CITICORP FINANCE (INDIA) LIMITED

TWENTY SECOND ANNUAL REPORT

FINANCIAL YEAR – 2018-19

Corporate Information

BOARD OF DIRECTORS

Ms. Nina Nagpal	**Managing Director**
Mr. Rohit Ranjan	**Director**
Ms. Priti Goel	**Director**
Mr. Neeraj Kumar	**Director**
Mr. Saurabh Surendra Shah	**Independent Director**
Mr. Deepak Keshav Ghaisas	**Independent Director**

CHIEF FINANCIAL OFFICER-

- Ms. Manisha Inamdar

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. MSKA & ASSOCIATES**

SECRETARIAL AUDITOR-

- **ZAINAB H. POONAWALA & ASSOCIATES**

DEBENTURE TRUSTEE-

- **IDBI TRUSTEESHIP SERVICES LIMITED**

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ANNUAL GENERAL MEETING OF
CITICORP FINANCE (INDIA) LIMITED

Notice is hereby given that the 22nd Annual General Meeting of the Citicorp Finance (India) Limited will be held on Friday, 27th day of September, 2019 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, 2019 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. Rohit Ranjan (DIN: 00003480), 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 ratify the appointment of M/s. MSKA & Associates, as the statutory auditors of the Company**
   To consider and if thought fit to pass with or without modification(s) the following resolution as an ordinary resolution:

   "RESOLVED THAT pursuant to the provisions of section 139, 142 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder and pursuant to resolution passed by the members at the 20th Annual General Meeting held on September 29, 2017, the appointment of M/s. MSKA & Associates, Chartered Accountants (Firm Registration No. 105047W) as Statutory Auditor of the Company to hold office till the conclusion of 25th Annual General Meeting, be and is hereby ratified by the members of the Company to hold office from the conclusion of this meeting until the conclusion of the 23rd Annual General Meeting at such remuneration and on such term and condition as may be agreed between the Auditors and Board of Directors.

Special Business:

4. **Re-appointment of Ms. Nina Nagpal (DIN – 00138918) as Managing Director**
   To consider and if thought fit to pass with or without modification(s) the following resolution as an special resolution:

   "**RESOLVED THAT** pursuant to the provisions of Section 190,196,197 and 203 read with Schedule V and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 made thereunder (including any statutory modification an re-enactment (s) thereof, for the time being in force) and relevant clause under the Articles of Association of the Company and any regulatory approvals, if any, the members be and hereby accords its consent for appointment of Ms. Nina Nagpal (DIN- 00138918) as Managing Director for a period of two years effective from June 01, 2019 with the remuneration as referred in the terms of appointment.

RESOLVED FURTHER THAT in the event of absence or inadequacy of net profits in any financial year, the remuneration payable to the Managing Director shall be governed by Section II of Part II of Schedule V to the Companies Act, 2013 or any statutory modification thereof.

RESOLVED FURTHER THAT during such time as Ms. Nina (DIN-00138918) holds and continues to hold the office of the Managing Director, she shall not be liable to retirement by rotation.

RESOLVED FURTHER THAT the appointment may be terminated at any time by either party thereto by giving to the other party notice of such termination as referred in her terms of appointment.

RESOLVED FURTHER THAT the appointment and remuneration of Ms. Nina Nagpal would be in accordance with the terms of section 196, 197 and other applicable provisions of Companies Act 2013.

RESOLVED FURTHER THAT any Directors or Company Secretary be and is hereby authorized to file necessary forms to give effect the appointment of Ms. Nina Nagpal as Managing Director of the company and comply with the necessary regulations as laid down by Reserve Bank of India and the Registrar of Companies, Ministry of Corporate Affairs or any other regulatory authority."

5. **Appointment of Mr. Neeraj Kumar (DIN-08389469) as Director of the Company**
To consider and if thought fit to pass with or without modification(s) the following resolution as an special resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149,152,161 of the Companies Act, 2013 and any other applicable provisions and rules made therein consent of the members be and is hereby accorded to appoint Mr. Neeraj Kumar (DIN 08389469) as Director of the Company.

RESOLVED FURTHER THAT the appointment of Mr. Neeraj Kumar would be without remuneration.

RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and is hereby authorized to sign and file necessary forms whether electronically or otherwise with the regulators and to do all such acts, things and deeds necessary to give effect to this resolution."

6. **Approval of Private Placement Offer Letter (PPOL) and Shelf Information Memorandum (S-IM) and Issuance of Debentures**

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

"RESOLVED THAT in supersession of earlier resolutions and in accordance with the provisions of Section 180 (1) (c), Section 42 of the Companies Act, 2013 and other applicable provisions, if any, and rules as made thereunder, the approval of the members be and is hereby accorded for raising monies by way of issuance of debentures on a private placement basis for an aggregate amount not exceeding Rs. 10,000 crores;

RESOLVED FURTHER THAT the Board of Directors are 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 with issuance of debentures 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 and

iv. take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise in relation to the above and generally do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.

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.

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

SD

Date: August 26, 2019
Place: Mumbai

Sameer Upadhyay
Company Secretary

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE EFFECTIVE PROXIES MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.

2. In case of joint shareholders, the member whose name appears in the register of member first will be entitled to receive the notice of meeting.

3. The copies of the relevant documents can be inspected at the registered office of the company on any working day during the business hours.

4. The register of members of the company will remain closed from Friday, September 20, 2019 to September 27, 2019 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.**

EXPLANATORY STATEMENT

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

ITEM NO. 2

The Board at its meeting held on Jan 25, 2010 had appointed Mr. Rohit Ranjan as Managing Director of the Company for a period of 5 years. In January 2014, his term was renewed for further period of 5 years. In June 2018, he was re-designated as Director of the Company.

Mr. Rohit Ranjan joined Citi in April 1998, and in May 2005 took charge of the ABF business. He was the Managing Director of erstwhile Citicorp Finance (India) Limited from 26 May 2005 to 24 July 2009. Under his leadership CFIL became a key player in commercial vehicle and equipment financing.

In January 2010, he became the Managing Director of CitiFinancial Consumer Finance India Limited (name changed to Citicorp Finance (India) Limited). Effective June 01, 2018 his designation has been changed from Managing Director to Director. Under his leadership Citi Financial witnessed a seamless and systematic wind down of the portfolio in line with the overall franchise wide Citi Holdings strategy. His in depth understanding of the commercial vehicle and equipment industry has enabled the successful conversion of the ABF business into a PSL conduit and has been a key driver for achievement of the PSL targets for the franchise in India.

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

Mr. Rohit Ranjan (DIN-00003480), Director

Date of Birth	57 (DOB-February 17,1961)
Qualification	MBA (Finance) –Anderson School of Management, University of New Mexico, Albuquerque, USA B. A. in Economics (Hons) – Delhi University
Experience	17+ years
Term and Condition of re-appointment and remuneration	Non-Executive Director liable to retire by rotation.
Remuneration last drawn	NA
Date of first appointment on the board	January 25, 2010
Shareholding in the Company	1 (One) share (Citibank Overseas Investment Corporation jointly with Mr. Rohit Ranjan)
Relationship with other Director or Manager to KMPs	NA
Number of Board Meeting attended during the Financial Year 2018-19	3 (Three)

Other Directorship	Citi Investment Advisory Services Private Limited (formerly known as Orbitech Private Limited)
Membership / Chairmanship of Committees of other Boards	NA

None of the Directors or Key Managerial Personnel except Mr. Rohit Ranjan is in any way concerned or interested in this resolution.

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

ITEM NO. 4

The Board at its meeting held on May 29, 2018 had appointed Ms. Nina Nagpal (DIN- 00138918) as an Additional Director who was further appointed as Managing Director of the Company for the period of one year (effective June 01, 2018) which was expired on May 30, 2019. In the board meeting held on May 30, 2019 she was re-appointed as Managing Director of the Company (for the period of two years) pursuant to Section 190,196, 197 and 203 read with Schedule V and any other applicable provisions, if any, of the Companies Act, 2013 and as rules made thereunder (including any statutory modification an re-enactment (s) thereof, for the time being in force) and relevant clause under the Articles of Association of the company.

Nina has been the MD & CEO of the Morgan Stanley NBFC during 2010-2013. In her current role she is Managing Director of the Company from June 01, 2018.

Prior to joining Citi, Nina has held a number of leadership positions within the financial services sector including at Morgan Stanley.

Further, additional disclosure as per Secretarial Standard -2 issued by ICSI are as below:
Ms. Nina Nagpal (DIN- 00138918), Managing Director

Date of Birth	55 Years (DOB- December 6, 1963)
Nationality	Indian
Qualification	Postgraduate Diploma, American University, Washington DC, Masters in Business Economics, Delhi University
Experience	31+ years
Term and Condition of re-appointment and remuneration	Managing Director
Remuneration last drawn	Rs. 1,539,8051 crore
Date of first appointment on the board	June 01, 2019
Shareholding in the Company	Nil
Relationship with other Director or Manager to KMPs	NA

Number of Board Meeting attended during the Financial Year 2018-19	3 (Three) re-appointed as Managing Director of the Company w.e.f June 01, 2019
Other Directorship	Citicorp Services India Private Limited
Membership / Chairmanship of Committees of other Boards	NA

None of the Directors or Key Managerial Personnel except Ms. Nina Nagpal is in any way concerned or interested in this resolution.

ITEM NO. 5

The Board at its meeting held on Mar 25, 2019 had appointed Mr. Neeraj Kumar (DIN- 08389469) as an Additional Director who shall hold the office up to the date of next annual general meeting or the last date on which the annual general meeting should have been held, whichever is earlier.

Mr. Neeraj Kumar is an engineering graduate and did MBA from Indian Institute of Management, Lucknow. He has 19 years of experience in the Indian Financial Services sector. He joined Citigroup in 2003 in Mumbai from ICICI Bank. Prior to moving to ANZ in January 2013, Neeraj was the Senior Relationship Manager at Citi, managing key accounts in Western India. At ANZ, he was the Head of large corporate relationships for West and North India. He's covered clients across industries and different business segments. He's helped clients raise ~ $60bn+ of debt capital across different markets, currencies and instruments. Rejoined Citi in Oct 2017 to head Local Corporate Bank for Western India.

Presently, he is responsible for FI & PS businesses across Banks, NBFCs, Asset Managers, Insurance, Broker-dealer, Exchanges, MFIs, Financial Sponsors and State Owned Enterprises.

Further, additional disclosure as per Secretarial Standard -2 issued by ICSI are as below:
Mr. Neeraj Kumar (DIN- 08389469), Director

Date of Birth	43 Years (DOB- November 11, 1975)
Nationality	Indian
Qualification	Engineering Graduate and MBA from Indian Institute of Management, Lucknow
Experience	19+ years
Term and Condition of re-appointment and remuneration	Non-Executive Director liable to retire by rotation.
Remuneration last drawn	NA
Date of first appointment on the board	Mar 26, 2019
Shareholding in the Company	Nil

Relationship with other Director or Manager to KMPs	NA
Number of Board Meeting attended during the Financial Year 2018-19	NA (appointed as an Additional Director w.e.f Mar 26, 2019)
Other Directorship	NA
Membership / Chairmanship of Committees of other Boards	NA

None of the Directors or Key Managerial Personnel except Mr. Neeraj Kumar is in any way concerned or interested in this resolution.

ITEM NO. 6

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 and shareholders, 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 or Key Managerial Personnel is in any way concerned or interested in this resolution.

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

SD

Date: August 26, 2019
Place: Mumbai

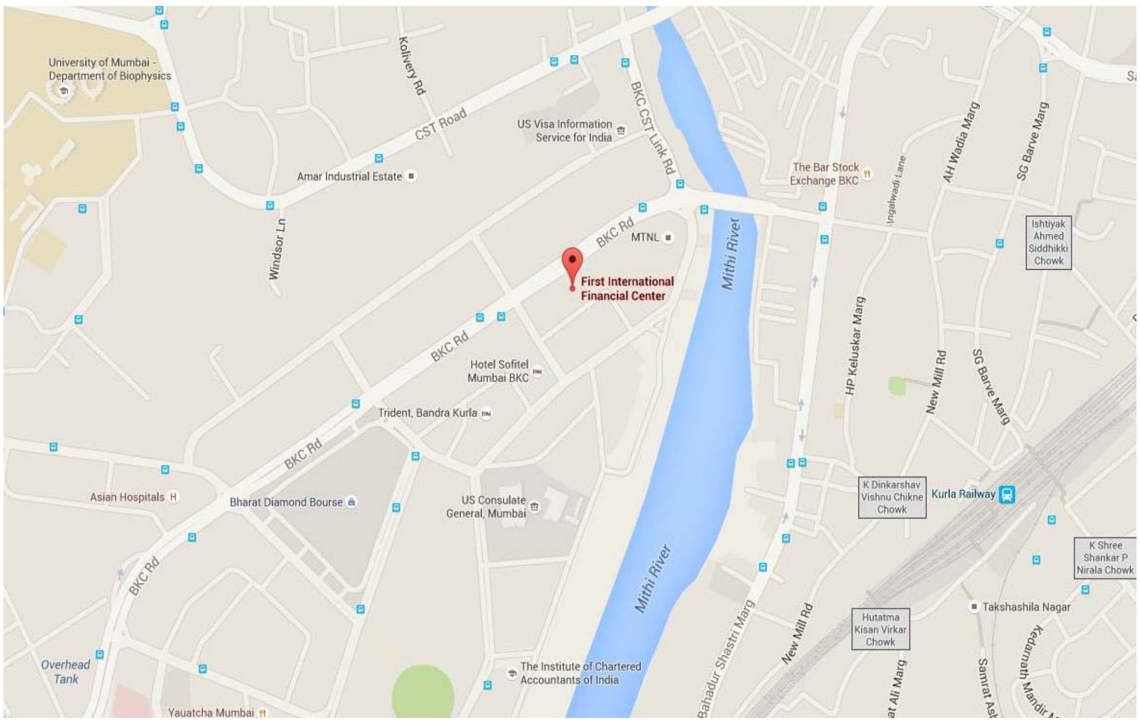
Sameer Upadhyay
Company Secretary

Annexure I

Route Map for Venue of the Meeting

Citicorp Finance (India) Limited
Registered Office:
8th Floor, First International Financial Center, Plot No C54 & C55, 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

1. 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 27, 2019 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, 2019 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 Mr. Rohit Ranjan, Directors, in place of those retiring by rotation. 3. To ratify the appointment of MSKA & Associates, Chartered Accountant, as statutory auditors of the Company		
Special Business: 4. Re-appointment of Ms. Nina Nagpal (DIN- 00138918) as Managing Director of the Company 5. Appointment of Mr. Neeraj Kumar (DIN-08389469) as Director of the Company		

6. Approval of Private Placement Offer Letter ("PPOL") and Shelf Information Memorandum ("S- IM") and Issuance of Debentures		

Signed this……….. day of ………. , 2019**.**

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 48 hours before the commencement of the Meeting.
2. For the Resolution and Explanatory Statement please refer to notice of 22nd 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

22nd 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 27, 2019 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 **22nd Annual General Meeting** of the Company held on **September 27, 2019 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 2019 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~~/Depositary 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 2019 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 their twenty second report of the Company together with the financial statements for the year ended March 31, 2019.

The performance highlights and summarized financial results of the Company are given below:

PERFORMANCE HIGHLIGHTS

Standalone income for the year increased by 17.28% to Rs. 963.68 Crores as compared to Rs. 821.72 Crores in 2017-18;
Standalone profit after tax for the year was Rs. 200.26 Crores as compared to Rs. 153.45 Crores in 2017-18;
Consolidated income for the year increased by 17.33% to Rs. 961.16 Crores as compared to Rs. 819.20 Crores in 2017-18;
Consolidated profit after tax for the year was Rs. 223.94 Crores as compared to Rs. 170.81 Crores in 2017-18.

FINANCIAL RESULTS

The summary of the financial result of the company for the period ended March 31, 2019 as compared to the previous financial year is stated below:

Rs. in crore

Particulars	**Standalone**		**Consolidated**	
	Year Ended Mar 31, 2019	**Year Ended Mar 31, 2018**	**Year Ended Mar 31, 2019**	**Year Ended Mar 31, 2018**
1. Total Income	963.68	821.72	961.16	819.20
2. Profit before tax before share in profit of associate	294.32	237.86	291.80	235.34
3. Share in profit of associate	-	-	26.20	19.88
4. Profit before tax	**294.32**	**237.86**	**318.00**	**255.22**
5. Current Tax	60.52	44.75	60.52	44.75
6. Deferred Tax	33.54	39.66	33.54	39.66
7. Profit after Taxation	**200.26**	**153.45**	**223.94**	**170.81**
8. Add : Balance carried forward from previous year	464.02	339.22	516.43	374.27
9. Other comprehensive income (net of tax)	3.41	(0.76)	3.41	(0.76)
10. Amount available for Appropriation (7+8+9)	667.69	491.91	743.78	544.32
11. Amount transferred to Statutory Reserves	40.05	27.90	40.05	27.90
12. Balance carried forward	**627.64**	**464.02**	**703.73**	**516.43**

***** The financial statement are prepared in accordance with Indian Accounting Standard (Ind AS).

STATE OF THE COMPANY'S AFFAIRS AND OPERATIONS REVIEW

The Profit before tax for the year has increased from Rs. 237.86 crore (Previous Year) to Rs. 294.32 crores (Current Year).

The company operates in various segments as mentioned below:

Institutional Client Group:

a) Margin & Securities Backed Finance
b) Corporate loans
c) Markets
d) Trade

Global Consumer Bank:

a) Personal Loan
b) Advance against Financial Assets
c) Asset backed finance
d) Citi commercial bank

Detailed description of each segments are given below:

Institutional Client Group:

a) Margin & Securities Backed Finance

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 HNW individuals with larger and more tailored lending requirements.

Its revenue consists of interest on loans and service charges. The revenue for the year decreased from Rs. 277 crores (Previous Year) to Rs. 204 crores (Current Year), largely driven by decline in assets during the 1st nine months of the financial year, even as the Company added new assets during the last quarter ending Mar'19. The decline was an outcome of a conscious decision to keep focus on profitability and also reduce exposure due to market volatility. However, the recent liquidity squeeze in the economy and the resultant stress in the financial sector (Banking / NBFC) has allowed more favorable risk / reward conditions, which aided us in adding assets during the last part of the financial year ended Mar'19. Even as we add new clients and hope to grow revenues again, we will need to remain watchful to ensure that we proactively manage exposure when required.

b) Corporate Loans

The Corporate loans segment provides secured and unsecured loans to corporates. Loan Products offered by this segment are unsecured loans and secured loans.

The revenue generated from Corporate Loan portfolio consists of interest on loans and service charges. The revenue for the year increased from Rs. 168 crore (Previous Year) to Rs. 261 crore (Current Year) owing to an increase in loan book.

c) Markets

Markets business undertakes activities such as investments in corporate debt, funding and gapping products and hedging positions. Revenues of the segment include investment income and gains/loss on debentures/bonds and derivative transactions.

The revenue for the year increased from Rs. 61 crores (Previous Year) to Rs. 93 crore (Current Year).

d) Trade

Loan Products offered by this segment are mainly bills discounting. Segment income consists of interest on loans and service charges. The revenue for the year decreased marginally from Rs. 41 crores (Previous Year) to Rs. 38 crore (Current Year).

During the year under review, the company has purchased Trade Loan portfolio from Citibank NA , India for an amount of Rs. 1,333 crore.

Global Consumer Bank:

a) Personal loan

This segment provides personal loans to retail customers. Segment income mainly comprises of interest on loans. The revenue for the year increased from Rs. 121 crores (Previous Year) to Rs. 160 crore (Current Year).

The Company has purchased personal loan portfolio from Citibank N.A, India of Rs 1,448 crore during the year under review.

b) Advance against Financial Assets (AAFA)

The Company provides loan to individuals / Sole Proprietorships, Partnerships and Personal Investment Companies (PICs) upto Rs. 30 Crores including financing investment needs. These loans are secured by pledge of marketable securities or units of mutual funds. The loan against shares is positioned as a unique product to enable small / medium sized investors to unlock the value in their financial assets. The program targets retail individuals, high net-worth individuals & entities who want to avail liquidity while remaining invested in the markets for the long term.

Its revenue consists of interest on loans and service charges. The revenue for the year decreased marginally from Rs. 21 crore (Previous Year) to Rs. 19 crore (Current Year)

c) Asset backed finance

The Other Loan segment includes Asset Based Finance (ABF). 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. ABF is the key contributor in fulfilling PSL requirement of Citi, majorly in Agriculture sector. ABF is operating out of 38 branches and spread across more than 300 locations.

Further, the Company outlook for the financial year 2019-20 would be to focus on Rural Infrastructure projects for Roads, irrigation, warehousing etc. to increase the demand for construction equipment and Replacement demand for commercial vehicles to increase with implementation of new emission norms along with new 4-8 lane highways construction with overload restrictions.

As on March 31, 2019 total revenue from ABF portfolio increased from Rs. 88 crores (Previous Year) to Rs. 122 crore (Current Year).

The Company has sold ABF portfolio to Citibank of Rs 336 crores during the year under review.

d) Citi Commercial Bank

This segment provides loans to micro, small and medium enterprises. Segment income mainly comprises of interest on loans. The revenue for the year increased from Rs. 34 crores (Previous Year) to Rs. 40 crores (Current Year).

OUTLOOK

The Non-Banking Financial companies (NBFCs) sector forms an integral part of the Indian financial system. The sector plays a vital role in India's economic growth and development. NBFC provides a vide range of products and services such as personal loans, housing loan, gold loan, insurance and loan for purchasing commercial vehicles, machinery, and farm equipment amongst others. NBFCs ability to understand their customer profile, their credit portfolio and deliver on customized products and services makes them as one of the fastest growing sectors providing innovation in financial products.

The Company's philosophy is to accord the highest priority to its client and helps them find tailor made solutions to meet their financial requirements. The Company thrives on the principle to build mutually beneficial relationships with the individuals, industries and families we serve. The Company is continuously evaluating various options / opportunities to position itself in the wake of current challenges.

In the coming years, the Company would continue its efforts to expand its business activities through innovation and first class services to its client. The corporate loan and loan against securities portfolio is expected to remain steady. The Company would continue to sell PSL assets generated. The company's product profile is diversified. Barring unforeseen circumstances, the overall performance in all the businesses is expected to be sustained at current level.

OPPORTUNITIES AND THREATS

NBFC sector in India is large with significant growth potential and has consistently created value for its shareholders.

The Reserve Bank of India constantly issues new regulations and / or modifies existing regulations endeavouring to balance the multiple objectives of financial stability, consumer and depositor protection and regulatory arbitrage concerns. The RBI, however, implements major changes in a structured manner providing companies operating in the sector adequate time to adapt and adjust.

Newer regulatory updates pose a constant challenge for smooth operations of the Company. The Company needs to be equipped to quickly adapt to the constant changes in regulations and competitive landscape. With new entities like the payment banks, small banks, new universal banks entering the market place, the Company needs to maintain its competitive edge through constant adaptation and creating strategies to protect its niche.

DIVIDEND

The management has decided to preserve the profits for the future growth of the company, hence no dividend being distributed considering the aforementioned reason.

TRANSFER TO SPECIAL RESERVE/ OTHER RESERVES

During the year ended March 31, 2019, the company has appropriated Rs. 40.05 Crores towards the Statutory Reserve (Previous Year – Rs. 27.90 Crores) in accordance with requirements under Section 45IC 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, 2019. The issued, subscribed and paid up share capital of the company as at March 31, 2019 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) and 134 (3)(a) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, please refer website of the company at www.citicorpfinance.co.in for annual return in MGT 9 Report.

