



**CITICORP FINANCE (INDIA)
LIMITED**

TWENTIETH ANNUAL REPORT

FINANCIAL YEAR – 2016-17

Corporate Information

BOARD OF DIRECTORS

Mr. Rohit Ranjan	Jt. Managing Director
Ms. Priti Goel	Jt. Managing Director
Mr. Niraj Parekh	Director
Mr. Srinivas Sishtla	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 400 098

AUDITORS-

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

SECRETARIAL AUDITOR-

- **ZAINAB H. POONAWALA & ASSOCIATES**

DEBENTURE TRUSTEE-

- **IDBI TRUSTEESHIP SERVICES LIMITED**

Table of Contents

Sr. No	Contents	Page No
1	Notice	4
2	Directors Report	16
3	Financial Statement	72

Registered Office
8th Floor, FIFC, C-54 & C-55, G-Block,
Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051
CIN No: U65910MH1997PLC253897

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Citicorp Finance (India) Limited



ANNUAL GENERAL MEETING OF CITICORP FINANCE (INDIA) LIMITED

Notice is hereby given that the 20th Annual General Meeting of the Citicorp Finance (India) Limited will be held at shorter notice on Friday, 29th day of September, 2017 at 4.30 pm 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 - 400 098, MAHARASHTRA** to transact the following business:

Ordinary Business:

1. To consider and adopt the Financial Statement for the year ended March 31, 2017 consisting of:

- Audited Balance Sheet (Standalone and Consolidated);
- Audited Statement of Profit and Loss Account (Standalone and Consolidated);
- Audited Cash Flow Statement (Standalone and Consolidated);
- Audited Notes to Financial Statement (Standalone and Consolidated) and
- Board of Directors' Report (Standalone)

2. **To appoint a Director in place of a Director liable to retire 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."

3. **To appoint Statutory 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, if any, read with rules made thereunder, M/s. MSKA & Associates, Chartered Accountants, holding firm registration no: 105047W be and is hereby appointed, based on the recommendation of Audit Committee and approval of board of director, as Statutory Auditors of the company for the period of Five years (From financial year 2017-2018 to financial year 2021-2022), to hold office from the conclusion of 20th Annual General Meeting till the conclusion of the 25th Annual General Meeting of the company subject to ratification by members every year, at such remuneration and on such terms and conditions as may be agreed between the Auditor and Board of Directors.

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

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Special Business:

4. Alteration of Article of Association (“AOA”)

To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 of the Companies Act, 2013 and rules made thereunder and all other applicable provisions/regulations, if any, as applicable to the company from time to time, Article 10 and 129(b) of the Articles of Association of Citicorp Finance (India) Limited be substituted by following clause:

(a) Articles 10 would be substituted as follows:

Subject to the provisions of the Act and these Articles, the Directors may issue, **reissue, consolidate** and allot shares, debentures and/or other securities of the Company in payment or part payment for any property or assets of any kind whatsoever (including the good-will of any business) sold or transferred, or goods or machinery or know-how supplied, or for services rendered to the Company either in about the formation or promotion of the Company, or the conduct of its business, and any shares, debentures and/or other securities which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash and if so issued and allotted shall be deemed to be fully paid-up or partly paid-up securities as aforesaid. The Directors shall cause returns to be filed of any such allotment as may be required under the provisions of the Act.

(b) Articles 129 (b) would be substituted as follows:

“Every deed or other instrument to which the Seal of the Company is required, shall be affixed in the presence of at least one Director or Key Managerial Personnel (KMP) or such other person or persons as the Board may specify for the said purpose by passing a resolution from time to time”

“RESOLVED FURTHER THAT any Director or Company Secretary be and is hereby authorized to do all such acts, deeds, matters and things and to sign all such other documents as they may deem necessary, proper or desirable (including without limitation making the appropriate e-filings with the Registrar of Companies), in connection with the alteration of AOA of the Company, as approved by the Board and the members of the Company and/ or generally to give effect to the foregoing resolutions.

RESOLVED FURTHER THAT any Director or Company Secretary be and is hereby authorized to issue certified true copies of this resolution.”

5. Approval of Private Placement Offer Letter (PPOL) and Shelf Information Memorandum (S-IM)

To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution:

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“RESOLVED THAT in supersession of earlier resolution and in accordance with the provision of Section 42 of the Companies Act, 2013 and rules as made thereunder, the approval of the members be and is hereby accorded to the Private Placement Offer Letter (PPOL) / Shelf Information Memorandum (S-IM) placed before the members;

RESOLVED FURTHER THAT the company is hereby authorized to:

i. appoint a Debenture Trustees / distributors for the purpose of issuance of Secured / Unsecured Non Convertible Debentures (NCDs);

ii. enter into any documents in connection therewith including but not limited to PPOL, S-IM, Debenture Trust Agreement (DTA), Debenture Trust Deed (DTD), Deed of Hypothecation, Deed of Mortgage, distribution agreement etc.;

iii. entering into such other documents, deeds, notices, letters, agreements, power of attorneys, declarations, memorandums, indentures, indemnities (including without limitation in respect of stamp duty), undertakings, instruments and forms as may be required in relation to or in connection with the issuance of NCDs or for creation of any security interest or listing of NCDs or for any other purpose mentioned in these resolutions or to give effect to any transactions contemplated in such documents

RESOLVED FURTHER THAT pursuant to Section 180(1)(a) and other applicable provisions and rules, if any, of the Companies Act, 2013, consent of the members be and is hereby given to the company to create such security interest (including but not limited to) by way of mortgages, hypothecation and pledge in addition to the existing charges on such movable and immovable properties, both present and future and in such manner as the members may deem fit, in favour of banks/financial institutions, other investing agencies and trustees for the holders of NCDs or other lenders.

RESOLVED FURTHER THAT pursuant to the Companies (Share Capital and Debentures) Third Amendment rules, 2016, the company be and is hereby authorized to create charge on the assets and properties of its holding company or its associate companies for the aforementioned purpose.

RESOLVED FURTHER THAT in accordance with the provisions of the Companies Act, 2013, any one Director or Company Secretary or Chief Financial Officer or Treasurer or Operation Head or Mr. Jeegar Shah, Finance Controller of the company (each an “*Authorized Signatory*”) be and is hereby severally authorized to:

i. Decide the pricing and terms of the NCDs, and all other matters related to issuance of NCDs including listing of NCDs;

ii. Approve the PPOL and the relevant term sheets or the S-IM along with the relevant pricing supplements (including amending, varying or modifying the same, as may be considered desirable or expedient) in accordance with all applicable laws, rules, regulations and guidelines;

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iii. Seek, if required, any approval, consent or waiver from the company's existing lenders, and/or parties with whom the company has entered into various commercial and other agreements, and/or any/all concerned government and regulatory authorities in India and abroad, and/or any other approvals, consent or waivers that may be required in connection with the issue, offer and allotment of the NCDs;

iv. Negotiate, finalise, sign, execute and deliver all the relevant transaction documents in connection with the issuance of NCDs on behalf of the company, including but not limited to PPOL, S-IM, Debenture Trust Deed (DTD), DTA, Deed of Hypothecation. Distribution agreement etc. and to appear before appropriate authority for adjudication, stamping or registration of such documents;

v. Authorizing of the maintenance of a register of holders of the NCDs;

vi. Make any filings with the RoC in connection with any security interest created or extinguished by the company or register any document with the relevant Registrar or Sub-registrar of Assurances;

RESOLVED FURTHER THAT the each Authorized Signatories be and are is hereby authorized to open one or more bank accounts in the name of the company with such bank or banks as may be required in connection with the issue and that any one of the Authorized Signatories, be and are hereby further authorized to sign and execute the application form and other documents required for opening the said account/s, to operate the said account/s, and to give such instructions including closure thereof as may be required and deemed appropriate by them, and that the said bank/s be and is/are hereby authorized to honor all cheques and other negotiable instruments drawn, accepted or endorsed and instructions given by any of the Authorized Signatories on behalf of the company.

RESOLVED FURTHER THAT each of the Authorized Signatories be and are hereby authorized to delegate to any other officers or employees of the company, or any lawyers, consultants or advisors as may be deemed necessary or prudent by such Authorized Signatory, their power to execute and deliver or cause to be executed or delivered any documents in connection therewith as provided under these resolutions.

RESOLVED FURTHER THAT each of the Authorized Signatories be and are hereby authorized to do and perform all such acts, deeds and things, as may be deemed necessary or incidental to the aforementioned purpose including affixing common seal of the company in the presence of any one of the authorized signatory and issuing certified true copy of the resolution from time to time."

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

**Sameer Upadhyay
Company Secretary**

**Date: September 27, 2017
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 24 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 register of members of the company will remain closed from Friday, September 22, 2017 to September 29, 2017 both days inclusive.
5. The resolutions will be taken as passed effectively on the date of Annual General Meeting.
6. 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**.

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EXPLANATORY STATEMENT



Explanatory statement pursuant to Section 102 of the Companies Act, 2013

ITEM NO. 2

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 is liable to retire by rotation at this Twentieth Annual General Meeting as well 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 Chief Financial 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 17 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 with Citi 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.

Mr. Niraj Parekh (DIN: 07089550), Director, being the director retiring by rotation, being eligible for reappointment. Further, additional disclosure as per Secretarial Standard - 2 issued by ICSI are as below:

Date of Birth	27-09-1976 (40 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	17 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
Shareholding in the company	Nil
Relationship with other Director or Manager to KMPs	Nil
Number of Board Meeting attended during the Financial Year 2016-17	4 (four)
Other Directorship	<ol style="list-style-type: none"> 1. Orbitech Private Limited 2. Citicorp Services India Private Limited 3. Citigroup Global Markets India Private Limited
Membership / Chairmanship of Committees of other Boards	Nil

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Your Directors recommend passing of this resolution by way of an ordinary resolution.

Other than Mr. Niraj Parekh, no other Directors, KMPs, or their relatives are interested or concerned, financially or otherwise, in the resolution set out at item no. 2.

ITEM NO. 4

Due to change in regulatory regime the change in clause 10 and 129 (b) of Article of Association ("AOA") of the Company is proposed.

Further, pursuant to provisions of Section 14 of the Companies Act, 2013 and rules made thereunder and all other applicable provisions/regulations, if any, as applicable to the company from time to time, the board of directors of the company in its meeting held on September 22, 2017 decided to alter the AOA of the company by substituting clause 10 and 129 (b).

a) Articles 10 would be substituted as follows:

Subject to the provisions of the Act and these Articles, the Directors may issue, *reissue, consolidate* and allot shares, debentures and/or other securities of the Company in payment or part payment for any property or assets of any kind whatsoever (including the good-will of any business) sold or transferred, or goods or machinery or know-how supplied, or for services rendered to the Company either in about the formation or promotion of the Company, or the conduct of its business, and any shares, debentures and/or other securities which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash and if so issued and allotted shall be deemed to be fully paid-up or partly paid-up securities as aforesaid. The Directors shall cause returns to be filed of any such allotment as may be required under the provisions of the Act.

b) Articles 129 (b) would be substituted as follows:

"Every deed or other instrument to which the Seal of the Company is required, shall be affixed in the presence of at least one Director or Key Managerial Personnel (KMP) or such other person or persons as the Board may specify for the said purpose by passing a resolution from time to time"

In term of Section 14 of the Companies Act, 2013 the consent of the members by way of special resolution is required for alteration of AOA of the company.

Your Directors recommend passing of this resolution by way of Special resolution.

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None of the Directors, KMPs, or their relatives are interested or concerned, financially or otherwise, in the resolution set out at item no. 4.

ITEM NO. 5

As per Sections 42 and all other applicable provisions of the Companies Act, 2013 and rule made thereunder and any other applicable laws and as amended from time to time, a company offering or making an invitation to subscribe to Non-Convertible Debentures (NCDs) on a private placement basis, is required to obtain the approval of the members by way of a special resolution. Such an approval can be obtained once a year for all the offers and invitations made for such NCDs during the year.

Further, the borrowings of the company, as approved by the board, may if necessary be secured by way of charge / mortgage / hypothecation on the Company's assets in favour of the lenders/holders of securities / trustees for the holders of the said securities. As the documents to be executed between the lenders / security holders / trustees for the holders of the said securities and the Company may contain provisions to take over substantial assets of the Company in certain events, it is necessary to pass a special resolution under Section 180(1)(a) of the Act for creation of charges / mortgages / hypothecations.

Your Directors recommend passing of this resolution by way of Special resolution.

None of the Directors, KMPs, or their relatives are interested or concerned, financially or otherwise, in the resolution set out at item no. 5.

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

A handwritten signature in blue ink, appearing to read "Sameer Upadhyay", written over a blue circular stamp.

**Sameer Upadhyay
Company Secretary**

**Date: September 27, 2017
Place: Mumbai**

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Annexure I

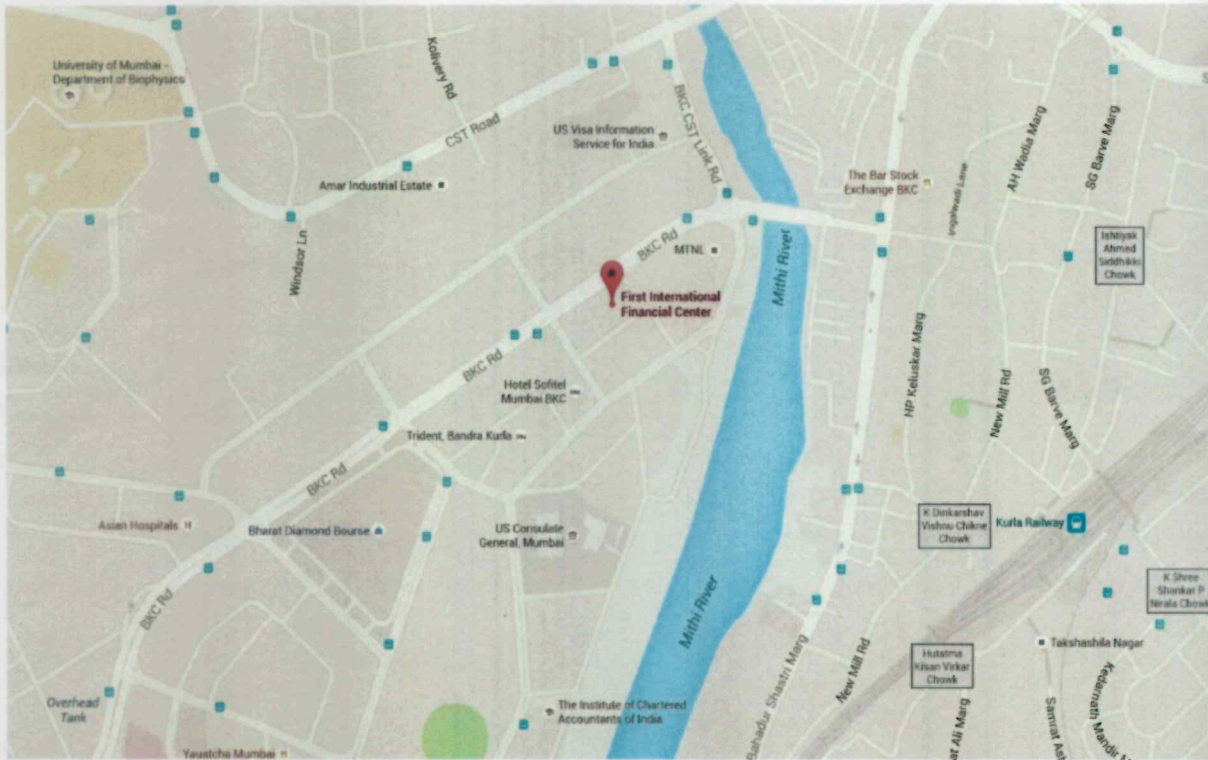
Route Map for Venue of the Meeting

Citicorp Finance (India) Limited

Registered Office:

8th Floor, First International Financial Center, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400098.

Landmark: Near Hotel Sofitel, Bandra Kurla Complex



Form no. MGT-11

Proxy Form

[Pursuant to section 105(6) of companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U65910MH1997PLC253897
Name of the company: Citicorp Finance (India) Limited
Registered Office: 8th Floor, First International Financial Centre, Plot Nos. C-54 & C-55, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 098, Maharashtra

Name of the member (s):
Registered address:
E-mail ID:
Folio No/Client Id:
DP ID: NA

I/We, being the member (s) of Citicorp Finance (India) Limited, holding _____ equity share of the above named company, hereby appoint

S. Name:

Address:

Email Id:

Signature:

2. Name:

Address:

Email Id:

Signature:

As our proxy to attend and vote (on a poll) for us and on our behalf at the Annual General Meeting of the company, to be held on the September 29, 2017 at 4.30 pm at 8th Floor, First International Financial Centre, Plot Nos. C-54 & C-55, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 098, Maharashtra and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions	For	Against
Ordinary Business:		
1. To consider and adopt the financial statement for the year ended March 31, 2017 consisting of: <ul style="list-style-type: none">• Audited Balance Sheet (Standalone and Consolidated);• Audited Statement of Profit and Loss Account (Standalone and Consolidated);• Audited Cash Flow Statement (Standalone and Consolidated);• Audited Notes to Financial Statement (Standalone and Consolidated) and• Board of Directors' Report (Standalone)		
2. To appoint Mr. Niraj Parekh, Directors, in place of those retiring by rotation.		
3. To appoint Statutory Auditors and to authorize the Board to fix		

their remuneration.		
<u>Special Business:</u> 4. Alteration of Article of Association (“AOA”) 5. Approval of Private Placement Offer Letter (“PPOL”) and Shelf Information Memorandum (“S- IM”)		

Signed this..... day of , 2017.

Signature of Shareholder

Signature of Proxy Holder (s)

Note:

1. This form of Proxy in order to be effective should be duly completed and deposited at the registered office of the company, not less than 24 hours before the commencement of the Meeting.
2. For the Resolution and Explanatory Statement please refer to Notice of 20th Annual General Meeting.
3. It is optional to put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.

ATTENDANCE SLIP

(To be presented at the entrance)

Citicorp Finance (India) limited

Registered office: 8th Floor, First International Financial Centre, Plot Nos. C-54 & C-55, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 098, Maharashtra

CIN: U65910MH1997PLC253897

20th Annual General Meeting

Venue of the Meeting: Citicorp Finance (India) Limited, 8th Floor, First International Financial Centre, Plot Nos. C-54 & C-55, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 098, Maharashtra

Date & Time: September 29, 2017 at 4.30 pm

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE

Name	
Address	
DP Id*	
Client Id*	
Folio No.	
No. of shares held	

*Applicable for investors holding shares in Electronic form.

I certify that I am the registered shareholders/proxy for the registered shareholder of the Company.

I hereby record my presence at the **20th Annual General Meeting** of the Company held on **September 29, 2017 at 4.30 pm at Citicorp Finance (India) Limited, 8th Floor, First International Financial Centre, Plot Nos. C-54 & C-55, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 098, Maharashtra.**

*Applicable for shareholders holding shares in electronic form

Signature of Member / Proxy

Note: 1. Electronic copy of the Annual Report for 2017 and Notice of the Annual General Meeting along with attendance slip and proxy form is being sent to all the members whose email address is registered with the company/~~Depository Participant~~ unless any member has requested for a hard copy of the same. Shareholders receiving electronic copy and attending the Annual General Meeting can print copy of this attendance slip.

2. Physical copy of the Annual Report for 2017 and notice of the Annual General Meeting along with attendance slip and proxy form is sent in the permitted mode(s) to all members whose email ids are not registered with the company or have requested for a hard copy.



DIRECTORS' REPORT

To,
The Members,
Citicorp Finance (India) Limited

Your Directors are pleased to present herewith the twentieth annual report of the Company together with the financial statements for the year ended March 31, 2017.

OPERATIONAL RESULTS

The summary of the financial performance of the company for the period ended March 31, 2017 as compared to the previous financial year is stated below:

Particulars	Rs. in crore	
	Year Ended March 31, 2017	Year Ended March 31, 2016
1. Total Income	847.47	640.77
2. Profit before tax	235.35	261.48
3. Current Tax	64.09	54.79
4. MAT Credit Entitlements	(6.12)	(54.79)
5. Net Current Tax	57.97	-
6. Deferred Tax	29.31	88.30
7. Profit after Taxation	148.07	173.18
8. Add : Balance carried forward from previous year	18.13	21.48
9. Reversal of proposed dividend and provision for dividend distribution tax of previous year	138.55	-
10. Amount available for Appropriation (7+8+9)	304.75	194.66
11. Amount transferred to Statutory Reserves	29.61	34.64
12. Interim Dividend	-	-
13. Tax on Interim Dividend	-	25.18
14. Proposed Dividend	-	115.11
15. Tax on proposed Dividend	-	26.78
16. Balance carried forward	275.14	18.13

STATE OF THE COMPANY'S AFFAIRS AND OPERATIONS REVIEW

The Profit before tax for the year has decreased from Rs. 261.48 crore during previous year to Rs. 235.35 crore during the current year.

The company operates in four segments:

- Corporate loans
- Advance against Financial Assets (AAFA)
- Other Loans.



