unpaid at the end of the accounting year	9	8

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



Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued) for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

(16) Corporate social responsibility expense:

Particulars	31 March 2016	31 March 2015
Gross amount required to be spent during the year	372	93
Amount spent during the year	-	-
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above		
In cash	58	78
Yet to be paid in cash	146	-
Total	204	78

- (17) During the year ended 31 March 2015, pursuant to the Scheme of Amalgamation ("the Scheme") under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 as sanctioned by Minutes of Order dated 28 November 2014 passed by Hon'ble High Court of Judicature at Mumbai, Citicorp Capital Markets Limited (CCML) and Citicorp Clearing Services India Limited (CCSIL), both wholly owned subsidiaries of the Company were amalgamated with the Company with effect from 1 April 2014 i.e. the Appointed Date.

The amalgamation was accounted for under the "Pooling of Interests Method" as per Accounting Standard (AS) 14 "Accounting for Amalgamation".

In accordance with the said Scheme, all the assets, debts, liabilities, duties, and obligations of CCML and CCSIL have been vested in the Company with effect from 1 April 2014 and have been recorded at their respective book values under the pooling of interests method of accounting for amalgamation. The reserves and surplus of CCML and CCSIL of Rs. 1,366 lakhs and Rs 1,347 lakhs respectively have been merged with those of the Company in the same form as they appeared in the financial statements of the transferor companies. There were no differences in the accounting policies of CCML and CCSIL with that of the Company.

As there is no surplus arising out of difference between the value of the assets over the value of the liabilities including reserves of the transferor companies transferred to the transferee company after adjusting for the book value of investments in the shares of the transferor companies, the amount required to be transferred to capital reserve in terms of para 9 of the High Court order, is determined at 'Nil'.



Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued) for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

(18) Details of Loan Assets subjected to Restructuring as at 31 March 2016

SL. No	Type of Restructuring		Others						
	Asset Classification Details		Standard	Sub Standard	Doubtful	Loss	Total		
1	Restructured Accounts as on 1 April of the FY (opening figures)*	No. of borrowers	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-
3	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-
7	Restructured Accounts as on March 31 of the FY (closing figures)*	No. of borrowers	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-

*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.



Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

- (19) During the year ended 31 March 2015, the Company had one time recovery of interest amounting to Rs. 17,004 lakhs relating to non-performing investments.
- (20) In accordance with RBI notification No. DNBS.PD.CC. No. 256 /03.10.042 / 2011-12 dated March 2, 2012, Rs. 0.08 lakhs of fraud was detected and reported during the financial year ended 31 March 2016 (Previous year Rs 4 lakhs).
- (21) 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 2016 (Previous year Nil).
- (22) 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 2016 (Previous year Nil).
- (23) **Previous year's figures**

Figures for the previous year have been re-grouped wherever necessary, to confirm to current year's classification. The details for regrouping are as follows:

Description	Regrouped to	Regrouped from	Amount as on 31 March 2015
Provision for cenvat credit	Other non-current Assets	Long term provisions	12,834
Provision for statutory dues	Other deposits	Expense payables	190
Margin deposit	Fixed deposit	In fixed deposits (with original maturity of less than 3 months)	1,400
Other advances	Other deposits	Short term loans and advances	198
Cheques in hand	Cash and cheques in hand	Other receivables	2,669
Secondment Fees paid	Salary and wages		149
Electricity and other maintenance cost	Premises maintenance costs		290
Collection related expenses	Collection expenses		961
Insurance agency expenses	Corporate insurance agency expenses	Service bureau expenses	440
Commission paid for loan sourcing	Loan sourcing expenses		519
Technology related expenses	Technology and software expenses		24
Professional fees paid	Professional and legal expenses		84

Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

Description	Regrouped to	Regrouped from	Amount as on 31 March 2015
Other expenses	Miscellaneous expenses		28
Commission paid for loan sourcing	Loan sourcing expenses	Advisory fees	494
Insurance agency expenses	Corporate insurance agency expenses	Miscellaneous expenses	13

(24) Additional information as required under Schedule III of Companies Act 2013

Name of the entity	Net Assets i.e total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
India Infradebt Limited	3.14%	11,018	4.66%	847

Annexure "A"

Additional information, as required under Schedule III of the Companies Act, 2013, of enterprises consolidated as Associates

SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARY/ ASSOCIATE/ JOINT VENTURES AS PER COMPANIES ACT, 2013

Part – "A": Subsidiaries: None

Part – "B": Associates and Joint ventures

Name of the Associate	India Infradebt limited
1. Latest audited Balance Sheet Date	31.03.2016
2. Shares of Associate held on the year end	
i. Number of Shares	87,000,000
ii. Amount of Investment	8,700
iii. Extent of Holding	29%
3. Description of how there is significant influence	There is significant influence due to percentage (%) of Share Capital
4. Reason why the associate is not consolidated	Not Applicable



Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2016

(Currency: Indian Rupees in Lakhs)

SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARY/ ASSOCIATE/ JOINT VENTURES AS PER COMPANIES ACT, 2013 (continued)

Part – “B”: Associates and Joint ventures (continued)

5. Networth attributable to Shareholding as per latest balance sheet	11,018
6. Profit/ Loss for the year	
i. Considered in consolidation	847
ii. Not considered in consolidation	Nil

As per our report of even date attached

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

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



Sameer Mota

Partner

Membership No: 109928

Mumbai
27 May 2016



Rohit Ranjan

Managing
Director



Niraj Parekh

Director



Ganesh
Ramanathan
Chief Financial
Officer



Sameer
Upadhyay
Company
Secretary

Mumbai
27 May 2016