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 2018- 2019 are in the ordinary course of business and at arm's length. The statement showing related party transaction in Form No. **AOC-2 along with relatives of Directors** are enclosed herewith as **Annexure I.** For further details of related party transactions please refer **clause 12** of **Notes to financial statement.**

The Related Party Transactions Policy has also been uploaded on the website of the company at www.citicorpfinance.co.in

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 2018-19 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, 2019 was 34.59% 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, 2019.

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. 2.04 Crores towards fixed assets (Previous year Rs. 2.32 crore).

SALE OF NON PERFORMING ASSETS (NPAs)

There was no sale of NPAs during the financial year 2018-19.

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 2018-19 (Previous Year – Nil)

c) Foreign Exchange Expenditure **Rs. in crore**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Technology and software expenses	8.41	9.77
Transfer pricing fees	11.06	3.11
HR Processing fees	0.44	0.35
Service bureau expenses	0.36	0.49
Total	**20.27**	**13.72**

SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY

The company did not have any subsidiary or entered into joint venture during the financial year 2018-19. As per shareholder agreement, the company has an associated company namely India Infradebt Limited.

AUDITORS AND REPORTS

a) Statutory Auditors

At the Annual General Meeting held on September 29, 2017, MSKA & Associates, Chartered Accountants, **holding firm registration no. 105047W** were appointed as statutory auditors of the company for a period of five years and will hold office from the conclusion of 20th AGM till the conclusion of 25th AGM.

The Company has received necessary confirmation from them stating that they satisfy the criteria provided under Section 141 of the Companies Act, 2013. The Board of Directors of your Company has recommended to ratify the appointment of M/s. MSKA & Associates, Chartered Accountants, Mumbai, to hold the office as Statutory Auditors of the Company from the ensuing Annual General Meeting till the conclusion of next Annual General Meeting of the Company on such remuneration as may be mutually decided by the Board of Directors and Statutory Auditors.

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 Directors of the company in its meeting held on May 29, 2018 had appointed M/s Zainab H. Poonawala & Associates, Practicing Company Secretary, Certificate of Practice No. 8874 as secretarial auditor of the company to undertake the secretarial audit of the company.

The Secretarial Audit Report for the year ended March 31, 2019 is annexed to this report as **Annexure II.**

c) Internal Auditors

Pursuant to Section 138 of the Companies Act, 2013 read with rule 13 of The Companies (Accounts) Rules, 2014, Mr. Samir Gala was appointed as Internal Auditor of the company for the Financial Year 2018-19.

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.

AUDITORS REPORT

(i) Statutory Auditors

The Auditor's Report issued by statutory auditor of the company for the year ended March 31, 2019 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(c), the Auditors have mentioned that following dues have not been paid:

Category	Name of the statute	Nature of the dues	Amount in Lakhs	Period to which the amount relates	Forum where dispute is pending
Direct Tax	Income Tax Act,1961	Income Tax Demands	357	AY 2005-06	Assessing Officer
Direct Tax	Income Tax Act,1961	Income Tax Demands	34	AY 2002-03	High Court
Direct Tax	Income Tax Act,1961	Income Tax Demands	8	AY 1999-2000	Commissioner of Income Tax (Appeals)
Direct Tax	Income Tax Act,1961	Income Tax Demands	6	AY 2001-02	Assessing Officer
Direct Tax	Income Tax Act,1961	Income Tax Demands	1	AY 2002-03	Assessing Officer
Direct Tax	Income Tax Act,1961	Income Tax Demands	29	AY 2006-07	Income Tax Appellate Tribunal
Direct Tax	Income Tax Act,1961	Income Tax Demands	579	AY 2011-12	Commissioner of Income Tax (Appeals)
Direct Tax	Income Tax Act,1961	Income Tax Demands	159	AY 2012-13	Commissioner of Income Tax (Appeals)
Indirect Tax	Maharashtra VAT Act, 2002	VAT Demands	266	FY 2010-11	Jt. Commissioner of Sales Tax (Appeals IV)
Indirect Tax	Finance Act, 1994	Service Tax Demands	1,073	FY 2006-07 to FY 2008-09	CESTAT(Customs, Excise and Service Tax Appellate Tribunal)

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. 854 lakhs (31 March 2018: Rs. 854 lakhs; 1 April 2017: Rs 3,144 lakhs).

There were outstanding demands against the Company under Karnataka Value Added Tax Act, 2003, primarily on account of disallowance of input tax credit amounting to 1,702 Lakhs (31 March 2018: Rs. 1,702 lakhs; 1 April 2017: Rs 1,976 lakhs). These matters were heard before the Karnataka Appellate Tribunal and were remanded back to the Assessing Authority. However the amount continues to be reported in contingent liability as the reassessment by the Assessing Authority is in progress. Out of this we had made a pre deposit of Rs. 270 lakhs in the previous years.

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 accountant of "transfer of KPO Division" on slump sale basis amounting to Rs. 316 lakhs (31 March 2018: Rs. 316 lakhs; 1 April 2017: Rs 266 lakhs (excluding pre deposit of 50 Lakhs)). Out of this we had made a pre deposit of 50 lakhs in the previous years.

There are outstanding demands against the Company under Finance Act,1994 , primarily on account of adjustment of service tax paid in previous years and other miscellaneous issues amounting to Rs. 1123 lakhs(31 March 2018: Rs.1123 lakhs; 1 April 2017: NIL). Out of this we had made a pre deposit of 49.59 lakhs in the previous year.

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.

(ii) Secretarial Auditors Report

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

(iii) Internal Auditors (IA) Report

Internal audit of key CFIL processes are reviewed as per the Annual Internal Audit Plan and audit results are tabled at the CFIL Audit Committee. Further, the audit result indicates that there is room for improvement on the design and operating effectiveness of internal controls to mitigate and /or manage those inherent risk to which the activities being audited are exposed.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 TO THE CENTRAL GOVERNMENT

During the year under review, the auditors have no reason to believe that an offence involving fraud is being or has been committed against the company by officers or employees of the company.

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

Risk Management is an integral part of the Company's business strategy. The Risk Management oversight structure includes Committees of the Board as well. The Committee assists the Board in its oversight of various risks.

The Committee also reviews compliance with risk policies, monitors risk tolerance limits, reviews and analyzes risk exposures related to specific issues and provides oversight of risk across the organization.

a) Governance Structure

The company has a Risk Management Committee which is governed by Corporate Governance Code of the company.

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.

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.

The company has also adopted Operational Risk Management Policy and Treasury Risk Management Policy.

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company's internal financial control framework, commensurate with the size and operations of the business and is in line with requirements of the Act. The Company's Internal financial controls over financial reporting with reference to the financial statements were adequate and operating effectively.

Further, 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.

DIRECTORS AND KEY MANANGERIAL PERSONNEL (KMP)

Ms. Nina Nagpal was appointed as Managing Director (MD) and Mr. Rohit Ranjan and Ms. Priti Goel were re-designated as Director w.e.f. June 01, 2018.

Mr. Niraj Parekh resigned from the Directorship and Mr. Ganesh Ramanathan had resigned from the position of Chief Financial Officer of the Company w.e.f. July 09, 2018 and July 15, 2018 respectively.

Ms. Manisha Inamdar was appointed as Chief Financial Officer of the Company w.e.f. August 23, 2018.

Mr. Srinivas Sishtla resigned from the Directorship of the Company w.e.f. Mar 26, 2019 and Mr. Neeraj Kumar was appointed as an Additional Director of the Company w.e.f. March 26, 2019.

Further, as Ms. Nina Nagpal was appointed as Managing Director w.e.f. June 01, 2018. The Board of Director in the meeting held on May 30, 2019, renewed her term as Managing Director for further period of two year effective June 01, 2019.

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

In term of Section 149 of the Companies Act, 2013 Mr. Deepak Ghaisas and Mr. Saurabh Shah are the Independent Directors of the Company as on date.

Further, Independent Directors have given declaration 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 III.

APPOINTMENT/RE-APPOINTMENT OF INDEPENDENT DIRECTOR

There was no change in Independent Directors during the financial year 2018-19.

NOMINATION AND REMUNERATION POLICY

Citicorp Finance (India) Limited believes in the manner of its affairs in a fair and transparent view by adopting the ethical behavior standards, integrity, and professionalism and in compliance of laws towards the society and its stakeholders. In terms of Section 178 of the Companies Act, 2013, the Company has formulated and adopted the Nomination and Remuneration policy. This policy acts as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors and Key Managerial Personnel.

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;
d) Formulation of criteria for evaluation of Independent Director and the Board;
e) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board;
f) To ensure that self-declaration is obtained from every director (existing or proposed) in the prescribed format.

VIGILANCE MECHANISM

The company has adopted Vigil Mechanism Policy with a view to provide a mechanism for directors and employees of the Company to report genuine concerns. The Policy also provide direct access to Audit Committee in exceptional cases. The provisions of this policy are in line with the provisions of the Section 177(9) and (10) of the Companies Act, 2013

The said policy is placed on the website of the company at www.citicorpfinance.co.in.

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

Please refer Nomination and Remuneration Policy Section.

PARTICULARS OF LOANS, GUARANTEE OR INVESTMENT

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

DISQUALIFICATIONS OF DIRECTORS

On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified from being appointed as a director in terms of Section 164(2) of the Act.

The declarations received from the directors have been taken on record by the Board of Director in its board meeting held on May 29, 2018.

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:

a) Ensure transparent and fair relationship with the Stakeholders, Investors, Customers, Employees, Creditors, Government in all its dealings;
b) Institute systems and processes to ensure the compliance with the statutes, laws and regulations as are applicable from time to time;
c) 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);
d) To have effective system of internal controls monitoring and vigilance mechanism

BOARD OF DIRECTOR

(i) Composition

As on March 31, 2019, the Board of Directors the company consisted of six directors, of whom one is executive director and 5 are non-executive directors including two independent directors.

Details of Directors as on March 31, 2019 are as below:

S. No.	Name	Designation
1	Ms. Nina Nagpal*	Managing Director
2	Mr. Rohit Ranjan*	Director
3	Ms. Priti Goel*	Director
4	Mr. Neeraj Kumar**	Director
5	Mr. Deepak Ghaisas	Independent Director
6	Mr. Saurabh Shah	Independent Director

*Ms. Nina Nagpal appointed as Managing Director and Mr. Rohit Ranjan and Ms. Priti Goel were re-designated as Director w.e.f. June 01, 2018.

Further, Mr. Niraj Parekh resigned from the directorship of the Company w.e.f. July 09, 2018.

**Furthermore Mr. Srinivas Sishtla resigned from the directorship of the Company w.e.f Mar 26, 2019 and Mr. Neeraj Kumar was appointed as an Additional Director of the Company w.e.f Mar 26, 2019.

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 29, 2018; August 23, 2018; December 11, 2018 and March 25, 2019.

Attendance of each Director is as below:

Members	**No. of Board Meeting**		**Whether attended last AGM held on September 28, 2018**
	Held	Attended	
Mr. Rohit Ranjan*	4	3	Yes
Ms. Priti Goel*	4	4	Yes
Ms. Nina Nagpal*	4	3	Yes
Mr. Niraj Parekh*	4	1	Yes
Mr. Srinivas Sishtla**	4	3	-
Mr. Neeraj Kumar**	4	0	-
Mr. Deepak Ghaisas (ID)	4	4	-
Mr. Saurabh Shah (ID)	4	4	-

*Ms. Nina Nagpal appointed as Managing Director and Mr. Rohit Ranjan and Ms. Priti Goel were re-designated as Director w.e.f. June 01, 2018. Further, Mr. Niraj Parekh resigned from the directorship of the Company w.e.f. July 09, 2018.

**Furthermore Mr. Srinivas Sishtla resigned from the directorship of the Company w.e.f March 26, 2019 and Mr. Neeraj Kumar appointed as an Additional Director of the Company w.e.f March 26, 2019.

(iii) Details of Equity Shares of the company held by the Directors as on March 31, 2019

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

*Mr. Rohit Ranjan was re-designated as Director of the Company w.e.f. June 01, 2018.

FAMILIARISATION PROGRAMME OF THE INDEPENDENT DIRECTORS

Independent Directors are familiarized with the Company, its operations, business, industry and environment in which it functions and the regulatory environment applicable to it alongwith their roles, rights and responsibilities in the Company at the time of their appointment. The Company updates the Board Members on a continuing basis on any significant changes therein and provides them an insight to their expected roles and responsibilities so as to be in a position to take well-informed and timely decisions and contribute significantly to the Company.

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

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 Board of the Company functions either as a full Board or through various committees constituted to oversee specific operational areas. The Board has constituted various committees, namely, Nomination & Remuneration Committee Audit Committee, Debenture Issuance and Allotment Committee, Asset-Liability Committee (ALCO), Risk Management Committee, Corporate Social Responsibility Committee, Stakeholders relationship Committee, IT Strategy Committee. All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of service for Committee members are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below:

(i) Audit Committee

The Committee's composition meets with the requirements of section 177 of the Companies Act, 2013. The terms of reference of this Committee are very wide and are in line with the regulatory requirements mandated by the Act. 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 5 (Five) times. Meetings of Audit Committee were held on May 29, 2018; August 23, 2018; November 20, 2018; December 11, 2018 and March 25, 2019.

The composition of the Audit Committee as on March 31, 2019 is as under:

a) Ms. Nina Nagpal, Managing Director
b) Mr. Deepak Ghaisas, Independent Director
c) Mr. Saurabh Shah, Independent Director

The details of members attendance is as under:

Members	**No. of Meeting**	
	Held	**Attended**
Mr. Niraj Parekh*	5	1
Ms. Nina Nagpal*	5	4
Mr. Deepak Ghaisas	5	5
Mr. Saurabh Shah	5	5

*Mr. Niraj Parekh ceased to be a member of the committee effective July 09, 2018 and Ms. Nina Nagpal appointed as a member of the Committee w.e.f. July 25, 2018.

(ii) Nomination and Remuneration Committee

The constitution of the Nomination and Remuneration Committee is in compliance with the provisions of section 178(1) of the Act 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, 2019 are as under:

a) Mr. Rohit Ranjan, Director
b) Mr. Neeraj Kumar, Additional Director
c) Mr. Deepak Ghaisas, Independent Director
d) Mr. Saurabh Shah, Independent Director

The Nomination and Remuneration Committee met 3 (three) times during the year, i.e. on 29th May 2018, 23rd August 2018 and 25th March 2019. The detail of members’ attendance is as under:

Members	**No. of Meeting**	
	Held	**Attended**
Mr. Rohit Ranjan*	3	2
Mr. Niraj Parekh**	3	1
Mr. Neeraj Kumar***	3	0
Mr. Srinivas Sishtla***	3	2
Mr. Deepak Ghaisas	3	3
Mr. Saurabh Shah	3	3

* Mr. Rohit Ranjan appointed as a member of the committee w.e.f July 25, 2018
** Mr. Niraj Parekh ceased to be a member of the committee w.e.f July 09, 2018.
***Mr. Srinivas Sishtla appointed as member of the committee w.e.f December 11, 2018 and ceased to be a member of the committee w.e.f March 26, 2019 and Mr. Neeraj Kumar appointed as member of the committee w.e.f March 26, 2019.

(iii) Debenture Issuance and Allotment 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 Issuance and Allotment Committee as on March 31, 2019 are as under:
a) Ms. Nina Nagpal, Managing Director
b) Mr. Rohit Ranjan, Director
c) Ms. Priti Goel, Director
d) Mr. Neeraj Kumar, Additional Director
e) Ms. Manisha Inamdar, Chief Financial Officer
f) Mr. Manish Ratti, Ops head
g) Mr. Vijay Sethi, Treasurer

During the year under review, the members of committee met 50 (Fifty Five) times. The meeting were held on April 18, 2018; April 26, 2018; April 27, 2018; May 09, 2018; May 18, 2018; May 21, 2018; May 22, 2018; May 29, 2018; May 31, 2018; Jun 04, 2018; Jun 08, 2018; Jun 14, 2018; Jun 20, 2018; June 28, 2018; July 02, 2018, 2017; July 16, 2018; July 19, 2018; July 23, 2018; July 24, 2018; July 30, 2018; July 31,2018; August 09, 2018; August 14, 2018; August 31, 2018; September 06, 2018; September 10, 2018; September 18, 2018; September 21, 2018; September 26, 2018; September 28, 2018; October 01, 2018; October 09, 2018; October 24, 2018; October 30, 2018; November 01, 2018; November 22, 2018; November 29, 2018; December 21, 2018; January 02, 2019;January 04, 2019;

January 21, 2019; January 25, 2019; January 30, 2019; February 06, 2019; February 07, 2019; February 18, 2019; February 27, 2019; February 28, 2019; March 25, 2019.

The details of members attendance is as under:

Members	No. of Meeting	
	Held	**Attended**
Ms. Nina Nagpal*	50	1
Mr. Rohit Ranjan	50	0
Ms. Priti Goel*	50	1
Mr. Niraj Parekh*	50	0
Mr. Neeraj Kumar***	50	0
Mr. Ganesh Ramanathan**	50	6
Ms. Manisha Indamdar**	50	3
Mr. Vijay Sethi	50	47
Mr. Srinivas Sishtla***	50	1
Mr. Manish Ratti	50	49
Mr. Jeegar Shah*	50	0
Mr. Manzoor Ahmed*	50	0

*Ms. Priti Goel and Mr. Niraj Parekh ceased to be a member of the Committee and Ms. Nina Nagpal, Mr. Jeegar Shah and Mr. Manzoor Ahmed appointed as member of the Committee w.e.f. June 01, 2018. Ms. Priti Goel further appointed as member of the Committee w.e.f December 11, 2018.

**Mr. Ganesh Ramanathan ceased to be member of the Committee w.e.f July 15, 2018 and Ms. Manisha Inamdar appointed as member of the Committee w.e.f August 23, 2018;

***Mr. Srinivas Sishtla appointed as member of the Committee w.e.f December 11, 2018 and ceased to be member of the Committee w.e.f Mar 25, 2019.

(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, 2019 is as under:

a) Ms. Nina Nagpal, Managing Director
b) Mr. Rohit Ranjan, Director
c) Ms. Priti Goel, Director
d) Mr. Neeraj Kumar, Additional Director
e) Ms. Manisha Inamdar, Chief Financial Officer
f) Mr. Sameer Upadhyay, Company Secretary
g) Mr. Vijay Sethi, Treasurer*
h) Mr. Jeegar Shah, Finance Controller
i) Mr. Vaibhav Gupta, Chief Risk Officer
j) Mr. Manish Ratti, Treasury Operations
k) Mr. Manzoor Ahmed, O&T – Head
l) Mr. Vinod Raghavan, Compliance Officer

Note:

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

During the year under review, the members of committee met 12 (Twelve) times. The meetings were held on. April 10, 2018; May 16, 2018; June 15, 2018; July 13, 2018; August 20, 2018; September 14, 2018; October 12, 2018; November 13, 2018; December 14, 2018; January 15, 2019; February 14, 2019 and March 12, 2019.

The details of members attendance is as under:

Members	No. of Meeting	
	Held	**Attended**
Ms. Nina Nagpal*	12	**10**
Mr. Rohit Ranjan	12	0
Ms. Priti Goel	12	4
Mr. Neeraj Kumar	12	0
Ms. Manisha Inamdar	12	5
Mr. Sameer Upadhyay	12	4
Mr. Jeegar Shah	12	10
Mr. Ganesh Ramanathan	12	2
Mr. Vijay Sethi	12	12
Mr. Manish Ratti	12	9
Mr. Vinod Raghavan	12	10
Mr. Vaibhav Gupta	12	1
Mr. Manzoor Ahmed*	12	0
Mr. Srinivas Sishtla	12	3
Ms. Payal Angre*	12	7
Mr. Niraj Parekh	12	0
Mr. Prasen Kale*	12	0

*Ms. Nina Nagpal, Ms. Payal Angre and Mr. Manzoor Ahmed appointed as member of the Committee w.e.f June 01, 2018 and Niraj Parekh ceased to be a member of the Committee w.e.f June 01, 2018.

(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, 2019 is as under:

a) Ms. Nina Nagpal, Managing Director
b) Rohit Ranjan, Director
c) Mr. Neeraj Kumar, Additional Director*

(vi) Corporate Social Responsibility Committee (CSR)

The Company has duly constituted a CSR Committee in accordance with section 135 of the Companies Act, 2013 to assist the Board and the Company in fulfilling the corporate social responsibility objectives of the Company.

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, 2019 is as under:

a) Ms. Nina Nagpal, Managing Director
b) Mr. Neeraj Kumar, Additional Director
c) Mr. Deepak Ghaisas, Independent Director

The CSR Committee met once during the year, i.e. on May 29, 2018.

The details of members attendance is as under:

Members	No. of Meeting	
	Held	Attended
Ms. Nina Nagpal	1	0
Mr. Rohit Ranjan	1	1
Mr. Neeraj Kumar*	1	0
Mr. Srinivas Sishtla*	1	0
Mr. Niraj Parekh	1	1
Mr. Deepak Ghaisas	1	1

* Ms. Nina Nagpal appointed and Mr. Rohit Ranjan ceased to be a member of the committee w.e.f June 01, 2018
** Mr. Niraj Parekh ceased to be a member of the committee w.e.f. July 09, 2018 and Mr. Srinivas Sishtla appointed as the member of the committee w.e.f July 25, 2018 and further Mr. Srinivas Sishtla ceased to be a member of the committee w.e.f March 26, 2019;
***Mr. Neeraj Kumar appointed as member of the committee w.e.f March 26, 2019.

(vii) Risk Management Committee (RMC)

Pursuant to the NBFC Regulations, the Company has constituted a Risk Management Committee consisting of composition as specified therein.

The role of the Committee is to identify, evaluate and discuss any risks that the company may face. The Committee will also address remediation, either directly or through an appropriate forum and/or responsible individuals and teams within the Company. In addition to the range of agenda currently included for review and remediation, the Committee will also include a review of the ageing exceptions to bank account reconciliations and related items. The composition of Risk Management Committee as on March 31, 2019 is as under:

a) Ms. Nina Nagpal, Managing Director
b) Ms. Priti Goel, Director
c) Mr. Neeraj Kumar, Additional Director
d) Mr. Vaibhav Gupta, Chief Risk Officer
e) Ms. Manisha Inamdar, Chief Financial Officer
f) Mr. Jeegar Shah, Finance Controller
g) Mr. Vinod Raghavan, Compliance Officer
h) Mr. Manish Ratti, Treasury Operations
i) Mr. Manzoor Ahmad, O&T Head
j) Mr. Saikat Sarkar*
k) Mr. Manish Kumar*
l) Mr. Siddharth Mehta*
m) Ashish Nigam*

*Representative of Risk Management team

During the year under review, the committee met 4 (Four) times. The meetings were held on April 27, 2018; July 25, 2018; October 24, 2018 and January 24, 2019.