Detail description of each segments are given below:

a) Corporate Loans

The Corporate loans segment provides secured and unsecured loans to corporates. The Corporate Loan portfolio includes Corporate Loan Portfolio, Trade and Treasury Services and Consumer Bank.

The revenue generated from Corporate Loan portfolio consists of interest on loans and service charges. The revenue for the year increased from Rs. 192 crore (Previous Year) to Rs. 349 crore (Current Year) i.e. net increase by 81.77% and increase in the weighted average assets from Rs. 1936 crore (Previous year) to Rs. 3,795 crore (Current Year).

During the year under review, the company has purchased Trade Loan portfolio from Citibank for an amount of Rs. 586 crore.

b) Advance against Financial Assets (AAFA)

The Company has well-established business activities in the area of lending against marketable securities, including equity shares, equity mutual funds and debt mutual funds to Ultra High Net Worth individuals (UHNW) and their companies, as part of the Loan against Shares business. This particular segment helps focus on such UHNW individuals with larger and more tailored lending requirements.

AAFA includes Citi Pvt Banking (CPB) and AAFA - Global Consumer Group (GCG). Its revenue consists of interest on loans and service charges. The revenue for the year increased from Rs. 279 crore (Previous Year) to Rs. 303 crore (Current Year) by 8.60% and increase in the weighted average assets from Rs. 2,844 crore (Previous year) to 3,276 Rs. Crore (Current Year).

Our processes continue to stand us in good stead through bouts of market volatility (as witnessed during late 2016) with proactive identification and management wherever required. However, we have seen increasing competitive pressure from domestic and multinational players, given the lack of credit growth in other parts of the economy and we do see pressure on net margins across our loans. We remain confident that we shall be able to grow revenues through a combination of new clients and judicious deal selection.

c) Other Loans

The Other Loan segment includes Asset Based Finance (ABF) and Personal Loan portfolio. ABF caters to the asset needs of the transportation and construction industry customers. It lends services in the form of loans for the purchase of commercial vehicles and construction equipment along with providing refinance on existing free assets for their working capital needs. The segment earns income in the form of interest on loans, loan assignments, processing fees, subventions and incentives from manufacturers and dealers etc. Further, as the all loans qualify under the guidelines of PSL for banks, they allow for assignment to the Bank. Furthermost, ABF provides servicing and collection services for the Bank ABF portfolio and charges a servicing and collection fee for the same.

Personal loan portfolio is unsecured loan given to individuals. The Company executed fifth tranche of personal loan portfolio purchase from Citibank, N.A in June 2017. This transaction was in accordance with the RBI guideline on asset securitization. This portfolio comprises of unsecured loans sanctioned to individual borrowers for personal consumption.

As on March 31, 2017 total income from other Loans portfolio is Rs. 88 crore as compared to previous year Rs. 37 crore.

The weighted average portfolio on book is Rs. 824 crore in the current year as against Rs. 265 crore in previous year. The Company has purchased personal loan portfolio from Citibank of Rs 1,275 crore.

FUTURE OUTLOOK

The NBFC sector in India has undergone a significant transformation over the past few years. It has come to be recognized as one of the systemically important components of the financial system and has shown consistent year-on-year growth. The NBFC segment is a catalyst to the economic development of the country. Further, the RBI is constantly striving to bring necessary changes in the NBFC regulatory space to proactively provide regulatory support to the segment and also to ensure financial stability in the long run. We hope that the forthcoming changes in the pipeline will further strengthen the robustness of the NBFC sector and allow them to operate in an enabling regulatory environment.

The philosophy of the Company believes in giving first priority to its clients and helping them find tailor made solutions to meet their financial requirements. The Company thrives on the principle to build relationships with the individuals, industries and families we serve. The Company is continuously evaluating various options / opportunities to position itself in wake to current challenges and to turn- around the performance of the company.

In the coming years, the Company would continue its efforts to expand its business activities by providing new mix of products along with the existing products. The corporate loan and loan against securities portfolio is expected to remain steady. The Company would continue to sell PSL assets generated. 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 has not recommended any dividend for the financial year 2016-17.

TRANSFER TO SPECIAL RESERVE/ OTHER RESERVES

During the year ended March 31, 2017, the company has appropriated Rs. 29.61 crores towards the Special Reserve (Previous Year – Rs. 34.64 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. Three Thousand Nine Hundred and Fifty Two Crore only) as at March 31, 2017. The issued, subscribed and paid up share capital of the company as at March 31, 2017 is Rs 28,932,952,732 (Rs. Two Thousand Eight Hundred Ninety Three Crore 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 2016- 2017 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 2016-17 the company has not accepted any deposits from the public and shall not accept any deposits from the public without obtaining prior approval of Reserve Bank of India.. 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, 2017 was 34.44% 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, 2017.

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

During the year under review, the company has incurred capital expenditure of Rs. 0.90 crore towards fixed assets (Previous year Rs. 1.80 crore).

SALE OF NON PERFORMING ASSETS (NPAs)

There was no sale of NPAs during the financial year 2016-17.

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 2016-17 (Previous Year – Nil)

c) Foreign Exchange Expenditure

Rs. in crore

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Technology and software expenses	13.12	13.70
Professional and legal expenses	18.34	3.16
HR Processing fees	0.36	0.98
Service bureau expenses	0.43	-
Total	32.25	17.84

SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY

The company did not have any subsidiary or entered into joint venture during the financial year 2016-17. The company has one associate company, India Infradebt Limited.

The India Infradebt Limited has ceased to be an associate company of Citicorp Finance (India) Limited w.e.f. April 4, 2017 due to reduction in shareholding from 29% to 15.8%.



AUDITORS AND REPORTS

a) Statutory Auditors

At the Annual General Meeting held on August 29, 2016, B S R & Co. LLP, Chartered Accountants, **holding firm registration no. 101248W/W100022** was appointed as statutory auditors of the company who completes their term at the conclusion of the ensuing Annual General Meeting.

Due to mandatory rotation of statutory auditors in accordance with the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rule, 2014 B S R & Co. LLP are not eligible for re-appointment.

The board placed on record their appreciation for the professional services rendered by B S R & Co. LLP during their association with the company as its auditors.

The management of the company is in a state of finalizing terms of appointment with the audit firm. The appointment of new audit firm will be for a term of 5 consecutive years and would hold office from the conclusion of the 20th AGM until the conclusion of the 25th AGM. The auditors appointment would be subject to their consent to act as auditor and on certifying to the effect that the appointment, if made, shall be in accordance with the conditions as prescribed in Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014. Further, the auditor will also confirm that they to meet the criteria for independence, eligibility and qualification as prescribed in Section 141 of the Companies Act, 2013.

The appointment will be subject to ratification by the members of the company at every AGM.

b) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Director of the company in its meeting held on March 23, 2016 had 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 to undertake the secretarial audit of the company.

The Secretarial Audit Report for the year ended 31st March 2017 is annexed to this report 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 Internal Auditor manages the provision of Internal Audit services and reports functionally to the Audit Committee of the company and both functionally and administratively to the Chief Auditor of Citigroup or his designee within full compliance and alignment with the letter and spirit of local regulatory requirements. Internal Audit responsibilities are carried out independently under the oversight of the CFIL Audit Committee, and Internal Audit employees accordingly report to the Chief Auditor of Citigroup or his designee and do not have reporting lines to management.

d) Auditors Observations (Statutory and Secretarial Auditor)

The Auditor's Report issued by statutory auditor of the company for the year ended March 31, 2017 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, 2003	Value Added tax	2.32	March 31, 2008	Karnataka Appellate Tribunal
		5.74	March 31, 2009	
		9.00	March 31, 2010	
		1.06	March 31, 2011	
Maharashtra Value Added tax Act, 2002	Value Added tax	2.26	March 31, 2011	Joint Commissioner
	Total	20.38		

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's appropriate to challenge the orders/ demands.

There are outstanding demands against the Company under Maharashtra Value Added Tax Act, 2002, primarily on account of levy of VAT on part purchase consideration received on account of "transfer of KPO Division" on slum sale basis amounting to Rs. 266 lakhs (previous year: Nil)

Further, 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 Board has formed various committees to review and supervise various critical operations and processes. The company has adopted a Corporate Governance Code duly approved by Board which acts as a charter for the Risk Management Committee.

The company has robust Risk Management process in place emanating from Board of Directors which comprises of highly qualified and experienced members. 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 various senior officials from the company including directors. The meeting of Risk Management Committee takes place on a quarterly interval. Accordingly, during the year under review four such meetings were held.

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 to look after the matters related to internal controls and compliance, in addition to Asset Liability Committee (ALCO) which reviews and monitors the rational for and 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:

- a. In this matter 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 the company filed the writ petition before the High Court which was dismissed by the court. The company went for Special Leave Petition (SLP) before the Supreme Court in the year 2011, 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. The Supreme Court granted our prayer seeking status quo in the matter.
- c. Post 2011, the matter is not yet listed for final hearing.

Case No. 2:

The company received an order from SDM, Delhi alleging evasion of stamp duty upon issuance of shares to its shareholders. The company had filed an appeal against the said order, though the demand amount of Rs. 1.57 crore was deposited under protest. Further, 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. The matter is now listed for 15.09.2017.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

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

The Designation of Mr. Rohit Ranjan has been changed from Managing Director to Joint Managing Director w.e.f. November 11, 2016.

Ms. Priti Goel was appointed as Joint Managing Director w.e.f December 21, 2016 and Mr. Srinivas Sishtla was appointed as Additional Director of the company w.e.f December 21, 2016.

Ms. Sabiha Kazi and Mr. Rahul Shukla stepped down from the directorship of the company w.e.f December 21, 2016.

Further, the designation of Mr. Srinivas Sishtla has been changed from Additional Director to Director w.e.f. February 15, 2017.

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

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

Nil



ANNUAL DECLARATION FROM INDEPENDENT DIRECTORS

The company has received requisite declarations from Independent Directors of the company under Section 149(7) of the Companies Act, 2013 and rules made thereunder, that they meet the criteria of their independence laid down in Section 149(6). For declaration details, please refer **Annexure IV**.

APPOINTMENT/RE-APPOINTMENT OF INDEPENDENT DIRECTOR

There was no change in Independent Directors during the financial year 2016-17.

NOMINATION AND 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, positive attributes and other matters. Each such proposed appointment is considered by the Nomination and Remuneration Committee. 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 of appointment. Suitable declarations are also obtained from the incumbent to that extent in compliance with applicable laws and regulations.

The key objective of the policy is:

- a) to ensure that the persons to be appointed as director 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;
- b) to recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management;
- c) to formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the nomination and remuneration of Directors, key managerial personnel and other employees.

VIGILANCE MECHANISM

In pursuant to the provisions of Section 177(9) and (10) of the Companies Act, 2013, a Vigilance 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

All the directors of the company have confirmed that they are not disqualified from being appointed as directors in terms of Section 164(2) of the Companies Act, 2013.

The declarations received from the directors have been taken on record by the Board of Director in its board meeting held on May 25, 2017.

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, 2017, the Board of the company consisted of six directors, of whom two are executive directors and 4 are non-executive directors including two independent directors.

Details of Directors as on March 31, 2017 are as below:

S. No.	Name	Designation
1	Mr. Rohit Ranjan	Joint Managing Director
2	Ms. Priti Goel	Joint Managing Director
3	Mr. Niraj Parekh	Director
4	Mr. Srinivas Sishtla	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 under review, the company had held 4 (Four) 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 as under:

May 27, 2016; August 05, 2016; November 11, 2016 and January 31, 2017.

Attendance of each Director is as below:

Members	No. of Board Meeting		Whether attended last AGM held on August 29, 2016
	Held	Attended	
Mr. Rohit Ranjan (Jt. MD)	4	4*	
Ms. Priti Goel (Jt. MD)	4	1**	
Mr. Niraj Parekh	4	4	Yes

Mr. Srinivas Sishtla	4	1**	
Mr. Deepak Ghaisas (ID)	4	4	
Mr. Saurabh Shah (ID)	4	4	
Ms. Sabiha Kazi (Women Director)	4	1**	
Mr. Rahul Shukla	4	2**	

* The designation of Mr. Rohit Ranjan has been changed from Managing Director to Jt. Managing Director w.e.f Nov 11, 2016.

** Ms. Priti Goel appointed as Jt. Managing Director and Mr. Srinivas Sishtla appointed as an Additional Director and Ms. Sabiha Kazi and Mr. Rahul Shukla has resigned from the directorship of the company with effect from December 21, 2016. Further, the designation of Mr. Srinivas Sishtla has been changed from Additional Director to Director w.e.f February 15, 2017.

(iii) Details of Equity Shares of the company held by the Directors as on March 31, 2017

S. No.	Name	Category	No of Equity Shares	Remark
1	Mr. Rohit Ranjan	Jt. 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 related to oversight 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 year under review, the Audit Committee met two times. Meetings of Audit Committee were held on May 27, 2016 and November 11, 2016.

The composition of the Audit Committee as on March 31, 2017 is as under:

- Mr. Niraj Parekh, Director
- Mr. Deepak Ghaisas, Independent Director
- Mr. Saurabh Shah, Independent Director

The details of members attendance is as under:

Members	No. of Meeting	
	Held	Attended
Mr. Niraj Parekh	2	2
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, 2017 are as under:

- a) Mr. Rohit Ranjan, Jt. Managing Director
- b) Ms. Priti Goel, Jt. Managing Director
- c) Mr. Srinivas Sishtla, Director
- d) Mr. Deepak Ghaisas, Independent Director
- e) Mr. Saurabh Shah, Independent Director

The Nomination and Remuneration Committee met twice during the year. The date of the meeting is as follows:

May 27, 2016 and November 11, 2016.

The details of members attendance is as under:

Members	No. of Meeting	
	Held	Attended
Mr. Rohit Ranjan	2	2
Ms. Priti Goel	2	0*
Mr. Srinivas Sishtla	2	0*
Mr. Deepak Ghaisas	2	2
Mr. Saurabh Shah	2	2
Mr. Rahul Shukla	2	2*

* Ms. Priti Goel and Mr. Srinivas Sishtla appointed as a member of the committee and Mr. Rahul Shukla ceased to be a member of the committee with effect from December 21, 2016.

(iii) 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, 2017 are as under:

- a) Mr. Rohit Ranjan, Jt. Managing Director
- b) Ms. Priti Goel, Jt. Managing Director
- c) Mr. Niraj Parekh, 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 year under review, the members of committee met 59 (Fifty Nine) times. The meeting were held on April 27, 2016; April 29, 2016; May 23, 2016; May 24, 2016; May 27, 2016; May 31, 2016; June 17, 2016; June 22, 2016; June 23, 2016; June 29, 2016; June 30, 2016; July 05, 2016; July 05 2016; July 18, 2016; July 28, 2016; July 29, 2016; August 08, 2016; August 19, 2016; August 23, 2016; August 30, 2016; August 31, 2016; September 08, 2016; September 19, 2016; September 20, 2016; September 21, 2016; September 23, 2016; September 26, 2016; September 27, 2016; September 28, 2016; September 30, 2016; October 24, 2016; November 11, 2016; November 24, 2016; November 30, 2016; December 06, 2016; December 07, 2016; December 15, 2016; December 20, 2016; December 21, 2016; December 22, 2016; December 23, 2016; December 26, 2016; December 27, 2016; December 30, 2016; January 20, 2017; January 31, 2017; February 07, 2017; February 20, 2017; February 28, 2017; March 06, 2017; March 08, 2017; March 16, 2017; March 17, 2017; March 20, 2017; March 22, 2017; March 23, 2017; March 24, 2017; March 27, 2017 and March 29, 2017.

The details of members attendance is as under:

Members	No. of Meeting	
	Held	Attended
Mr. Rohit Ranjan	59	0
Ms. Priti Goel	59	0*
Mr. Niraj Parekh	59	0
Mr. Sameer Upadhyay	59	52
Mr. Ganesh Ramanathan	59	24
Mr. Rakesh Bajaj	59	38**
Mr. Vijay Sethi	59	44
Mr. Amarjeet Singh Kalsi	59	57**
Ms. Sabiha Kazi	59	0*

* Ms. Priti Goel appointed and Ms. Sabiha Kazi ceased to be a member of the committee with effect from December 21, 2016.

**Mr. Rakesh Bajaj and Mr. Amarjeet Singh Kalsi ceased to be members of the committee w.e.f April 28, 2017 and May 15, 2017 respectively due to their resignation from the company.

(iv) Asset Liability Committee (ALCO)

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 and carries out functions and obligations prescribed by the Reserve Bank of India from time to time.

The composition of Asset Liability Management Committee as on March 31, 2017 is as under:

- a) Mr. Rohit Ranjan, Jt. Managing Director
- b) Ms. Priti Goel, Jt. Managing Director
- c) Mr. Srinivas Sishtla, Director
- d) Mr. Niraj Parekh, Director
- e) Mr. Ganesh Ramanathan, Chief Financial Officer
- f) Mr. Sameer Upadhyay, Company Secretary
- g) Mr. Vijay Sethi, Treasurer*
- h) Mr. Rakesh Bajaj, Finance Controller
- i) Mr. Prasen Kale, Credit & Risk
- j) Mr. Amarjeet Singh Kalsi, Ops head**

- k) Mr. Vinod Raghavan, Compliance Officer
- l) Respective Business Heads

Note:

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

** Also in-charge of IT function.

During the year under review, the members of committee met 12 (Twelve) times. The meetings were held on. April 20, 2016; May 17, 2016; June 21, 2016; July 18, 2016; August 23, 2016; September 21, 2016; October 21, 2016; November 21, 2016; December 09, 2015; January 12, 2017; February 15, 2017 and March 14, 2017.

The details of members attendance is as under:

Members	No. of Meeting	
	Held	Attended
Mr. Rohit Ranjan	12	7
Ms. Priti Goel	12	1*
Mr. Srinivas Sishtla	12	2*
Mr. Niraj Parekh	12	0
Mr. Sameer Upadhyay	12	7
Mr. Ganesh Ramanathan	12	11
Mr. Rakesh Bajaj	12	58**
Mr. Vijay Sethi	12	12
Mr. Amarjeet Singh Kalsi	12	12**
Ms. Vinod Raghavan	12	0
Mr. Prasen Kale	12	0
Mr. Rahul Shukla	12	0*
Respective Business Heads	12	As per minutes of the meeting

* Ms. Priti Goel and Mr. Srinivas Sishtla appointed as member of the committee and Mr. Rahul Shukla ceased to be member of the committee with effect from December 21, 2016.

**Mr. Rakesh Bajaj and Mr. Amarjeet Singh Kalsi ceased to be members of the committee w.e.f April 28, 2017 and May 15, 2017 respectively due to their resignation from the company.

(v) Stakeholder Relationship Committee

The role of the committee is to handle all grievances related Security holders including the grievances related to issue, allotment, transfer of securities, non-receipt of declared dividend / interest, non-receipt of balance sheet / investors communications etc. as required by regulations and other applicable provisions/ regulatory laws, if any.

During the year under review, the committee has not received any complaints /grievance from stakeholders, hence no meeting held during the year.

The composition of Stakeholder Relationship Committee as on March 31, 2017 is as under:

- a) Mr. Rohit Ranjan, Jt. Managing Director
- b) Ms. Priti Goel, Jt. Managing Director*
- c) Mr. Niraj Parekh, 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:

* Ms. Priti Goel appointed as a member of the committee with effect from December 21, 2016.

**Mr. Rakesh Bajaj and Mr. Amarjeet Singh Kalsi ceased to be members of the committee w.e.f April 28, 2017 and May 15, 2017 respectively due to their resignation from the company.

(vi) 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, 2017 is as under:

- a) Mr. Rohit Ranjan, Jt. Managing Director
- b) Ms. Priti Goel, Jt. Managing Director
- c) Mr. Niraj Parekh, Director
- d) Mr. Srinivas Sishtla, Director
- e) Mr. Deepak Ghaisas, Independent Director
- f) Mr. Saurabh Shah, Independent Director
- g) Member of Corporate Affairs team
- h) Mr. Sameer Upadhyay, Company Secretary

During the year under review, the members of committee met 1 (One) times. The meeting was held on November 11, 2016.

The details of members attendance is as under:

Members	No. of Meeting	
	Held	Attended
Mr. Rohit Ranjan	1	1
Ms. Priti Goel	1	0*
Mr. Niraj Parekh	1	1
Mr. Srinivas Sishtla	1	0*
Mr. Deepak Ghaisas	1	1
Mr. Saurabh Shah	1	1
Mr. Sameer Upadhyay	1	1
Ms. Sabiha Kazi	1	0*
Mr. Rahul Shukla	1	1*
Ms. Shahin Dastur (Member of Corporate affairs team)	1	1

* Ms. Priti Goel and Mr. Srinivas Sishtla appointed as member of the committee and Ms. Sabiha Kazi and Mr. Rahul Shukla ceased to be member of the committee with effect from December 21, 2016.