Members	No. of Meeting	
	Held	**Attended**
Ms. Nina Nagpal	4	3
Mr. Rohit Ranjan	4	2 (on call)
Ms. Priti Goel	4	4
Mr. Neeraj Kumar***	4	0
Mr. Srinivas Sishtla***	4	1
Mr. Niraj Parekh*	4	0
Mr. Jeegar Shah	4	4
Ms. Payal Angre***	4	3
Mr. Vaibhav Gupta***	4	1
Ms. Manisha Inamdar**	4	3
Mr. Vijay Sethi	4	0
Mr. Vinod Raghavan	4	4
Mr. Prasen Kale*	4	1 (on call)
Mr. Ganesh Ramanathan*	4	1
Mr. Manzoor Ahmad	4	0
Mr. Manish Ratti	4	1

Please note that the meeting was attended by the invitees as well.
*Mr. Ganesh Ramanathan and Prasen Kale ceased to be a member of the Committee w.e.f July 15, 2018 and July 25, 2018 respectively and Mr. Neeraj Parekh ceased to be a member of the Committee w.e.f July 09, 2018.
** Ms. Manisha Inamdar appointed as member of the Committee w.e.f August 23, 2018.
*** Ms. Payal Angre and Mr. Srinivas Sishtla ceased to be a member of the Committee w.e.f March 25, 2019 and Mr. Neeraj Kumar appointed as member of the Committee w.e.f March 26, 2019 and Mr. Vaibhav Gupta appointed as member of the Committee w.e.f March 25, 2019.

(viii) IT Strategy Committee

Pursuant to the RBI Regulations, the Company has constituted IT Strategy Committee w.e.f. June 29, 2018 consisting of following members.

The composition of IT Strategy Committee as on March 31, 2019 is as under:

a) Mr. Deepak Ghaisas, Independent Director
b) Ms. Nina Nagpal, Managing Director
c) Mr. N K Subbu, Chief Information Officer
d) Mr. Niraj Parekh*
e) Mr. Girish Dixit*
f) Mr. Shrinath Bolloju *
g) Mr. Vinod Patil*
h) Ms. Padmaja Chakravarty*
i) Mr. Manish Kumar*

* Permanent Invitee

During the year under review, the committee met once on December 11 2018 as the Committee was formed on June 2018.

Members	No. of Meeting	
	Held	Attended
Mr. Deepak Ghaisas	1	1
Ms. Nina Nagpal	1	1
Mr. N K Subbu	1	1

Please note that the meeting was attended by the invitees as well.

GENERAL BODY MEETINGS

(i) Annual General Meeting

During the year under review, 1 (One) Annual General Meeting was held on September 28, 2018.

(ii) Extraordinary General Meeting

There was no Extraordinary General Meetings held during the year under review.

FORMAL LETTER OF APPOINTMENT TO INDEPENDENT DIRECTORS

The Company had issued a formal letter of appointment to Independent Directors as provided in the Companies Act, 2013 at the time of appointment.

The Independent Directors of the company have been appointed for a period of 5 years with effect from January 28, 2015 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.

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 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;

During the year under review, Independent Directors met on December 11, 2018:

a) noted the report on performance evaluation from the Chairman of the Board;
b) reviewed the performance of non–independent directors and the Board as a whole;
c) reviewed the performance of the Chairperson of the Company, taking into account the views of executive director and non–executive directors;
d) assessed the quantity, quality and timely flow of information between the Management and the Board and found it to be in line with the expectations.

PERFORMANCE EVALUATION

Pursuant Section 178 (2) of the Companies Act, 2013 and Securities and Exchange Board of India the Board has carried out an annual performance evaluation of its own performance, and that of its Committees, Chairperson and individual directors. The Board of Directors was assisted by the Nomination and Remuneration Committee (“NRC”). The performance evaluation was carried out by seeking inputs from all the Directors/Members of the Committees, as the case may be.

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.

Further, the feedback of the Independent Directors was taken into consideration by the Board in carrying out the performance evaluation.

The board expressed its satisfaction on the same.

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

The Company believes that all employees and other persons dealing with the Company have a right to be treated with dignity. Hence 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.

Under the said policy (also covering the requirement of the POSH Act), the company has formed the Internal Committee ('**ICC**') earlier named as Internal Complaints Committee.

Details of sexual harassment complaints/cases during the period under review:
No. of complaints/cases received: Nil
No. of complaints/cases disposed of: Nil

FRAUD

There is no instance of fraud committed by the Company during the year under review.

Further, no instance of customer related fraud has been identified/reported during the year under review as compared to last year (FY 2017-18) where one fraud amounting to Rs. 13.5 Lakhs was detected. After closure of financial year the Company has identified 5 customer related cases of fraud amounting to Rs. 54.50 Lakhs and the same was reported to regulator on time.

CORPORATE SOCIAL RESPONSIBILTY (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.

A detailed CSR policy has also been framed by the Company with the approval of the CSR Committee and the Board of Directors. The policy, inter alia, covers the following:

a) Scope;
b) Members of the Committee;
c) CSR Programmatic Areas;
d) Monitoring and Reporting;

CSR policy also gives an overview of the projects or programs which are proposed to be undertaken by the Company in the coming years.

The CSR Policy has been uploaded on the website of the company at www.citicorpfinance.co.in.

Please refer committee section for composition of CSR Committee. The mandatory disclosures on CSR are enclosed herewith as **Annexure IV.**

LISTING

The company has issued Non-Convertible Debentures (NCDs) which 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 2018-2019 to NSE where the company's debentures are listed.

INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, no amount due which is require to transfer in Investor Education and Protection Fund.

REDEMPTION OF DEBENTURES

During the year under review, Debentures amounting to Rs. 4910.17 crores have been redeemed/ paid (Previous Year Rs. 6711.69 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

Financial year 2018-19 was a very challenging year and was characterized by defaults / rating downgrades for systematically large NBFCs. However, the Company continued to perform very well and was able raise approx. Rs. 5,781.53 crores (Previous year Rs. 6,243.41 Crores) through issuance of Market Linked / Non-Convertible Debentures. The Company has obtained/ revalidated external ratings from reputed agencies (ICRA) and CRISIL for its debt. The Company's financial discipline, highest safety and prudence are reflected in the strong credit ratings ascribed by rating agencies.

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.

CREDIT RATING

The company has obtained/ revalidated external ratings from reputed agencies (ICRA) and CRISIL. The company's financial discipline, highest safety and prudence are reflected in the strong credit ratings ascribed by rating agencies as given below:

ICRA Rating

(i) Name of the Rating Agency	**ICRA**
(ii) Rating of products	
(a) Market Linked Debentures	PP MLD [ICRA] AAA with stable outlook
(b) Non- Convertible Debentures	[ICRA] AAA with stable outlook
(c) Commercial Papers	[ICRA] A1+
(d) Inter Corporate Deposits	ICRA] A1+
(e) Bank Facilities	[ICRA] AAA with stable outlook

CRISIL Rating

(i) Name of the Rating Agency	**CRISIL**
(ii) Rating of products	
(a) Non-Convertible Debentures	CRISIL AAA/Stable
(b) Commercial Papers	[CRISIL] A1+
(c) Short Term Debt	[CRISIL] A1+
(d) Short Term Deposit	[CRISIL] A1+
(e) Bank Facilities	Long Term: AAA with stable outlook Short Term: [CRISIL] A1+

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 V.** 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-VI**.

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 – VII.**

TRAINING AND DEVELOPMENT

The company provides various training and 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.

Competency	Sum of Activity Man Hours	Sum of Activity Man Days
Functional	84	11
Functional Skills	1	0
Leadership	29	4
Mandatory	631	83
Professional Development	341	43
Grand Total	**1086**	**140**

SECRETARIAL STANDARD AND COMPLIANCE OF REGISTRAR OF COMPANIES (ROC)

The Company complies with all applicable mandatory secretarial standard issued by the Institute of Company Secretary of India.

DIRECTORS'S RESPONSIBILITY STATEMENT

Further, 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 would like to place on record their gratitude for the valuable guidance and support received from Reserve Bank of India, Securities and Exchange Board of India, Registrar of Companies and other regulatory bodies and to convey their appreciation to the customers, bankers, lenders, vendors and all other business associates for the continuous support given by them to the Company. The Directors also place on record their appreciation of the commitment, commendable efforts, team work and professionalism of all the employees of the Company.

For Citicorp Finance (India) Limited

	SD	**SD**
Date: August 26, 2019	**Nina Nagpal**	**Priti Goel**
Place: Mumbai	**Managing Director**	**Director**
	DIN- 00138918	**DIN - 07649929**

ANNEXURE INDEX

Annexure	Content
i	Related Party Transaction
ii	Secretarial Audit Report
iii	Annual declaration from Independent Directors
iv	Annual Report on Corporate Social Responsibility
v	Disclosure related to employees
vi	AOC – 1
vii	Ratio of remuneration to each Director

<u>**Annexure - I**</u>

Details of Related Party Transactions with Key Managerial Personnel (KMP) / Directors and relatives of KMP / Directors

Key management personnel (KMP)

Details of KMP as on March 31, 2019

a) Nina Nagpal **-** (Identified as related party w.e.f. July 01, 2018)*
b) Sameer Upadhyay **-** (Identified as related party w.e.f. November 07, 2015)
c) Manisha Inamdar **-** (Identified as related party w.e.f. August 23, 2018)**

Relatives of Directors and KMP

Nina Nagpal*- Dharmakirti Joshi, Ishwar Chandra Nagpal, Savitri Nagpal, Ira Joshi, Rajiv Nagpal, Dr. Rita Nagpal, Dr. Nita N Kumar

Rohit Ranjan- Anuradha Negi Ranjan, Pramode Ranjan, Rama Ranjan, Mrinalini Ranjan, Annika Ranjan, Ritu Raju, Ritika Sinha

Priti Goel- Jai Bhagwan Goel, Nidhi Goel, Niti Goel, Naval Goel

Srinivas Sishtla-** Neeta Sisthla, Adinarayana Sarma Sisthla, Renukadevi Sisthla, Aditi Sisthla, Aditya Sisthla, Apoorva Sisthla, K. Padmavathy

Niraj Parekh*-** Rashmi Parekh, Amita Parekh, Isha Parekh

Neeraj Kumar -** Sushma Kumar, Harish Chander Arora, Raj Arora, Aastha Arora, Asmi Arora, Seema Kumar, Ritu Kumar and Sanjay Arora

Saurabh Shah- Bijal Shah, Surendra J Shah, Sulasa S Shah, Amay Shah, Samir S Shah, Sujal S Shah

Deepak Ghaisas- Sadhana Ghaisas, Omkar Ghaisas, Harish Ghaisas, Vandana Gadre

Sameer Upadhyay- Jalpa S. Upadhyay, Lt. Vishnuprasad B. Upadhyay, Hansaben V. Upadhyay, Master Dharmic S. Upadhyay, Dipesh V. Upadhyay, Komal K. Bhatt

Ganesh Ramanathan*-**Chaitali Bharambe, Ramanathan D Kongade, Lalitha Ramanathan, Dharmaraj Ramanathan, Subramanium Ramanathan, Som Ganesh, Shloka Ganesh.

Manisha Inamdar*-** Aniket Inamdar, Ramesh Bhagwat, Jyotsna Bhagwat, Arnav Inamdar and Abhijit Bhagwat

*Ms. Nina Nagpal appointed as Managing Director of the Company w.e.f June 01, 2018 for the period of one year. Her term as Managing Director of the Company was renewed effective June 01, 2019 for the period of two years.

** Mr. Srinivas Sishtla resigned from the directorship of the Company w.e.f. Mar 25, 2019 and Mr. Neeraj Kumar appointed as an Additional Director of the Company w.e.f. Mar 26, 2019.

*** Mr. Niraj Parekh has resigned from the directorship of the Company w.e.f July 09, 2018; Mr. Ganesh Ramanathan had resigned from the position of Chief Financial Officer of the Company w.e.f July 15, 2018 and Ms. Manisha Inamdar appointed as Chief Financial Officer of the Company w.e.f August 23, 2018.

Please note that during the year under review no transaction was held with any director or to any other person or entity in whom the director is interested.

FORM NO. AOC -2

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

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

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

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

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

SL. No.	Particulars	Details	Nature of Relationship
a)	Name (s) of the related party & nature of relationship	Citibank NA-India branch. Citibank NA -Singapore branch Citibank NA, Manila Branch Citibank NA, United Kingdom Branch Citibank NA, Hong Kong Branch Citibank NA, New York Citicorp Investment Bank Singapore Ltd Citigroup Global Markets India Pvt. Ltd Citigroup Technology Inc. Citicorp Services India Pvt. Ltd Citigroup Transactions Services (M) Sdn Bhd CGM Deutschland AG Citibank China Ltd Co Citibank Japan Ltd CGM Singapore PTE Limited Citigroup Global Markets Hong Kong Ltd Citi Korea INC	Holding Holding Holding Holding Holding Holding Fellow Subsidiary Fellow Subsidiary Fellow Subsidiary Fellow Subsidiary Fellow Subsidiary

		Citibank Europe PLC Hungary Citibank Europe PLC France Citibank Europe PLC Sweden Citibank Europe PLC Poland Citibank Europe PLC Belgium Citibank Europe PLC Germany Citigroup Global Markets Limited	Fellow Subsidiary Fellow Subsidiary Fellow Subsidiary Fellow Subsidiary Fellow Subsidiary Fellow Subsidiary Fellow Subsidiary Fellow Subsidiary Fellow Subsidiary Fellow Subsidiary
b)	Nature of contracts/arrangements/transaction	**New related party truncation FY 18-19** **Citigroup Global Markets Limited** -Transfer pricing fees **2. Citi Europe PLC Germany** -Transfer pricing fees **3. Citi Europe PLC Belgium** -Transfer pricing fees **4. Citibank N.A. –India** **Receivable:** - Amount liquidated in Reverse Repo - Interest Income on Reverse Repo transaction **Payable:** - Transfer of software - Amount placed in Reverse Repo **<u>Related Party Transaction</u>** **1. Citibank NA India :** **Receivable:** - Bank charges paid - Transfer pricing fees - Secondment fees and cost of time spent by Citibank N.A. executives for providing management oversight - Loan sourcing fees paid - Product control fees - Fees paid for technology services - Purchase of Personal Loan portfolio - Purchase of Trade Finance Loan portfolio - Rent paid for various premises across India - Assets given on lease - collection services for personal loan portfolio - Fixed deposits placed	

		- placement of debentures and inter corporate borrowings - Loan repaid - Interest paid on loans taken - Amount placed in Reverse Repo **Payable:** **- Servicing and Collection fees paid** - Secondment fees received for Asset backed finance business - Sale of Asset backed Finance portfolio - Rentals received on assets given on lease - Transfer of software - Fixed deposits matured - Interest received on Fixed deposits placed - Loan taken - Amount liquidated in Reverse Repo - Interest Income on Reverse Repo transaction **2. Citigroup Technology Inc.** -Shared Services related to Global Technology Infrastructure **3. Citibank NA-Singapore branch** -Shared Services related to Global Technology Infrastructure -Fees for HR related services **4.Citigroup Global Markets India Pvt Ltd** **Receivable:** -Rentals received on assets given on lease **Payable:** -Transfer pricing fees -Assets given on lease **5. Citicorp Services India Pvt. Ltd.** **Payable:** -payroll processing and other HR related services to CFIL -various premises across India -Assets given on lease -technology support services -AAFA operations -compliance services -Inter Corporate Borrowings repaid -Interest Expense on ICD Borrowing **Receivable:** -Rentals received on assets given on lease	

		-Inter Corporate Borrowings taken **6 Citigroup Transactions Services (M) Sdn Bhd** **Payable:** - technology services(GIDA) **7. Citibank NA, Manila Branch** **Payable:** -technology services(GIDA) -HR Related Services -expense process in and vendor payments -Training expenses **8Citibank NA, United Kingdom Branch** **Payable:** -Transfer pricing fees **9.Citigroup Global Markets Hong Kong Ltd** **Payable:** -Transfer pricing fees **10. CGM Singapore PTE Limited** **Payable:** -Transfer pricing fees **11Citibank China Ltd Co** **Payable:** -Transfer pricing fees **12. Citibank NA, Hong Kong Branch** **Payable:** -Transfer pricing fees **13. Citibank N.A. New York** **Payable:** -Transfer pricing fees **14.Ccorp Invest Bank (S) Ltd** **Payable:** -Transfer pricing fees **15.CGM Deutschland AG** **Payable:** -Transfer pricing fees **16.Citibank Japan Ltd** **Payable:** -Transfer pricing fees **17.Citi Europe PLC Hungary** **Payable:** Technology services (GIDA)	

		18. Citi Europe PLC Poland **Payable**: Technology services(GIDA) **19.Citi Korea INC** **Receivable:** Transfer pricing fees **20. Citi Europe PLC France** **Receivable:** Transfer pricing fees **21.Citi Europe PLC Sweden** **Receivable:** Transfer pricing fees **22.Citi Europe PLC Belgium** **Payable:** Transfer pricing fees **23.Citi Europe PLC Germany** **Payable:** Transfer pricing fees **24.Citigroup Global Markets Limited** **Payable:** Transfer pricing fees	
c)	Duration of the contracts/arrangements/transaction	FY 2018-2019	
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	30/05/2019	
f)	Amount paid as advances, if any	-	

For Citicorp Finance (India) Limited

SD SD

Date: August 26, 2019
Place: Mumbai

Nina Nagpal
Managing Director
DIN- 00138918

Priti Goel
Director
DIN-07649929

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED **31st MARCH, 2019**

[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 2019** 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, 2019 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.

However,

The Company had entered into Third Supplement Deed on November 11, 2017 (Third Supplement Deed To The Debenture Trust Deed Cum Deed of Mortgage dated March 17, 2015) with IDBI Trusteeship Services Limited, the same is inadvertently not registered within the time limit with MCA.

As informed by the Management and examination of records, the Company is not able to file the Deed due to some technical error at MCA site and therefore the Company have been coordinating through mails, letters and other correspondence with ROC, RD and its officers to resolve the issue and do the filling.

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, its amendments and Notifications issued by RBI.

Place: Mumbai
Date: 26/08/202019

Sd/-
Zainab H Poonawala

FCS No.:7916

C P No.: 8874

Annexure I: Laws And Act applicable to the Company

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

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

To
The Board of Directors
Citicorp Finance (India) Limited
8th Floor, First International Financial Centre,
C-54 & C-55 G Block, Bandra Kurla Complex
Bandra (E), Mumbai-400098
Maharashtra, India

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 3 day of April, 2019

Signature:
Sd/-
Deepak Ghaisas
DIN - 00001811

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

To
The Board of Directors
Citicorp Finance (India) Limited
8th Floor, First International Financial Centre,
C-54 & C-55 G Block, Bandra Kurla Complex
Bandra (E), Mumbai-400098
Maharashtra, India

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 3 day of April, 2019

Signature:
Sd/-
Saurabh Shah
DIN -02094645

Annexure IV

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 2018-March 2019.

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, 2019 is as under:

a) Ms. Nina Nagpal, Managing Director*
b) Mr. Neeraj Kumar, Director***
c) Mr. Deepak Ghaisas, Independent Director

* Ms. Nina Nagpal appointed and Mr. Rohit Ranjan ceased to be members of the committee w.e.f June 01, 2018
** Mr. Niraj Parekh ceased to be members of the committee w.e.f. July 09, 2018 and Mr. Srinivas Sishtla appointed as the member of the committee w.e.f July 25, 2018 and further Mr. Srinivas Sishtla ceased to be members of the committee w.e.f March 26, 2019;
***Mr. Neeraj Kumar appointed as member of the committee w.e.f March 26, 2019.

(3) Average net profit of the company for last three financial years- **Rs. 237.61 crore**
(4) Prescribed CSR Expenditure (two percent of the amount as in item 3 above)— **Rs. 4.71 crore**
(5) Details of CSR spent during the financial year.
(a) Total amount spent during the financial year; **Rs. 4.71 crore**

(b) Amount unspent, if any; - **NA**
(c) Manner in which the amount spent during the financial year is detailed below

	CSR project or activity identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget project or Programs wise	Amount spent on the projects or Programs Sub Heads; (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount Spent: Direct or through implementing Agency
1	Towards providing 9700 children with nutritious mid-day meals during the 232 days of the academic year, across government schools in Thane. For many of the children, these mid-day meals are the only nutritious meal that they receive all day and as a result, that incentivizes them to attend school regularly.	Falls under Schedule VII of the Companies Act 2013, under 'Promotion of Education.'	Thane	12,870,160	12,870,160	12,870,160	Through implementation partner Akshaya Patra Foundation, an organization strives to eliminate classroom hunger by implementing the Mid-Day Meal Scheme in the government schools and government-aided schools.
2	Towards funding 3 SNEHA	Falls under Schedu	Mumbai	4,200,000	4,200,000	4,200,000	Through implementation partner SNEHA

	centers in Mumbai, enabling them to provide critical medical services, family planning assistance, child care training and family counselling. The primary aim of this program is to reduce wasting in children under the age of 6, reduce anemia in pregnant and lactating mothers and reduce unmet need for contraception. The program will impact 13,000 women and children across 3 SNEHA centers.	le VII of the Companies Act 2013, under 'Promotion of Health care.					that focuses on the effective delivery of bundled interventions addressing inter-generational cycles of poor health and malnutrition in urban slums. SNEHA utilizes a continuum of care approach - extending from pre-conception care, through pregnancy, childbirth and the postnatal period, and into early childhood.
3	To support Sampark Smart 'Shalas' which focus on improving learning outcomes in government schools of Haryana. With a reach of 10,000 schools in year 3. The Sampark Smart classroom is learning outcome focused intervention	Falls under Schedule VII of the Companies Act 2013, under 'Promotion of Education.'	Haryana	30,000,000	30,000,000	30,000,000	Through Implementation Partner – Sampark Foundation with its program called Sampark Smart 'Shalas' which focuses on improving learning outcomes in government schools of Haryana.

	that innovatively uses technology, a voice mascot called “Sampark Didi”, toys, stories, games, teachers training modules combined with rigorous monitoring in collaboration with state governments.						
4	Giving at Citi (Citi Employee Payroll Giving Program) Towards matching contributions made by employees as part of the company’s payroll giving program. Following are the partner NGOs that have been supported under the program: 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	Towards the matching contribution given by Citi to support employee contributions to its payroll program. Supporting 6 partner NGOs by matching employee contribution under the legal entity as part of our	BengaluruMumbai New Delhi Chennai Pune Kolkata Hyderabad	72,980	72,980	72,980	Through implementation partner United Way of Mumbai: United Way Mumbai, is a non-profit organization with expertise in CSR services, workplace campaigns and community impact programs in marginalized rural and urban communities. Through its partnerships with 400+ NGOs across the country, the organization leads programs working on education, health, livelihood, 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

		CSR contribution under the Citi Payroll Giving Program.					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.
5	Towards matching contributions made by employees towards Relief and Rehabilitation efforts in Kerala that would be transferred to our Payroll Giving Partner, United Way Mumbai, towards relief and rehabilitation efforts by 1 of our 6 payroll giving partners, HelpAge India who run their Mobile Healthcare Unit (MHU) program in Kochi for a period of 3 years. The MHU program will provide free medical	Disaster Relief Under the CSR Mandate: Under Section 135, Schedule VII of the India Companies Act, 2013, disaster relief can cover a wide range of activities including: Medical aid (under 'promoting healthc	Kerala	31,866	31,866	31,866	Through implementation partner United Way of Mumbai: United Way Mumbai, is a non-profit organization with expertise in CSR services, workplace campaigns and community impact programs in marginalized rural and urban communities. Through its partnerships with 400+ NGOs across the country, the organization leads programs working on education, health, livelihood, 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

	services to elderly people residing in and around the areas affected by the flooding. Those services include medical consultations, free medicines, basic diagnostics, healthcare for bedridden / immobile people, preventive Health Awareness Programs and general health camps	are including preventative healthcare) Food supply (under eradicating hunger, poverty and malnutrition) Supply of clean water (under sanitation and making available safe drinking water) Infrastructure for women and the elderly (under promoting gender equality and empowering women)					employee engagement strategies which correspond with employee skill-sets and passion that are also aligned closely with the charitable goals of the corporate partner. Since inception, UWM's workplace campaigns have successfully channelized over 20000 employee donations to committed causes.
		Total		**47,175,006**	**47,175,006**	**47,175,006**	

7. The Company has made CSR contribution fully during the year.

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

SD	**SD**	**SD**
Mr. Priti Goel **Director** **DIN- 07649929**	**Mr. Deepak Ghaisas** **Independent Director** **DIN-00001811**	**Ms. Nina Nagpal** **Director** **DIN-00138918**

Date: August 26, 2019
Place: Mumbai

Annexure - V

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	17.6	42	1-Jun-16	NA	Price Water House Coopers
2	Asheesh Goel	SVP	*	CA	17.5	48	10-Mar-17	20-Mar-19	Birla Global Fin. Ltd
3	Lata Daswani	SVP	*	CA	1.5	38	20-Jun-16	NA	Barclays Bank PLC
4	Vijay Sethi	VP	*	CA	13.1	36	3-Nov-15	NA	NA
5	Prasen Kale	AVP	*	MBA	11	49	01-May-2007	29-Jun-18	E-serve international Ltd
6	Namrata Singh	AVP	*	Bachelors	16	37	15-jun-2002	9-Apr-18	Media – 2000

***The remuneration details are available with the company.**

Notes;

- The above employees' details are for the financial year 2018-19
- 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

SD **SD**

Date: August 26, 2019
Place: Mumbai

Nina Nagpal
Managing Director
DIN- 00138918

Priti Goel
Director
DIN- 07649929

Annexure VI

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, 2019 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	31/03/2019
2. Shares of Associate/Joint Ventures held by the company on the year end a. No. b. Amount of Investment in Associates/Joint Venture c. Extend of Holding %	 87,000,000 Rs. 870,000,000.00 10.02%
3. Description of how there is significant influence	There is significant influence by virtue of Joint Venture and Shareholders Agreement dated October 8, 2012 and amendments thereof.
4. Reason why the associate/ joint venture is not consolidated	NA
5. Networth attributable to Shareholding as per latest audited Balance Sheet	163.09 crore
6. Profit / Loss for the year i. Considered in Consolidation ii. Not Considered in Consolidation	 26.20 crore Nil

1. Names of associates or joint ventures which are yet to commence operations-NA

2. Names of associates or joint ventures which have been liquidated or sold during the year-NA

For Citicorp Finance (India) Limited

SD	**SD**	**SD**	**SD**
Priti Goel **Director** **DIN- 07649929**	**Rohit Ranjan** **Director** **DIN- 00003480**	**Manisha Inamdar** **Chief Financial Officer**	**Sameer Upadhyay** **Company Secretary**

Date: August 26, 2019
Place: Mumbai

Annexure –VII

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 – 7.74
   Mr. Rohit Ranjan – 16.58
   Ms. Nina Nagpal – 13.82

   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*	0.0%
Mr. Rohit Ranjan*	0.0%
Ms. Nina Nagpal**	0.0%
Mr. Ganesh Ramanathan ***	0.0%
Ms. Manisha Inamdar as CFO ***	26.0%
Mr. Sameer V. Upadhyay	5.0%

   * The secondment charges are paid to Citibank. Further designation of Ms. Priti Goel and Mr. Rohit Ranjan was changed from Jt. Managing Director to Director w.e.f. June 01, 2018.
   ** Ms. Nins Nagpal appointed as Managing Director w.e.f. June 01, 2018 for the period of one year. She further re-appointed and Managing Director of the Company w.e.f. June 01, 2019 for the period of two years.
   ***Mr. Ganesh Ramanathan had resigned from the position of Chief Financial Officer w.e.f. July 15, 2018 and Ms. Manisha Inamdar was appointed as Chief Financial Officer of the Company w.e.f. August 23, 2018.

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 7.12%.

4. **The number of permanent employees on the rolls of the company**
   264 (as on 31-Mar-19)

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**

The average percentage increase made in the salaries of total employees other than Key Managerial Personnel is around 8.43%, while the average increase in the remuneration of the Key Managerial Personnel is 3.67%. (#2 list is considered)

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 Managing Directors. At the end of the financial year the performance of the company as well the performance of the MD and CEO based on KPIs is presented to the BGC. Based on the performance assessment by the BGC, the variable component of the remuneration for the MD & CEO is recommended to and approved by the Board. The Independent Directors are paid sitting fee @ Rs. 36,000/- per 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

For Citicorp Finance (India) Limited

	SD	**SD**
Date: August 26, 2019	**Nina Nagpal**	**Priti Goel**
Place: Mumbai	**Managing Director**	**Director**
	DIN- 00138918	**DIN-07649929**

Floor 3, Enterprise Centre
Nehru Road, Near Domestic Airport
Vile Parle (E), Mumbai 400099, INDIA
Tel: +91 22 3358 9800

INDEPENDENT AUDITORS' REPORT

To the Members of Citicorp Finance (India) Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Citicorp Finance (India) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

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

MSKA & ASSOCIATES Chartered Accountants

Key audit Matter	Auditors' Response
Measurement and Disclosure of Expected Credit Loss (ECL) on Loans **Note 8 of the Financial Statements.** The carrying amount of Loans as on March 31, 2019 is Rs. 1,067,570 lakhs net of Expected Credit Loss Provision of Rs. 4,078 lakhs made in the books of account. The provision and classification of loans requires appropriate identification and presentation in accordance with Ind AS 109 "Financial Instruments". The Company has applied a three-stage approach to measure expected credit losses / Impairment loss allowance (ECL) on loans accounted for at amortised cost and Fair Value through Other Comprehensive Income. We have identified measurement of provision for ECL as a key audit matter in view of the significant judgement and assumptions involved.	**Our audit procedures in respect of this area included:** 1.Obtained an understanding of Management's process and tested the design and operating effectiveness of internal controls with respect to Credit Appraisals, Credit Sanctioning, Credit Disbursement and Credit Monitoring. 2.Obtained an understanding of Management's judgement over classification of loan portfolio into Stage 1, Stage 2 and Stage 3 category of financial assets and assessing on test check basis whether the ECL provisions were reasonable considering the Company's portfolio, risk profile, credit risk Management practices and the macroeconomic environment. 3.Verified loan documents on test check basis (Including collateral valuation documents) to evaluate the classification and write off of loan accounts. 4.Performed sensitivity analysis in relation to the key forward looking assumptions. 5.Assessed the adequacy and appropriateness of disclosures for compliance with the Indian Accounting Standards.

MSKA & ASSOCIATES ★ Chartered Accountants ★

Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Director's report but does not include the standalone financial statements and our auditors' report thereon. The Director's report is expected to be made available to us after the date of this auditors' report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

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

We give in "Annexure A" a detailed description of Auditors' responsibilities for Audit of the Standalone Financial Statements.

Other Matters

(a) The comparative financial information of the Company for the transition date opening balance sheet as at April 1, 2017 included in these standalone financial statements, are based on the previously issued statutory financial statements prepared in accordance 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 audited by the predecessor auditor whose report for the year ended March 31, 2017 dated May 25, 2017 expressed an unmodified audit opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

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(b) The comparative financial information of the Company for the year ended March 31, 2018 included in these standalone financial statements are based on the previously issued statutory financial statements prepared 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 and Companies (Accounting Standards) Amendment Rules, 2016 for the year ended March 31, 2018 on which we issued an unmodified audit opinion vide our reports dated May 29, 2018 on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have also been audited by us.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. 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 "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. 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, the Statement of Changes in Equity and the Statement of Cash Flows 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 Companies (Indian Accounting Standards) Rules, 2015 as amended.

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(e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 36 to the standalone financial statements;

ii. The Company has long-term contracts including derivative contracts for which there were no material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid down under Section 197 of the Act and the rules thereunder.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Swapnil Kale
Swapnil Kale
Partner
Membership No. 117812

MSKA & ASSOCIATES ★ Chartered Accountants ★

Mumbai
May 30, 2019

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF CITICORP FINANCE (INDIA) LIMITED

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

MSKA & ASSOCIATES Chartered Accountants

Swapnil Kale
Swapnil Kale
Partner
Membership No.117812

Mumbai
May 30, 2019

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF CITICORP FINANCE (INDIA) LIMITED FOR THE YEAR ENDED MARCH 31, 2019

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i.

(a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

(b) All the Property, Plant and Equipment have not been physically verified by the Management during the year but there is a regular program of verification which, in our opinion, 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 as disclosed in Note 11 to the Standalone Financial statements on Property, Plant and Equipment are held in the name of the Company.

ii. The Company is in the business of rendering financial services and consequently, does not hold any inventory. Accordingly, the provisions stated in paragraph 3(ii) of the Order are not applicable to the Company.

iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company.

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iv. In our opinion, and according to the information and explanations given to us, the Company has not granted any loans, provided any guarantees or security to the parties covered under Section 185. Therefore, the provisions of clause 3(iv) of the Order are not applicable to the Company.

In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186(1) of the Act as applicable, in respect of investments made.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.

vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.

vii.

(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, goods and service tax, cess and any other material statutory dues applicable to it.

(b) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, there were no undisputed amounts payable in respect of provident fund, income-tax, goods and service tax, cess and any other material statutory dues applicable to it in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

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(c) According to the information and explanations given to us and examination of records of the Company, the outstanding dues of income-tax, value added tax (VAT) and service tax on account of dispute which have not been deposited as on March 31, 2019, are as follows :

Name of the statute	Nature of the dues	Amount Rs. in Lakhs	Period to which the amount relates	Forum where dispute is pending
Income Tax Act,1961	Income Tax Demands	8.35	AY 1999-2000	Commissioner of Income Tax (Appeals)
Income Tax Act,1961	Income Tax Demands	5.86	AY 2001-02	Assessing Officer
Income Tax Act,1961	Income Tax Demands	33.71	AY 2002-03	High Court
Income Tax Act,1961	Income Tax Demands	1.35	AY 2002-03	Assessing Officer
Income Tax Act,1961	Income Tax Demands	356.52	AY 2005-06	Assessing Officer
Income Tax Act,1961	Income Tax Demands	28.93	AY 2006-07	Income Tax Appellate Tribunal
Income Tax Act,1961	Income Tax Demands	578.63	AY 2011-12	Assistant Commissioner of Income Tax (Appeals)
Income Tax Act,1961	Income Tax Demands	159.30	AY 2012-13	Commissioner of Income Tax (Appeals)
Maharashtra VAT Act, 2002	VAT Demands	266.23	FY 2010-11	Joint Commissioner of Sales Tax (Appeals IV)
Finance Act, 1994	Service Tax Demands	1,073.08	FY 2006-07 to 2008-09	Customs, Excise and Service Tax Appellate Tribunal

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institution, bank or debenture holders.

ix. In our opinion, according to the information and explanations given to us, money raised by way of debt instruments and term loans during the year have been applied for the purpose for which they were raised.

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Chartered Accountants

x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has 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, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Section 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause 3(xiv) of the Order are not applicable to the Company.

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 non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

MSKA & ASSOCIATES Chartered Accountants

xvi. The Company is required to, and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as Non-Banking Financial Company.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Swapnil Kale
Swapnil Kale
Partner
Membership No. 117812

MSKA & ASSOCIATES Chartered Accountants

Mumbai
May 30, 2019

ANNEXURE C TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF CITICORP FINANCE (INDIA) LIMITED

Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Citicorp Finance (India) Limited on the Standalone Financial Statements for the year ended March 31, 2019

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 with reference to financial statements of Citicorp Finance (India) Limited ("the Company") as of March 31, 2019 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 with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI") ("the Guidance Note"). These responsibilities include the design, implementation and maintenance of internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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. 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 internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 auditors' judgement, 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 with reference to financial statements.

Meaning of Internal Financial Controls With reference to Financial Statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

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MSKA
& Associates
Chartered Accountants

Inherent Limitations of Internal Financial Controls With reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Swapnil Kale

Swapnil Kale
Partner
Membership No. 117812

MSKA & ASSOCIATES ★ Chartered Accountants ★

Mumbai
May 30, 2019

Citicorp Finance (India) Limited
All amounts are in INR lakhs except per share data and unless stated otherwise

Balance sheet

Particulars	Note	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
ASSETS				
Financial assets				
Cash and cash equivalents	4	29,471	11,076	20,453
Bank balance other than cash and cash equivalents above	5	8,834	10,643	8,845
Derivative financial assets	6	2,779	1,666	5,111
Receivables				
(i) Trade receivables	7	2,610	5,305	1,754
(ii) Other receivables	7	1,821	1,657	1,583
Loans	8	1,067,570	903,662	962,422
Investments	9	43,676	31,682	34,150
Other financial assets	10	140	139	66
Total financial assets		**1,156,901**	**965,830**	**1,034,384**
Non-financial assets				
Current tax assets (Net)	30	15,501	15,673	15,566
Deferred tax Assets (Net)	30	26,536	30,073	34,000
Property, plant and equipment	11	314	347	457
Capital work-in-progress	11	-	322	141
Other non-financial assets	12	751	1,052	821
Total non-financial assets		**43,102**	**47,467**	**50,985**
TOTAL ASSETS		**1,200,003**	**1,013,297**	**1,085,369**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Derivative financial liabilities	6	1,003	1,138	1,332
Trade payables				
(i) total outstanding dues of micro and small enterprises		13	11	68
(ii) total outstanding dues of creditors other than micro and small enterprises		7,636	5,143	5,260
Debt securities	13	454,765	364,827	414,282
Borrowings (other than debt securities)	14	308,949	230,036	269,277
Other financial liabilities	15	6,441	7,718	6,961
Total financial liabilites		**778,807**	**608,873**	**697,180**
Non-financial liabilities				
Provisions	16	3,402	6,431	6,807
Other non-financial liabilities	17	1,912	2,478	1,136
Total non-financial liabilites		**5,314**	**8,909**	**7,943**
EQUITY				
Equity share capital	18	289,330	289,330	289,330
Other equity		126,552	106,185	90,916
Total equity		**415,882**	**395,515**	**380,246**
TOTAL LIABILITIES AND EQUITY		**1,200,003**	**1,013,297**	**1,085,369**

Significant accounting policies 3

The above balance sheet should be read in conjunction with the accompanying notes.

As per our report of even date attached

For **MSKA & Associates**
Chartered Accountants
Firm's Registration No: 105047W

Swapnil Kale

Swapnil Kale
Partner
Membership No: 117812

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

Nina Nagpal
Managing Director
DIN: 00138918

Priti Goel
Director
DIN: 07649929

Manisha Inamdar
Chief Financial Officer

Sameer Upadhyay
Company Secretary

Place: Mumbai
Date: 30 MAY 2019

Citicorp Finance (India) Limited

All amounts are in INR lakhs except per share data and unless stated otherwise

Statement of profit and loss

Particulars	Note	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from operations			
Interest income	19	79,048	71,189
Dividend income	20	333	333
Fees and commission income	21	6,628	5,798
Net gain on fair value changes	22	6,041	3,623
Other revenue from operations	23	294	446
Total revenue from operations		**92,344**	**81,389**
Other income	24	4,024	783
Total income		**96,368**	**82,172**
Expenses			
Finance costs	25	41,209	35,492
Fees and commission expense	26	7,700	6,156
Impairment on financial instruments	27	3,146	1,950
Employee benefits expenses	28	4,480	4,565
Depreciation and amortisation	11	112	134
Others expenses	29	10,289	10,089
Total expenses		**66,936**	**58,386**
Profit before tax		**29,432**	**23,786**
Tax expense:			
Current tax	30	6,052	4,475
Deferred tax	30	3,354	3,966
Total tax expense		**9,406**	**8,441**
Profit for the year		**20,026**	**15,345**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligation		(24)	(13)
Tax relating to above		8	5
Subtotal (A)		**(16)**	**(8)**
Items that may be reclassified to profit or loss			
Changes in fair value of loans classified as FVOCI		549	(102)
Tax relating to above		(192)	34
Subtotal (B)		**357**	**(68)**
Other comprehensive income (A+B)		**341**	**(76)**
Total comprehensive income for the year		**20,367**	**15,269**
Earnings per equity share			
Basic and diluted earnings per share (Face value of Rs. 7.50 each)	38	0.52	0.40

The above statement of profit and loss should be read in conjunction with the accompanying notes.

As per our report of even date attached

For **MSKA & Associates**
Chartered Accountants
Firm's Registration No: 105047W

Swapnil Kale

Swapnil Kale
Partner
Membership No: 117812

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

Nina Nagpal
Managing Director
DIN: 00138918

Priti Goel
Director
DIN: 07649929

Manisha Inamdar
Chief Financial Officer

Sameer Upadhyay
Company Secretary

Place: Mumbai
Date: 30 MAY 2019

Citicorp Finance (India) Limited
All amounts are in INR lakhs except per share data and unless stated otherwise

Statement of changes in equity

A. Equity share capital

Particulars	Number of equity shares	Amount
As at 01 April 2017	3,857,727,031	289,330
As at 31 March 2018	3,857,727,031	289,330
As at 31 March 2019	3,857,727,031	289,330

B. Other equity

Particulars	Reserves and surplus			Other reserves	Total other equity
	Statutory reserve	Retained earnings	Share based payment reserve	Debt instruments through other comprehensive income	
As at 01 April 2017	**56,951**	**33,646**	**42**	**277**	**90,916**
Profit for the year	-	15,345	-	-	15,345
Other comprehensive income	-	(8)	-	(68)	(76)
Total comprehensive income for the year	**-**	**15,337**	**-**	**(68)**	**15,269**
Transfer from Retained Earnings	2,790	(2,790)	-	-	-
As at 31 March 2018	**59,741**	**46,193**	**42**	**209**	**106,185**
Profit for the year	-	20,026	-	-	20,026
Other comprehensive income	-	(16)	-	357	341
Total comprehensive income for the year	**-**	**20,010**	**-**	**357**	**20,367**
Transfer from Retained Earnings	4,005	(4,005)	-	-	-
As at 31 March 2019	**63,746**	**62,198**	**42**	**566**	**126,552**

Notes
1. Statutory reserve is created pursuant to section 45-IC of the Reserve Bank of India Act, 1934.
2. Retained earnings represents the Company's cumulative earnings.
3. Share based payment reserve - Refer Note 3.11
4. Debt instruments through other comprehensive income reserve represents accumulated unrealised fair value gains/(losses) on loans measured at fair value through other comprehensive income

The above statement of changes in equity should be read in conjunction with the accompanying notes.

As per our report of even date attached

For **MSKA & Associates**
Chartered Accountants
Firm's Registration No: 105047W

Swapnil Kale
Swapnil Kale
Partner
Membership No: 117812

Place: Mumbai
Date: 30 MAY 2019

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

Nina Nagpal
Managing Director
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DIN: 07649929

Manisha Inamdar
Chief Financial Officer

Sameer Upadhyay
Company Secretary

Citicorp Finance (India) Limited

All amounts are in INR lakhs except per share data and unless stated otherwise

Statement of cash flow

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Cash flow from operating activities :		
Profit before tax:	29,432	23,786
Adjustment:		
Depreciation and amortisation	112	134
Unrealised (gain)/ loss on fair value changes	(7,966)	2,940
Provisions/(reversal of provisions)	(3,075)	143
Unwinding of discount on security deposit	(11)	(13)
Impairment of financial instruments	880	1,144
Net (gain)/ loss on derecognition of property, plant and equipment	(1)	8
Interest income from investments	(1,785)	(365)
Dividend income	(333)	(333)
Finance Charges	41,209	35,492
Realised gain/ (loss) on fair value changes	2,946	(233)
Loss/ (gain) on sale of investment	28	(23)
Operating profit before working capital changes	**61,436**	62,680
Working Capital changes:		
(Increase)/decrease in receivables	2,531	(3,625)
(Increase)/decrease in loans	(164,239)	57,514
(Increase)/decrease in other financial assets and others	4,012	(1,860)
(Increase)/decrease in other non-financial assets	312	(218)
Increase/(decrease) in trade Payables	2,495	(174)
Increase/(decrease) in other financial liabilities	(1,277)	757
Increase/(decrease) in other non-financial liabilities and provisions	(544)	810
Interest paid on debt securities	(25,139)	(27,261)
Interest paid on borrowings	(11,735)	(11,245)
Interest received on investments	1,584	359
Net cash used in operating activities before taxes	**(130,564)**	77,737
Less : Income taxes paid (net of refunds)	5,880	4,582
Net cash inflow / (outflow) from operating activities (A)	**(136,444)**	73,155
Cash flow from investing activities :		
Purchase of investments		
Purchase of investments	(523,064)	(21,122)
Proceeds from sale of investments	511,860	25,587
Purchase of Property, Plant and Equipment	(204)	(232)
Proceeds from Sale of Property, Plant and Equipment	457	17
Dividend Income	333	333
Net cash inflow / (outflow) from investing activities (B)	**(10,618)**	4,583
Cash flow from financing activities :		
Receipts from issuance of debt securities	578,664	624,614
Payments on redemption of debt securities	(491,017)	(671,169)
Receipts from borrowing products	3,470,252	2,581,368
Repayments of borrowing	(3,392,442)	(2,621,928)
Net cash inflow / (outflow) from financing activities (C)	**165,457**	(87,115)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**18,395**	(9,377)
Add : Cash and cash equivalents at beginning of the year	**11,076**	20,453
Cash and cash equivalents at end of the year	**29,471**	11,076

The above statement of cash flows should be read in conjunction with the accompanying notes.

As per our report of even date attached

For MSKA & Associates
Chartered Accountants
Firm's Registration No: 105047W

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

Swapnil Kale

Swapnil Kale
Partner
Membership No: 117812

Nina Nagpal
Managing Director
DIN: 00138918

Priti Goel
Director
DIN: 07649929

Manisha Inamdar
Chief Financial Officer

Sameer Upadhyay
Company Secretary

Place: Mumbai
Date: 30 MAY 2019

Citicorp Finance (India) Limited

Notes to the financial statements
for the year ended 31 March 2019
All amounts are in INR lakhs except per share data and unless stated otherwise

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 45IA of the Reserve Bank of India Act, 1934.

Associates Financial Services (Mauritius) LLC, a Company incorporated in Mauritius holds 52.94% in the Company and remaining 47.06% 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 include:
a. Loans against securities
b. Corporate loans
c. Personal loans
d. Loans for purchase of commercial vehicles, construction equipment and agricultural assets, leasing, assignment and origination services of the aforesaid loans
e. Investment in shares and securities

2 Basis of preparation

2.1 Accounting Standard Compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015] as amended from time to time.

These financial statements for the period ended 31 March 2019 are the first financial statements of the Company prepared under Ind AS. For all periods up to and including the year ended 31 March, 2018, the Company has prepared its financial statements in accordance with the Companies (Accounting Standard) Rules, 2006 (as amended) notified under the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), the guidelines issued by other Generally Accepted Accounting Principles in India (collectively referred to as 'Previous GAAP'). Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's Balance Sheet and Profit and Loss account is provided in notes 45.

The financial statements have been prepared on the accrual and going concern basis. The Ind AS accounting assumptions and treatments are applied consistently to all the periods presented in these financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1 April 2017 being the 'date of transition to Ind AS'.