(vii) 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, 2017 is as under:

- a) Mr. Rohit Ranjan, Jt. Managing Director
- b) Ms. Priti Goel, Jt. Managing Director
- c) Mr. Niraj Parekh, Director
- d) Mr. Srinivas Sishtla, Director
- e) Mr. Ganesh Ramanathan, Chief Financial Officer
- f) Mr. Rakesh Bajaj- Finance Controller
- g) Mr. Sameer Upadhyay, Company Secretary
- h) Mr. Vijay Sethi, Treasurer
- i) Mr. Amarjeet Singh Kalsi, Ops head
- j) Mr. Vinod Raghavan, Compliance Officer
- k) Mr. Prasen Kale, Credit & Risk
- l) Representative of Risk Management team
- m) Respective Business heads

During the year under review, the committee met 4 (Four) times. The meetings were held on April 24, 2016; July 25, 2016; October 24, 2016 and January 25, 2017.

Members	No. of Meeting	
	Held	Attended
Mr. Rohit Ranjan	4	1
Ms. Priti Goel	4	1*
Mr. Srinivas Sishtla	4	1*
Mr. Niraj Parekh	4	1
Mr. Rakesh Bajaj	4	3**
Mr. Amarjeet Singh Kalsi	4	4**
Mr. Ganesh Ramanathan	4	2
Mr. Sameer Upadhyay	4	4
Mr. Vijay Sethi	4	2
Mr. Vinod Raghavan	4	3
Mr. Prasen Kale	4	4
Mr. Rahul Shukla	4	0*
Ms. Sabiha Kazi	4	0*
Ms. Vinaya Parvate	4	0*
Representative of Risk Management team	4	As per minutes of the meeting
Respective Business heads	4	As per minutes of the meeting
Please note that Risk Management Committee attended by permanent invitees as well.		

*Ms. Priti Goel and Mr. Srinivas Sishtla appointed and Ms. Sabiha Kazi, Mr. Rahul Shukla and Ms. Vinaya Parvate ceased to be members of the committee w.e.f December 21, 2016

**Mr. Rakesh Bajaj and Mr. Amarjeet Singh Kalsi ceased to be members of the committee w.e.f April 28, 2017 and May 15, 2017 respectively due to their resignation from the company.

(viii) Loans and Investment Committee

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

(ix) Borrowing Committee

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

(x) Share Allotment and Transfer Committee

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

GENERAL BODY MEETINGS

(i) Annual General Meeting

During the year under review, 1 (One) Annual General Meeting was held on August 29, 2016.

(ii) Extraordinary General Meeting

During the year under review, 1 (One) Extraordinary General Meetings was held on February 15, 2017.

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 year under review, one meeting of Independent Directors was held on November 11, 2016 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;

At the said meeting, the independent directors also assessed the quality, quantity and timeliness of flow of information between the company's management and the board which enables the board to effectively and reasonably perform its duties.

FORMAL LETTER OF APPOINTMENT TO INDEPENDENT DIRECTORS

The independent directors of the company have been appointed for a period of 5 years with effect from January 24, 2014 and shall not be liable to retire by rotation.

The terms and conditions of appointment of independent directors are placed on the website of the company at www.citicorpfinance.co.in.

BOARD EVALUATION

Section 178 (2) of the Companies Act, 2013 and Securities and Exchange Board of India cast an obligation to carry out 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 key 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 template 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 template were filled by each of the directors.

The report of performance evaluation was noted and discussed by the Nomination and Remuneration committee and Board at their meetings held on May 25, 2017.



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.

The board expressed its satisfaction on the same.

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 year under review, the company has not reported any such Complaints/ Concerns.

FRAUD

During the year under review, one instance of customer related fraud was reported. The fraud involving Rs. 0.47 Lakh was detected during the year under review as compared to 4 frauds amounting to Rs. 0.08 Lakh during the financial year 2015-16. The fraud has been appropriately reported to Reserve Bank of India in accordance with the applicable guidelines.

There is no instance of fraud committed by the Company.

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 **Annexure V**.

LISTING

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

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

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 year under review, an amount of Rs. 15,71,500/- (Fifteen Lakh Seventy One Thousand and Five Hundred Only) in relation to Debentures and interest thereon which remained unclaimed for a period of seven years from the date they became due for payment have been transferred to IEPF. The concerned debentureholders can claim their amount from IEPF.

The details of amount transferred to IEPF are as 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	-	-
Anurag Kanchanbaras Rajendra Prakash Kanchanbaras	INE915D07JL0	3-Mar-10	1,071,500	-	-

REDEMPTION OF DEBENTURES

During the year under review, Debentures amounting to Rs. 5385.51 crores have been redeemed/ paid (Previous Year Rs.522.07 crores).

DEBENTURE TRUSTEE

The IDBI Trusteeship Services Limited continues to be a Debenture Trustee of the company for the year under review. The Contact details 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

TREASURY

The Treasury segment of the Company 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 increased from Rs. 36.20 crore (Previous Year) to Rs. 38.95 crore (Current Year) by 7.60%.



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.

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 as **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 under review, below mentioned training were imparted covering Man hours and Man days respectively.

Trainings	Sum of Activity Credit Days	Man hours
Functional	86	685
Functional-Skills	39	314
Leadership	62	498
Mandatory	278	2223
New Hire	1	10
Professional Development	20	163



DIRECTORS'S RESPONSIBILITY STATEMENT

Pursuant to Section 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, hereby confirm that:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed and there is no material departure;

(b) they have 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) they have 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) they have prepared the annual accounts on a going concern basis; and

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

(f) they have 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
Jt. Managing Director
DIN- 00003480

Niraj Parekh
Director
DIN-07089550

Date: September 22, 2017

Place: Mumbai

ANNEXURE INDEX

Annexure	Content
i	Extract of Annual Return in MGT 9
ii	Related Party Transaction AOC-2
iii	Secretarial Audit Report
iv	Annual declaration from Independent Directors
v	Annual Report on Corporate Social Responsibility
vi	Disclosure related to employees
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 31.03.2017

**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 400098
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	36.02%
2	Corporate Loan	6492	41.20%
3.	Treasury activities	6492	4.60%
4.	Other Loans	6492	16.99%

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 – 400 098	U65923MH2012PLC237365	Associate*	29	2(6)

* Please note that India Infradebt Limited ceased to be associate company of Citicorp Finance (India) Limited w.e.f April 4, 2017.

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) India							

n								
g) Indivi dual/ HUF								
h) Centra l Govt								
i) State Govt								
(s)								
j) Bodie s	3,857,727,03	3,857,727,031	10	0	3,857,727,03	3,857,727,03	100	0
Corp.	1		0		1	1		
k) Banks / FI								
l) Any Other ...								
Sub- total (A)								
(1):-	3,857,727,03	3,857,727,031	10	0	3,857,727,03	3,857,727,03	100	0
(2)	1		0		1	1		
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	<div style="border: 1px solid black; padding: 5px; display: inline-block; color: red;">NA</div>						

<p>Companies g) FIIs h) Foreign Venture Capital Funds i) Others (specify) Sub- total (B)(1) :- 2. Non- Insti- tutions a) Bodie s Corp. i) Indian ii) Overs eas b) Indi vidual s i) Indivi dual shareh olders holdin g nomin al share capital upto Rs. 1 lakh</p>				<p>NA</p>			
--	--	--	--	-----------	--	--	--

ii) 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)					NA			
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 Pattern - 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):

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	No change during the year			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	No change during the year			
	At the end of the year	No change during the year			

**D) Shareholding Pattern - 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	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			
	At the end of the year	NA			

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

* 1 (One) share held by Citibank Overseas Investment Corporation jointly with Mr. Rohit Ranjan, Jt. Managing Director, of the company.

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	2,847.86	1,763.16	-	4,611.02
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	137.06	-	-	137.06
Total (i+ii+iii)	2,984.92	1,763.16	-	4,748.08
Change in Indebtedness during the financial year				
• Addition	6,548.66	74,273.21	-	80,821.87
• Reduction	(6,687.81)	(72,025.41)	-	(78,713.22)
Net Change	(139.15)	2,247.80	-	2,108.6503
Indebtedness at the end of the financial year				
i) Principal Amount	2,711.06	3,992.21	-	6,633.2702
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	134.71	18.75	-	153.4688
Total (i+ii+iii)	2,845.77	4,010.96	-	6,856.7391

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 (Jt. Managing Director) * April 01, 2016 to March 31, 2017	Ms. Priti Goel (Jt. Managing Director) *November 11, 2016 to March 31, 2017	
1	Gross salary			

	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NA
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NA
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NA
2	Stock Option	NA
3	Sweat Equity	NA
4	Commission - as % of profit - others, specify.	NA
5	Others, please specify	NA
	Total (A)	NA
	Ceiling as per the Act	NA

* The appointment of Jt. Managing Directors is on secondment basis and prorated, wherever applicable. The details of secondment charges in relation to Mr. Rohit Ranjan and Ms. Priti Goel are available with the company.

B. Remuneration paid 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	3,60,000	3,60,000	7,20,000
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (1)	3,60,000	3,60,000	7,20,000
2	Other Non-Executive Directors	-	-	-
	Fee for attending board committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (2)	-	-	-
	Total (B)=(1+2)	3,60,000	3,60,000	7,20,000
	Total Managerial Remuneration	3,60,000	3,60,000	7,20,000
	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)	CFO (Ganesh Ramanathan)	Total
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			

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: September 22, 2017
Place: Mumbai

Rohit Ranjan
Jt. Managing Director
DIN- 00003480

Niraj Parekh
Director
DIN-07089550

		CGM Singapore PTE Limited Citigroup Global Markets Hong Kong Ltd Citibank US	Fellow Subsidiary Fellow Subsidiary Holding
b)	Nature of contracts/arrangements/transaction	<p>1. Citibank NA India :</p> <p><u>Receivable:</u></p> <ul style="list-style-type: none"> - Lease rentals received - Sale of Loan portfolio - Sourcing and Collection fees for loan portfolio - Interest earned on deposits <p><u>Payable:</u></p> <ul style="list-style-type: none"> - Servicing and Collection fees paid - Fee paid for loans referral in connection with Loans against securities - Support service charges paid/received for seconded personnel - Bank Charges for Cash Management and Custody Services, Interest on Short term loans - Technology / support / expenses paid - Fee paid for Advisory, Arrangement, Placement, Merchant Banker Fees & Brokerage paid - Fee paid for Geographical Revenue Attribution - Purchase of Loan portfolio - Rentals for premises <p>2. Citibank NA-Singapore branch</p> <ul style="list-style-type: none"> -Technology / support expenses paid, Fees for HR related services <p>3. Citibank NA, Manila Branch</p> <ul style="list-style-type: none"> - Technology / support expenses paid, Fees for HR related services <p>4. Citibank NA, United Kingdom Branch</p> <ul style="list-style-type: none"> - Fee paid for Geographical Revenue Attribution <p>5. Citibank NA, Hong Kong Branch</p> <ul style="list-style-type: none"> - Fee paid for Geographical Revenue Attribution 	

		<p>6. Citicorp Investment Bank Singapore Ltd</p> <ul style="list-style-type: none"> - Fee paid for Geographical Revenue Attribution <p>7. Citigroup Global Markets India Pvt Ltd</p> <ul style="list-style-type: none"> - Rent paid/recovered, Finance Lease Transactions, Merchant banking fees - Fee paid for Geographical Revenue Attribution <p>8. Citigroup Technology Inc.</p> <ul style="list-style-type: none"> - Fees related to Global Technology Infrastructure. <p>9. Citigroup Global Market Asia Limited</p> <ul style="list-style-type: none"> - Fees payable w.r.t risk management, hedging strategy, equity market advisory services and other related support services. <p>10. Citicorp Services India Pvt Ltd</p> <ul style="list-style-type: none"> - Fees payable w.r.t. HR related services, Rent paid, Compliance fees, Technology support services, loan operations etc - Receivables: Interest earned on finance lease, internal control services to CSIPL etc. <p>11. Citigroup Transactions Services (M) Sdn Bhd</p> <ul style="list-style-type: none"> - Technology / support expenses paid <p>12. CGM Deutschland AG</p> <ul style="list-style-type: none"> - Fee paid for Geographical Revenue Attribution <p>13. Citibank China Ltd Co</p> <ul style="list-style-type: none"> - Fee paid for Geographical Revenue Attribution 	
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		<p>14. Citibank Japan Ltd - Fee paid for Geographical Revenue Attribution</p> <p>15. CGM Singapore PTE Limited - Fee paid for Geographical Revenue Attribution</p> <p>16. Citigroup Global Markets Hong Kong Ltd - Fee paid for Geographical Revenue Attribution</p> <p>17. Citibank US - Fee paid for Geographical Revenue Attribution</p>	
c)	Duration of the contracts/arrangements/transaction	FY 2016-17	
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	25/05/2017	
f)	Amount paid as advances, if any	-	

For Citicorp Finance (India) Limited

Date: September 22, 2017
Place: Mumbai


Rohit Ranjan
Jt. Managing Director
DIN- 00003480


Nira Parekh
Director
DIN-07089550

Zainab H Poonawala & Associates
Practising Company Secretary

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

[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 2017 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, 2017 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 (Listing Obligation and Disclosures Requirement) Regulations, 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. (not applicable to the company during the audit period)
- (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.

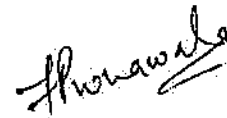
We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines (as mentioned above and listed in Annexure I).

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, Chapter V and Chapter VI of SEBI (Listing Obligation and Disclosures Requirement) 2015 and Notifications issued by RBI.

Place: Mumbai

Date: 28/06/2017



Zainab H Poonawala

FCS No.:7916

CP No.: 8874



Annexure J: 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, **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 21 day of March, 2017

Signature:

Saurabh Shah

DIN -02094645

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 21 day of March 2017.

DIN - 00001811



Signature:

Deepak Ghaisas

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 2016-March 2017.

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, 2017 is as under:

- a) Mr. Rohit Ranjan, Jt. Managing Director
- b) Ms. Priti Goel, Jt. Managing Director
- c) Mr. Niraj Parekh, Director
- d) Mr. Srinivas Sishtla, 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. 289.66 crore**
- (4) Prescribed CSR Expenditure (two percent of the amount as in item 3 above)— **Rs. 5.79 crore**
- (5) Details of CSR spent during the financial year.

(a) Total amount spent during the financial year; **Rs. 5.75 crore**

(b) Amount unspent, if any; **Rs. 0.04 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 Program s 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 Livelihood Enhancement and Skillin g through Medha Learning Foundation's Emplo yabilit	For educating and providing career opportunities to 2500 youth across the cities of Lucknow, Kanpur, Allahabad, Gorakhpur and Varanasi in Uttar Pradesh. Medha provides 21 st Century Skills Training, Career Guidance & Mentorship, On-the-job Work Experience, and Job Placement Support to low-	Uttar Pradesh	14,098,000	14,098,000	14098,000	Through implementing partner – Medha Learning Foundation , Medha better prepares India's youth for the life after school.

	y Devel opme nt of Youth Progra m	income and disadvantaged students between the ages of 16 to 25 years.					
2	Towar ds promo ting Liveli hood Enhan cemen t and Skillin g throug h Udyo gini's Udyo gini- Edubr idge Career Acade my Progra m	For developing economic opportunities for the unemployed youth by providing them employment linked training followed by placements in leading organizations. The aim is to provide 1200 unemployed youth employability training, thereby increasing the household income of 1200 families by more than 100%.	Mumb ai and Pune	23,361,0 75	23,361,0 75	23,361,0 75	Through implementation partner - Udyogini , Udyogini was set up to co-ordinate and facilitate management training for grassroots women's groups for the World Bank Institute – funded Women's Enterprise Management Training Outreach Program (WEMTOP).
3	Towar ds eradic ating hunge r, povert y and malnu trition	To support The Akshaya Patra Foundation for setting up a new 5000-meal kitchen in Mumbai, Maharashtra. The mission is to ensure children attend school by providing them with nutritious mid-day meal every day, and to fight hunger,	Mumb ai	5,000,00 0	5,000,00 0	5,000,00 0	Through implementation partner, The Akshaya Patra Foundation: The Akshaya Patra Foundation strives to fight issues like hunger and malnutrition in India. It has implemented the Mid-Day Meal Scheme in th schools which has helped not only fight hunger but also help in bringing children to schools and complete their

		and provide much needed nutrients for a holistic development of a child.					education.
4	Towards promoting Education including special educated and employment enhancing vocational skills especially among children, women, elderly, and differently abled and livelihood	Social Empowerment and Economic Development Society (SEEDS) in association with Generation India Foundation (GIF) has been implementing a program called Generation, which focuses on youth unemployment. This program is towards partnership to train 1290 youth in 5 cities (Delhi, Gurgaon, Chennai, Hyderabad, Bangalore) to become General Duty Assistants, to aid the elderly and sick in hospitals.	Delhi, Gurgaon, Chennai, Hyderabad and Bangalore	15,000,000	15,000,000	15,000,000	Through Implementation Partner, Social Empowerment and Economic Development Society in association with Generation India Foundation (GIF). GIF is an affiliate of McKinsey Social Initiative (MSI), a charitable organization incorporated in US and has expertise in delivering charitable programs successfully. GIF is closely working with SEEDS in India on 'Generation' program under close supervision.
5.	Giving at Citi (Citi Employee Payroll	This it towards the matching contribution given by Citi to support employee contributions to	Bengaluru, Mumbai, New Delhi, Chennai	44,600	44,600	44,600	Through implementation partner United Way of Mumbai: United Way Mumbai, is a non-profit organization with expertise in CSR

<p>l Givin g Progra m)</p>	<p>the payroll program. Supporting six 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:</p> <ol style="list-style-type: none"> 1. SOS Children's Village 2. HelpAge India 3. The Akshaya Patra Foundation 4. Make a Wish Foundation 5. ADAPT 6. St. Jude India ChildCare Centre 	<p>i, Pune, Kolkata, Hyderabad</p>				<p>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, 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.</p>
<p>Total</p>			<p>57,503,675</p>	<p>57,503,675</p>	<p>57,503,675</p>	



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 a committed effort and significant strides in our third year of implementation of the CSR rule to meet our targets, which is demonstrated through our progress over last year, with only a marginal shortfall this year. 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
Jt. Managing Director
DIN-00003480

Mr. Deepak Ghaisas
Independent Director
DIN-00001811

Mr. Niraj Parekh
Director
DIN-07089550

Date: September 22, 2017

Place: Mumbai

Annexure - VI

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

Sl No	Name	Designation/ Nature of Duties	Remuneration * Received (Rs.)	Qualification	Latest Citi Experience in years	Age in years	Effective date of secondment / Date of commencement of employment with CFIL	LWD with CFIL/ Date of De-secondment	Last employment held Prior to Citi
1	Puneet Sanwalka	Director	*	CA	16.6	41	1-Jun-16	NA	Price Water House Coopers
2	Asheesh Goel	SVP	*	CA	16.5	47	10-Mar-17	NA	Birla Global Fin. Ltd
3	Lata Daswani	SVP	*	CA	0.5	37	20-Jun-16	NA	Barclays Bank PLC
4	Sumit Handa	AVP	*	Bachelors	10.0	37	2-May-06	30-Apr-16	Thomas Co. Pvt Ltd.

*The remuneration details are available with the company.

Notes:

- The above employees are for the financial year 2016-17
- 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

Date: September 22, 2017
Place: Mumbai


Rohit Ranjan
 Jt. Managing Director
 DIN- 00003480


Niraj Parekh
 Director
 DIN-07089550

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, 2017 the company does not have any subsidiaries.

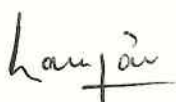
Part "B": Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act,
2013 related to Associate Companies and Joint Ventures

Name of Associates/ Joint Ventures	India Infradebt Limited
1. Latest audited Balance Sheet Date	31/03/2017
2. Shares of Associate/Joint Ventures held by the company on the year end	
a. No.	87,000,000
b. Amount of Investment in Associates/Joint Venture	Rs. 870,000,000.00
c. Extend of Holding %	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	124.13 crore
6. Profit / Loss for the year	
i. Considered in Consolidation	13.95 crore
ii. Not Considered in Consolidation	Nil


* The India Infradebt Limited has ceased to be an associate company of Citicorp Finance (India) Limited w.e.f April 4, 2017 due to reduction in shareholding from 29% to 15.8%.


- 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
Jt. Managing
Director
DIN-00003480


Priti Goel
Jt. Managing
Director
DIN- 07649929


Ganesh Ramanathan
Chief Financial Officer
PAN- AMNPK1814H


Sameer Upadhyay
Company Secretary
PAN- AAPPU3908A

Date: September 22, 2017
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**

Ms. Priti Goel – 7.38
Mr. Rohit Ranjan – 17.53

Please note that for calculating ratio of remuneration, average of financial year beginning and ending values have been considered.

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:

Employee Name	% Increase
Ms. Priti Goel*	5.30%
Mr. Rohit Ranjan*	5.10%
Mr. Ganesh Ramanathan	6.00%
Mr. Sameer V. Upadhyay	11.20%

* The secondment charges are paid to Citibank.

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 4%.

4. **The number of permanent employees on the rolls of the company**

260 (as on 31-Mar-17)

5. **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.

6. **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 Jt. Managing Directors, 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 Jt. 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 board/committee meeting, which are within the maximum permissible amount under the Companies Act, 2013 together with Rules thereunder.