These financial statements are prepared under the historical cost convention except for the application of fair value measurements where required or allowed by the relevant standards under Ind AS in the case of certain financial assets and liabilities, net defined benefit (asset)/ liability and share based payments.

2.2 Presentation of financial statements

The Balance Sheet, the Statement of Changes in Equity and the Statement of Profit and Loss are presented in the format prescribed under Division III of Schedule III of the Act, as amended from time to time, for Non-Banking Financial Companies ('NBFCs') that are required to comply with Ind AS. The Statement of Cash Flows has been presented as per the requirements of Ind AS 7 Statement of Cash Flows.

2.3 Functional and presentation currency

The financial statements are presented in Indian Rupees ("INR"), which is also the Company's functional currency. All amounts have been rounded to the nearest lakh, unless otherwise indicated.

2.4 Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, the accompanying disclosures including the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, estimates and assumptions, which have significant effect on the amounts recognised in the financial statements:

- **Fair value measurement of financial instruments**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/judgments about these factors could affect the reported fair value of financial instruments. For further details about determination of fair value refer note 31.

- **Impairment of financial assets using the expected credit loss method**

The impairment provisions for financial assets are based on assumptions about risk of default, expected loss rates and loss given defaults. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's history, existing market conditions as well as forward looking estimates at the end of each reporting period. For further details about assumptions used in calculating expected credit losses and the sensitivity of assumptions refer note 32.

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- **Business model assessment**

Classification and measurement of financial assets depends on the results of the Solely for payment of principal and interest (SPPI) test and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment used by the Company in determining the business model including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed. The Company monitors financial assets that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held.

- **Income taxes**

Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. For further details refer note 30.

- **Provisions and Contingencies**

Provisions and contingencies are recognized when they become probable and when there will be a future outflow of funds resulting from past operations or events and the outflow of resources can be reliably estimated. The timing of recognition and quantification of the provision and liability requires the application of judgement to existing facts and circumstances, which are subject to change.

Assumptions and Estimates

The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

- **Gratuity and Long term service awards (LTSA) benefits**

The cost of the Gratuity and LTSA benefits and the present value of its obligations are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the future salary increases, attrition rate, mortality rates and discount rate. Due to the complexities involved in the valuation and its long-term nature, the obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Future salary increases are based on expected future inflation rates for India. The attrition rate represents the Company's expected experience of employee turnover. The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Discount rate is based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities.

Further details about gratuity and LTSA obligations are provided in note 41.

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- **Effective Interest Rate**

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments and other fee income/expense that are integral parts of the Instrument.

- **Provisioning for Asset retirement obligation (ARO)**

For the commercial premises taken on lease, the Company has recognised the provision for the obligation (ARO) to restore the premises in the same condition at the end of the lease term. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to restore the premise and the expected timing of those costs.

3 Summary of significant accounting policies

3.1 Business Combination

In accordance with Ind AS 101 provisions related to first time adoption, the Company has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2017. This provides relief from full retrospective application that would require full restatement of past business combination prior to transition date. As such, previous GAAP balances relating to business combinations entered into before that date, have been carried forward with no adjustment.

3.2 Foreign currency

Transactions in foreign currency are recorded at the exchange rate prevailing on the date 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..

3.3 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is a measure as at a specific date and may be significantly different from the amount which will actually be paid or received on maturity or settlement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either :

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The Company follows a fair value hierarchy that categorises into three levels, the inputs to valuation techniques used to measure fair value, which gives highest priority to quoted prices.

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Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Assets and liabilities are classified as Level 1 if their value is observable in an active market.

Level 2 inputs are inputs, other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. A Level 2 input must be observable for substantially the full term of the instrument. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves observable at commonly quoted intervals, implied volatilities and credit spreads.

Level 3 inputs are unobservable inputs. Assets and liabilities are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data.

Wherever possible, fair values have been calculated using unadjusted quoted market prices in active markets for identical instruments held by the Company. Where quoted market prices are not available, or are unreliable because of poor liquidity, fair values have been determined using valuation techniques which, to the extent possible, use market observable inputs, but in some cases may also use non-market observable inputs. Valuation techniques used include discounted cash flow analysis, price to earning ratio and, where appropriate, comparison to instruments with characteristics similar to those of the instruments held by the Company after making necessary adjustments (eg. broker pooling method).

3.4 Revenue recognition

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to a customer. When a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price that is allocated to that performance obligation.

Interest income
For all financial instruments, interest income is recorded using the effective interest rate (EIR). Refer note 3.12

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

Fees and commission income
Fees and commission income are recognised on accrual basis based on contractual terms with customers.

Incentives from dealers/manufacturers
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.

Income on finance leases
Income on finance leases, are recognized by applying the 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.

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3.5 Income tax:

Income tax comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent it relates to an item recognised directly in equity or other comprehensive income.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in India where the Company operates and generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred income tax asset and liabilities are recognised for all temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statement except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer reasonably certain that related tax benefit will be realized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets are recognised subject to management's judgment that their future realisation is reasonably certain, except where there is unabsorbed depreciation and carried forward losses under taxation laws.
Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT)

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

3.6 Property, plant and equipment

Property, plant and equipment 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 available for use. Depreciation on property, plant and equipment is provided on a straight-line basis over the useful lives of assets.

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Capital work-in-progress includes cost of property, plant and equipment under installation/ under development as at the balance sheet date and are carried at cost, comprising of direct cost, directly attributable cost and attributable interest.

Gains or losses arising from disposal of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is disposed.

Lease hold improvements are depreciated over the lease period (including renewal, if any) or useful life whichever is shorter.

The estimated useful life of property, plant and equipment of the Company is listed below. Based on the nature of fixed assets used by the Company and past experience of its usage and internal evaluation, the Company considers that the useful life for respective assets to be appropriate.

Class of property, plant and equipment	Estimated useful life
Office buildings	50 years
Computer equipment	3 years/ 4 years
Furniture and fixtures – in leased premises	6 years
Electrical installations and office equipment– in leased premises	6 years
Vehicles- Lease	4 years

The present value of the expected cost for asset retirement obligation (ARO) related to the asset after its use is included in the cost of the respective leased asset if the recognition criteria are met.

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flow that are largely independent of this from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there is a change in the estimate used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

The Company records a provision for decommissioning costs to restore lease premises (Asset retirement obligation) to its original condition. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

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3.7 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is, or contains a lease if, fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 1 April 2017, the Company has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

The Company as lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on contractual terms over the lease term.

The Company as lessor

Assets given out on financial leases are shown as finance lease receivables. 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 finance lease receivables.

3.8 Provisions and contingencies

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent liabilities are disclosed in the notes to the financial statements. Contingent assets are not recognised in the financial statements.

3.9 Borrowing costs

All borrowing costs are recognised as expense in the period in which they are incurred.

3.10 Employee benefits

The Company provides retirement and other benefits to its employees. Retirement benefits are in the nature of defined contribution scheme and defined benefit scheme. A defined contribution scheme is a retirement benefit scheme under which the Company contributes a defined sum into a separate entity and will have no legal or constructive obligation to contribute further amount. A defined benefit scheme is a retirement benefit scheme other than a defined contribution scheme.

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.

Remeasurements, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding charge or credit to other comprehensive income in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.
Past service costs are recognised in the statement of profit or loss on the earlier of:
- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of Profit and Loss:
- Service costs comprising current service costs; and
- Net interest expense or income

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Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. Both the employee and the employer make monthly contributions to the plan at a predetermined rate of the employees' basic salary. These contributions are made to the fund administered and managed by the Government of India. The Company's contributions are charged to statement of profit and loss on accrual basis, during the period in which the employee renders the related services. The Company has no further obligations under these plans beyond its monthly contributions.

Superannuation fund

The Company contributes to superannuation fund (defined contribution scheme) in respect of the employee opting for superannuation scheme from certain organizational 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.

Long term service awards (LTSA)

The entity provides for liability towards long term service awards for eligible employees, based on length of service, based on actuarial valuation performed by an independent actuary using the Projected Unit Cost Method as at the balance sheet date.

Short term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short term employee benefits and are measured at the amounts expected to be paid when the liabilities are settled. Benefits include salaries, 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. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, they are discounted.

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.

3.11 Share - based payments

The Company participates in ultimate holding company, Citigroup Inc. (Citi) share-based incentive plan under which Citi grants shares to the Company's employees. Pursuant to a separate Stock Plans Affiliate Participation Agreement (SPAPA) the Company makes a cash settlement to Citi for the fair value of the share-based incentive awards delivered to the Company's employees under these plans.

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The Company uses equity-settled accounting for its share-based incentive plans, with separate accounting for its associated obligations to make payments to Citi. The Company recognises the fair value of the awards at grant date as a compensation expense over the vesting period, with the Company electing to account for the corresponding credit within other equity as a capital contribution from Citi. Associated obligations under the SPAPA and all amounts paid to Citi are accounted for by analogy to the requirements for cash-settled share-based transactions over the vesting period with the intercompany payable due to Citi remeasured at the reporting date and settlement date for subsequent changes in fair value and the corresponding entry recognised within other equity.

3.12 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchase and sale of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability (other than financial asset or financial liability carried at fair value through profit or loss). Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss.

Financial assets

Classification and subsequent measurement

Financial assets are classified into three categories:
- fair value through profit or loss (FVTPL);
- fair value through other comprehensive income (FVOCI); or
- amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms including contractual cash flows.

For debt instruments, classification will depend on the business model in which the debt is held.
For equity instruments, classification will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The classification requirements of financial assets are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans disbursed, investment in corporate bonds.

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Business model: The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows from the sale of asset. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by the Company in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how risks are assessed and managed. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVTPL. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement.

Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories:

Amortised cost: Financial assets that are held for collection of contractual cash flows where business model of those cash flows represent solely payment of principal and interest ('SPPI'), and that are not designated at FVTPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in note 31. Interest income from these financial asset are recognised using the effective interest rate method.

Fair value through other comprehensive income (FVOCI): Financial assets are measured at FVOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets and contractual terms of the financial asset meet the SPPI test.

FVOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in other comprehensive income (OCI). Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified to statement of profit and loss account.

Fair value through profit or loss (FVTPL): Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. Financial assets designated at FVTPL are carried in the Balance sheet at fair value with net changes in fair value presented as other (gains)/losses in Statement of profit or loss. Interest income on financial assets classified as FVTPL is not recognised in net gain/(loss) on fair value changes and is recognised separately as interest income.

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Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for credit-impaired financial assets (i.e. 'stage 3').

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees paid or received that are integral to the effective interest rate, such as origination fees.

When a financial asset becomes credit-impaired and is regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net carrying value of such financial asset. If the financial assets are no longer credit impaired, the Company calculates the interest income on a gross basis. Interest income on credit impaired advances are recognised on outstanding amount net of expected credit loss allowance.

Equity instruments

Equity instruments is a contract that evidences residual interest in the assets of the company after deducting all its liabilities. The Company subsequently measures all equity investments under the scope of Ind AS 109 at fair value. Changes in the fair value of these instruments are recognized in profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTPL are not reported separately from other changes in fair value.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost and FVOCI, loans and advances and on exposure arising from loan commitments. The Company recognizes a loss allowance for such losses at each reporting date.

The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money;
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The method and significant judgments used while computing the expected credit losses and information about the exposure at default, probability of default and loss given default have been set out in note 32.

Write-off policy

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery.
For retail clients, the Company writes off financial assets prudentially, basis the duration of delinquency.

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Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

The rights to receive cash flows from the asset have expired, or The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability, the transferred asset and the associated liability are measured on the basis that reflects the rights and obligations that the Company has returned.

Loan commitments

Loan commitments provided by the Company are measured as per financial instrument classification less loss allowance. For loan commitments, the loss allowance is recognised as a provision. However, for contracts that include both a loan and an undrawn commitment and the Company cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan.

Financial liabilities

Classification and subsequent measurement

Financial liabilities are classified at amortised cost, except for:

Financial liabilities at fair value through profit or loss: This classification is applied to derivatives and financial liabilities held for trading and other financial liabilities designated as such at initial recognition.

Gains or losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, which is determined as the amount that is not attributable to changes in market conditions that give rise to market risk) and partially profit or loss (the remaining amount of change in the fair value of the liability).

Derecognition of financial liabilities

Financial liabilities are derecognised when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired.

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Reclassification of financial instrument

The Company reclassifies debt instruments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent.

After initial recognition, equity instruments and financial liabilities are not reclassified.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivatives

Derivatives are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently measured at fair value.

Embedded derivatives

The embedded derivatives are treated as separate derivatives when:
- their economic characteristics and risks are not closely related to those of the host contract;
- a separate instrument with the same terms would meet the definition of a derivative; and

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract , with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to an index of prices or rates or other variable. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

These embedded derivatives are separately accounted for at fair value, with changes in fair value recognised in the statement of profit or loss unless the Company chooses to designate the hybrid contracts at fair value through profit or loss.

Certain market linked non-convertible debentures issued by the Company have returns linked to non-interest related benchmarks. The Company has opted to designate the entire hybrid contract at FVTPL as the embedded derivative significantly modifies the cash flows that otherwise would be required by the contract. Further, the embedded derivative is not closely related to the financial liability host contract.

3.13 Loan assignment

The Company undertakes sale of loans by way of assignment.

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 on such assignment.

The Company recognizes entire gain/loss upon derecognition of a loan.

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Classification of financial instruments sold by way of loan assignment is applicable to the business segment as a whole, including loans retained by the Company to comply with minimum retention requirements in accordance with Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 1, 2016 – Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and amendments thereto.

3.14 Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

3.15 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.

3.16 Recent accounting pronouncements

Ind AS 116 was notified by Ministry of Corporate Affairs on 30 March 2019 and it is applicable for annual reporting periods beginning on or after 1 April 2019. Ind AS 116 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases. An optional exemption exists for short-term and low-value leases. The standard will affect primarily the accounting for the group's operating leases. The Company is in the process of assessing the impact on account of adoption of Ind AS 116.

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Notes to the financial statements *(continued)*
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Note 4 - Cash and cash equivalents

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Cash on hand	-	-	3
Balance with banks			
- In current accounts	564	553	1,831
- In fixed deposits (with original maturity of less than 3 months)	28,867	10,476	18,311
Cheques on hand	40	47	308
Total	**29,471**	**11,076**	**20,453**

Refer note 35 for balances with related parties.

Note: The cash and cash equivalents for cash flow statements is same as cash and cash equivalents given above.

Note 5 - Bank balance other than cash and cash equivalents above

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Margin money deposit	6,533	8,378	6,656
Fixed Deposit	2,301	2,265	2,189
Total	**8,834**	**10,643**	**8,845**

1. Fixed deposit includes lien marked deposits of INR 2,297 (31 March 2018: INR 2,191; 01 April 2017: INR 2,081) for securitization transactions executed in prior years.
2. Refer note 35 for fixed deposits with related parties.

Note 6 - Derivative financial assets and liabilities

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Derivative financial assets			
Equity linked derivatives (futures and options)	2,779	1,666	5,111
Total	**2,779**	**1,666**	**5,111**
Derivative financial liabilities			
Equity linked derivatives (futures and options)	1,003	1,138	1,332
Total	**1,003**	**1,138**	**1,332**
Notional amount	**64,482**	**61,964**	**131,069**

Note 7 - Receivables

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Trade receivables			
Receivables considered good - Secured	88	515	226
Receivables considered good - Unsecured	2,522	4,790	1,528
Less: Expected credit loss	0	0	0
Subtotal	**2,610**	**5,305**	**1,754**
Other receivables			
Receivables considered good - Unsecured	1,821	1,657	1,583
Less: Expected credit loss	0	0	0
Subtotal	**1,821**	**1,657**	**1,583**
Total	**4,431**	**6,962**	**3,337**

1. No amount of trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person.
2. Refer note 35 for receivables from related parties.

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Note 8 - Loans

Particulars	As at 31 March 2019			As at 31 March 2018			As at 01 April 2017		
	Amortised cost	Fair value through OCI	Total	Amortised cost	Fair value through OCI	Total	Amortised cost	Fair value through OCI	Total
Loans									
Bills purchased and bills discounted	57,012	-	**57,012**	41,859	-	**41,859**	79,935	-	**79,935**
Loans repayable on demand	721,210	-	**721,210**	591,794	-	**591,794**	674,983	-	**674,983**
Term loans	265,723	27,547	**293,270**	236,831	33,722	**270,553**	185,192	20,461	**205,653**
Leasing*	16	-	**16**	2,519	-	**2,519**	3,686	-	**3,686**
Deposits	140	-	**140**	132	-	**132**	217	-	**217**
Total (Gross)	**1,044,101**	**27,547**	**1,071,648**	**873,135**	**33,722**	**906,857**	**944,013**	**20,461**	**964,474**
Less: Expected credit loss	(3,936)	(142)	**(4,078)**	(2,973)	(222)	**(3,195)**	(1,825)	(227)	**(2,052)**
Total (Net)	**1,040,165**	**27,405**	**1,067,570**	**870,162**	**33,500**	**903,662**	**942,188**	**20,234**	**962,422**
Secured by tangible assets	552,733	27,547	580,280	391,715	33,722	425,437	428,697	20,461	449,158
Unsecured	491,368	-	491,368	481,420	-	481,420	515,316	-	515,316
Total (Gross)	**1,044,101**	**27,547**	**1,071,648**	**873,135**	**33,722**	**906,857**	**944,013**	**20,461**	**964,474**
Less: Expected credit loss	(3,936)	(142)	**(4,078)**	(2,973)	(222)	**(3,195)**	(1,825)	(227)	**(2,052)**
Total (Net)	**1,040,165**	**27,405**	**1,067,570**	**870,162**	**33,500**	**903,662**	**942,188**	**20,234**	**962,422**
Advances in India									
Public sector	-	-	-	-	-	-	-	-	-
Other than public sector	1,044,101	27,547	1,071,648	873,135	33,722	**906,857**	944,013	20,461	**964,474**
Total (Gross)	**1,044,101**	**27,547**	**1,071,648**	**873,135**	**33,722**	**906,857**	**944,013**	**20,461**	**964,474**
Less: Expected credit loss	(3,936)	(142)	**(4,078)**	(2,973)	(222)	**(3,195)**	(1,825)	(227)	**(2,052)**
Total (Net)	**1,040,165**	**27,405**	**1,067,570**	**870,162**	**33,500**	**903,662**	**942,188**	**20,234**	**962,422**

*Refer Note 35 for finance lease receivable from related parties.

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Note 9 - Investments

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
In India			
At cost			
Equity shares of associate	8,700	8,700	8,700
At fair value through profit or loss			
Corporate bonds (quoted)	20,280	5,183	-
Commercial papers (quoted)	9,314	12,140	21,763
Equity shares (unquoted)	5,382	4,888	3,687
Equity shares (quoted)	-	771	-
Debentures (unquoted)	-	-	-
Total	**43,676**	**31,682**	**34,150**

Refer note 35 for invetsments in related parties.

Note 10 - Other financial assets

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Margin money	138	138	65
Other deposits	2	1	1
Total	**140**	**139**	**66**

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Notes to the financial statements *(continued)*

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Note 11 - Property, plant and equipment

Particulars	Gross block				Accumulated depreciation				Net block	
	As at 01 April 2018	Additions	Deletions	As at 31 March 2019	As at 01 April 2018	For the year	Deductions	As at 31 March 2019	As at 31 March 2019	As at 31 March 2018
Property, Plant and Equipment										
Building	61	-	-	**61**	23	1	-	**24**	**37**	38
Freehold land	5	-	-	**5**	-	-	-	**-**	**5**	5
Furniture and fixtures	29	13	-	**42**	22	3	-	**25**	**17**	7
Office equipments	134	4	-	**138**	100	16	-	**116**	**22**	34
Electrical installations	357	34	2	**389**	165	43	1	**207**	**182**	192
Computer equipments	529	12	-	**541**	481	29	-	**510**	**31**	48
Asset retirement obligation	44	9	-	**53**	29	11	-	**40**	**13**	15
Subtotal	**1,159**	**72**	**2**	**1,229**	**820**	**103**	**1**	**922**	**307**	339
Vehicles taken on lease	128	8	49	**87**	120	9	49	**80**	**7**	8
Total	**1,287**	**80**	**51**	**1,316**	**940**	**112**	**50**	**1,002**	**314**	347
Capital work-in-progress	322	133	455	**-**	-	-	-	**-**	**-**	322

Particulars	Gross block				Accumulated depreciation				Net block	
	As at 01 April 2017	Additions	Deletions	As at 31 March 2018	As at 01 April 2017	For the year	Deductions	As at 31 March 2018	As at 31 March 2018	As at 01 April 2017
Property, Plant and Equipment										
Building	61	-	-	**61**	22	1	-	**23**	38	39
Freehold land	5	-	-	**5**	-	-	-	**-**	5	5
Furniture and fixtures	29	-	-	**29**	20	2	-	**22**	7	9
Office equipments	130	6	2	**134**	86	15	1	**100**	34	44
Electrical installations	392	6	41	**357**	135	47	17	**165**	192	257
Computer equipments	490	39	-	**529**	438	43	-	**481**	48	52
Asset retirement obligation	64	-	20	**44**	35	12	18	**29**	15	29
Sub-Total	**1,171**	**51**	**63**	**1,159**	**736**	**120**	**36**	**820**	339	435
Vehicles taken on lease	128	-	-	**128**	106	14	-	**120**	8	22
Total	**1,299**	**51**	**63**	**1,287**	**842**	**134**	**36**	**940**	347	457
Capital work-in-progress	141	181	-	**322**	-	-	-	**-**	**322**	141

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Notes to the financial statements *(continued)*

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Note 12 - Other non-financial assets

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Deposits with statutory authorities	522	529	630
Prepaid expenses	172	198	184
Net input tax credit (refer note below)	56	325	7
Receivable from staff	1	-	-
Total	**751**	**1,052**	**821**

Input tax credit	11,189	11,815	11,913
Provision for input tax credit	(11,133)	(11,490)	(11,906)
Net input tax credit	**56**	**325**	**7**

Note 13 - Debt securities

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
In India			
At amortised cost			
Non convertible debentures	156,607	174,698	245,826
At fair value through profit or loss			
Market linked non convertible debentures	298,158	190,129	168,456
Total	**454,765**	**364,827**	**414,282**

Refer note 44 for details of debt securities.

Note 14 - Borrowings(other than debt securities)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
In India			
At amortised cost			
Secured			
Loans repayable on demand from banks	50,009	20,021	-
Finance lease obligations	9	15	21
Unsecured			
Inter corporate borrowings	258,427	145,444	26,648
Commercial paper	-	63,881	240,919
Loans repayable on demand from banks	504	675	1,689
Total	**308,949**	**230,036**	**269,277**

Refer note 43 for details of borrowings.

Note 15 - Other financial liabilities

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Dealer held disbursal and other liabilities	4,327	5,584	3,793
Collection payables on servicing portfolio	2,114	2,134	3,168
Total	**6,441**	**7,718**	**6,961**

Refer note 35 for payables to related parties.