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

Date: September 22, 2017
Place: Mumbai

For Citicorp Finance (India) Limited

Rohit Ranjan
Jt. Managing Director
DIN- 00003480

For Citicorp Finance (India) Limited

Niraj Parekh
Director
DIN-07089550

Citicorp Finance (India) Limited

Financial statements together with
the Auditor's Report for the year
ended 31 March 2017

Citicorp Finance (India) Limited

Financial statements together with the Auditor's Report

for the year ended 31 March 2017

Contents

Independent Auditor's Report

Balance sheet

Statement of profit and loss

Cash flow statement

Notes to the financial statements

B S R & Co. LLP

Chartered Accountants

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

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

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 2017, 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.

vs.

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 2017, 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 2017 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2017 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:

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 24 (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 losses;
- iii. There has been no delays in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company; and
- iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. However, we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures are in accordance with books of account maintained by the Company and as produced to us by management – refer note 24 (17) to the financial statements.

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

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



Vaibhav Shah
Partner

Membership No: 117377

Mumbai
25 May 2017

Citicorp Finance (India) Limited

Annexure A to the Independent Auditor's Report

(Referred to in our report of even date)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified based on the value over the period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (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. Accordingly paragraph 3(vi) of the Order is not applicable.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, 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 2017 for a period of more than six months from the date they became payable.

VS.

Citicorp Finance (India) Limited

Annexure A to the Independent Auditor's Report (Continued)

- (b) According to the information and explanations given to us, there are no dues of income tax and service tax 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	
Maharashtra Value Added Tax Act, 2002	Value Added tax	106	Year ended 31 March 2011	Joint Commissioner
		226	Year ended 31 March 2011	
		2,038		

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks, Government or debenture holders.
- 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 given 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.

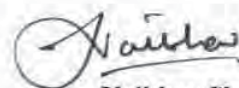
Citicorp Finance (India) Limited

Annexure A to the Independent Auditor's Report (*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 **B S R & Co. LLP**
Chartered Accountants

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



Vaibhav Shah
Partner

Membership No: 117377

Mumbai
25 May 2017

Citicorp Finance (India) Limited

Annexure - B to the Independent Auditor's Report

(Referred to in our report of even date)

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 2017 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.

VS

Citicorp Finance (India) Limited

Annexure - B to the Independent Auditor's Report (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 2017, 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



Vaibhav Shah

Partner

Membership No: 117377

Mumbai
25 May 2017

Citicorp Finance (India) Limited**Balance sheet**

as at 31 March 2017

(Currency: Indian Rupees in Lakhs)

	Note No.	31 March 2017	31 March 2016
I. EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
Share capital	3	289,330	289,330
Reserves and surplus	4	88,139	59,477
		<u>377,469</u>	<u>348,807</u>
2. NON-CURRENT LIABILITIES			
Long term borrowings	5	47,338	77,315
Other long term liabilities	6	3,201	6,706
Long term provisions	7	718	619
		<u>51,257</u>	<u>84,640</u>
3. CURRENT LIABILITIES			
Short term borrowings	8	269,221	221,317
Trade payables			
- Total outstanding dues of micro enterprises and small enterprises		69	145
- Total outstanding dues of creditors other than micro enterprises and small enterprises		5,259	1,980
Other current liabilities	9	376,607	184,564
Short term provisions	10	9,352	22,796
		<u>660,508</u>	<u>430,802</u>
TOTAL		<u><u>1,089,234</u></u>	<u><u>864,249</u></u>
II. ASSETS			
1. NON-CURRENT ASSETS			
Fixed assets			
Tangible assets	11	427	463
Intangible assets		-	-
Capital work in progress		141	83
		<u>568</u>	<u>546</u>
Non current investments	12	10,452	10,457
Deferred tax assets (Net)	24.9	14,901	17,832
Long term loans and advances	13	162,282	125,131
Other non current assets	14	2,578	950
		<u>190,781</u>	<u>154,916</u>
2. CURRENT ASSETS			
Current investments	15	21,746	29,722
Cash and bank balances	16	29,153	27,647
Short term loans and advances	17	823,441	631,818
Other current assets	18	24,113	20,146
		<u>898,453</u>	<u>709,333</u>
TOTAL		<u><u>1,089,234</u></u>	<u><u>864,249</u></u>
Significant accounting policies	2		

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For BSR & Co. LLP

Chartered Accountants

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

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

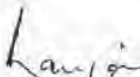
Vaibhav Shah

Partner

Membership No: 117377

Mumbai

25 May 2017



Rohit Ranjan

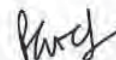
Jt. Managing Director

DIN: 00003480



Ganesh Ramanathan

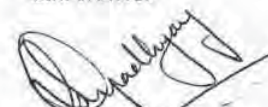
Chief Financial Officer



Priti Goel

Jt. Managing Director

DIN: 07649929



Sameer Upadhyay

Company Secretary

Citicorp Finance (India) Limited**Statement of profit and loss**

for the year ended 31 March 2017

(Currency: Indian Rupees in Lakhs)

	Note No.	31 March 2017	31 March 2016
REVENUE			
Revenue from operations	19	80,826	57,649
Other income	20	3,921	6,428
Total Revenue		84,747	64,077
EXPENSES			
Employee benefits	21	5,051	4,710
Finance costs	22	40,431	19,877
Depreciation	11	125	109
Other expenses	23	15,605	13,233
Total Expenses		61,212	37,929
PROFIT BEFORE TAX		23,535	26,148
TAX EXPENSE:			
Current tax expense relating to prior years		1,269	-
Current tax expense		5,140	5,479
MAT credit entitlement		(612)	(5,479)
Net current tax		5,797	-
Deferred tax	24.9	2,931	8,830
PROFIT FOR THE YEAR		14,807	17,318
EARNINGS PER EQUITY SHARE:			
Basic and diluted earnings per share of Rs. 7.50 face value	24.8	0.38	0.45
Significant accounting policies	2		

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

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

For and on behalf of the Board of Directors

Citicorp Finance (India) Limited



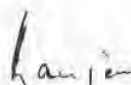
Vaibhav Shah

Partner

Membership No: 117377

Mumbai

25 May 2017



Rohit Ranjan

Jt. Managing Director

DIN: 00003480



Ganesh Ramanathan

Chief Financial Officer



Priti Goel

Jt. Managing Director

DIN: 07649929



Sameer Upadhyay

Company Secretary

Citicorp Finance (India) Limited**Cash flow statement**

for the year ended 31 March 2017

(Currency: Indian Rupees in Lakhs)

	31 March 2017	31 March 2016
Cash flows from operating activities		
Profit before tax	23,535	26,148
<u>Add:-</u>		
Depreciation and amortisation	125	109
Provision for diminution in the value of investments	5	23
Provision for doubtful advances and standard assets	1,164	1,135
Provision for other liabilities	42	428
Discount amortised on issue or charged-off on buy-back of debentures	4	6
Amortization of debt issuance and loan origination costs	223	277
Gain on sale of Short term investments	(197)	(150)
Gain on sale of fixed assets	(4)	(10)
<u>Less:-</u>		
Unrealized gain on derivatives	(1,336)	4,827
Ammortisation of subvention income	334	366
Reversal of provision for standard restructured assets and bad and doubtful debts	-	1,513
Dividend income	81	75
Operating profit before working capital changes	<u>25,818</u>	<u>21,185</u>
Decrease / (increase) in other current and non current assets	(7,122)	(830)
Increase in loans and advances	(230,349)	(289,440)
(Decrease) / increase in provisions, liabilities and trade payables*	<u>(251)</u>	<u>(7,508)</u>
	<u>(237,722)</u>	<u>(297,778)</u>
Net cash used in operating activities before taxes	(211,904)	(276,593)
Less: Taxes paid	<u>4,215</u>	<u>6,701</u>
Cash flows used in operating activities - A	<u>(216,119)</u>	<u>(283,294)</u>
Cash flows from investing activities		
Dividend income	81	75
Net proceeds from sale of short term investments	8,172	35,247
Sale proceeds of fixed assets	4	20
Purchase of fixed assets	<u>(147)</u>	<u>(263)</u>
Cash flows generated from investing activities - B	<u>8,110</u>	<u>35,079</u>
Cash flows from financing activities		
Increase in secured loans (net)	(13,685)	128,081
Decrease in unsecured loans (net)	222,905	133,407
Dividend and dividend distribution tax	-	(10,263)
Cash flows generated from / (used in) financing activities - C	<u>209,220</u>	<u>251,225</u>
Net increase in cash and cash equivalents - (A+B+C)	<u>1,211</u>	<u>3,010</u>
Cash and cash equivalents at the beginning of the period	<u>19,239</u>	<u>16,229</u>
Cash and cash equivalents at the end of the period	<u><u>20,450</u></u>	<u><u>19,239</u></u>

Note:

1) Cash and cash equivalents comprise of balances with banks in current accounts and fixed deposit accounts

As per our report of even date attached.

For B S R & Co. LLP

Chartered Accountants

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



Vaibhav Shah

Partner

Membership No: T17377

Mumbai

25 May 2017

For and on behalf of the Board of Directors

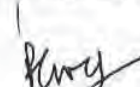
Citicorp Finance (India) Limited



Rohit Kanjan

Jr. Managing Director

DIN: 00003480



Priti Goel

Jr. Managing Director

DIN: 07649929



Ganesh Ramanathan

Chief Financial Officer



Sankar Upadhyay

Company Secretary

Citicorp Finance (India) Limited

Notes to the financial statements

for the year ended 31 March 2017

(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 ('the 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 451A 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 the 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 2017

(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 2017

(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 ex-gratia. The undiscounted amount of short term employee benefits to be paid in exchange for employee service is recognized as an expense as the related service is rendered by employee.



Citicorp Finance (India) Limited

Notes to the financial statements (*continued*)

for the year ended 31 March 2017

(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 2017

(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 the 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 2017

(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 the RBI for NBFCs.

A general provision has been made on standard assets as prescribed by the 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 the 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.

In case of purchase of loan portfolio, the Company records the same under loans and advances. Further, the premium paid on such acquisitions is amortised over the life of the portfolio.

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 2017

(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.

The Company presents 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.

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 2017

(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)

as at 31 March 2017

(Currency: Indian Rupees in Lakhs)

	As at 31 March 2017	As at 31 March 2016
Note 3:		
SHARE CAPITAL		
AUTHORISED CAPITAL:		
5,269,333,333 (Previous year : 5,269,333,333) Equity shares of Rs.7.50 each	395,200	395,200
ISSUED, SUBSCRIBED AND FULLY PAID UP:		
3,857,727,031 (Previous year : 3,857,727,031) Equity shares of Rs.7.50 each	289,330	289,330
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	3,857,727,031	3,857,727,031
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	53,990	50,526
Add: Transfer from surplus in the statement of profit and loss	2,961	3,464
Closing balance	56,951	53,990
General reserve:		
Opening balance	3,674	3,674
Additions during the year	-	-
Deductions during the year	-	-
Closing balance	3,674	3,674



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

as at 31 March 2017

(Currency: Indian Rupees in Lakhs)

	As at 31 March 2017	As at 31 March 2016
Note 4:		
RESERVES AND SURPLUS (continued)		
Balance in the statement of profit and loss:		
Opening balance	1,813	2,148
Add:		
Reversal of proposed dividend of previous year (Refer Note 24.18)	11,511	-
Reversal of provision for dividend distribution tax of previous year (Refer Note 24.18)	2,344	-
Amount carried forward from the statement of profit and loss	14,807	17,318
Less:		
Proposed final dividend (Rs. Nil per equity share (Previous year : Rs. 0.30 per equity share))	-	11,511
Tax on proposed final dividend	-	2,344
Tax on final dividend of earlier year	-	334
Transfer to statutory reserve	2,961	3,464
	<u>27,514</u>	<u>1,813</u>
Total	<u><u>88,139</u></u>	<u><u>59,477</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 24.4)

Long term maturities of finance lease obligation

Total

47,330	77,305
8	10
<u><u>47,338</u></u>	<u><u>77,315</u></u>

Note 6:

OTHER LONG TERM LIABILITIES

Franchisee and other liabilities
Cash profit on loan transfer transactions pending recognition
Interest accrued but not due on borrowings

Total

270	408
141	191
2,790	6,107
<u><u>3,201</u></u>	<u><u>6,706</u></u>

Note 7:

LONG TERM PROVISIONS

Provision for gratuity (Refer Note 24.11)
Provision for employee benefits
Provision for standard assets
Provision for non performing assets
Provision for loan losses

Total

118	140
9	-
445	262
146	195
-	22
<u><u>718</u></u>	<u><u>619</u></u>



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

as at 31 March 2017

(Currency: Indian Rupees in Lakhs)

	As at 31 March 2017	As at 31 March 2016
Note 8:		
SHORT TERM BORROWINGS		
SECURED		
Loans repayable on demand from banks (Interest rate range from 10.35% to 10.65% (Previous Year: from 10.40% to 10.65%)) (The above loan is secured by a pari passu charge on the movable financial assets)	-	45,000
UNSECURED		
Loans repayable on demand from banks (Loans from related parties- Rs. 1,689 (Previous Year : Rs. 965)) (Interest rate range from 8.95% to 9.50% (Previous year: from 9.30% to 13.50%))	1,689	35,965
Commercial paper (Interest rate range from 6.50% to 8.35% (Previous Year: from 7.50% to 9.45%))	240,932	140,352
Inter Corporate Borrowings (Interest rate range from 6.20% to 6.50% (Previous Year: Nil))	26,600	-
Total	<u>269,221</u>	<u>221,317</u>

Note 9:

OTHER CURRENT LIABILITIES

Current maturities of secured non convertible redeemable debentures (refer note 24.4)	223,755	162,460
Current maturities of unsecured non convertible redeemable debentures (refer note 24.4)	130,000	-
Current maturities of finance lease obligations	13	11
Interest accrued but not due on borrowings	12,556	7,599
Interest collected but not earned on loans and advances	218	-
Dealer held disbursal and other liabilities (Payable to related parties- Rs.Nil (Previous Year : 480))	4,467	5,743
Mark to market on derivatives	2,347	3,417
Collection payables on servicing portfolio (Payable to related parties- Rs. 2,982 (Previous Year : Rs. 5,084))	3,168	5,165
Cash profit on loan transfer transactions pending recognition	83	169
Total	<u>376,607</u>	<u>184,564</u>

Note 10:

SHORT TERM PROVISIONS

Proposed dividend	-	11,511
Dividend distribution tax	-	2,344
Provision for loan assignment	2,099	2,529
Provision for bonus	34	35
Provision for employee benefits	3	-
Provision for value added tax	3,223	3,407
Provision for litigations	1,090	1,048
Provision for standard assets	2,903	1,922
Total	<u>9,352</u>	<u>22,796</u>



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

as at 31 March 2017

(Currency: Indian Rupees in Lakhs)

Note 12:

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

(2,111)

(2,106)

SUB TOTAL

1,752

1,757

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

10,452

10,457

AGGREGATE COST OF UNQUOTED INVESTMENTS

15,563

15,563

AGGREGATE PROVISION FOR DIMINUTION IN THE VALUE OF INVESTMENTS

5,111

5,106



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

as at 31 March 2017

(Currency: Indian Rupees in Lakhs)

	As at 31 March 2017	As at 31 March 2016
Note 13:		
LONG TERM LOANS AND ADVANCES		
Secured and considered good		
Loans for commercial vehicles and construction equipments	11,901	12,255
Advance against financial assets and other loans	15,578	17,770
Finance lease receivables	2,157	2,321
(Finance lease to related parties- Rs. 2,157 (Previous Year : Rs. 2,321))		
Gross amount receivable from customers under hire purchase agreements	33	34
Less : Unearned hire purchase premium	(33)	(33)
Less : Instalments received in advance	-	(1)
	-	-
Unsecured and considered good		
Unsecured loans	96,923	55,475
Deposits	167	218
Prepaid expenses	102	56
Advance tax (net of provision Rs. 106,138 and includes MAT credit entitlement of Rs. 19,889) (Previous Year : net of provision Rs. 102,276 and includes MAT credit entitlement of Rs. 19,277)	35,454	37,036
Total	162,282	125,131
Note 14:		
OTHER NON-CURRENT ASSETS		
Unamortized costs (net)	2,105	672
Deposits with banks (maturity over 12 months)	-	4
(Deposit with related parties - Rs. Nil (Previous Year : Rs. 4))		
Cenvat input tax credit	11,913	12,259
Provision for cenvat credit	(11,906)	(12,259)
	8	-
Debt issue costs	-	-
Other deposits	465	274
Total	2,578	950
Note 15:		
CURRENT INVESTMENTS		
Investment in commercial paper	21,746	-
Investment in certificate of deposits	-	29,722
Total	21,746	29,722



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

as at 31 March 2017

(Currency: Indian Rupees in Lakhs)

	As at 31 March 2017	As at 31 March 2016
Note 16:		
CASH AND BANK BALANCES		
A) Cash and cash equivalents*		
Cash and cheques in hand	311	934
Balance with banks		
- In current accounts	1,831	644
(Balances with related parties - Rs. 1,610 (Previous Year : Rs. 483))		
- In fixed deposits (with original maturity of less than 3 months)	18,308	17,661
(Fixed deposits with related parties - Rs. 18,308 (Previous Year : Rs. 17,661))		
B) Other bank balances		
- In fixed deposits (Includes margin deposit of Rs. 6,600 (Previous Year: Rs 6,000))	8,703	8,408
(Fixed deposits with related parties - Rs. 2,034 (Previous Year : Rs. 2,344))		
Total	29,153	27,647
(* Cash and cash equivalents meets the definition as per 'AS 3-Cash Flow Statements')		

Note 17:

SHORT TERM LOANS AND ADVANCES

Secured and considered good

Loans for commercial vehicles and construction equipments	8,047	10,011
Advances against financial assets and other loans	402,240	314,188
Finance lease receivables	1,527	1,487
(Finance lease to related parties- Rs. 1,527 (Previous Year: Rs. 1,487))		
Gross amount receivable from customers under hire purchase agreements	-	2
Less : Unearned hire purchase premium	-	(1)
Less : Instalments received in advance	-	(1)
	<u>-</u>	<u>-</u>

Unsecured and considered good

Trade advances	122	145
Unsecured loans	411,412	305,907
Security deposits	50	50
Prepaid expenses	31	-
Receivable from staff	-	10
Other advances	12	20
Total	823,441	631,818

Note 18:

OTHER CURRENT ASSETS

Mark to market on derivatives	8,686	13,136
Interest accrued on loans and advances	10,553	4,314
Interest accrued on fixed deposits	144	70
(Interest accrued from fixed deposits with related parties - Rs. 88 (Previous Year : Rs. 4))		
Unamortized costs (net)	1,262	404
Debt issue costs	13	11
Margin money with exchanges	65	65
Other receivables	3,390	2,146
(Receivables from related parties - Rs. 2,588 (Previous Year : Rs. 1,571))		
Total	24,113	20,146



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2017

(Currency: Indian Rupees in Lakhs)

	31 March 2017	31 March 2016
Note 19:		
REVENUE FROM OPERATIONS		
INTEREST INCOME		
Interest on loans	74,009	50,824
Interest on fixed deposits	785	694
Interest on investments	660	1,207
Finance lease income	488	538
	<u>75,942</u>	<u>53,263</u>
FEE INCOME		
Collection and sourcing fees	4,592	4,112
Other fees	292	274
	<u>4,884</u>	<u>4,386</u>
Total	<u><u>80,826</u></u>	<u><u>57,649</u></u>

Note 20:

OTHER INCOME

Dividend income		
- From others	81	75
Gain on sale of investments (net)	197	150
Gain on derivatives (net)	2,181	1,494
Gain on assignment	452	1,058
Commission from insurance agency	240	1,617
Bad debts recovered (net)	176	138
Reversal of provision for standard restructured advances	-	1,513
Profit on sale of fixed assets	4	10
Miscellaneous income	590	373
Total	<u><u>3,921</u></u>	<u><u>6,428</u></u>

Note 21:

EMPLOYEE BENEFITS

Salaries and wages	4,747	4,319
Contribution to provident fund and other funds	185	191
Gratuity	59	110
Staff welfare expenses	60	90
Total	<u><u>5,051</u></u>	<u><u>4,710</u></u>



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2017

(Currency: Indian Rupees in Lakhs)

	31 March 2017	31 March 2016
Note 22:		
FINANCE COSTS		
Interest on non convertible debentures	26,475	11,770
Interest on commercial paper	10,260	6,005
Interest on Inter-Corporate Borrowings	48	-
Interest on borrowings from banks	3,640	2,096
Interest on finance lease	6	5
Other interest	2	1
Total	40,431	19,877

Note 23:

OTHER EXPENSES

Rent	984	915
Premises maintenance costs	488	494
Rates and taxes	145	128
Bad debts written off (net)	-	-
Diminution, other than temporary, in the value of investments (net)	5	23
Provision for standard assets	1,164	1,135
Provision for litigations	48	431
Bank charges	78	107
Brokerage	104	61
Distribution and placement fees	324	398
Credit rating and surveillance fees	137	206
Service bureau expenses	1,869	2,405
Fees and Commission	5,111	1,876
Technology and software expenses	1,680	1,660
Stamping / franking charges	420	226
Travelling and conveyance expenses	301	375
Telephone expenses	75	93
Professional and legal expenses	611	675
Collection expenses	956	831
Corporate Insurance agency expenses	-	504
HR processing charges	50	103
Payments to the auditors		
(a) statutory audit	59	56
(b) tax audit	9	9
(c) limited review	6	6
(d) reimbursement of expenses	1	-
Corporate social responsibility expenses (Refer Note 24.16)	575	204
Miscellaneous expenses	406	312
Total	15,605	13,233

Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2017

(Currency: Indian Rupees in Lakhs)

Note 24

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

	As at 31 March 2017	As at 31 March 2016
Tax assessments	5,386	6,226
Customer litigations	661	1,147
Estimated amount of contracts remaining to be executed on capital account	207	130

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.3,144 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. 1,976 lakhs (previous year: Rs. 1,812 lakhs)

There are outstanding demands against the Company under Maharashtra Value Added Tax Act, 2002, primarily on account of levy of VAT on part purchase consideration received on account of "transfer of KPO Division" on slum sale basis amounting to Rs. 266 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. 661 lakhs (previous year Rs.1,147 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 2017

(Currency: Indian Rupees in Lakhs)

(2) Movement in provision is set out below:

Particulars	As at 1 April 2016	Created during the year	Utilized / Released during the year	As at 31 March 2017
Asset based Finance and personal loan (including NPA)	217	201	272	146
Investments	5,106	5	-	5,111
Provision on assignment of asset portfolio	2,529	-	430	2,099
Provision for Cenvat credit	12,259	-	353	11,906
Provision for Value Added Tax (VAT)#	3,407	4	188	3,223
Provision for litigation	1,048	145	103	1,090
Total	24,566	355	1,346	23,575

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 2017	For the year ended 31 March 2016
Technology and software expenses	1,312	1,370
Service Bureau Expenses	43	-
Fees & Commission	1,834	316
HR Processing fees	36	98
Total	3,225	1,784

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

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

Series No	Maturity / Call Date	31 March 17	31 March 16
505	29-Apr-17	-	285
509	30-May-17	-	785
512	28-Jun-17	-	920
516	29-Jul-17	-	545
518	29-Jul-17	-	620
519 I	29-Dec-17	-	505
521 I	28-Sep-17	-	335
522 I	28-Sep-17	-	955

Series No	Maturity / Call Date	31 March 17	31 March 16
576 III	31-Mar-18	-	350
576 IV	29-Jun-17	-	450
576 V	30-Jul-19	100	100
577 I	31-Dec-17	-	3,000
578 I	26-Oct-19	605	-
578 II	26-Oct-19	50	-
578 III	26-Oct-19	750	-
579 I	26-Oct-19	250	-

Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2017

(Currency: Indian Rupees in Lakhs)

Series No	Maturity / Call Date	31 March 17	31 March 16
523 II	13-Jul-17	-	2,505
524 II	24-Nov-17	-	1,005
524 III	28-Nov-17	-	510
525 III	28-Nov-17	-	630
525 IV	30-Nov-17	-	310
526 III	29-Dec-17	-	260
526 IV	29-Dec-17	-	745
527 II	29-Dec-17	-	660
529 II	31-Jan-18	-	655
529 IV	13-Jan-18	-	10,010
530 I	30-Jul-18	-	2,515
530 II	31-Jan-18	-	585
531 III	31-Jan-18	-	370
532 II	27-Feb-18	-	375
533 II	27-Feb-18	-	175
535 II	31-Mar-18	-	250
536 I	27-Mar-18	-	5,025
536 II	27-Mar-18	-	5,000
536 III	31-Mar-18	-	175
536 IV	31-Mar-18	-	305
537 I	10-Apr-18	627	653
539 II	1-May-18	155	155
540 I	30-May-18	195	195
541 I	30-May-18	480	480
541 II	30-May-18	225	225
542 I	14-May-17	-	510
544 I	28-Jun-18	100	100
547 I	27-Jul-17	-	475
547 II	28-Aug-18	485	485
548 I	27-Jul-17	-	490
548 II	28-Aug-18	722	807
549 I	13-Aug-17	-	325
549 II	12-Sep-18	480	530
550 II	19-Sep-18	100	100
551 I	27-Aug-17	-	165
551 II	2-Oct-18	530	555
551 IV	2-Oct-18	240	240
553 II	30-Oct-18	410	410
553 III	30-Oct-18	379	379
554 II	30-Oct-18	870	870
554 III	30-Oct-18	310	310
556 I	27-Nov-18	300	300
556 II	27-Nov-18	518	578
557 I	28-Nov-18	500	500
559 II	26-Jan-19	320	420
561 I	27-Feb-19	1,700	1,700
562 I	19-Mar-19	1,080	1,080
567 II	1-Jun-19	450	450

Series No	Maturity / Call Date	31 March 17	31 March 16
579 II	26-Oct-19	150	-
579 III	26-Oct-19	330	-
580 I	30-Nov-19	210	-
580 III	30-Nov-19	425	-
581 I	30-Nov-19	200	-
581 II	30-Nov-19	200	-
581 III	30-Nov-19	450	-
581 VII	6-May-19	2,500	-
581 VIII	2-May-18	300	-
582 I	17-Jun-19	250	-
582 II	17-Jun-18	100	-
582 III	2-May-18	100	-
585 I	28-Jun-19	660	-
585 II	28-Jun-18	250	-
585 III	1-May-18	200	-
586 II	3-Jul-18	100	-
586 III	2-May-18	100	-
589 I	30-Jul-19	460	-
591 II	6-Dec-19	700	-
592 I	29-Jun-19	100	-
592 III	31-Dec-19	350	-
593 II	31-Dec-19	100	-
593 III	31-Dec-19	200	-
594 II	3-May-18	100	-
594 III	31-Dec-19	50	-
596 I	27-Sep-18	100	-
596 II	25-Jan-20	300	-
596 III	25-Jan-20	200	-
596 VI	1-Jul-18	50	-
600 I	27-Sep-18	50	-
600 II	25-Jan-20	260	-
600 III	25-Jan-20	240	-
602 II	28-Jan-20	300	-
602 III	28-Jan-20	150	-
602 IV	28-Jan-20	100	-
603 I	28-Oct-18	100	-
604 I	28-Oct-18	160	-
604 IV	29-Feb-20	50	-
604 IX	29-Feb-20	100	-
604 VI	2-May-18	100	-
604 VII	2-May-18	500	-
604 VIII	29-Feb-20	500	-
604 X	2-May-18	200	-
608 II	2-May-18	100	-
618 I	10-Jan-19	2,200	-
620 I	13-Jun-20	175	-
620 IV	31-Jan-19	100	-
623 I	27-Jun-20	200	-

Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2017

(Currency: Indian Rupees in Lakhs)

Series No	Maturity / Call Date	31 March 17	31 March 16	Series No	Maturity / Call Date	31 March 17	31 March 16
568 I	1-Jun-19	2,500	2,500	626 I	28-Jul-20	210	-
568 II	1-Jun-19	595	595	626 III	15-Apr-18	150	-
568 VI	1-Jun-19	350	350	626 IV	15-Apr-18	150	-
571 II	31-Dec-17	-	200	626 VI	30-Apr-18	50	-
571 III	1-Mar-18	-	200	626 VIII	1-Apr-19	100	-
571 IV	29-Jun-19	100	100	627 I	5-Apr-18	6,500	-
571 VI	29-Jun-19	450	450	628 II	22-Jul-20	876	-
572 II	1-Mar-18	-	100	629 I	24-Sep-18	2,500	-
572 V	29-Jun-19	300	300	630 II	1-Apr-19	300	-
572 VII	29-Jun-19	200	200	630 III	28-Apr-18	200	-
574 IV	14-Jul-19	100	100	632 I	29-Jul-20	400	-
575 I	20-Apr-17	-	1,600	632 II	1-Apr-19	100	-
575 IV	21-Jun-17	-	500	632 V	29-Apr-18	330	-
576 I	31-Mar-18	-	100	632 VI	30-Apr-18	200	-
576 II	30-Mar-18	-	620	632 VII	2-Jul-18	2,925	-
Total						47,337	62,317

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

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

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

Series No	Maturity / Call Date	31 March 17	31 March 16	Series No	Maturity / Call Date	31 March 17	31 March 16
446 II	28-May-16	-	115	527 II	29-Dec-17	635	-
452	28-Jun-16	-	1,870	529 II	31-Jan-18	655	-
453	28-Jun-16	-	1,101	529 IV	13-Jan-18	10,010	-
455	30-Jul-16	-	565	530 II	31-Jan-18	585	-
456	30-Jul-16	-	1,001	531 II	31-Jan-18	370	-
463 I	27-Aug-16	-	743	532 II	27-Feb-18	330	-
463 II	27-Aug-16	-	195	533 II	27-Feb-18	175	-
466	27-Aug-16	-	670	535 II	31-Mar-18	250	-
471	29-May-16	-	390	536 I	27-Mar-18	25	-
472	12-Jun-16	-	35	536 III	31-Mar-18	175	-
474	25-Oct-16	-	500	536 IV	31-Mar-18	305	-
473 I	30-Jun-16	-	1,232	542 I	14-May-17	510	-
473 II	30-Jun-16	-	643	547 I	27-Jul-17	475	-
475	28-Jul-16	-	590	548 I	27-Jul-17	490	-
503	30-Mar-17	-	940	549 I	13-Aug-17	325	-
506	25-Mar-17	-	640	551 I	27-Aug-17	165	-
514	28-Feb-17	-	200	571 II	24-May-17	200	-
520 I	10-Aug-16	-	5,010	571 III	24-May-17	200	-
521 III	29-Aug-16	-	435	572 II	24-May-17	100	-
523 I	11-Sep-16	-	2,505	575 I	20-Apr-17	1,600	-
525 II	30-Oct-16	-	480	575 IV	21-Jun-17	500	-
530 I	1-Jan-17	-	1,505	576 I	31-Mar-18	100	-

Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2017

(Currency: Indian Rupees in Lakhs)

Series No	Maturity / Call Date	31 March 17	31 March 16	Series No	Maturity / Call Date	31 March 17	31 March 16
531 III	30-Oct-16	-	505	576 II	2-Jul-17	620	-
545 I	16-Apr-16	-	3,000	576 III	31-Mar-18	350	-
546 I	16-Apr-16	-	300	576 IV	29-Jun-17	450	-
548 III	17-May-16	-	500	577 I	31-Dec-17	3,000	-
548 V	17-May-16	-	1,000	579 V	13-May-17	500	-
549 III	31-May-16	-	150	580 IV	7-Jun-17	400	-
550 III	7-Jun-16	-	25	580 V	7-Jun-17	100	-
551 III	30-Jun-16	-	1,000	581 IV	4-Jul-17	5,750	-
552 II	25-Jun-16	-	1,000	581 VI	8-Jul-17	1,000	-
552 III	25-Jun-16	-	605	582 IV	4-Jul-17	400	-
555 II	3-Aug-16	-	4,000	583 I	7-Jul-17	6,750	-
558 I	7-Sep-16	-	2,500	584 III	8-Jul-17	500	-
559 I	30-Oct-16	-	550	585 IV	28-Sep-17	100	-
559 III	15-Oct-16	-	1,600	589 III	13-Aug-17	150	-
560 I	18-Oct-16	-	12,000	590 III	13-Aug-17	8,350	-
562 II	4-Dec-16	-	3,400	592 IV	30-Nov-17	310	-
563 II	15-Dec-16	-	2,300	593 IV	30-Nov-17	200	-
564 I	18-Dec-16	-	400	594 I	16-Sep-17	500	-
565 I	24-Dec-16	-	3,000	595 I	23-Sep-17	700	-
568 IV	11-Feb-17	-	210	600 IV	28-Dec-17	50	-
568 V	11-Feb-17	-	1,150	601 I	28-Oct-17	10,000	-
569 I	17-Feb-17	-	8,500	602 V	28-Dec-17	265	-
570 I	25-Feb-17	-	900	603 II	26-Nov-17	50	-
570 A	25-Feb-17	-	12,500	603 III	26-Nov-17	170	-
571 I	11-Mar-17	-	700	604 III	26-Nov-17	730	-
572 I	16-Mar-17	-	1,800	604 V	26-Nov-17	100	-
573 I	2-Jun-16	-	6,000	605 I	25-Nov-17	500	-
575 V	30-Mar-17	-	5,000	607 I	9-Dec-17	10,000	-
576 VIII	1-Oct-16	-	3,000	608 I	15-Dec-17	1,500	-
576 IX	23-Jun-16	-	6,000	609 I	15-Dec-17	700	-
505	29-Apr-17	260	-	611 I	30-Dec-17	8,500	-
509	30-May-17	760	-	619 I	4-Feb-18	10,000	-
512	28-Jun-17	815	-	620 II	2-Mar-18	50	-
516	29-Jul-17	545	-	621 I	22-Feb-18	6,500	-
518	29-Jul-17	620	-	621 II	9-Mar-18	1,000	-
519 I	29-Dec-17	505	-	621 III	9-Mar-18	1,000	-
521 I	28-Sep-17	335	-	622 I	10-Mar-18	1,300	-
522 I	28-Sep-17	955	-	623 III	25-Mar-18	225	-
524 II	24-Nov-17	1,005	-	623 V	31-Mar-18	100	-
524 III	28-Nov-17	510	-	623 VII	16-Mar-18	400	-
525 III	28-Nov-17	630	-	625 I	25-Mar-18	200	-
525 IV	30-Nov-17	310	-	625 II	25-Mar-18	550	-
526 III	29-Dec-17	260	-	625 V	24-Mar-18	800	-
526 IV	29-Dec-17	745	-				
Total						111,255	104,960



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2017

(Currency: Indian Rupees in Lakhs)

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

Series No	Interest Rate	Maturity / Call Date	31 March 17	31 March 16
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
577 IV	8.95%	30-Jun-17	15,000	-
624 I	7.10%	6-Jun-17	2,500	-
628 I	7.50%	22-Jun-17	25,000	-
630 IV	7.70%	23-Jun-17	25,000	-
631 I	7.25%	27-Jun-17	20,000	-
632 IX	7.70%	29-Jun-17	25,000	-
Total			112,500	57,500

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

Series No	Interest Rate	Maturity / Call Date	31 March 17	31 March 16
610 I	7.10%	11-Apr-17	30,000	-
615 I	7.35%	23-May-17	50,000	-
626 IX	7.25%	16-Jun-17	50,000	-
Total			130,000	-

(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 2017	31 March 2016
Total number of loan assets assigned during the year (Nos)	1,359	1,659
Total amount of exposures retained by the Company to comply with MRR	1,957	2,089
Total book value of loan assets assigned	19,816	20,167
Sale consideration received for the assigned assets	19,957	20,391
Gain on account of assigned assets	136	179
Gains amortized during the year as per the RBI guidelines (includes gains amortized of previous years assignment)	272	683



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2017

(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 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.

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 2017

(Currency: Indian Rupees in Lakhs)

Summary of the segments for the year ended 31 March 2017

	AAFA		Corporate Loans		Treasury		Others		Unallocated		Total	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Revenue												
Segment revenue	30,525	28,067	34,913	19,220	3,895	3,620	14,398	9,590	1,016	3,580	84,747	64,077
Inter-segment revenues	(16,038)	(10,094)	(18,633)	(7,316)	38,938	18,594	(4,267)	(1,184)	-	(0)	0	(0)
TOTAL REVENUE	14,487	17,973	16,280	11,904	42,833	22,214	10,131	8,406	1,016	3,580	84,747	64,077
Result												
Segment result	11,402	15,844	14,732	11,903	(396)	823	1,827	29	(4,030)	(2,451)	23,535	26,148
Income tax	-	-	-	-	-	-	-	-	(5,797)	-	(5,797)	-
Deferred tax	-	-	-	-	-	-	-	-	(2,931)	(8,830)	(2,931)	(8,830)
Net segment result	11,402	15,844	14,732	11,903	(396)	823	1,827	29	(12,758)	(11,281)	14,807	17,318
Other information (relating to the current period)												
Capital expenditure	-	-	-	-	-	3	47	24	43	153	90	180
Depreciation	-	-	-	-	-	2	21	31	104	76	125	109
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	-	-	-	-	5	23	-	-	-	-	5	23
Capital employed as at	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Segment assets	385,212	293,031	440,657	370,073	71,202	80,782	138,924	63,880	53,239	56,483	1,089,234	864,249
Segment liabilities	(4,369)	(2,187)	(1,747)	-	(688,985)	(307,771)	(12,232)	(13,398)	(367,094)	(523,575)	(1,074,427)	(846,931)
Net segment assets/(liabilities)	380,843	290,844	438,910	370,073	(617,783)	(226,989)	126,692	50,482	(313,855)	(467,092)	14,807	17,318



Citicorp Finance (India) Limited

Notes to the financial statements (continued) for the year ended 31 March 2017

(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 2017	As at 31 March 2016
Net carrying value of the assets as at the date of balance sheet	25	24
Total of minimum lease payments as at the balance sheet date		
• Not later than one year	15	13
• Later than one year and not later than five years	10	11
Total	25	24
Present value of minimum lease payments as at the balance sheet date		
• Not later than one year	13	11
• Later than one year and not later than five years	8	10
Total	21	21

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

	As at 31 March 2017	As at 31 March 2016
Gross investment as at the date of balance sheet		
• Not later than one year	1,891	1,867
• Later than one year and not later than five years	2,431	2,602
Total	4,322	4,469
Present value of minimum lease payments as at the balance sheet date		
• Not later than one year	1,527	1,487
• Later than one year and not later than five years	2,157	2,321
Total	3,684	3,808
Unearned finance charges	638	704
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 2017

(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.

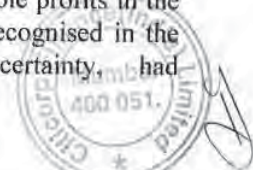
	31 March 2017	31 March 2016
Profit available to equity shareholders (A)		
Profit after tax	14,807	17,318
Weighted average number of equity shares		
Number of shares at the beginning of the year	3,857,727,031	3,857,727,031
Shares issued during the year	-	-
Total number of equity shares outstanding at 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)]	0.38	0.45
Diluted earnings per share [(A)/(B)]	0.38	0.45

(9) Deferred tax

The breakup of deferred tax assets is as under:

	As at 31 March 2017	As at 31 March 2016
Deferred tax assets:		
a. Provision for doubtful assets / valuation loss / assignment	6,510	6,436
b. WDV of fixed assets as per tax	6,009	5,582
c. Disallowance of expenses	1,268	1,427
d. Unabsorbed business loss and depreciation	-	3,251
e. Unrealized losses on derivatives	482	970
f. Lease rental payable	7	7
f. Interest accrued but not due on debentures	4,143	4,684
Subtotal	18,419	22,357
Deferred tax liabilities:		
a. WDV of fixed assets as per books	148	160
b. Unrealized gain on derivatives	2,095	3,047
c. Lease rental receivable	1,275	1,318
Subtotal	3,518	4,525
Total	14,901	17,832

The Company is of view that there is reasonable certainty of earning taxable profits in the near future and hence deferred tax assets of Rs. 14,901 lakhs is being recognised in the books of accounts (In the previous year, the Company, based on virtual certainty, had recognised deferred tax assets of Rs. 17,832 lakhs).



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2017

(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	As at
	31 March 2017	31 March 2016
Derivatives (notional principal amount)		
Futures and options:		
Equity and Index (net of long and (short))	43,472	25,093

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

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

(A) Defined Contribution Plan

Amount of Rs. 185 lakhs (Previous year: Rs. 191 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 2017	31 March 2016
Change in obligations		
Present value of defined benefits obligations at the beginning of the year		
Employer service cost	395	379
Plan amendments	40	38
Interest cost	(1)	-
Acquisitions cost/(credit)	28	26
Actuarial (gains) / losses	-	-
Settlement cost	14	41
Actual benefits payments	-	-
Actual benefits payments	(55)	(89)
Present value of defined benefits obligations at the end of the year	421	395
Change in plan assets		
Plan assets as at the beginning of the year		
Adjustment	255	308
Expected return on plan assets	-	(29)
Actual company contributions	23	22
Actual company contributions	80	45
Actual benefits payments	(55)	(89)
Actuarial gain / (losses)	-	(2)
Plan assets at the end of the year	303	255



Citicorp Finance (India) Limited

Notes to the financial statements (continued) for the year ended 31 March 2017

(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	421	395
Fair value of plan assets as at the end of the year	303	255
Net liability recognized in the balance sheet	(118)	(140)

Particulars	31 March 2017	31 March 2016
Components of employer expense		
Current services cost	39	38
Interest cost	30	26
Expected return on assets	(23)	(22)
Past service cost	(1)	-
Settlement cost/ (credit)	-	-
Actuarial (gains) and losses	14	43
Net cost	59	85
Assumptions		
Discount rate	6.80%	7.70%
Expected return on assets	8.50%	8.50%
Salary escalation rate	10.00%	10.00%
Withdrawal rate	15.00%	15.00%
Mortality	LIC (2006-08) ultimate	LIC (2006-08) ultimate

	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Experience history					
Defined benefit obligation at the end of the period	(421)	(395)	(379)	(365)	(336)
Plan assets at the end of the period	303	255	308	361	386
Funded status	(118)	(140)	(71)	(4)	50
Experience gain/ (loss) adjustments on plan liabilities	6	-	(22)	24	50
Experience gain/ (loss) adjustments on plan assets	-	(1)	(7)	-	-
Actuarial gain / (loss) due to change of assumptions	(20)	(42)	(32)	31	(16)

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 2017

(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

Citigroup Global Markets Hong Kong Limited

Citigroup Global Markets Singapore PTE Limited

Citibank (China) Co. Ltd.