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Note 16 - Provisions

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Provision for employee benefits:			
Gratuity (refer note 41)	187	178	118
Employee benefits	14	12	12
Bonus	55	46	34
Others	105	-	-
Provision for others:			
Securitization	1,578	1,617	2,099
Value added tax	222	3,228	3,223
Legal and regulatory	1,193	1,294	1,247
Asset retirement obligations	47	52	70
Expected credit loss on loan commitments	1	4	4
Total	**3,402**	**6,431**	**6,807**

Note 17 - Other non-financial liabilities

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Statutory dues payable	536	1,222	193
Interest collected but not earned on loans and advances	552	358	218
Others	824	898	725
Total	**1,912**	**2,478**	**1,136**

Note 18 - Equity share capital

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Authorised share capital			
5,269,333,333 (31 March 2018: 5,269,333,333; 01 April 2017 :5,269,333,333) Equity shares of INR 7.50 each	**395,200**	395,200	395,200
Issued, subscribed and paid up			
3,857,727,031 (31 March 2018: 3,857,727,031; 01 April 2017:3,857,727,031) Equity shares of INR 7.50 each	**289,330**	289,330	289,330
Total	**289,330**	289,330	289,330

Reconciliation of number of shares

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
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 and rights attached to equity shares

The Company has only one class of equity shares having a par value of INR 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.

Shares of the Company held by the holding companies

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Associates Financial Services (Mauritius) LLC	52.94%	52.94%	52.94%
Citibank Overseas Investment Corporation	47.06%	47.06%	47.06%

Details of shareholding more than 5% shares in the Company

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Associates Financial Services (Mauritius) LLC	2,042,338,070	2,042,338,070	2,042,338,070
Citibank Overseas Investment Corporation	1,815,388,961	1,815,388,961	1,815,388,961

Refer note 33 for information of the Company's objectives, policies and process of managing capital.

All amounts are in INR lakhs except per share data and unless stated otherwise

Note 19 - Interest income

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest on financial instruments measured at amortised cost		
Loans	72,211	66,221
Deposits with banks	1,845	1,872
Finance leases	195	402
Interest on financial instruments measured at FVOCI		
Loans	3,012	2,329
Interest on financial instruments measured at FVTPL		
Investments	1,785	365
Total	**79,048**	**71,189**

Note 20 - Dividend income

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Associates	252	252
Others	81	81
Total	**333**	**333**

Note 21 - Fees and commission income

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Collection and sourcing fees	6,565	5,721
Other fees	63	77
Total	**6,628**	**5,798**

Note 22 - Net gain on fair value changes

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
a) on financial instruments designated at fair value through profit and loss account-		
Gain on fair value of market linked non convertibel debentures	2,072	1,218
Gain on derivatives (net)	3,379	414
Gain on fair value of investments classified as FVTPL	590	1,991
Total	**6,041**	**3,623**
Fair Value changes:		
Unrealised gain/(loss)	7,966	(2,940)
Realised (loss)/gain	(1,925)	6,563
Total	**6,041**	**3,623**

Note 23 - Other revenue from operations

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Gain on assignment	294	446
Total	**294**	**446**

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Note 24 - Other income

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Reversal of provision for value added tax	3,006	-
Miscellaneous income	938	770
Reversal of provision for litigation (net)	69	-
Interest on lease deposits	11	13
Total	**4,024**	**783**

Note 25 - Finance costs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest on financial liabilities measured at amortised cost		
Non convertible debentures	12,154	10,611
Inter corporate borrowings	10,496	2,641
Commercial paper	1,428	9,400
Borrowings from banks	910	512
Finance lease	4	6
Others	(9)	7
Interest on financial liabilities designated at FVTPL		
Market linked non convertible debentures	16,226	12,315
Total	**41,209**	**35,492**

Note 26 - Fees and commission expense

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Transfer pricing fees (refer note Note 42H)	3,551	3,656
Fees and commission expense	2,231	1,960
Distribution and placement fees	1,896	493
Brokerage	22	47
Total	**7,700**	**6,156**

Note 27 - Impairment loss on financial instruments

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Financial instruments measured at amortised cost		
Write offs (net of recoveries)	2,533	1,161
Expected credit loss on loans and loan commitments	959	1,149
Expected credit loss on other assets	0	0
Financial instruments measured at FVOCI		
Write offs (net of recoveries)	(267)	(355)
Expected credit loss on loans (net of reversal)	(79)	(5)
Total	**3,146**	**1,950**

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Note 28 - Employee benefits expenses

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Salaries, wages and bonus	4,149	4,222
Contribution to provident fund and other funds	208	195
Gratuity (Refer note 41)	66	106
Other expenses	57	42
Total	**4,480**	**4,565**

Note 29 - Other expenses

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Rent	946	1,049
Premises maintenance costs	365	379
Rates and taxes	1	218
Provision for litigations	-	143
Bank charges	125	66
Net loss/(gain) on derecognition of property, plant and equipment	(1)	8
Credit rating and surveillance fees	141	176
Service bureau expenses	2,889	2,278
Technology and software expenses	1,720	1,876
Stamping / franking charges	443	316
Travelling and conveyance expenses	348	330
Telephone expenses	58	33
Professional and legal expenses	499	680
Collection expenses	1,605	1,386
HR processing charges	55	35
Payments to the auditors		
(a) Statutory Audit	63	54
(b) Tax audit	8	8
(c) Limited Review	6	5
(d) Reimbursement of expenses	4	3
Corporate social responsibility expenses (refer note 39)	472	635
Miscellaneous expenses	542	411
Total	**10,289**	**10,089**

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Note 30 - Income tax

a) The components of income tax expense are:

Particulars	**Year ended 31 March 2019**	**Year ended 31 March 2018**
Current tax		
Current tax on profits for the year	6,052	4,475
Adjustments for current tax of prior periods	-	-
Total current tax expense	**6,052**	**4,475**
Deferred tax		
Decrease/(Increase) in deferred tax assets	1,927	5,308
(Decrease)/ Increase in deferred tax liabilities	1,427	(1,342)
Total deferred tax expense	**3,354**	**3,966**
Total tax expense	**9,406**	**8,441**

b) Tax charge recognised directly to other comprehensive income

Particulars	**Year ended 31 March 2019**	**Year ended 31 March 2018**
Deferred tax expense/(benefit)	(184)	39
Total tax charge/(benefit) recognized directly in other comprehensive income	**(184)**	**39**

c) Reconciliation of the total tax charge

The table below explains the differences between the expected tax expense, at the Indian statutory tax rate payable by corporate entities in India on taxable profits under tax laws in India, and the Company's total tax expense for the year.

Particulars	**Year ended 31 March 2019**	**Year ended 31 March 2018**
Accounting profit before tax	29,432	23,786
Tax at India's statutory income tax rate of 34.944% (31 March 2018 34.608%)	**10,285**	**8,232**
Tax effect of the amount which are not taxable in calculating taxable income :		
- Dividend Income not liable to tax	(116)	(115)
- Expenses related to Dividend Income	47	36
- CSR expenses (net of benefit of deduction)	82	110
- Other	(892)	178
Income tax expense	**9,406**	**8,441**
Effective tax rate	**31.96%**	**35.49%**

d) Current tax assets

Particulars	**As at 31 March 2019**	**As at 31 March 2018**	**As at 01 April 2017**
Advance income tax (net of provision for tax) (Net of provision for income tax)	15,501	15,673	15,566
Total	**15,501**	**15,673**	**15,566**

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e) Deferred tax assets/liabilities

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities / assets:

Particulars	As at 31 March 2018	(Charged)/ credited to profit and loss	(Charged)/ credited to OCI	As at 31 March 2019
Deferred tax liability :				
Fair value of derivatives	(459)	(2,395)	-	(2,854)
Lease rental receivable	(871)	865	-	(6)
Changes in fair value of FVOCI debt instruments	(112)	-	(192)	(304)
Fair value of investments	(375)	103	-	(272)
	(1,817)	**(1,427)**	**(192)**	**(3,436)**
Deferred tax asset :				
Provisions on financial assets	6,087	197	-	6,284
Property, plant and equipment	5,135	(1,154)	-	3,981
Disallowance of expenses	1,284	(1,098)	-	186
Interest accrued on debentures	3,305	2,641	-	5,947
Remeasurement of defined benefit obligation at FVOCI	9	-	8	17
MAT Credit available	16,054	(2,516)	-	13,538
Others	16	3		19
	31,890	**(1,927)**	**8**	**29,972**
Net deferred tax asset/(liability)	**30,073**	**(3,354)**	**(184)**	**26,536**

Particulars	As at 01 April 2017	(Charged)/ credited to profit and loss	(Charged)/ credited to OCI	As at 31 March 2018
Deferred tax liability :				
Fair value of derivatives	(1,546)	1,087	-	(459)
Lease rental receivable	(1,275)	404	-	(871)
Changes in fair value of FVOCI debt instruments	(146)	-	34	(112)
Fair value of investments	(226)	(149)	-	(375)
	(3,193)	**1,342**	**34**	**(1,817)**
Deferred tax asset :				
Provisions on financial assets	5,865	222	-	6,087
Property, plant and equipment	6,009	(874)	-	5,135
Disallowance of expenses	1,263	21	-	1,284
Interest accrued on debentures	4,143	(838)	-	3,305
Remeasurement of defined benefit obligation at FVOCI	4	-	5	9
MAT Credit available	19,889	(3,835)	-	16,054
Others	20	(4)		16
	37,193	**(5,308)**	**5**	**31,890**
Net deferred tax asset/(liability)	**34,000**	**(3,966)**	**39**	**30,073**

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Note 31 - Fair value measurements

a) Fair value measurement
As per Ind AS 113, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is a measure as at a specific date and may be significantly different from the amount which will actually be paid or received on maturity or settlement date. The standard also provides a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value, which gives highest priority to quoted prices.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Assets and liabilities are classified as Level 1 if their value is observable in an active market.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. A Level 2 input must be observable for substantially the full term of the instrument. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves observable at commonly quoted intervals, implied volatilities; and credit spreads.

Level 3 inputs are unobservable inputs. Assets and liabilities are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data.

Wherever possible, fair values have been calculated using unadjusted quoted market prices in active markets for identical instruments held by the Company. Where quoted market prices are not available, or are unreliable because of poor liquidity, fair values have been determined using valuation techniques which, to the extent possible, use market observable inputs, but in some cases may also use non-market observable inputs also. Valuation techniques used include discounted cash flow analysis, price to earning ratio and, where appropriate, comparison to instruments with characteristics similar to those of the instruments held by the Company after making necessary adjustments (eg. broker pooling method).

b) Valuation techniques
- The fair value of exchange traded and OTC derivatives are determined using valuation models when quoted market prices or third-party consensus pricing information are not available. The valuation models, such as discounted cash flow method or Black-Scholes option model, incorporate observable or unobservable inputs for interest rates, equity indices, credit spreads, corresponding market volatility levels, and other market-based pricing factors. The Company uses widely recognised valuation models to determine the fair value of financial instruments. The inputs of the models are usually observable and available in the market for exchange traded derivatives and simple OTC derivatives. Use of observable inputs for valuation of derivative instrument are classified as Level 2 in the hierarchy (as stated above) where available and the unobservable inputs used are not significant to the fair value of the derivatives.

- Loans measured at fair value through other comprehensive income are valued using income approach wherein, the future cash inflows are discounted using appropriate broker quotes. These broker quotes are obtained from the market participants as exit price for similar loan portfolio. Use of broker quotes is classified as Level 2 in the fair value heirarchy, being quoted price for similar financial assets.

- Investment in equity shares consist of listed and unlisted equity shares. The listed equity shares are fair valued based on adjusted quoted price in active markets. The quoted price in active market are adjusted for liquidity as the Company was a pre-IPO shareholder having restrictions on sale of the securities. Adjusted quoted price is classified as Level 2 in the fair value heirarchy and the unobservable inputs used are not significant to the fair value of the derivatives
For unlisted equity shares, fair value is determined based on quoted market prices for similar securities or through valuation techniques, such as multiples of earnings or net asset value method. A liquidity discount is applied when few or no transactions exist to support the valuations. In case of unlisted equity shares, significant inputs being unobservable, they are classified as Level 3 in the fair value hierarchy.

- Investment in debt securities are valued using income approach wherein, the future cash inflows are discounted using appropriate broker quotes i.e yields. These broker quotes are obtained from the market participants as exit price for similar loan portfolio. Use of broker quotes is classified as Level 2 in the fair value heirarchy, being quoted price for similar financial assets.

- Market linked non convertible debentures are fair valued based on fair valuation of the underlying embedded derivative and the host principal.
Embedded derivatives linked to equity index are measured basis valuation models for determination of fair value of derivatives stated above. The fair value of host contract (principal component) is derived using broker pooling method by obtaining quotes of similar instruments. Inputs used for fair valuation of market linked convertible debentures are classified as Level 2 in the fair value heirarchy as they are directly or indirectly observable in the market. No significant unobservable inputs are used in valuation of market linked non convertible debentures.

c) Valuation Control framework
The Company develops models for valuation of financial instruments which are subject to due diligence before becoming operational and goes through periodic assessment. These models are assessed by the Market Risk Management team housed under Risk Management. The key elements of the framework for the valuation of financial instruments include model validation, model implementation review and independent verification. Additionally, for fair values determined using valuation models, the control framework also includes development or validation by independent support functions of the model logic, inputs, model outputs and adjustments.

d) Financial instruments by category

Particulars	As at 31 March 2019			As at 31 March 2018			As at 01 April 2017		
	FVTPL	FVOCI	At Amortised Cost	FVTPL	FVOCI	At Amortised Cost	FVTPL	FVOCI	At Amortised Cost
Financial Assets									
Cash and cash equivalents	-	-	29,471	-	-	11,076	-	-	20,453
Bank balance other than cash and cash equivalents above	-	-	8,834	-	-	10,643	-	-	8,845
Derivative financial assets	2,779	-	-	1,666	-	-	5,111	-	-
Trade receivables			2,610			5,305			1,754
Other receivables	-	-	1,821	-	-	1,657	-	-	1,583
Loans	-	27,405	1,040,165	-	33,500	870,162	-	20,234	942,188
Investments	34,976	-	-	22,982	-	-	25,450	-	-
Other financial assets	-	-	140	-	-	139	-	-	66
Total financial assets	**37,755**	**27,405**	**1,083,041**	**24,648**	**33,500**	**898,982**	**30,561**	**20,234**	**974,889**
Financial Liabilities									
Derivative financial liabilities	1,003			1,138			1,332		
Trade Payables	-	-	7,649	-	-	5,154	-	-	5,328
Debt securities	298,158	-	156,607	190,129	-	174,698	168,456	-	245,826
Borrowings (other than debt securities)	-	-	308,949	-		230,036	-	-	269,277
Other financial liabilities	-	-	6,441	-		7,718	-	-	6,961
Total financial liabilities	**299,161**	**-**	**479,646**	**191,267**	**-**	**417,606**	**169,788**	**-**	**527,392**

Note: Investment in associate amounting to INR 8,700 (31 March 2018: INR 8,700; 01 April 2017: INR 8,700) is carried at cost in accordance with Ind AS 27 and does not form part of the above.

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e) Fair value hierarchy

Financial asset and liabilities measured at fair value - recurring fair value measurements	As at 31 March 2019			As at 31 March 2018			As at 01 April 2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at -									
Fair value through profit and loss									
Derivative financial assets	-	2,779	-	-	1,666	-	-	5,111	-
Investments	-	29,599	5,377	-	18,094	4,888	-	21,763	3,687
Fair value through other comprehensive income									
Loans	-	27,405	-	-	33,500	-	-	20,234	-
Total	-	**59,783**	**5,377**	-	**53,260**	**4,888**	-	**47,108**	**3,687**
Financial liabilities measured fair value through profit and loss									
Derivative financial instruments	-	1,003	-	-	1,138	-	-	1,332	-
Debt securities	-	298,158	-	-	190,129	-	-	168,456	-
Total	-	**299,161**	-	-	**191,267**	-	-	**169,788**	-

Financial assets and liabilities measured at amortised cost for which fair value is disclosed	Fair value hierarchy	As at 31 March 2019		As at 31 March 2018		As at 01 April 2017	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets							
Loans	Level 3	1,040,165	1,043,726	870,162	869,801	942,188	937,156
Financial liabilities							
Debt securities	Level 3	156,607	156,772	174,698	174,988	245,826	245,895
Inter-corporate borrowing	Level 3	258,427	258,325	145,444	145,385	26,648	26,609

Note:
The carrying amounts of cash and cash equivalents, bank balances other than cash and cash equivalents, other receivables, other financials assets, trade payables, borrowings other than inter corporate borrowings and other financial liabilities are considered to be approximately equal to their fair values due to their short term nature.

f) Fair value measurements using significant unobservable inputs (level 3)
The following table presents the changes in level 3 items for the periods ended 31 March 2019 and 31 March 2018:

	As at 31 March 2019	As at 31 March 2018
As at begining of the year	4,888	3,687
Transfer between Levels (*)	(49)	(81)
Gains / (losses) recognised in profit and loss	538	1,282
As at end of the year	**5,377**	**4,888**

* During the year, the Company has fair valued its investments in Secova Eservices Private Limited basis a buyer quote received. Owing to this, the Company has reclassified its investments to level 2 from level 3.
*Pursuant to the listing of the Tejas Networks on 27th June 2017, the Company has classified this investment as level 2 as at 31st March 2018.

f) Valuation inputs and relationships to fair value

Particulars	Valuation technique	Significant unobservable inputs	Change in input	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Investments in unquoted equity shares	P/E multiples	Earnings growth rate	± 1.5%	69/(69)	62/(62)	45/(45)
		Liquidity discounts	± 10%	(663)/663	(596)/596	(436)/436

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Note 32 - Financial Risk Management

The Company's activities expose it to credit risk, liquidity risk and market risk. This note explains the sources of risk which the Company is exposed to, how the Company manages the risk and the related accounting impact in the financial statements.

Risk type	Nature of risk	Risk arising from	Risk management process
Credit risk	Credit risk is the risk of loss resulting from the decline in credit quality (or downgrade risk) or failure of a borrower, counterparty, third party or issuer to honor its financial or contractual obligations.	Credit risk arises principally from direct lending, trade finance and leasing business.	Credit risk is: - measured as the amount that could be lost if a customer or counterparty fails to make repayments. The Company considers the amount of principal outstanding and interest due as credit exposure from its borrowers; - monitored using various internal risk management measures and within limits approved by individuals within a framework of delegated authorities; and - managed through a robust risk control framework and governance process, which outlines clear and consistent policies, principles and guidance for risk managers for credit sanctioning, lending and risk monitoring.
Liquidity risk	Liquidity risk is the risk that the Company does not have sufficiently stable and diverse sources of funding. Also the risk of insufficient financial resources to meet our commitments as they fall due.	Liquidity risk arises from mismatches in the timing of cash flows.	Liquidity risk is: - assessed through the internal liquidity adequacy assessment process ('RLAP'); - monitored against the Group's liquidity and funding risk framework; and - maintaining a contingency funding plan detailing actions and strategies available in stressed conditions.
Market risk	Market risk is the risk of loss arising from changes in the value of the Company's assets and liabilities resulting from changes in market variables (for eg.interest rates).	Structured notes, Investments held for trading, loans carried at fair value through other comprehensive income.	Market risk is: - measured using sensitivities and stress testing using factor sensitivities for market movements and scenarios; - managed by Market Risk Management (MRM) - reports and monitors the trading risk exposures against approved limits and triggers on a daily basis.

The Company's board of directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors have established a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed and updated regularly to reflect changes in market conditions and the Company's activities.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

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Note 32 - Financial Risk Management (Continued)

A. Credit risk

Credit risk is the risk of loss resulting from the decline in credit quality or the failure of a borrower, counterparty, third party or issuer to honor its financial or contractual obligations. Credit risk mainly arises from CFIL's lending business activity which can be classified as below:
a) Loans and advances to corporate customers and HNIs i.e. High networth individuals
b) Loans and advances to other retail customers (other retail loans)
Credit risk also arises from concentration of exposure within a specific client, industry, region or other category.

i) Credit quality analysis and credit exposure
The Company assesses and manages credit risk based on assessment of obligor risk using obligor risk rating (ORR) for loans and advances to corporate customers and HNIs. The Credit risk team assesses and maintains the internal risk rating system. Obligor risk rating assessment is done for each obligor availing credit facilities. The Company assigns ORRs from 1 to 23 to each obligor based on assumptions, inputs and factors specific to the obligor. The credit quality classification is mapped to the obligor risk rating grades for loans and advances to corporate customers and HNIs. The ORR grades are mapped to the external ratings grade issued by Credit Rating Agencies.

The ORR 23 grade scale (1-10 including modifiers,e.g. 1,2+,2,2- and so on) summarises a more granular underlying 23 grade scale of obligor probability of default ('PD'). All corporate obligors are rated using the 23 grade scale, as per the Company's assessment. Each ORR band is associated with an external rating grade by reference to long-run default rates for that grade, represented by the average of issuer-weighted historical default rates. This mapping between internal and external ratings is indicative and may vary over time. The said mapping between internal and external ratings have been summarised below.

Internal ratings category	Credit risk category	External ratings		Probability of default (PD)
		S&P's	Moody's	
Grades: 1 to 4-	Low	AAA to BBB-	Aaa to Baa3	0% to 0.34%
Grades: 5+ to 5-	Medium	BB+ to BB-	Ba1 to Ba3	0.89% to 3.39%
Grades: 6+ to 6-	High	B+ to B-	B1 to B3	5.57% to 12.16%
Grades: 7+ to 7-	Watchlist	CCC+ to CCC-	Caa1 to Caa3	16.64% to 22.13%
Grades: 8 to 10	Default	SD/D	-	-

The following tables set out information about the credit quality of loans and advances to Corporates, HNIs and other retail customers.

Internal rating grades (ORR)	Credit risk category	Stage 1	Stage 2	Stage 3	Total
As at 31 March 2019					
Grades: 1 to 4-	Low	594,586	-	-	594,586
Grades: 5+ to 5-	Medium	175,061	-	-	175,061
Grades: 6+ to 6-	High	50,000	-	-	50,000
Grades: 7+ to 7-	Watchlist	-	-	-	-
Grades: 8 to 10	Default	-	-	-	-
Principal outstanding		**819,647**	-	-	**819,647**
Interest accrued but not collected		8,723	-	-	8,723
Total exposure		**828,370**	-	-	**828,370**
Less: expected credit losses on total exposure		(341)	-	-	(341)
Net carrying amount		**828,029**	-	-	**828,029**
As at 31 March 2018					
Grades: 1 to 4-	Low	497,722	47,500	-	545,222
Grades: 5+ to 5-	Medium	140,643	-	-	140,643
Grades: 6+ to 6-	High	-	-	-	-
Grades: 7+ to 7-	Watchlist	-	-	-	-
Grades: 8 to 10	Default	-	-	-	-
Principal outstanding		**638,365**	**47,500**	-	**685,865**
Interest accrued but not collected		5,375	-	-	5,375
Total exposure		**643,740**	**47,500**	-	**691,240**
Less: expected credit losses on total exposure		(342)	(20)	-	(362)
Net carrying amount		**643,398**	**47,480**	-	**690,878**
As at 01 April 2017					
Grades: 1 to 4-	Low	451,286	185,373	-	636,659
Grades: 5+ to 5-	Medium	126,700	38,802	-	165,502
Grades: 6+ to 6-	High	-	-	-	-
Grades: 7+ to 7-	Watchlist	-	-	-	-
Grades: 8 to 10	Default	-	-	-	-
Principal outstanding		**577,986**	**224,175**	-	**802,161**
Interest accrued but not collected		9,035	-	-	9,035
Total exposure		**587,021**	**224,175**	-	**811,196**
Less: expected credit losses on total exposure		(108)	(143)	-	(251)
Net carrying amount		**586,913**	**224,032**	-	**810,945**

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Particulars	Loans carried at amortised cost	Loans carried at FVOCI	Commited lines of credit
As at 31 March 2019			
Stage 1	206,597	26,530	409
Stage 2	1,282	68	-
Stage 3	713	68	-
Total exposure	**208,592**	**26,666**	**409**
Less: expected credit losses on total exposure	(3,595)	(142)	(1)
Net carrying amount	**204,997**	**26,524**	**408**
As at 31 March 2018			
Stage 1	175,887	33,264	1,215
Stage 2	845	136	-
Stage 3	332	32	-
Total exposure	**177,064**	**33,432**	**1,215**
Less: expected credit losses on total exposure	(2,611)	(222)	(4)
Net carrying amount	**174,453**	**33,210**	**1,211**
As at 01 April 2017			
Stage 1	128,633	19,740	640
Stage 2	347	144	-
Stage 3	106	173	-
Total exposure	**129,086**	**20,057**	**640**
Less: expected credit losses on total exposure	(1,574)	(227)	(4)
Net carrying amount	**127,512**	**19,830**	**636**

The following table sets out information about the credit quality of investments in debt instruments measured at fair value through P&L.The amounts in the table represent gross carrying amounts which is also the maximum credit exposure of the financial assets.