Citigroup Global Markets Deutschland AG

Citibank Japan Ltd.

C. Associates

India Infradebt Limited

D. Key Management Personnel

Rohit Ranjan (Joint Managing Director)

Priti Goel (Joint Managing Director)



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2017

(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-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Asset given on lease	1,249	1,802	865	789
Lease rentals received for assets given on lease	1,357	1,502	680	586
Fixed deposits placed	383,078	352,870	-	-
Fixed deposits matured	382,745	347,843	-	-
Loans taken	6,520,600	4,491,900	-	-
Loans repaid	6,520,600	4,491,900	-	-
Loan portfolio purchase personal loan	127,545	34,827	-	-
Loan portfolio purchase domestic trade finance	58,588	8,981	-	-
Loan portfolio sale	19,957	20,391	-	-
Net movement in bank accounts	403	774	-	-
Securities Purchased	-	-	-	79,125
Securities Sold	-	-	-	1,607
Arrangement, Placement, Merchant Banker Fees & Brokerage paid	324	409	-	-
Co-location expenses paid	606	491	42	106
Co-location expenses recovered	-	-	148	13
Fee for HR & ICU Service earned	-	-	3	3
HR Related Expenses incurred	36	98	19	30
Fraud control & AAFA fee	34	57	5	-
Interest & bank charges paid	2,517	1,990	-	-
Interest received on Deposits	363	310	-	-
Management/ Servicing fee & foreclosure Charges earned	4,580	4,092	-	-
Fees and Commission	3,166	1,023	1,012	-
Risk Management Fee incurred	-	-	446	316
Secondment charges incurred (includes managing director's remuneration)	765	593	-	-
Secondment charges earned	486	607	-	-
Technology & Software expenses incurred	959	1,112	436	330
Loan Servicing Fees incurred	271	-	-	-
Expense processing fees incurred	43	-	-	-
Compliance Services	-	-	14	-
Equity Dividend Paid	-	8,487	-	-



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2017

(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-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Finance lease principal receivable	2,410	2,206	1,274	1,122
Other receivables	2,414	1,369	174	202
Fixed deposits	20,342	20,009	-	-
Trade payables	3,082	922	1,182	283
Other Liabilities	2,982	5,084	-	-
Cash credit / overdraft	1,689	965	-	-
Bank Balances	1,610	483	-	-

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

Particulars	31 March 2017	31 March 2016
Equity-futures and options	(4,662)	(6,002)

(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 2017	31 March 2016
Principal amount remaining unpaid to any supplier as at the year end	59	136
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	2	1
Amount of interest accrued and remaining unpaid at the end of the accounting year	10	9

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



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2017

(Currency: Indian Rupees in Lakhs)

(16) Corporate social responsibility expense

Particulars	31 March 2017	31 March 2016
Gross amount required to be spent during the year	579	372
Amount spent during the year	-	-
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above		
In cash	141	58
Yet to be paid in cash	*434	#146
Total	575	204

* Payment initiated on 31st March 2017, cleared on 4th April 2017

Payment made in the current year

(17) Details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016

(INR as Actuals)

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	10,500	208	10,708
(+) Permitted receipts	-	2,195,243	2,195,243
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	10,500	2,091,607	2,102,107
Closing cash in hand as on 30.12.2016	-	103,844	103,844

(18) During the current year, the Company has reversed the provision for proposed dividend and dividend distribution tax pertaining to financial year 2015-16 amounting to Rs. 13,855 lakhs at the instance of shareholders in the Annual General Meeting held on 29 August 2016.

(19) Other expenses – fees and commission include transfer pricing fees amounting to Rs. 4,616 lakhs (previous year Rs. 1,268 lakhs) paid/ accrued to affiliates. The transfer pricing model has been refined effective April 1, 2016. The refined model is aimed at simplifying and standardizing country and intercompany reporting while properly recognizing and rewarding components of the value chain through net revenue allocation for respective country locations and legal entities.

(20) The company issues Equity linked non-convertible redeemable debentures. In the previous year, the MTM was presented at gross of underlying components of each series. In the current year, the MTM is grossed up at each series level. Previous year numbers have also been recalculated accordingly.



Citicorp Finance (India) Limited

Notes to the financial statements (continued)
for the year ended 31 March 2017

(Currency: Indian Rupees in Lakhs)

- (21) Figures for the previous year have been re-grouped wherever necessary, to confirm to current year's classification.



Citicorp Finance (India) Limited

Notes to the financial statements (continued) for the year ended 31 March 2017

(Currency: Indian Rupees in Lakhs)

(22) Details of Loan Assets subjected to Restructuring as at 31 March 2017

SL. No	Type of Restructuring		Others					
	Asset Classification		Standard	Sub Standard	Doubtful	Loss	Total	
	Details							
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	-	-	-	-	-	

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 financial statements (continued)

for the year ended 31 March 2017

(Currency: Indian Rupees in Lakhs)

- (23) In accordance with the RBI notification No. DNBS.PD.CC. No. 256 /03.10.042 / 2011-12 dated March 2, 2012, Rs. 0.47 lakhs of fraud was detected and reported during the financial year ended 31 March 2017 (Previous year Rs. 0.08 lakhs).
- (24) In accordance with the 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 2017 (Previous year Nil).
- (25) In accordance with the 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 2017 (Previous year Nil).
- (26) Additional NBFC disclosures
- a) In accordance with the 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		31 March 2017		31 March 2016	
Liabilities side :					
(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	271,085	Nil	239,765	Nil
	: Unsecured (other than falling within the meaning of public deposits*)	130,000	Nil	Nil	Nil
	(b) Deferred Credits	Nil	Nil	Nil	Nil
	(c) Term Loans	Nil	Nil	Nil	Nil
	(d) Inter-corporate loans and borrowings	26,600	Nil	Nil	Nil
	(e) Commercial Paper	240,932	Nil	140,352	Nil
	(f) Other Loans – Cash Credit	1,689	Nil	80,965	Nil
	(g) Other Loans – Finance Lease Obligation	21	Nil	21	Nil
	* Please see Note 1 below				
Assets side :		Amount outstanding			
(2)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :	31 March 2017		31 March 2016	
	(a) Secured (Including those mentioned in (3) below)	441,451		358,032	
	(b) Unsecured	508,458		361,527	



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2017

(Currency: Indian Rupees in Lakhs)

(26) a) Additional NBFC disclosures (continued)

	Particulars	Amount outstanding	
		31 March 2017	31 March 2016
	Assets side :		
(3)	Break up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Finance lease	3,684	3,808
	(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	25	18
	(b) Loans other than (a) above	19,923	22,249
(4)	Break-up of Investments :		
	Current Investments :		
	1. Quoted :	31 March 2017	31 March 2016
	(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	Nil	Nil
	2. Unquoted :		
	(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	Nil	29,722
	(vi) Others – Commercial paper	21,746	Nil



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2017

(Currency: Indian Rupees in Lakhs)

(26) a) Additional NBFC disclosures (continued)

Particulars						
Assets side :		Amount outstanding				
(4)	Break-up of Investments :					
	Long Term investments :	31 March 2017	31 March 2016			
	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	Nil	Nil			
	2. Unquoted :					
	(i) Shares : (a)Equity	10,452	10,457			
	(b)Preference	Nil	Nil			
	(ii)Debentures and Bonds	Nil	Nil			
	(iii) Units of mutual funds	Nil	Nil			
	(iv) Government Securities	Nil	Nil			
	(v) Others	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 2017			31 March 2016	
		Secured	Unsecured	Total	Secured	Unsecured
					ed	Total
	1. Related Parties **					
	(a)Subsidiaries	Nil	Nil	Nil	Nil	Nil
	(b)Companies in the same group	3,684	44,963	48,647	3,808	3,808
	(c)Other related parties	Nil	Nil	Nil	Nil	Nil
	2. Other than related parties	59,830	463,467	523,297	64,548	361,527
	Total	63,514	508,430	571,944	68,356	429,883
(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 2017		31 March 2016		
	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	12,413	8,700	11,018	8,700	
	2. Other than related parties***	23,039	23,499	30,790	31,479	
	Total	35,452	32,199	41,808	40,179	
	** 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 2017

(Currency: Indian Rupees in Lakhs)

(26) a) Additional NBFC disclosures (continued)

Particulars			
Assets side :		Amount outstanding	
(7)	Other information	31 March 2017	31 March 2016
(i)	Gross Non-Performing Assets		
	(a) Related parties	Nil	Nil
	(b) Other than related parties	296	471
(ii)	Net Non-Performing Assets		
	(a) Related parties	Nil	Nil
	(b) Other than related parties	150	276
(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 2016 as the latest audited financial statements are not available

(26) Additional NBFC disclosures

- b) In accordance with the 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 2017	31 March 2016
i) CRAR (%)	34.44	42.38
ii) CRAR - Tier I capital (%)	34.10	42.10
iii) CRAR - Tier II Capital (%)	0.34	0.28
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 2017

(Currency: Indian Rupees in Lakhs)

(26) b) Additional NBFC disclosures (continued)

ii. Exposures

Exposure to Real Estate Sector

Category		31 March 2017	31 March 2016
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 2017	31 March 2016
(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;	10,452	10,457
(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;	377,819	289,458
(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		388,271	299,915



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2017

(Currency: Indian Rupees in Lakhs)

(26) b) Additional NBFC disclosures (continued)

iii. Asset Liability Management

Maturity pattern of certain items of assets and liabilities as of 31 March 2017

	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	1,689	-	-	-	-	-	-	-	1,689
Market Borrowings	38,460	212,270	204,765	53,730	116,130	45,476	1,861	-	672,692
Assets									
Advances**	206,267	108,443	77,140	238,246	193,299	114,398	12,119	-	949,912
Investments	-	-	22,500	-	-	-	-	10,452	32,952

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

	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	45,965	-	-	-	35,000	-	-	-	80,965
Market Borrowings	45,800	82,155	39,511	50,714	86,780	72,172	5,145	-	382,277
Assets									
Advances**	116,840	30,983	89,623	127,912	266,777	83,967	3,459	-	719,561
Investments	-	-	29,722	-	-	-	-	10,457	40,179

** 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 2017

(Currency: Indian Rupees in Lakhs)

(26) b) Additional NBFC disclosures (continued)

iv. Investments

Particulars		31 March 2017	31 March 2016
1	Value of Investments		
(i)	Gross Value of Investments	37,310	45,285
	(a) In India	37,310	45,285
	(b) Outside India,	-	-
(ii)	Provisions for Depreciation	5,111	5,106
	(a) In India	5,111	5,106
	(b) Outside India,	-	-
(iii)	Net Value of Investments	32,199	40,179
	(a) In India	32,199	40,179
	(b) Outside India,	-	-
2	Movement of provisions held towards depreciation on investments.		
	(i) Opening balance	5,106	5,083
	(ii) Add : Provisions made during the year	5	23
	(iii) Less: Write-off / write-back of excess provisions during the year	-	-
	(iv) Closing balance	5,111	5,106

v. Details of Non-performing Financial Assets sold - Nil

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

During the year ended 31 March 2017 and 31 March 2016, the Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI.

vii. Unsecured advances - There are no unsecured advances against intangible assets.

viii. Disclosure of penalties imposed by the RBI - None

ix. Sector-wise NPAs

Sl. No.	Sector	Percentage of NPAs to total advances in that sector	
		31 March 2017	31 March 2016
1	Agriculture and allied activities	0.35%	0.93%
2	MSME	4.47%	5.29%
3	Corporate borrowers	Nil	Nil
4	Services	Nil	Nil
5	Unsecured personal loans	0.10%	Nil
6	Auto loans	Nil	Nil
7	Other personal loans	Nil	Nil

x. Concentration of NPAs

Particulars	31 March 2017	31 March 2016
Total Exposure to top four NPA accounts	75	104



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2017

(Currency: Indian Rupees in Lakhs)

(26) b) Additional NBFC disclosures (continued)

xi. Customer complaints

Particulars	31 March 2017	31 March 2016
(a) No. of complaints pending at the beginning of the year	13	6
(b) No. of complaints received during the year	441	672
(c) No. of complaints redressed during the year	448	665
(d) No. of complaints pending at the end of the year	6	13

xii. Movement of NPAs

Particulars	31 March 2017	31 March 2016
(i) Net NPAs to Net Advances (%)	0.02%	0.04%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	471	-
(b) Additions during the year	849	1,190
(c) Reductions during the year	1,024	719
(d) Closing balance	296	471
(iii) Movement of Net NPAs		
(a) Opening balance	276	-
(b) Additions during the year	648	793
(c) Reductions during the year	774	517
(d) Closing balance	150	276
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	195	-
(b) Provisions made during the year	201	397
(c) Write-off / write-back of excess provisions	250	202
(d) Closing balance	146	195

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

Particulars	31 March 2017	31 March 2016
Provision towards NPA*	(72)	(21)
Provision made towards Income tax	-	-
Provision for Cenvat Credit	(353)	(575)
Provision for VAT	(184)	(321)
Provision for Litigations	42	428
Provision for depreciation on investment	5	23
Provision for Standard Assets including restructured standard advance	1,164	1,135

* Includes provision for loan losses

xiv. Registration obtained from other financial sector regulators

During the year, the Company has not renewed its registration 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 2017

(Currency: Indian Rupees in Lakhs)

(26) b) Additional NBFC disclosures (continued)

xv. Credit Ratings

The latest available ratings assigned by ICRA as of 24 March 2017 to the Company is as below:

Particulars	31 March 2017	31 March 2016
(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 2017	31 March 2016
Total advances to twenty largest borrowers	564,057	483,293
Percentage of advances to twenty largest borrowers to total advances of the Company	59.38%	67.17%
Total exposure to twenty largest borrowers /customers	653,049	607,150
Percentage of exposures to twenty largest borrowers / customers to total exposure of the Company on borrowers / customers	46.10%	59.74%

#includes unutilised limits.

As per our report of even date attached

For **BSR & Co. LLP**
Chartered Accountants
Firm's Registration No:
101248W/W-100022

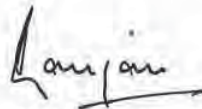
For and on behalf of the Board of Directors
Citicorp Finance (India) Limited



Vaibhav Shah

Partner

Membership No: 117377



Rohit Ranjan

Jt. Managing
Director

DIN: 00003480



Priti Goel

Jt. Managing
Director

DIN: 07649929



**Ganesh
Ramanathan**
Chief Financial
Officer



**Sameer
Upadhyay**
Company
Secretary

Mumbai
25 May 2017

Citicorp Finance (India) Limited

Consolidated Financial statements
together with the Auditor's Report
for the year ended 31 March 2017

Citicorp Finance (India) Limited

Consolidated Financial statements together with the Auditor's Report

for the year ended 31 March 2017

Contents

Independent Auditor's Report

Balance sheet

Statement of profit and loss

Cash flow statement

Notes to the financial statements

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, India Infradebt Limited, comprising of the Consolidated Balance sheet as at 31 March 2017, 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.

VS

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 2017, 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. 1,395 lacs for the year ended 31 March 2017, 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;
- (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;

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

Report on other legal and regulatory requirements (Continued)

- (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 2017 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 2017 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 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 has been no delays in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the associate Company.
 - iv. The Group has provided requisite disclosures in the consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. However, we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures are in accordance with books of account maintained by the Group and as produced to us by management – refer note 24 (17) to the consolidated financial statements.

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

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



Vaibhav Shah
Partner

Membership No: 117377

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 Citicorp Finance (India) Limited (hereinafter referred to as the "Company" or the "Holding Company") as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of the Company and its associate, which are companies incorporated in India (the Company and the associate together referred to as 'the Group'), 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 Group'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.

VS

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 Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group'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 Group 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 2017, based on the internal control over financial reporting criteria established by the Company and its associate, both incorporated in India, 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.

VS

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 matter

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 the 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. Our opinion is not qualified in respect of this matter.

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

Chartered Accountants

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



Vaibhav Shah

Partner

Membership No: 117377

Mumbai
25 May 2017

Citicorp Finance (India) Limited
Consolidated Balance sheet

as at 31 March 2017

(Currency: Indian Rupees in Lakhs)

	Note No.	31 March 2017	31 March 2016
I. EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
Share capital	3	289,330	289,330
Reserves and surplus	4	91,852	61,795
		<u>381,182</u>	<u>351,125</u>
2. NON-CURRENT LIABILITIES			
Long term borrowings	5	47,338	77,315
Other long term liabilities	6	3,201	6,706
Long term provisions	7	718	619
		<u>51,257</u>	<u>84,640</u>
3. CURRENT LIABILITIES			
Short term borrowings	8	269,221	221,317
Trade payables			
- Total outstanding dues of micro enterprises and small enterprises		69	145
- Total outstanding dues of creditors other than micro enterprises and small enterprises		5,259	1,980
Other current liabilities	9	376,607	184,564
Short term provisions	10	9,352	22,796
		<u>660,508</u>	<u>430,802</u>
TOTAL		<u><u>1,092,947</u></u>	<u><u>866,567</u></u>
II. ASSETS			
1. NON-CURRENT ASSETS			
Fixed assets			
Tangible assets	11	427	463
Intangible assets		-	-
Capital work in progress		141	83
		<u>568</u>	<u>546</u>
Non current investments	12	14,165	12,775
Deferred tax assets (Net)	24.9	14,901	17,832
Long term loans and advances	13	162,282	125,131
Other non current assets	14	2,578	950
		<u>194,494</u>	<u>157,234</u>
2. CURRENT ASSETS			
Current investments	15	21,746	29,722
Cash and bank balances	16	29,153	27,647
Short term loans and advances	17	823,441	631,818
Other current assets	18	24,113	20,146
		<u>898,453</u>	<u>709,333</u>
TOTAL		<u><u>1,092,947</u></u>	<u><u>866,567</u></u>
Significant accounting policies	2		

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For BSR & Co. LLP

Chartered Accountants

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

For and on behalf of the Board of Directors

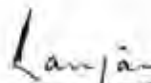
Citicorp Finance (India) Limited



Vaibhav Shah

Partner

Membership No: 117377



Rohit Ranjan

Jt. Managing Director

DIN: 00003480



Preeti Goel

Jt. Managing Director

DIN: 07649929

Mumbai

25 May 2017



Ganes Ramanathan
Chief Financial Officer



Sameer Upadhyay
Company Secretary

Citicorp Finance (India) Limited
Consolidated Statement of profit and loss
for the year ended 31 March 2017

(Currency: Indian Rupees in Lakhs)

	<i>Note No.</i>	31 March 2017	31 March 2016
REVENUE			
Revenue from operations	19	80,826	57,649
Other income	20	5,316	7,275
Total Revenue		86,142	64,924
EXPENSES			
Employee benefits	21	5,051	4,710
Finance costs	22	40,431	19,877
Depreciation	11	125	109
Other expenses	23	15,605	13,233
Total Expenses		61,212	37,929
PROFIT BEFORE TAX		24,930	26,995
TAX EXPENSE:			
Current tax expense relating to prior years		1,269	-
Current tax expense		5,140	5,479
MAT credit entitlement		(612)	(5,479)
Net current tax		5,797	-
Deferred tax	24.9	2,931	8,830
PROFIT FOR THE YEAR		16,202	18,165
EARNINGS PER EQUITY SHARE:			
Basic and diluted earnings per share of Rs. 7.50 face value	24.8	0.42	0.47
Significant accounting policies:	2		

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

As per our report of even date attached.