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Rated AA and above	20,280	5,188	-
Rated A- to A+	9,314	12,135	21,763
Total	**29,594**	**17,323**	**21,763**

Cash and cash equivalents and other bank balances
The Company holds cash and cash equivalents of INR 29,471 and other bank balances of INR 8,834 as at 31 March 2019 (31 March 2018: INR 11,076 and INR 10,643; 01 April 2017: INR 20,453 and INR 8,845).The Company maintains its Cash and cash equivalents and Bank deposits with banks having low credit risk as per the internal obligor risk rating and also reviews the credit-worthiness of the banks on an on-going basis. The Company has provided for expected credit losses on its exposure on margin money held for derivatives and fixed deposits.

ii) Collateral held
The Company generally accepts bank deposits, financial assets, marketable securities, inventories and real estate as collaterals in the case of secured loans. As of 31 March 2019, 54.32% of the aggregate principal amount of the Company's loans were secured by collateral (31 March 2018: 46.97%; 01 April 2017: 46.47%). 45.68% of the Company's loans were unsecured as at 31 March 2019(31 March 2018: 53.03%; 01 April 2017: 53.53%).

At March 31, 2019, the net carrying amount of credit-impaired loans and advances amounted to INR 781 (31 March 2018: INR 364 ; 01 April 2017: INR 279) and the value of identifiable collateral held against those loans and advances amounted to INR 80 (31 March 2018: INR 103 ; 01 April 2017: INR 523).

The following table sets out the principal types of collateral held against different types of financial assets.

Instrument type	Percentage of exposure that is subject to collateral requirements			Principal type of collateral held
	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017	
Loans and advances to corporate customers and HNIs				
Corporate loans	46%	23%	11%	Book debts, inventories and financial assets
Citi private banking	100%	100%	100%	Financial assets
Treasury and trade solutions	-	-	-	Unsecured
Loans and advances to other retail customers				
Personal loans	-	-	-	Unsecured
Advance against financial assets	100%	100%	100%	Financial assets
Asset backed finance	100%	100%	100%	Commercial vehicles and construction equipments

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The following tables stratify credit exposures for margin lending loans by ranges of loan-to-value (LTV) ratio. LTV is calculated as the ratio of the gross amount of the loan to the value of the collateral. The valuation of the collateral excludes any adjustments for obtaining and selling the collateral. The maximum loan to value is basis the local regulatory norms for margin lending loans. The collateral value for marketable securities is derived basis market prices of such securities.

Margin lending loans

LTV ratio	Loans and advances to retail customers			Loans and advances to corporate customers and HNIs		
	As at 31 March 2019	**As at 31 March 2018**	**As at 01 April 2017**	**As at 31 March 2019**	**As at 31 March 2018**	**As at 01 April 2017**
Less than 50%	97.73%	79.30%	97.20%	100.00%	96.86%	61.05%
51-70%	2.27%	15.42%	2.80%	0.00%	3.14%	10.91%
71-90%	0.00%	5.28%	0.00%	0.00%	0.00%	12.98%
91-100%	0.00%	0.00%	0.00%	0.00%	0.00%	1.40%
More than 100%	0.00%	0.00%	0.00%	0.00%	0.00%	13.66%
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

As at 31 March 2019, the fair value of financial assets accepted as collateral that the Company is permitted to sell or repledge in the absence of default for loans and advances to retail customers and to corporate customers and HNIs is INR 70,447 and INR 972,460 respectively (31 March 2018: INR 69,614 and INR 741,218 ; 01 April 2017: INR 71,079 and INR 693,808).

iii) Inputs, assumptions, techniques used for estimating impairment

The Company measures the amount of ECL on a financial instrument in a way that reflects an unbiased and probability-weighted amount. The Company considers its historical loss experience and adjusts the same for current observable data. The key inputs into the measurement of ECL are the probability of default, loss given default and exposure at default. These parameters are derived from the Company's internally developed statistical models and other historical data. In addition, the Company uses reasonable and supportable information on future economic conditions including macroeconomic factors such as gross domestic product and unemployment rate. Since incorporating these forward looking information increases the judgment as to how the changes in these macroeconomic factor will affect ECL, the methodology and assumptions are reviewed regularly. The Company has applied a three-stage approach to measure expected credit losses (ECL) on debt instruments accounted for at amortised cost and FVOCI. Assets migrate through following three stages based on the changes in credit quality since initial recognition:

Stage 1: 12- months ECL: For exposures where there is no significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12- months is recognized.
Stage 2: Lifetime ECL, not credit-impaired: For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognized.
Stage 3: Lifetime ECL, credit-impaired: Financial assets are assessed as credit impaired upon occurrence of one or more events that have a detrimental impact on the estimated future cash flows of that asset. For financial assets that have become credit-impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the net carrying amount of loans.

The key inputs into the measurement of ECL are the term structure of the following variables:
- Probability of defaults (PDs)
- Loss given default (LGD)
- Exposure at default (EAD) i.e. the total expected exposure in the event of a default. The Company calculates expected credit losses on interest earned but not collected at portfolio level.

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Loans and advances to corporate customers and HNIs
The company have an internal risk rating system that accurately and reliably differentiates between degrees of credit risk for classifiable managed exposures. To differentiate among degrees of credit risk and make meaningful and consistent distinctions among degrees of credit risk, the Company reviews its credit exposure along two dimensions – Default Risk and loss severity in the event of default.
In case of Classifiable managed obligors, company assigns
- Rating grades that appropriately reflect likelihood of default and
- Loss severity rating grade (or Loss Given Default estimates) that approximately reflect the loss severity expected in the event of default during economic downturn conditions.

The Obligor Risk Rating (ORR) represents the probability that an obligor will default within a one year time horizon. Risk ratings for obligors are assigned on a scale of 1 to 10, with sub- grades, where "1" is the best quality risk and "7-" is the worst for obligors that are not in default. ORRs of "9+", "9" and "10" are assigned to obligors meeting the definition of default under Basel when either or both of the following have occurred
- When the obligor is past due more than 90 days on any material credit obligation.
- When the company considers that the obligor is unlikely to pay its credit obligations in full, without recourse by Citi to actions such as realizing security (if held), collecting against a guarantee or other form of support, or filing a claim against the insurer.

The Facility Risk Rating (FRR) represents an expected loss rate, or "Loss Norm", for each facility, and is the product of two components:
The one-year Probability of Default (PD) of the Obligor,and The Loss Given Default (LGD) of a facility.
FRRs are assigned on a scale of 1 to 10, with sub-grades, where '1' is the best quality risk and '7-' is the worst for performing facilities. FRRs of 8, 9, and 10 are assigned to non- performing facilities.

At each reporting date, the Company assesses whether there has been a significant increase in credit risk of its financial assets since initial recognition by comparing the risk of default occurring over the expected life of the asset. In determining whether credit risk has increased significantly since initial recognition, the Company uses information that is relevant and available without undue cost or effort. This includes the Company's internal credit rating grading system, external risk ratings and forward-looking information to assess deterioration in credit quality of a financial asset.
The Company considers probability of default upon initial recognition of asset and whether there has been any significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Following indicators are incorporated:
- Internal credit rating
- changes in external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic condition that are expected to cause a significant change to borrower's ability to meet its obligations.
- significant increase in credit risk on other financial instruments of same borrower
- significant changes in value of the collateral supporting the obligation or in the quality of third party guarantees or credit support.
- significant changes in expected performance and behavior of the borrower including changes in payment status of borrowers and changes in operating results.

In addition to the DPD indicator for loans and advances to corporate customers and HNIs portfolio, it is presumed that the credit risk has significantly increased since initial recognition if the probability of default has increased by 20 bps and the movement in standard deviation of the PD is equal to or more than 1.

Loans and advances to other retail customers
The Company assesses and manages credit risk for retail customers at portfolio level. The customers are pooled into portfolios based on homogenous product characteristics. Credit risk for retail product portfolio is assessed based on quantitative indicator of obligor behaviour. This quantitative criteria is used to assess the Staging of the exposures and the probability of default for estimation of ECL.

Quantitative based staging criteria are as follows:
- Stage 3: 90+ DPD accounts; loans with partial charge-offs and and qualitative factors (such as current and expected borrower's liquidity position, need for refinance, significant change in collateral value) and other factors as considered appropriate by the management and credit committee.
- Stage 2: Accounts that are not Stage 3 and are 30-89 DPD; Hardship modifications (<6 months on book); Behavior score drops below marginal booking segment (if available)
- Stage 1: All accounts that are not Stage 2 or 3

In addition to quantitative factors as mentioned above, loans / exposures are also assessed for qualitative factors for staging. These include:
a) material adverse changes in business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its debt obligations to the Company.
b) significant adverse change in the regulatory, economic, or technological environment of the borrower that results in a significant change in the borrower's ability to meet its debt obligations to the Company
c) significant changes in the value of the collateral
d) significant changes in the loan documentation / arrangement

LGD is the magnitude of the likely loss if there is a default.
For the corporate portfolio, the Company estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset.
For retail portfolio, the Company segments its portfolios into smaller homogenous portfolios, based on the key characteristics that are relevant to the estimation of future cash flows. The applied data is based on historically collected loss data and involves a wider set of transaction characteristics as well as borrower characteristics.

The following table presents the key macroeconomic indicators used for the purposes of measurement of ECL in the periods presented.

Macro economic indicator	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
GDP growth	7.70%	7.60%	7.50%

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Particulars	Total exposure				Expected credit loss (ECL)				Net carrying amount
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	
Loans and advances carried at amortised cost									
- Loans and advances to corporate customers	828,370	-	-	**828,370**	(341)	-	-	**(341)**	**828,029**
- Loans and advances to retail customers	206,597	1,282	713	**208,592**	(2,099)	(961)	(535)	**(3,595)**	**204,997**
Loans and advances carried at FVOCI									
- Loans and advances to retail customers	26,530	68	68	**26,666**	(78)	(7)	(57)	**(142)**	**26,524**
- Loan commitments	409	-	-	**409**	(1)	-	-	**(1)**	**408**
Other financial assets measured at amortised cost	43,016	-	-	**43,016**	(0)	-	-	**(0)**	**43,016**
As at 31 March 2019	**1,104,922**	**1,350**	**781**	**1,107,053**	**(2,519)**	**(968)**	**(592)**	**(4,079)**	**1,102,974**
Loans and advances carried at amortised cost									
- Loans and advances to corporate customers	643,740	47,500	-	**691,240**	(342)	(20)	-	**(362)**	**690,878**
- Loans and advances to retail customers	175,887	845	332	**177,064**	(1,728)	(634)	(249)	**(2,611)**	**174,453**
Loans and advances carried at FVOCI									-
- Loans and advances to retail customers	33,264	136	32	**33,432**	(112)	(25)	(85)	**(222)**	**33,210**
- Loan commitments	1,215	-	-	**1,215**	(4)	-	-	**(4)**	**1,211**
Other financial assets measured at amortised cost	28,952	-	-	**28,952**	(0)	-	-	**(0)**	**28,952**
As at 31 March 2018	**883,058**	**48,481**	**364**	**931,903**	**(2,186)**	**(679)**	**(334)**	**(3,199)**	**928,704**
Loans and advances carried at amortised cost									
- Loans and advances to corporate customers	587,021	224,176	-	**811,197**	(108)	(143)	-	**(251)**	**810,946**
- Loans and advances to retail customers	128,633	347	106	**129,086**	(1,234)	(260)	(80)	**(1,574)**	**127,512**
Loans and advances carried at FVOCI									
- Loans and advances to retail customers	19,740	144	173	**20,057**	(142)	(7)	(78)	**(227)**	**19,830**
- Loan commitments	640	-	-	**640**	(4)	-	-	**(4)**	**636**
Other financial assets measured at amortised cost	32,915	-	-	**32,915**	(0)	-	-	**(0)**	**32,915**
As at 01 April 2017	**768,949**	**224,667**	**279**	**993,895**	**(1,488)**	**(410)**	**(158)**	**(2,056)**	**991,839**

iii) Reconciliation of loss allowance provision

Reconciliation of loss allowance	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses	
		Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets for which credit risk has increased significantly and credit-impaired
Loss allowance on 31 March 2019	**2,519**	**968**	**592**
Changes in loss allowances due to:			
Assets originated or purchased	1,645	898	482
Write – offs	(23)	(424)	(183)
Recoveries/ repayments	(1,368)	(145)	(87)
Changes in risk parameters	79	-	-
Change in measurement from 12-month to life-time expected losses or vice-versa	-	(40)	46
Loss allowance on 31 March 2018	**2,186**	**679**	**334**
Changes in loss allowances due to:			
Assets originated or purchased	1,681	632	235
Write – offs	-	(1)	2
Recoveries/ repayments	(976)	(361)	(78)
Changes in risk parameters	(2)	(21)	-
Change in measurement from 12-month to life-time expected losses or vice-versa	(5)	20	17
Loss allowance on 01 April 2017	**1,488**	**410**	**158**

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Sensitivity analyisis of expected credit loss
For loans and advances given to corporate customers and HNIs, the Company estimates ECL based on internal models and the sensitivity of ECL to the input parameters assessed through the internal models has been considered to be immaterial.

In the case of retail loans portfolio, the Company uses days past due based customer behavior as a lagging indicator for staging. The ECL computation for retail loans is based on flow rates of obligors across the DPD buckets. The internal estimates based on the flow rate are a conservative estimate of the expected credit losses. Accordingly, the Company does not expect the estimated ECL to get adversely impacted due to changes in portfolio behaviour.

Write-offs still under enforcement
In the case of assets that are assessed collectively for impairment, the Company writes-off such secured and unsecured assets at 180 days and 120 days past due respectively unless there is empirical evidence to the contrary. The contractual amount outstanding on financial assets written-off and still subject to enforcement activity was INR 9,196 as at 31 March 2019 (31 March 2018: INR 7,254 ; 01 April 2017: INR 6,549).

Loans with renegotiated terms
A loan that is renegotiated is derecognised if the existing agreement is cancelled and a new agreement is made on substantially different terms or if the terms of the existing agreement are modified such that the renegotiated loan is a substantially different instrument.
Where the renegotiation of such loans are not derecognised, impairment continues to be assessed for significant increases in credit risk compared to the initial origination credit risk rating.

iv) Concentration of credit risk
Portfolio concentration is measured with the aim of optimizing the benefits associated with diversification and reducing the potential adverse impact of concentration of exposures to a particular borrower, sector or industry. Credit concentration shall be tracked and performed at:
1. Counterparty level (Single borrower limit / Group borrower limit)
2. Portfolio level -Sector

Counterparty exposure limits
The objective for setting exposure limits and the need for credit portfolio measurement emanates from the necessity to optimize the benefits associated with diversification and to reduce the potential adverse impact of concentration of exposures to a particular borrower, sector or industry.

In compliance with RBI directions vide RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17, CFIL has set Single Borrower & Group borrower limits (SBL/GBL) as under which will be strictly adhered.
a) Lend to (i) any single borrower exceeding 15% of its owned fund; and (ii) any single group of borrowers exceeding 25% of its owned fund;
b) Invest in (i) the shares of another company exceeding 15% of its owned fund; and (ii) the shares of a single group of companies exceeding 25% of its owned fund;
c) Lend and invest (loans/investments taken together) exceeding (i) 25% of its owned fund to a single party; and (ii) 40% of its owned fund to a single group of parties.

These ceilings on credit/investments shall be applicable to the own group of the Company as well as to the other group of borrowers/investee companies.

CFIL will monitor the above regulatory limits, and ensure that the exposure to any borrower/group is not in breach. This would be tracked at the time of sanction itself to avoid sanction of any facility which is in excess of counterparty exposure norms. During the year ended 31 March 2019 and 31 March 2018, the Company's credit exposure to single borrowers and group borrowers were within the limits.

Portfolio exposure limits
Industry wise concentration limites are monitored for loans and advances given to corporate customers. Industry Limit is set to 20% of total outstanding loans and advances in the Company. Any breach in Industry limits to be approved by at least 2 board members. An analysis of concentrations of credit risk is shown below:

Sector	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Chemicals	6.70%	8.80%	4.30%
Pharma & Healthcare	7.70%	2.40%	1.70%
Bank	4.10%	6.50%	0.00%
Metals	2.00%	4.70%	3.30%
Autos	0.80%	0.00%	4.70%
Agriculture & Food Preparation	0.00%	4.70%	5.80%
Other Financial Institutions	15.20%	6.90%	13.90%
Other sectors(*)	10.80%	11.50%	12.50%
Concentration of loans to corporate customers	**47.30%**	**45.50%**	**46.20%**
Margin lending and other loans and advances to retail customers	**52.70%**	**54.50%**	**53.80%**
Total loans and advances outstanding	**100.00%**	**100.00%**	**100.00%**

(*) Other sectors majorly include Company's exposure in telecom, home goods, global information technology, industry machinery and equipment, freight and transportation etc.

v) Offsetting financial assets and financial liabilities
The company does not have any financial instruments with offsetting rights.

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Note 32 - Financial Risk Management (Continued)

B. Liquidity risk

The liquidity objectives of the Company are to maintain a liquidity profile to enable it to efficiently meet expected and unexpected current and future cash flow and collateral needs and operate under a variety of market conditions, including market disruptions for both short term and long term periods.

The Company uses a variety of tools and metrics for measurement, monitoring and reporting of liquidity risk including liquidity gap statements, liquidity ratios on stock and flow approach as well as multiple stress testing scenarios over varying timeframes. The liquidity framework of the Company encompasses both the local regulatory liquidity reporting as well as additional internally adopted metrics to provide a comprehensive and robust coverage suited to our balance sheet requirements.

The Asset - Liability Committee (ALCO) comprising key stakeholders of the Company's senior management has direct oversight on balance sheet and liquidity while ongoing liquidity management is managed by the Treasury desk, with daily monitoring by Risk, Treasurer and Corporate Treasury functions.

The following factors add to comfort on management of balance sheet liquidity:
• Well capitalized balance sheet, with capital adequacy of 34.59% as of 31 March 2019
• Well diversified liability profile with market issuances carrying the highest credit rating for short term as well as long term issuances
• Diversified loan portfolio with multiple lines of business across Corporate and Retail segments

Financing arrangements
The Company has access to the following undrawn committed borrowing facilities at the end of the reporting period:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Committed undrawn loan facilities	-	-	45,000

The below table analyses the Company's non-derivative financial liabilities and financial assets into relevant maturity groupings based on the remaining period as at the reporting date to the contractual maturity date. The amounts disclosed in the below table are the contractual un-discounted cash flows and exclude the impact of netting agreements.

Particulars	Carrying amount	Contractual cash flows					
		Gross nominal inflow/ (outflow)	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year
As at 31 March 2019							
Non-derivative financial liabilities							
Trade payables	7,649	(7,649)	(7,649)	-	-	-	-
Debt securities	454,765	(486,999)	(198,774)	(55,808)	(93,591)	(83,222)	(55,604)
Borrowings (other than debt securities)	308,949	(311,340)	(290,846)	(4,099)	(16,392)	(3)	-
Other financial liabilities	6,441	(6,441)	(6,300)	(62)	(79)	-	-
Total	**777,804**	**(812,429)**	**(503,569)**	**(59,969)**	**(110,062)**	**(83,225)**	**(55,604)**
Non-derivative financial assets							
Cash and cash equivalents	29,471	29,472	29,472	-	-	-	-
Bank balance other than cash and cash equivalents above	8,834	9,046	2,060	-	4,686	2	2,298
Receivables	4,431	4,431	1,108	1,108	2,215	-	-
Loans	1,067,570	1,120,378	622,981	107,873	218,209	147,829	23,486
Investments	43,676	30,186	30,186	-	-	-	-
Other financial assets	140	140	-	-	140	-	-
Total	**1,154,122**	**1,193,653**	**685,807**	**108,981**	**225,250**	**147,831**	**25,784**

Particulars	Carrying amount	Contractual cash flows					
		Gross nominal inflow/ (outflow)	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year
As at 31 March 2018							
Non-derivative financial liabilities							
Trade payables	5,154	(5,154)	(5,154)	-	-	-	-
Debt securities	364,827	(382,381)	(103,240)	(113,554)	(62,866)	(102,721)	-
Borrowings (other than debt securities)	230,036	(231,798)	(221,782)	(2)	(10,004)	(10)	-
Other financial liabilities	7,718	(7,717)	(6,954)	(662)	(101)	-	-
Total	**607,735**	**(627,050)**	**(337,130)**	**(114,218)**	**(72,971)**	**(102,731)**	**-**
Non-derivative financial assets							
Cash and cash equivalents	11,076	11,078	11,078	-	-	-	-
Bank balance other than cash and cash equivalents above	10,643	10,775	6,015	2,492	-	76	2,192
Receivables	6,962	6,963	1,741	1,741	3,481	-	-
Loans	903,662	953,091	503,426	117,621	155,945	155,555	20,544
Investments	31,682	17,681	17,681	-	-	-	-
Other financial assets	139	139	-	-	139	-	-
Total	**964,164**	**999,727**	**539,941**	**121,854**	**159,565**	**155,631**	**22,736**

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Particulars	Carrying amount	Contractual cash flows					
		Gross nominal inflow/ (outflow)	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year
As at 01 April 2017							
Non-derivative financial liabilities							
Trade payables	5,328	(5,328)	(5,328)	-	-	-	-
Debt securities	414,282	(431,860)	(140,651)	(147,994)	(86,507)	(54,419)	(2,289)
Borrowings (other than debt securities)	269,277	(273,668)	(208,647)	(25,004)	(40,007)	(10)	-
Other financial liabilities	6,961	(6,961)	(6,829)	(44)	(88)	-	-
Total	**695,848**	**(717,817)**	**(361,455)**	**(173,042)**	**(126,602)**	**(54,429)**	**(2,289)**
Non-derivative financial assets							
Cash and cash equivalents	20,453	20,453	20,453	-	-	-	-
Bank balance other than cash and cash equivalents above	8,845	8,989	-	6,796	111	-	2,082
Receivables	3,337	3,337	834	834	1,669	-	-
Loans	962,422	1,012,892	403,522	253,251	213,540	129,721	12,858
Investments	34,150	22,500	22,500	-	-	-	-
Other financial assets	66	66	-	-	66	-	-
Total	**1,029,273**	**1,068,237**	**447,309**	**260,881**	**215,386**	**129,721**	**14,940**

The table below analyses the Company's derivative financial instruments into relevant maturity groupings based on the remaining period as at respective year end to the contractual maturity date:

Particulars	Carrying amount	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year
Derivative financial assets						
As at 31 March 2019	2,779	1,710	-	-	1,069	-
As at 31 March 2018	1,666	-	-	1,666	-	-
As at 01 April 2017	5,111	-	-	5,111	-	-
Derivative financial liabilities						
As at 31 March 2019	1,003	349	-	-	654	-
As at 31 March 2018	1,138	1,138	-	-	-	-
As at 01 April 2017	1,332	10	-	1,322	-	-

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Note 32 - Financial Risk Management (Continued)

C. Market risk

Market risk is the risk arising due to changes in market prices – (e.g. interest rates and equity prices) and will affect the Company's income or the value of its holdings of financial instruments. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable parameters to ensure the Company's solvency while optimizing the return on risk.