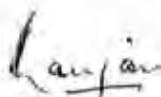
For BSR & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

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



Vaibhav Shah
Partner
Membership No. 117377

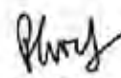
Mumbai
25 May 2017



Rohit Ranjan
Jt. Managing Director
DIN: 00003480



Ganesh Ramanathan
Chief Financial Officer



Priti Goel
Jt. Managing Director
DIN: 07649929



Sameer Upadhyay
Company Secretary

Citicorp Finance (India) Limited
Consolidated cash flow statement

for the year ended 31 March 2017

(Currency: Indian Rupees in Lakhs)

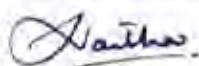
	31 March 2017	31 March 2016
Cash flows from operating activities		
Profit before tax	24,930	26,995
Add:-		
Depreciation and amortisation	125	109
Provision for diminution in the value of investments	5	23
Provision for doubtful advances and standard assets	1,164	1,135
Provision for other liabilities	42	428
Discount amortised on issue or charged-off on buy-back of debentures	4	6
Amortization of debt issuance and loan origination costs	223	277
Gain on sale of Short term investments	(197)	(150)
Gain on sale of fixed assets	(4)	(10)
Less:-		
Unrealized gain on derivatives	(1,336)	4,827
Share of profit in associates	1,395	847
Amortisation of subvention income	334	366
Reversal of provision for standard restructured assets and bad and doubtful debts	-	1,513
Dividend income	81	75
Operating profit before working capital changes	25,818	21,185
Decrease / (increase) in other current and non current assets	(7,122)	(830)
Increase in loans and advances	(230,349)	(289,440)
(Decrease) / increase in provisions, liabilities and trade payables*	(251)	(7,508)
	(237,722)	(297,778)
Net cash used in operating activities before taxes	(211,904)	(276,593)
Less: Taxes paid	4,215	6,701
Cash flows used in operating activities - A	(216,119)	(283,294)
Cash flows from investing activities		
Dividend income	81	75
Net proceeds from sale of short term investments	8,172	35,247
Sale proceeds of fixed assets	4	20
Purchase of fixed assets	(147)	(263)
Cash flows generated from investing activities - B	8,110	35,079
Cash flows from financing activities		
Increase in secured loans (net)	(13,685)	128,081
Decrease in unsecured loans (net)	222,905	133,407
Dividend and dividend distribution tax	-	(10,263)
Cash flows generated from / (used in) financing activities - C	209,220	251,225
Net increase in cash and cash equivalents - (A+B+C)	1,211	3,010
Cash and cash equivalents at the beginning of the period	19,239	16,229
Cash and cash equivalents at the end of the period	20,450	19,239

Note:

1) Cash and cash equivalents comprise of balances with banks in current accounts and fixed deposit accounts

As per our report of even date attached:

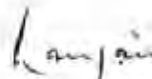
For BSR & Co. LLP
 Chartered Accountants
 Firm's Registration No: 101248WAW-100022



Vaibhav Shah
 Partner
 Membership No: 117377

Mumbai
 25 May 2017


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



Rohit Ranjan
 Jr. Managing Director
 DIN: 00003480



Ganesh Ramanathan
 Chief Financial Officer



Preeti Goel
 Jr. Managing Director
 DIN: 07649929



Sameer Upadhyay
 Company Secretary

Citicorp Finance (India) Limited

Notes to the consolidated financial statements

for the year ended 31 March 2017

(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 ('the 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 451A 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 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 2017. 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 2017

(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 had prepared consolidated financial statements for the first time in the previous year. Accordingly, adjustment for the Company's share in the profits of the associate up to 31 March 2014 was made in retained earnings.

The associate considered in the consolidated financial statement is:

Investment in Associate	Country of Incorporation	Proportion of ownership interest	
		As at March 2017	As at March 2016
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.

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Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2017

(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 2017

(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 ex-gratia. The undiscounted amount of short term employee benefits to be paid in exchange for employee service is recognized as an expense as the related service is rendered by employee.

Post-employment benefits

Gratuity

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



Citicorp Finance (India) Limited

Notes to the consolidated financial statements *(continued)*

for the year ended 31 March 2017

(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.

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.

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Citicorp Finance (India) Limited

Notes to the consolidated financial statements *(continued)*

for the year ended 31 March 2017

(Currency: Indian Rupees in Lakhs)

Revenue recognition (continued)

The Company's policies are in compliance with the prudential norms for income recognition as prescribed by the 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 the RBI for NBFCs.

A general provision has been made on standard assets as prescribed by the 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 the 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.

In case of purchase of loan portfolio, the Company records the same under loans and advances. Further, the premium paid on such acquisitions is amortised over the life of the portfolio.

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Citicorp Finance (India) Limited

Notes to the consolidated financial statements *(continued)*

for the year ended 31 March 2017

(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.

The Company presents 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.



Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2017

(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 2017

(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.



Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued)

as at 31 March 2017

(Currency: Indian Rupees in Lakhs)

	As at 31 March 2017	As at 31 March 2016
Note 3:		
SHARE CAPITAL		
AUTHORISED CAPITAL:		
5,269,333,333 (Previous year : 5,269,333,333) Equity shares of Rs.7.50 each	395,200	395,200
ISSUED, SUBSCRIBED AND FULLY PAID UP:		
3,857,727,031 (Previous year : 3,857,727,031) Equity shares of Rs.7.50 each	289,330	289,330
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	3,857,727,031	3,857,727,031
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 451 C of the Reserve Bank of India Act, 1934 as amended by RBI (Amendment) Act, 1997)		
Opening balance	53,990	50,526
Add: Transfer from surplus in the statement of profit and loss	3,240	3,464
Closing balance	57,230	53,990
General reserve:		
Opening balance	3,674	3,674
Additions during the year	-	-
Deductions during the year	-	-
Closing balance	3,674	3,674



Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued)

as at 31 March 2017

(Currency: Indian Rupees in Lakhs)

	As at 31 March 2017	As at 31 March 2016
Note 4:		
RESERVES AND SURPLUS (continued)		
Balance in the statement of profit and loss:		
Opening balance	4,131	3,619
Add:		
Reversal of proposed dividend of previous year (Refer Note 24.18)	11,511	-
Reversal of provision for dividend distribution tax of previous year (Refer Note 24.18)	2,344	-
Amount carried forward from the statement of profit and loss	16,202	18,165
Less:		
Proposed final dividend (Rs. Nil per equity share (Previous year : Rs. 0.30 per equity share))	-	11,511
Tax on proposed final dividend	-	2,344
Tax on final dividend of earlier year	-	334
Transfer to statutory reserve	3,240	3,464
	<u>30,948</u>	<u>4,131</u>
Total	<u><u>91,852</u></u>	<u><u>61,795</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 24.4)	47,330	77,305
Long term maturities of finance lease obligation	8	10
Total	<u><u>47,338</u></u>	<u><u>77,315</u></u>

Note 6:

OTHER LONG TERM LIABILITIES

Franchisee and other liabilities	270	408
Cash profit on loan transfer transactions pending recognition	141	191
Interest accrued but not due on borrowings	2,790	6,107
Total	<u><u>3,201</u></u>	<u><u>6,706</u></u>

Note 7:

LONG TERM PROVISIONS

Provision for gratuity (Refer Note 24.11)	118	140
Provision for employee benefits	9	-
Provision for standard assets	445	262
Provision for non performing assets	146	195
Provision for loan losses	-	22
Total	<u><u>718</u></u>	<u><u>619</u></u>



Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued)

as at 31 March 2017

(Currency: Indian Rupees in Lakhs)

	As at 31 March 2017	As at 31 March 2016
Note 8:		
SHORT TERM BORROWINGS		
SECURED		
Loans repayable on demand from banks (Interest rate range from 10.35% to 10.65% (Previous Year: from 10.40% to 10.65%)) (The above loan is secured by a pari passu charge on the movable financial assets)	-	45,000
UNSECURED		
Loans repayable on demand from banks (Loans from related parties- Rs. 1,689 (Previous Year : Rs. 965)) (Interest rate range from 8.95% to 9.50% (Previous year: from 9.30% to 13.50%))	1,689	35,965
Commercial paper (Interest rate range from 6.50% to 8.35% (Previous Year: from 7.50% to 9.45%))	240,932	140,352
Inter Corporate Borrowings (Interest rate range from 6.20% to 6.50% (Previous Year: Nil))	26,600	-
Total	269,221	221,317

Note 9:

OTHER CURRENT LIABILITIES

Current maturities of secured non convertible redeemable debentures (refer note 24.4)	223,755	162,460
Current maturities of unsecured non convertible redeemable debentures (refer note 24.4)	130,000	-
Current maturities of finance lease obligations	13	11
Interest accrued but not due on borrowings	12,556	7,509
Interest collected but not earned on loans and advances	218	-
Dealer held disbursement and other liabilities (Payable to related parties- Rs. Nil (Previous Year : 480))	4,467	5,743
Mark to market on derivatives	2,347	3,417
Collection payables on servicing portfolio (Payable to related parties- Rs. 2,982 (Previous Year : Rs. 5,084))	3,168	5,165
Cash profit on loan transfer transactions pending recognition	83	169
Total	376,607	184,564

Note 10:

SHORT TERM PROVISIONS

Proposed dividend	-	11,511
Dividend distribution tax	-	2,344
Provision for loan assignment	2,099	2,529
Provision for bonus	34	35
Provision for employee benefits	3	-
Provision for value added tax	3,223	3,407
Provision for litigations	1,090	1,048
Provision for standard assets	2,903	1,922
Total	9,352	22,796



Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued)

as at 31 March 2017

(Currency: Indian Rupees in Lakhs)

Note 12: NON-CURRENT INVESTMENTS (Valued at cost unless stated otherwise)	31 March 2017	31 March 2016
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	12,413	11,018
SUB TOTAL	<u>12,413</u>	<u>11,018</u>
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	(2,111)	(2,106)
SUB TOTAL	<u>1,752</u>	<u>1,757</u>
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	<u>-</u>	<u>-</u>
GRAND TOTAL	<u>14,165</u>	<u>12,775</u>
AGGREGATE COST OF UNQUOTED INVESTMENTS	19,276	17,881
AGGREGATE PROVISION FOR DIMINUTION IN THE VALUE OF INVESTMENTS	5,111	5,106



Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued)

as at 31 March 2017

(Currency: Indian Rupees in Lakhs)

	As at 31 March 2017	As at 31 March 2016
Note 13:		
LONG TERM LOANS AND ADVANCES		
Secured and considered good		
Loans for commercial vehicles and construction equipments	11,901	12,255
Advance against financial assets and other loans	15,578	17,770
Finance lease receivables	2,157	2,321
(Finance lease to related parties- Rs. 2,157 (Previous Year : Rs. 2,321))		
Gross amount receivable from customers under hire purchase agreements	33	34
Less : Unearned hire purchase premium	(33)	(33)
Less : Instalments received in advance	-	(1)
	<u>-</u>	<u>-</u>
Unsecured and considered good		
Unsecured loans	96,923	55,475
Deposits	167	218
Prepaid expenses	102	56
Advance tax (net of provision Rs. 106,138 and includes MAT credit entitlement of Rs. 19,889) (Previous Year : net of provision Rs. 102,276 and includes MAT credit entitlement of Rs. 19,277)	35,454	37,036
Total	<u><u>162,282</u></u>	<u><u>125,131</u></u>
Note 14:		
OTHER NON-CURRENT ASSETS		
Unamortized costs (net)	2,105	672
Deposits with banks (maturity over 12 months)	-	4
(Deposit with related parties - Rs. Nil (Previous Year : Rs. 4))		
Cenvat input tax credit	11,913	12,259
Provision for cenvat credit	(11,906)	(12,259)
	<u>8</u>	<u>-</u>
Debt issue costs	-	-
Other deposits	465	274
Total	<u><u>2,578</u></u>	<u><u>950</u></u>
Note 15:		
CURRENT INVESTMENTS		
Investment in commercial paper	21,746	-
Investment in certificate of deposits	-	29,722
Total	<u><u>21,746</u></u>	<u><u>29,722</u></u>



Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued)

as at 31 March 2017

(Currency: Indian Rupees in Lakhs)

	As at 31 March 2017	As at 31 March 2016
Note 16:		
CASH AND BANK BALANCES		
A) Cash and cash equivalents*		
Cash and cheques in hand	311	934
Balance with banks		
- In current accounts	1,831	644
(Balances with related parties - Rs. 1,610 (Previous Year : Rs. 483))		
- In fixed deposits (with original maturity of less than 3 months)	18,308	17,661
(Fixed deposits with related parties - Rs. 18,308 (Previous Year : Rs. 17,661))		
B) Other bank balances		
- In fixed deposits (Includes margin deposit of Rs. 6,600 (Previous Year: Rs.6,000))	8,703	8,408
(Fixed deposits with related parties - Rs. 2,034 (Previous Year : Rs. 2,344))		
Total	29,153	27,647

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

Note 17:

SHORT TERM LOANS AND ADVANCES

Secured and considered good

Loans for commercial vehicles and construction equipments	8,047	10,011
Advances against financial assets and other loans	402,240	314,188
Finance lease receivables	1,527	1,487
(Finance lease to related parties- Rs. 1,527 (Previous Year: Rs. 1,487))		
Gross amount receivable from customers under hire purchase agreements	-	2
Less : Unearned hire purchase premium	-	(1)
Less : Instalments received in advance	-	(1)
	<u>411,814</u>	<u>631,818</u>

Unsecured and considered good

Trade advances	122	145
Unsecured loans	411,412	305,907
Security deposits	50	50
Prepaid expenses	31	-
Receivable from staff	-	10
Other advances	12	20
Total	823,441	631,818

Note 18:

OTHER CURRENT ASSETS

Mark to market on derivatives	8,686	13,136
Interest accrued on loans and advances	10,553	4,314
Interest accrued on fixed deposits	144	70
(Interest accrued from fixed deposits with related parties - Rs. 88 (Previous Year : Rs. 4))		
Unamortized costs (net)	1,262	404
Debt issue costs	13	11
Margin money with exchanges	65	65
Other receivables	3,390	2,146
(Receivables from related parties - Rs. 2,588 (Previous Year : Rs. 1,571))		
Total	24,113	20,146



Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued)
for the year ended 31 March 2017

(Currency: Indian Rupees in Lakhs)

	31 March 2017	31 March 2016
Note 19:		
REVENUE FROM OPERATIONS		
INTEREST INCOME		
Interest on loans	74,009	50,824
Interest on fixed deposits	785	694
Interest on investments	660	1,207
Finance lease income	488	538
	<u>75,942</u>	<u>53,263</u>
FEE INCOME		
Collection and sourcing fees	4,592	4,112
Other fees	292	274
	<u>4,884</u>	<u>4,386</u>
Total	<u><u>80,826</u></u>	<u><u>57,649</u></u>

Note 20:

OTHER INCOME

Dividend income		
- From others	81	75
Gain on sale of investments (net)	197	150
Gain on derivatives (net)	2,181	1,494
Gain on assignment	452	1,058
Commission from insurance agency	240	1,617
Bad debts recovered (net)	176	138
Reversal of provision for standard restructured advances	-	1,513
Profit on sale of fixed assets	4	10
Share in income of associate	1,395	847
Miscellaneous income	590	373
Total	<u><u>5,316</u></u>	<u><u>7,275</u></u>

Note 21:

EMPLOYEE BENEFITS

Salaries and wages	4,747	4,319
Contribution to provident fund and other funds	185	191
Gratuity	59	110
Staff welfare expenses	60	90
Total	<u><u>5,051</u></u>	<u><u>4,710</u></u>



Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2017

(Currency: Indian Rupees in Lakhs)

31 March 2017

31 March 2016

Note 22:

FINANCE COSTS

Interest on non convertible debentures	26,475	11,770
Interest on commercial paper	10,260	6,005
Interest on Inter-Corporate Borrowings	48	-
Interest on borrowings from banks	3,640	2,096
Interest on finance lease	6	5
Other interest	2	1
Total	40,431	19,877

Note 23:

OTHER EXPENSES

Rent	984	915
Premises maintenance costs	488	494
Rates and taxes	145	128
Diminution, other than temporary, in the value of investments (net)	5	23
Provision for standard assets	1,164	1,135
Provision for litigations	48	431
Advisory fees	454	324
Bank charges	78	107
Brokerage	104	61
Distribution and placement fees	324	398
Credit rating and surveillance fees	137	206
Service bureau expenses	1,869	2,405
Fees and Commission	4,656	1,552
Technology and software expenses	1,680	1,660
Stamping / franking charges	420	226
Travelling and conveyance expenses	301	375
Telephone expenses	75	93
Professional and legal expenses	611	675
Collection expenses	956	831
Corporate Insurance agency expenses	-	504
HR processing charges	50	103
Payments to the auditors		
(a) statutory audit	59	56
(b) tax audit	9	9
(c) limited review	6	6
(d) reimbursement of expenses	1	-
Corporate social responsibility expenses (Refer Note 24.16)	575	204
Miscellaneous expenses	406	312
Total	15,605	13,233



Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2017

(Currency: Indian Rupees in Lakhs)

Note 24

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

	As at 31 March 2017	As at 31 March 2016
Tax assessments	5,386	6,226
Customer litigations	661	1,147
Estimated amount of contracts remaining to be executed on capital account	207	130

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.3,144 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. 1,976 lakhs (previous year: Rs. 1,812 lakhs)

There are outstanding demands against the Company under Maharashtra Value Added Tax Act, 2002, primarily on account of levy of VAT on part purchase consideration received on account of "transfer of KPO Division" on slum sale basis amounting to Rs. 266 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. 661 lakhs (previous year Rs.1,147 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 2017

(Currency: Indian Rupees in Lakhs)

(2) Movement in provision is set out below:

Particulars	As at 1 April 2016	Created during the year	Utilized / Released during the year	As at 31 March 2017
Asset based Finance and personal loan (including NPA)	217	201	272	146
Investments	5,106	5	-	5,111
Provision on assignment of asset portfolio	2,529	-	430	2,099
Provision for Cenvat credit	12,259	-	353	11,906
Provision for Value Added Tax (VAT)#	3,407	4	188	3,223
Provision for litigation	1,048	145	103	1,090
Total	24,566	355	1,346	23,575

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 2017	For the year ended 31 March 2016
Technology and software expenses	1,312	1,370
Service Bureau Expenses	43	-
Fees & Commission	1,834	316
HR Processing fees	36	98
Total	3,225	1,784

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

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

Series No	Maturity / Call Date	31 March 17	31 March 16
505	29-Apr-17	-	285
509	30-May-17	-	785
512	28-Jun-17	-	920
516	29-Jul-17	-	545
518	29-Jul-17	-	620
519 I	29-Dec-17	-	505
521 I	28-Sep-17	-	335
522 I	28-Sep-17	-	955

Series No	Maturity / Call Date	31 March 17	31 March 16
576 III	31-Mar-18	-	350
576 IV	29-Jun-17	-	450
576 V	30-Jul-19	100	100
577 I	31-Dec-17	-	3,000
578 I	26-Oct-19	605	-
578 II	26-Oct-19	50	-
578 III	26-Oct-19	250	-
579 I	26-Oct-19	250	-

Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2017

(Currency: Indian Rupees in Lakhs)

Series No	Maturity / Call Date	31 March 17	31 March 16
523 II	13-Jul-17	-	2,505
524 II	24-Nov-17	-	1,005
524 III	28-Nov-17	-	510
525 III	28-Nov-17	-	630
525 IV	30-Nov-17	-	310
526 III	29-Dec-17	-	260
526 IV	29-Dec-17	-	745
527 II	29-Dec-17	-	660
529 II	31-Jan-18	-	655
529 IV	13-Jan-18	-	10,010
530 I	30-Jul-18	-	2,515
530 II	31-Jan-18	-	585
531 III	31-Jan-18	-	370
532 II	27-Feb-18	-	375
533 II	27-Feb-18	-	175
535 II	31-Mar-18	-	250
536 I	27-Mar-18	-	5,025
536 II	27-Mar-18	-	5,000
536 III	31-Mar-18	-	175
536 IV	31-Mar-18	-	305
537 I	10-Apr-18	627	653
539 II	1-May-18	155	155
540 I	30-May-18	195	195
541 I	30-May-18	480	480
541 II	30-May-18	225	225
542 I	14-May-17	-	510
544 I	28-Jun-18	100	100
547 I	27-Jul-17	-	475
547 II	28-Aug-18	485	485
548 I	27-Jul-17	-	490
548 II	28-Aug-18	722	807
549 I	13-Aug-17	-	325
549 II	12-Sep-18	480	530
550 II	19-Sep-18	100	100
551 I	27-Aug-17	-	165
551 II	2-Oct-18	530	555
551 IV	2-Oct-18	240	240
553 II	30-Oct-18	410	410
553 III	30-Oct-18	379	379
554 II	30-Oct-18	870	870
554 III	30-Oct-18	310	310
556 I	27-Nov-18	300	300
556 II	27-Nov-18	518	578
557 I	28-Nov-18	500	500
559 II	26-Jan-19	320	420
561 I	27-Feb-19	1,700	1,700
562 I	19-Mar-19	1,080	1,080
567 II	1-Jun-19	450	450

Series No	Maturity / Call Date	31 March 17	31 March 16
579 II	26-Oct-19	150	-
579 III	26-Oct-19	330	-
580 I	30-Nov-19	210	-
580 III	30-Nov-19	425	-
581 I	30-Nov-19	200	-
581 II	30-Nov-19	200	-
581 III	30-Nov-19	450	-
581 VII	6-May-19	2,500	-
581 VIII	2-May-18	300	-
582 I	17-Jun-19	250	-
582 II	17-Jun-18	100	-
582 III	2-May-18	100	-
585 I	28-Jun-19	660	-
585 II	28-Jun-18	250	-
585 III	1-May-18	200	-
586 II	3-Jul-18	100	-
586 III	2-May-18	100	-
589 I	30-Jul-19	460	-
591 II	6-Dec-19	700	-
592 I	29-Jun-19	100	-
592 III	31-Dec-19	350	-
593 II	31-Dec-19	100	-
593 III	31-Dec-19	200	-
594 II	3-May-18	100	-
594 III	31-Dec-19	50	-
596 I	27-Sep-18	100	-
596 II	25-Jan-20	300	-
596 III	25-Jan-20	200	-
596 VI	1-Jul-18	50	-
600 I	27-Sep-18	50	-
600 II	25-Jan-20	260	-
600 III	25-Jan-20	240	-
602 II	28-Jan-20	300	-
602 III	28-Jan-20	150	-
602 IV	28-Jan-20	100	-
603 I	28-Oct-18	100	-
604 I	28-Oct-18	160	-
604 IV	29-Feb-20	50	-
604 IX	29-Feb-20	100	-
604 VI	2-May-18	100	-
604 VII	2-May-18	500	-
604 VIII	29-Feb-20	500	-
604 X	2-May-18	200	-
608 II	2-May-18	100	-
618 I	10-Jan-19	2,200	-
620 I	13-Jun-20	175	-
620 IV	31-Jan-19	100	-
623 I	27-Jun-20	200	-

Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2017

(Currency: Indian Rupees in Lakhs)

Series No	Maturity / Call Date	31 March 17	31 March 16	Series No	Maturity / Call Date	31 March 17	31 March 16
568 I	1-Jun-19	2,500	2,500	626 I	28-Jul-20	210	-
568 II	1-Jun-19	595	595	626 III	15-Apr-18	150	-
568 VI	1-Jun-19	350	350	626 IV	15-Apr-18	150	-
571 II	31-Dec-17	-	200	626 VI	30-Apr-18	50	-
571 III	1-Mar-18	-	200	626 VIII	1-Apr-19	100	-
571 IV	29-Jun-19	100	100	627 I	5-Apr-18	6,500	-
571 VI	29-Jun-19	450	450	628 II	22-Jul-20	876	-
572 II	1-Mar-18	-	100	629 I	24-Sep-18	2,500	-
572 V	29-Jun-19	300	300	630 II	1-Apr-19	300	-
572 VII	29-Jun-19	200	200	630 III	28-Apr-18	200	-
574 IV	14-Jul-19	100	100	632 I	29-Jul-20	400	-
575 I	20-Apr-17	-	1,600	632 II	1-Apr-19	100	-
575 IV	21-Jun-17	-	500	632 V	29-Apr-18	330	-
576 I	31-Mar-18	-	100	632 VI	30-Apr-18	200	-
576 II	30-Mar-18	-	620	632 VII	2-Jul-18	2,925	-
Total						47,337	62,317

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

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

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

Series No	Maturity / Call Date	31 March 17	31 March 16	Series No	Maturity / Call Date	31 March 17	31 March 16
446 II	28-May-16	-	115	527 II	29-Dec-17	635	-
452	28-Jun-16	-	1,870	529 II	31-Jan-18	655	-
453	28-Jun-16	-	1,101	529 IV	13-Jan-18	10,010	-
455	30-Jul-16	-	565	530 II	31-Jan-18	585	-
456	30-Jul-16	-	1,001	531 II	31-Jan-18	370	-
463 I	27-Aug-16	-	743	532 II	27-Feb-18	330	-
463 II	27-Aug-16	-	195	533 II	27-Feb-18	175	-
466	27-Aug-16	-	670	535 II	31-Mar-18	250	-
471	29-May-16	-	390	536 I	27-Mar-18	25	-
472	12-Jun-16	-	35	536 III	31-Mar-18	175	-
474	25-Oct-16	-	500	536 IV	31-Mar-18	305	-
473 I	30-Jun-16	-	1,232	542 I	14-May-17	510	-
473 II	30-Jun-16	-	643	547 I	27-Jul-17	475	-
475	28-Jul-16	-	590	548 I	27-Jul-17	490	-
503	30-Mar-17	-	940	549 I	13-Aug-17	325	-
506	25-Mar-17	-	640	551 I	27-Aug-17	165	-
514	28-Feb-17	-	200	571 II	24-May-17	200	-
520 I	10-Aug-16	-	5,010	571 III	24-May-17	200	-
521 III	29-Aug-16	-	435	572 II	24-May-17	100	-
523 I	11-Sep-16	-	2,505	575 I	20-Apr-17	1,600	-
525 II	30-Oct-16	-	480	575 IV	21-Jun-17	500	-
530 III	1-Jan-17	-	1,505	576 I	31-Mar-18	100	-

Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2017

(Currency: Indian Rupees in Lakhs)

Series No	Maturity / Call Date	31 March 17	31 March 16	Series No	Maturity / Call Date	31 March 17	31 March 16
531 III	30-Oct-16	-	505	576 II	2-Jul-17	620	-
545 I	16-Apr-16	-	3,000	576 III	31-Mar-18	350	-
546 I	16-Apr-16	-	300	576 IV	29-Jun-17	450	-
548 III	17-May-16	-	500	577 I	31-Dec-17	3,000	-
548 V	17-May-16	-	1,000	579 V	13-May-17	500	-
549 III	31-May-16	-	150	580 IV	7-Jun-17	400	-
550 III	7-Jun-16	-	25	580 V	7-Jun-17	100	-
551 III	30-Jun-16	-	1,000	581 IV	4-Jul-17	5,750	-
552 II	25-Jun-16	-	1,000	581 VI	8-Jul-17	1,000	-
552 III	25-Jun-16	-	605	582 IV	4-Jul-17	400	-
555 II	3-Aug-16	-	4,000	583 I	7-Jul-17	6,750	-
558 I	7-Sep-16	-	2,500	584 III	8-Jul-17	500	-
559 I	30-Oct-16	-	550	585 IV	28-Sep-17	100	-
559 III	15-Oct-16	-	1,600	589 III	13-Aug-17	150	-
560 I	18-Oct-16	-	12,000	590 III	13-Aug-17	8,350	-
562 II	4-Dec-16	-	3,400	592 IV	30-Nov-17	310	-
563 II	15-Dec-16	-	2,300	593 IV	30-Nov-17	200	-
564 I	18-Dec-16	-	400	594 I	16-Sep-17	500	-
565 I	24-Dec-16	-	3,000	595 I	23-Sep-17	700	-
568 IV	11-Feb-17	-	210	600 IV	28-Dec-17	50	-
568 V	11-Feb-17	-	1,150	601 I	28-Oct-17	10,000	-
569 I	17-Feb-17	-	8,500	602 V	28-Dec-17	265	-
570 I	25-Feb-17	-	900	603 II	26-Nov-17	50	-
570 A	25-Feb-17	-	12,500	603 III	26-Nov-17	170	-
571 I	11-Mar-17	-	700	604 III	26-Nov-17	730	-
572 I	16-Mar-17	-	1,800	604 V	26-Nov-17	100	-
573 I	2-Jun-16	-	6,000	605 I	25-Nov-17	500	-
575 V	30-Mar-17	-	5,000	607 I	9-Dec-17	10,000	-
576 VIII	1-Oct-16	-	3,000	608 I	15-Dec-17	1,500	-
576 IX	23-Jun-16	-	6,000	609 I	15-Dec-17	700	-
505	29-Apr-17	260	-	611 I	30-Dec-17	8,500	-
509	30-May-17	760	-	619 I	4-Feb-18	10,000	-
512	28-Jun-17	815	-	620 II	2-Mar-18	50	-
516	29-Jul-17	545	-	621 I	22-Feb-18	6,500	-
518	29-Jul-17	620	-	621 II	9-Mar-18	1,000	-
519 I	29-Dec-17	505	-	621 III	9-Mar-18	1,000	-
521 I	28-Sep-17	335	-	622 I	10-Mar-18	1,300	-
522 I	28-Sep-17	955	-	623 III	25-Mar-18	225	-
524 II	24-Nov-17	1,005	-	623 V	31-Mar-18	100	-
524 III	28-Nov-17	510	-	623 VII	16-Mar-18	400	-
525 III	28-Nov-17	630	-	625 I	25-Mar-18	200	-
525 IV	30-Nov-17	310	-	625 II	25-Mar-18	550	-
526 III	29-Dec-17	260	-	625 V	24-Mar-18	800	-
526 IV	29-Dec-17	745	-				
Total						111,255	104,960



Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2017

(Currency: Indian Rupees in Lakhs)

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

Series No	Interest Rate	Maturity / Call Date	31 March 17	31 March 16
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
577 IV	8.95%	30-Jun-17	15,000	-
624 I	7.10%	6-Jun-17	2,500	-
628 I	7.50%	22-Jun-17	25,000	-
630 IV	7.70%	23-Jun-17	25,000	-
631 I	7.25%	27-Jun-17	20,000	-
632 IX	7.70%	29-Jun-17	25,000	-
Total			112,500	57,500

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

Series No	Interest Rate	Maturity / Call Date	31 March 17	31 March 16
610 I	7.10%	11-Apr-17	30,000	-
615 I	7.35%	23-May-17	50,000	-
626 IX	7.25%	16-Jun-17	50,000	-
Total			130,000	-

(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 2017	31 March 2016
Total number of loan assets assigned during the year (Nos)	1,359	1,659
Total amount of exposures retained by the Company to comply with MRR	1,957	2,089
Total book value of loan assets assigned	19,816	20,167
Sale consideration received for the assigned assets	19,957	20,391
Gain on account of assigned assets	136	179
Gains amortized during the year as per the RBI guidelines (includes gains amortized of previous years assignment)	272	683



Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2017

(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 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.

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 consolidated financial statements (continued) for the year ended 31 March 2017

(Currency: Indian Rupees in Lakhs)

Summary of the segments for the year ended 31 March 2017

	AAFA		Corporate Loans		Treasury		Others		Unallocated		Total	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Revenue												
Segment revenue	30,525	28,067	34,913	19,220	5,290	4,467	14,398	9,590	1,016	3,580	86,142	64,924
Inter-segment revenues	(16,038)	(10,094)	(18,633)	(7,316)	38,938	18,594	(4,267)	(1,184)	-	-	-	-
TOTAL REVENUE	14,487	17,973	16,280	11,904	44,228	23,061	10,131	8,406	1,016	3,580	86,140	64,924
Result												
Segment result	11,402	15,844	14,732	11,903	999	1,670	1,827	29	(4,030)	(2,451)	24,930	26,995
Income tax	-	-	-	-	-	-	-	-	(5,797)	-	(5,797)	-
Deferred tax	-	-	-	-	-	-	-	-	(2,931)	(8,830)	(2,931)	(8,830)
Net segment result	11,402	15,844	14,732	11,903	999	1,670	1,827	29	(12,758)	(11,281)	16,202	18,165
Other information (relating to the current period)												
Capital expenditure	-	-	-	-	-	3	47	24	43	153	90	180
Depreciation	-	-	-	-	-	2	21	31	104	76	125	109
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	-	-	-	-	5	23	-	-	-	-	5	23
Capital employed as at	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Segment assets	385,212	293,031	440,657	370,073	74,915	83,099	138,925	63,880	53,238	56,484	1,092,947	866,567
Segment liabilities	(4,369)	(2,187)	(1,747)	-	(691,303)	(309,241)	(12,232)	(13,398)	(367,094)	(523,576)	(1,076,745)	(848,402)
Net segment assets/(liabilities)	380,843	290,844	438,910	370,073	(616,388)	(226,142)	126,693	50,482	(313,856)	(467,092)	16,202	18,165



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Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2017

(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 2017	As at 31 March 2016
Net carrying value of the assets as at the date of balance sheet	25	24
Total of minimum lease payments as at the balance sheet date		
• Not later than one year	15	13
• Later than one year and not later than five years	10	11
Total	25	24
Present value of minimum lease payments as at the balance sheet date		
• Not later than one year	13	11
• Later than one year and not later than five years	8	10
Total	21	21

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

	As at 31 March 2017	As at 31 March 2016
Gross investment as at the date of balance sheet		
• Not later than one year	1,891	1,867
• Later than one year and not later than five years	2,431	2,602
Total	4,322	4,469
Present value of minimum lease payments as at the balance sheet date		
• Not later than one year	1,527	1,487
• Later than one year and not later than five years	2,157	2,321
Total	3,684	3,808
Unearned finance charges	638	704
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 2017

(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 2017	31 March 2016
Profit available to equity shareholders (A)		
Profit after tax	16,202	18,165
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)]	0.42	0.47
Diluted earnings per share [(A)/(B)]	0.42	0.47

(9) Deferred tax

The breakup of deferred tax assets is as under:

	As at 31 March 2017	As at 31 March 2016
Deferred tax assets:		
a. Provision for doubtful assets / valuation loss / assignment	6,510	6,436
b. WDV of fixed assets as per tax	6,009	5,582
c. Disallowance of expenses	1,268	1,427
d. Unabsorbed business loss and depreciation	-	3,251
e. Unrealized losses on derivatives	482	970
f. Lease rental payable	7	7
f. Interest accrued but not due on debentures	4,143	4,684
Subtotal	18,419	22,357
Deferred tax liabilities:		
a. WDV of fixed assets as per books	148	160
b. Unrealized gain on derivatives	2,095	3,047
c. Lease rental receivable	1,275	1,318
Subtotal	3,518	4,525
Total	14,901	17,832

The Company is of view that there is reasonable certainty of earning taxable profits in the near future and hence deferred tax assets of Rs. 14,901 lakhs is being recognised in the books of accounts (In the previous year, the Company, based on virtual certainty, had recognised deferred tax assets of Rs. 17,832 lakhs).

Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2017

(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 2017	As at 31 March 2016
Derivatives (notional principal amount)		
Futures and options:		
Equity and Index (net of long and (short))	43,472	25,093

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

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

(A) Defined Contribution Plan

Amount of Rs. 185 lakhs (Previous year: Rs. 191 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 2017	31 March 2016
Change in obligations		
Present value of defined benefits obligations at the beginning of the year	395	379
Employer service cost	40	38
Plan amendments	(1)	-
Interest cost	28	26
Acquisitions cost/(credit)	-	-
Actuarial (gains) / losses	14	41
Settlement cost	-	-
Actual benefits payments	(55)	(89)
Present value of defined benefits obligations at the end of the year	421	395
Change in plan assets		
Plan assets as at the beginning of the year	255	308
Adjustment	-	(29)
Expected return on plan assets	23	22
Actual company contributions	80	45
Actual benefits payments	(55)	(89)
Actuarial gain / (losses)	-	(2)
Plan assets at the end of the year	303	255

Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2017

(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	421	395
Fair value of plan assets as at the end of the year	303	255
Net liability recognized in the balance sheet	(118)	(140)

Particulars	31 March 2017	31 March 2016
Components of employer expense		
Current services cost	39	38
Interest cost	30	26
Expected return on assets	(23)	(22)
Past service cost	(1)	-
Settlement cost/ (credit)	-	-
Actuarial (gains) and losses	14	43
Net cost	59	85
Assumptions		
Discount rate	6.80%	7.70%
Expected return on assets	8.50%	8.50%
Salary escalation rate	10.00%	10.00%
Withdrawal rate	15.00%	15.00%
Mortality	LIC (2006-08) ultimate	LIC (2006-08) ultimate

	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Experience history					
Defined benefit obligation at the end of the period	(421)	(395)	(379)	(365)	(336)
Plan assets at the end of the period	303	255	308	361	386
Funded status	(118)	(140)	(71)	(4)	50
Experience gain/ (loss) adjustments on plan liabilities	6	-	(22)	24	50
Experience gain/ (loss) adjustments on plan assets	-	(1)	(7)	-	-
Actuarial gain / (loss) due to change of assumptions	(20)	(42)	(32)	31	(16)

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 2017

(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

Citigroup Global Markets Hong Kong Limited

Citigroup Global Markets Singapore PTE Limited

Citibank (China) Co. Ltd.

Citigroup Global Markets Deutschland AG

Citibank Japan Ltd.

C. Key Management Personnel

Rohit Ranjan (Joint Managing Director)

Priti Goel (Joint Managing Director)



Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2017

(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-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Asset given on lease	1,249	1,802	865	789
Lease rentals received for assets given on lease	1,357	1,502	680	586
Fixed deposits placed	383,078	352,870	-	-
Fixed deposits matured	382,745	347,843	-	-
Loans taken	6,520,600	4,491,900	-	-
Loans repaid	6,520,600	4,491,900	-	-
Loan portfolio purchase personal loan	127,545	34,827	-	-
Loan portfolio purchase domestic trade finance	58,588	8,981	-	-
Loan portfolio sale	19,957	20,391	-	-
Net movement in bank accounts	403	774	-	-
Securities Purchased	-	-	-	79,125
Securities Sold	-	-	-	1,607
Arrangement, Placement, Merchant Banker Fees & Brokerage paid	324	409	-	-
Co-location expenses paid	606	491	42	106
Co-location expenses recovered	-	-	148	13
Fee for HR & ICU Service earned	-	-	3	3
HR Related Expenses incurred	36	98	19	30
Fraud control & AAFA fee	34	57	5	-
Interest & bank charges paid	2,517	1,990	-	-
Interest received on Deposits	363	310	-	-
Management/ Servicing fee & foreclosure Charges earned	4,580	4,092	-	-
Fees and Commission	3,166	1,023	1,012	-
Risk Management Fee incurred	-	-	446	316
Secondment charges incurred (includes managing director's remuneration)	765	593	-	-
Secondment charges earned	486	607	-	-
Technology & Software expenses incurred	959	1,112	436	330
Loan Servicing Fees incurred	271	-	-	-
Expense processing fees incurred	43	-	-	-
Compliance Services	-	-	14	-
Equity Dividend Paid	-	8,487	-	-



Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2017

(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-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Finance lease principal receivable	2,410	2,206	1,274	1,122
Other receivables	2,414	1,369	174	202
Fixed deposits	20,342	20,009	-	-
Trade payables	3,082	922	1,182	283
Other Liabilities	2,982	5,084	-	-
Cash credit / overdraft	1,689	965	-	-
Bank Balances	1,610	483	-	-

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

Particulars	31 March 2017	31 March 2016
Equity-futures and options	(4,662)	(6,002)

(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 2017	31 March 2016
Principal amount remaining unpaid to any supplier as at the year end	59	136
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	2	1
Amount of interest accrued and remaining unpaid at the end of the accounting year	10	9

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



Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2017

(Currency: Indian Rupees in Lakhs)

(16) Corporate social responsibility expense

Particulars	31 March 2017	31 March 2016
Gross amount required to be spent during the year	579	372
Amount spent during the year	-	-
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above		
In cash	141	58
Yet to be paid in cash	*434	#146
Total	575	204

* Payment initiated on 31st March 2017, cleared on 4th April 2017

Payment made in the current year

(17) Details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016

(INR as Actuals)

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	10,500	208	10,708
(+) Permitted receipts	-	2,195,243	2,195,243
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	10,500	2,091,607	2,102,107
Closing cash in hand as on 30.12.2016	-	103,844	103,844

(18) During the current year, the Company has reversed the provision for proposed dividend and dividend distribution tax pertaining to financial year 2015-16 amounting to Rs. 13,855 lakhs at the instance of shareholders in the Annual General Meeting held on 29 August 2016.

(19) Other expenses – fees and commission include transfer pricing fees amounting to Rs. 4,616 lakhs (previous year Rs. 1,268 lakhs) paid/ accrued to affiliates. The transfer pricing model has been refined effective April 1, 2016. The refined model is aimed at simplifying and standardizing country and intercompany reporting while properly recognizing and rewarding components of the value chain through net revenue allocation for respective country locations and legal entities.

(20) The company issues Equity linked non-convertible redeemable debentures. In the previous year, the MTM was presented at gross of underlying components of each series. In the current year, the MTM is grossed up at each series level. Previous year numbers have also been recalculated accordingly.



Citicorp Finance (India) Limited

Notes to the consolidated financial statements *(continued)* for the year ended 31 March 2017

(Currency: Indian Rupees in Lakhs)

- (21) Figures for the previous year have been re-grouped wherever necessary, to conform to current year's classification.



Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued) for the year ended 31 March 2017

(Currency: Indian Rupees in Lakhs)

(22) Details of Loan Assets subjected to Restructuring as at 31 March 2017

SL. No	Type of Restructuring		Standard			Others			Total
	Asset Classification Details		Standard	Sub Standard	Doubtful	Loss			
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	-	-	-	-	-	-	

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



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Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2017

(Currency: Indian Rupees in Lakhs)

- (23) In accordance with the RBI notification No. DNBS.PD.CC. No. 256 /03.10.042 / 2011-12 dated March 2, 2012, Rs. 0.47 lakhs of fraud was detected and reported during the financial year ended 31 March 2017 (Previous year Rs. 0.08 lakhs).
- (24) In accordance with the 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 2017 (Previous year Nil).
- (25) In accordance with the 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 2017 (Previous year Nil).

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

As at 31 March 2017

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	3.26%	12,413	8.61%	1,395

As at 31 March 2016

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	31.03.2017
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

Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued) for the year ended 31 March 2017

(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)

4. Reason why the associate is not consolidated	Not Applicable
5. Networth attributable to Shareholding as per latest balance sheet	12,413
6. Profit/ Loss for the year	
i. Considered in consolidation	1,395
ii. Not considered in consolidation	Nil

As per our report of even date attached

For **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No:

101248W/W-100022

For and on behalf of the Board of Directors

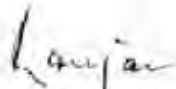
Citicorp Finance (India) Limited



Vaibhav Shah

Partner

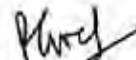
Membership No: 117377



Rohit Ranjan

*Jt. Managing
Director*

DIN: 00003480



Priti Goel

*Jt. Managing
Director*

DIN: 07649929



**Ganesh
Ramanathan**
*Chief Financial
Officer*



**Sameer
Upadhyay**
*Company
Secretary*

Mumbai
25 May 2017