All market risk taking activities are centralized with treasury. The Company's ALM policy is approved by Board of directors which defines the process and procedures of limit approvals, changes, delegation, reporting and escalation in case of limit excesses and trigger breaches. The Market Risk Management (MRM) monitors the risk exposures against approved limits and triggers at regular interval. MRM is responsible for the ongoing monitoring of the excess/breach to ensure that the corrective action plan is carried out. In case if a breach is reported and if it is determined to be real, it is reported to the ALCO and the Senior Market Risk Management.

i) Price risk

Price risk exposes the Company to fluctuations in fair values or future cash flows of a financial instrument because of changes in market prices whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The below table represents measures of the financial condition impacted by market risk for the financial instruments measured at fair value as on the reporting date:

Nature of product	Measurement basis	Sensitivity	Impact on the profit and loss account	
			Year ended 31 March 2019	Year ended 31 March 2018
Market linked debentures (net off hedged derivatives)	FVTPL	±100 basis points in interest rates	502/(502)	8/(8)
Investments in commerical papers and corporate bonds	FVTPL	±100 basis points in interest rates	(464)/464	(75)/75
Investments in unquoted equity shares	FVTPL	± 1.5% in earnings growth rate	69/(69)	62/(62)
		± 10% in liquidity adjustment factor	(663)/663	(596)/596

ii) Interest rate risk

Interest rate risk represents the Company's exposure to adverse movements in interest rates with regard to its debt instruments. Interest rate exposure (IRE) measures the potential pre-tax earnings impact, over a specified reporting period, for the accrual positions, from a defined change in the yield curve. Residual market risk is also monitored using a series of measures, including factor sensitivities (PV01). Factor sensitivity (PV01) is expressed as the change in the value of a position for a 1bp change in interest rate. Market Risk Management monitors factors for all relevant market risk.

The Company's exposure to interest rate risk arises majorly through structured debt securities where payment of interests are linked to the movement in the market index i.e. Nifty. The interest rate risk on such structured debt instruments are hedged through equity options and implied forwards.

Nature of product	Measurement basis	Sensitivity	Impact on the profit and loss account	
			Year ended 31 March 2019	Year ended 31 March 2018
Market linked debentures	FVTPL	±100 basis points in yield	349/(349)	725/(725)

Nature of product	Measurement basis	Sensitivity	Impact on other comprehensive income	
			Year ended 31 March 2019	Year ended 31 March 2018
Loans measured at FVOCI	FVOCI	±50 basis points in interest rates	(189)/174	(211)/214

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All amounts are in INR lakhs except per share data and unless stated otherwise

Note 32 - Financial Risk Management (Continued)

C. Market risk (continued)

The following is a summary of the Company's interest rate gap position on non-trading portfolios :

Particulars	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year	Non-sensitive	Total
As at 31 March 2019							
Assets							
Cash and cash equivalents	29,471	-	-	-	-	-	29,471
Bank balance other than cash and cash equivalents above	2,061	-	4,498	-	2,275	-	8,834
Derivative financial assets	1,710	-	-	1,069	-	-	2,779
Receivables	-	-	-	-	-	4,431	4,431
Loans	611,467	100,838	195,134	120,203	39,928	-	1,067,570
Investments	29,611	-	-	-	14,065	-	43,676
Other financial assets	-	-	-	-	-	140	140
Current tax assets (Net)	-	-	-	-	-	15,501	15,501
Deferred tax Assets (Net)	-	-	-	-	-	26,536	26,536
Property, plant and equipment	-	-	-	-	-	314	314
Other non-financial assets	-	-	-	-	-	751	751
Total Inflow	**674,320**	**100,838**	**199,632**	**121,272**	**56,268**	**47,673**	**1,200,003**
Equity & liabilities							
Derivative financial liabilities	(349)	-	-	(654)	-	-	(1,003)
Trade payables	-	-	-	-	-	(7,649)	(7,649)
Debt securities	(197,140)	(53,720)	(89,916)	(72,196)	(41,793)	-	(454,765)
Borrowings (other than debt securities)	(289,232)	(3,960)	(15,754)	(3)	-	-	(308,949)
Other financial liabilities	-	-	-	-	-	(6,441)	(6,441)
Provisions	-	-	-	-	-	(3,402)	(3,402)
Other non-financial liabilities	-	-	-	-	-	(1,912)	(1,912)
Equity share capital	-	-	-	-	-	(289,330)	(289,330)
Other equity	-	-	-	-	-	(126,552)	(126,552)
Total (outflow)	**(486,721)**	**(57,680)**	**(105,670)**	**(72,853)**	**(41,793)**	**(435,286)**	**(1,200,003)**

Particulars	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year	Non-sensitive	Total
As at 31 March 2018							
Assets							
Cash and cash equivalents	11,076	-	-	-	-	-	11,076
Bank balance other than cash and cash equivalents above	5,938	2,428	85	-	2,192	-	10,643
Derivative financial assets	-	-	1,666	-	-	-	1,666
Receivables	-	-	-	-	-	6,962	6,962
Loans	494,322	108,981	141,159	137,809	21,391	-	903,662
Investments	17,323	-	771	-	13,588	-	31,682
Other financial assets	-	-	-	-	-	139	139
Current tax assets (Net)	-	-	-	-	-	15,673	15,673
Deferred tax Assets (Net)	-	-	-	-	-	30,073	30,073
Property, plant and equipment	-	-	-	-	-	347	347
Capital work-in-progress	-	-	-	-	-	322	322
Other non-financial assets	-	-	-	-	-	1,052	1,052
Total inflow	**528,659**	**111,409**	**143,681**	**137,809**	**37,171**	**54,568**	**1,013,297**
Equity & liabilities							
Derivative financial liabilities	(1,138)	-	-	-	-	-	(1,138)
Trade payables	-	-	-	-	-	(5,154)	(5,154)
Debt securities	(191,916)	(20,177)	(59,862)	(92,639)	(233)	-	(364,827)
Borrowings (other than debt securities)	(220,196)	(1)	(9,831)	(8)	-	-	(230,036)
Other financial liabilities	-	-	-	-	-	(7,718)	(7,718)
Provisions	-	-	-	-	-	(6,431)	(6,431)
Other non-financial liabilities	-	-	-	-	-	(2,478)	(2,478)
Equity share capital	-	-	-	-	-	(289,330)	(289,330)
Other equity	-	-	-	-	-	(106,185)	(106,185)
Total (outflow)	**(413,250)**	**(20,178)**	**(69,693)**	**(92,647)**	**(233)**	**(417,296)**	**(1,013,297)**

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All amounts are in INR lakhs except per share data and unless stated otherwise

Particulars	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year	Non-sensitive	Total
As at 01 April 2017							
Assets							
Cash and cash equivalents	20,452	-	1	-	-	-	20,453
Bank balance other than cash and cash equivalents above	39	6,656	68	-	2,082	-	8,845
Derivative financial assets	-	-	5,111	-	-	-	5,111
Receivables	-	-	-	-	-	3,337	3,337
Loans	396,585	242,853	194,494	114,383	14,107	-	962,422
Investments	21,763	-	-	-	12,387	-	34,150
Other financial assets	-	-	-	-	-	66	66
Current tax assets (Net)	-	-	-	-	-	15,566	15,566
Deferred tax Assets (Net)	-	-	-	-	-	34,000	34,000
Property, plant and equipment	-	-	-	-	-	457	457
Capital work-in-progress	-	-	-	-	-	141	141
Other non-financial assets	-	-	-	-	-	821	821
Total inflow	**438,839**	**249,509**	**199,674**	**114,383**	**28,576**	**54,388**	**1,085,369**
Equity & liabilities							
Derivative financial liabilities	(10)	-	(1,322)	-	-	-	(1,332)
Trade payables	-	-	-	-	-	(5,328)	(5,328)
Debt securities	(253,485)	(31,635)	(79,727)	(47,704)	(1,731)	-	(414,282)
Borrowings (other than debt securities)	(205,352)	(24,589)	(39,328)	(8)	-	-	(269,277)
Other financial liabilities	-	-	-	-	-	(6,961)	(6,961)
Provisions	-	-	-	-	-	(6,807)	(6,807)
Other non-financial liabilities	-	-	-	-	-	(1,136)	(1,136)
Equity share capital	-	-	-	-	-	(289,330)	(289,330)
Other equity	-	-	-	-	-	(90,916)	(90,916)
Total (outflow)	**(458,847)**	**(56,224)**	**(120,377)**	**(47,712)**	**(1,731)**	**(400,478)**	**(1,085,369)**

Maturity analysis
The below table presents the maturity profile of key financial assets and liabilities of the company by their residual contractual maturity as of the dates presented:

Particulars	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year	Total
As at 31 March 2019						
Assets						
Cash and cash equivalents	29,471	-	-	-	-	29,471
Bank balance other than cash and cash equivalents above	2,061	-	4,498	-	2,275	8,834
Derivative financial assets	1,710	-	-	1,069	-	2,779
Receivables	4,431	-	-	-	-	4,431
Loans	611,467	100,838	195,134	120,203	39,928	1,067,570
Investments	29,611	-	-	-	14,065	43,676
Other financial assets	-	-	140	-	-	140
Current tax assets (Net)	-	-	-	-	15,501	15,501
Deferred tax Assets (Net)	-	-	-	-	26,536	26,536
Property, plant and equipment	-	-	-	-	314	314
Other non-financial assets	-	-	-	-	751	751
Total inflow	**678,751**	**100,838**	**199,772**	**121,272**	**99,370**	**1,200,003**
Equity & liabilities						
Derivative financial liabilities	(349)	-	-	(654)	-	(1,003)
Trade payables	(7,649)	-	-	-	-	(7,649)
Debt securities	(197,140)	(53,720)	(89,916)	(72,196)	(41,793)	(454,765)
Borrowings (other than debt securities)	(289,232)	(3,960)	(15,754)	(3)	-	(308,949)
Other financial liabilities	(6,120)	(321)	-	-	-	(6,441)
Provisions	(222)	-	(174)	(1,193)	(1,813)	(3,402)
Other non-financial liabilities	(1,912)	-	-	-	-	(1,912)
Equity share capital	-	-	-	-	(289,330)	(289,330)
Other equity	-	-	-	-	(126,552)	(126,552)
Total (outflow)	**(502,624)**	**(58,001)**	**(105,844)**	**(74,046)**	**(459,488)**	**(1,200,003)**

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All amounts are in INR lakhs except per share data and unless stated otherwise

Particulars	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year	Total
As at 31 March 2018						
Assets						
Cash and cash equivalents	11,076	-	-	-	-	11,076
Bank balance other than cash and cash equivalents above	5,938	2,428	85	-	2,192	10,643
Derivative financial assets	-	-	1,666	-	-	1,666
Receivables	6,962	-	-	-	-	6,962
Loans	494,322	108,981	141,159	137,809	21,391	903,662
Investments	17,323	-	771	-	13,588	31,682
Other financial assets	-	-	139	-	-	139
Current tax assets (Net)	-	-	-	-	15,673	15,673
Deferred tax Assets (Net)	-	-	-	-	30,073	30,073
Property, plant and equipment	-	-	-	-	347	347
Capital work-in-progress	-	-	-	-	322	322
Other non-financial assets	-	-	-	-	1,052	1,052
Total inflow	**535,621**	**111,409**	**143,820**	**137,809**	**84,638**	**1,013,297**
Equity & liabilities						
Derivative financial liabilities	(1,138)	-	-	-	-	(1,138)
Trade payables	(5,154)	-	-	-	-	(5,154)
Debt securities	(191,916)	(20,177)	(59,862)	(92,639)	(233)	(364,827)
Borrowings (other than debt securities)	(220,196)	(1)	(9,831)	(8)	-	(230,036)
Other financial liabilities	(6,744)	(974)	-	-	-	(7,718)
Provisions	(3,228)	-	(58)	(1,294)	(1,851)	(6,431)
Other non-financial liabilities	(2,478)	-	-	-	-	(2,478)
Equity share capital	-	-	-	-	(289,330)	(289,330)
Other equity	-	-	-	-	(106,185)	(106,185)
Total (outflow)	**(430,854)**	**(21,152)**	**(69,751)**	**(93,941)**	**(397,599)**	**(1,013,297)**

Particulars	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year	Total
As at 01 April 2017						
Assets						
Cash and cash equivalents	20,452	-	1	-	-	20,453
Bank balance other than cash and cash equivalents above	39	6,656	68	-	2,082	8,845
Derivative financial assets	-	-	5,111	-	-	5,111
Receivables	3,337					3,337
Loans	396,585	242,853	194,494	114,383	14,107	962,422
Investments	21,763	-	-	-	12,387	34,150
Other financial assets	-	-	-	-	66	66
Current tax assets (Net)	-	-	-	-	15,566	15,566
Deferred tax Assets (Net)	-	-	-	-	34,000	34,000
Property, plant and equipment	-	-	-	-	457	457
Capital work-in-progress	-	-	-	-	141	141
Other non-financial assets	-	-	-	-	821	821
Total inflow	**442,176**	**249,509**	**199,674**	**114,383**	**79,627**	**1,085,369**
Equity & liabilities						
Derivative financial liabilities	(10)	-	(1,322)	-	-	(1,332)
Trade payables	(5,328)	-	-	-	-	(5,328)
Debt securities	(253,485)	(31,635)	(79,727)	(47,704)	(1,731)	(414,282)
Borrowings (other than debt securities)	(205,352)	(24,589)	(39,328)	(8)	-	(269,277)
Other financial liabilities	(6,752)	(209)	-	-	-	(6,961)
Provisions	(3,223)	-	(46)	(1,247)	(2,291)	(6,807)
Other non-financial liabilities	(1,136)	-	-	-	-	(1,136)
Equity share capital	-	-	-	-	(289,330)	(289,330)
Other equity	-	-	-	-	(90,916)	(90,916)
Total (outflow)	**(475,286)**	**(56,433)**	**(120,423)**	**(48,959)**	**(384,268)**	**(1,085,369)**

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All amounts are in INR lakhs except per share data and unless stated otherwise

Note 33 - Capital Risk Management

Capital risk is defined as the risk that the Company has a sub-optimal quantity or quality of capital or that capital is inefficiently deployed across the Company. A capital risk exposure arises when the Company has insufficient capital resources to support its strategic objectives and plans, and to meet external stakeholder requirements and expectations. This could arise due to a depletion of the Company's capital resources as a result of the crystallisation of any of the risks to which it is exposed.
As per RBI regulations, the Company is required to maintain a minimum capital to risk-weighted assets ratio (CRAR) of 15%. Additionally, the capital base also supports prudential exposure limits for single and group borrowers and is a key factor to support a strong credit rating and capital metrics.

CFIL has a comprehensive planning process, with capital planning as an integral pillar. To support the company's growth of its various lines of business and meeting strategic objectives and plans, sufficient capital buffer is maintained on an ongoing basis. Avenues for meeting incremental capital requirements include retention of profits over time, additional infusion from shareholders as well as contracting qualifying Tier 2 debt.

In an extreme scenario precipitating the risk of CRAR potentially dropping below the mandated minimum, the Company can additionally also consider the following contingency plans:
- Curtail loan growth to be able to avoid further buildup in RWA and facilitate reduction through scheduled loan maturities
- Consider selective portfolio sales to de-risk the asset portfolio and improve capital adequacy

The Asset Liabiity Committee (ALCO) monitors the capital position on an ongoing basis and oversees all capital related actions including infusions, retention or dividend remittance.

Regulatory Capital
The following additional information is disclosed in terms of the RBI circular (Ref No. DNBR .PD. 008 / 03.10.119 / 2016-17 dated September 01, 2016):

Capital to risk assets ratio (CRAR):	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Tier I capital	382,466	366,997	340,983
Tier II capital	-	-	-
Total capital	382,466	366,997	340,983
Risk weighted assets			
CRAR (%)	34.59%	39.10%	34.50%
CRAR - Tier I capital (%)	34.59%	39.10%	34.50%
CRAR - Tier II capital (%)	0.00%	0.00%	0.00%

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 # Note 34 - Segment information

The segment disclosure is based on the client segment of the company which is aligned to internal reporting matrix. 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 geographies in India. Accordingly, the company has identified two segments : Institutional Client Group (ICG) and Global Consumer Banking (GCB) as reportable segments .

ICG - This segment provides secured and unsecured loans to corporate and high networth individual clients.Loan Products offered by this segment are unsecured loans, secured loans and bills discounting. Segment income mainly consists of interest on loans and service charges. This segment also includes markets business which undertakes activities such as investments in corporate debt, funding and gapping products and hedging positions and contributes to revenues of the segment which includes investment income and gains/loss on debentures/bonds and derivative transactions.

GCB - This segment provides loans to MSME and other retail customers. Loan products offered by this segment are loan against securities, loans for purchase of commercial vehicles, construction equipment and agricultural assets and personal loans. Segment income mainly comprises of interest on loans, Loan origination fees and income from assignment.

Segment wise income and expenses include certain internal allocations including internal transfer pricing attached to the funds provided or deployed.

Segment assets represents the net assets put up by that segment. Segment liabilities represent liabilities undertaken by respective segments.

Items which are not directly attributable to any particular segment and which cannot be reasonably allocated to segments are consolidated under "Unallocated" column. Further Capital and other equity are shown as unallocated since the same cannot be directly identified with any particular segment.

Segment revenue

Particulars	Year ended 31 March 2019				Year ended 31 March 2018			
	ICG	GCB	Unallocated	Total	ICG	GCB	Unallocated	Total
Interest income	53,811	24,914	323	79,048	50,928	20,261	-	71,189
Other income	5,844	9,209	2,267	17,320	3,820	6,101	1,062	10,983
Total income from external customers	**59,655**	**34,123**	**2,590**	**96,368**	**54,748**	**26,362**	**1,062**	**82,172**
Interest expense	23,567	12,074	5,568	41,209	24,541	7,286	3,665	35,492
Other Expenses	6,099	15,437	4,191	25,727	7,325	11,188	4,381	22,894
Segment Results	**29,989**	**6,612**	**(7,169)**	**29,432**	**22,882**	**7,888**	**(6,984)**	**23,786**
Tax expense	-	-	-	9,406	-	-		8,441
Profit after tax				**20,026**				**15,345**
Other Information								
Capital expenditure	-	-	213	**213**	-	-	232	**232**
Depreciation	-	-	112	**112**	-	-	134	**134**

Segment assets and liabilities

Particulars	As at 31 March 2019				As at 31 March 2018				As at 01 April 2017			
	ICG	GCB	Unallocated	Total	ICG	GCB	Unallocated	Total	ICG	GCB	Unallocated	Total
Segment assets	840,147	302,873	56,983	1,200,003	681,584	273,128	58,585	1,013,297	864,538	158,959	61,872	1,085,369
Segment liabilities	(766,735)	(8,886)	(8,500)	(784,121)	(596,908)	(12,766)	(8,108)	(617,782)	(684,708)	(11,576)	(8,839)	(705,123)
Net segment assets/ (liabilities)	**73,412**	**293,987**	**48,483**	**415,882**	**84,676**	**260,362**	**50,477**	**395,515**	**179,830**	**147,383**	**53,033**	**380,246**

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Note 35 - Related party disclosures

The Company has a policy of carrying all related party transactions; domestic or international, at arm's length.

As per Ind AS 24 ' Related party disclosures', the related party where control exists or where significant influence exists and with whom transactions have taken place are as below:

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 Technology Inc.
Citigroup Global Market Asia Limited
Citigroup Global Markets India Private Limited
Citicorp Services India Private Limited
Citigroup Transactions Services (M) Sdn Bhd
Citigroup Global Markets Hong Kong Ltd
Citigroup Global Markets Singapore PTE Limited
Citibank China Ltd Co
Ccorp Invest Bank (S) Ltd
Citigroup Global Markets Deutschland AG
Citibank Japan Ltd
Citi Europe PLC Hungary
Citi Europe PLC Poland
Citi Korea INC
Citi Europe PLC France
Citi Europe PLC Sweden
Citi Europe PLC Belgium
Citi Europe PLC Germany
Citigroup Global Markets Limited

C. Associates
India Infradebt Limited

D. Key Management Personnel
Nina Nagpal (Managing Director w.e.f 1 June 2018)
Rohit Ranjan
Priti Goel
Neeraj Kumar (w.e.f 26 Mar 2019)
Srinivas Sisthla (resigned w.e.f 26 Mar 2019)
Niraj Parekh (resigned w.e.f 9 Jul 2018)
Deepak Ghaisas (Independent Director)
Saurabh Shah (Independent Director)

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

Nature of Related party transaction	Holding Companies and companies exercising control		Associates		Fellow Subsidiaries			
	Citibank N.A. and its branches		India Infradebt Limited		Citicorp Services India Pvt Ltd		Other Fellow Subsidiaries	
	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018
Asset given on lease	-	629	-	-		298		25
Lease rentals received for assets given on lease	710	1,225	-	-	363	603	27	39
Fixed deposits placed	1,371,926	1,545,171	-	-	-	-	-	-
Fixed deposits matured	1,353,563	1,551,817	-	-	-	-	-	-
Loans taken	2,315,600	1,481,900	-	-	-	-	-	-
Loans repaid	2,315,600	1,481,900	-	-	-	-	-	-
Loan portfolio purchase - Personal loan	144,807	135,078	-	-	-	-	-	-
Loan portfolio purchase - Domestic trade finance	133,340	123,296	-	-	-	-	-	-
Loan portfolio sale - Asset Backed Finance	33,625	22,774	-	-	-	-	-	-
Amount placed in Reverse Repo	419,620	-	-	-	-	-	-	-
Amount liquidated in Reverse Repo	419,620	-	-	-	-	-	-	-
Distribution and Placement Fees paid	1,394	464	-	-	-	-	-	-
Rent paid	496	595	-	-	43	19	-	-
Net movement in bank accounts	530	475	-	-	-	-	-	-
Interest paid on borrowings and overdraft	815	447	-	-	5,651	841	-	-
Bank Charges paid	16	24	-	-	-	-	-	-
Interest received on fixed deposits	1,390	1,512	-	-	-	-	-	-
Sourcing and Collection Fees earned	6,556	5,710	-	-	-	-	-	-
Fees and Commission*	3,605	5,310	-	-	63		1,061	145
Secondment charges earned	670	482	-	-	-	-	-	-
Transfer of software	455	-	-	-	-	-	-	-
Interest Income on Reverse Repo transaction	108	-	-	-	-	-	-	-
Inter Corporate borrowings taken	-	-	-	-	448,600	181,000	-	-
Inter Corporate borrowings repaid	-	-	-	-	401,100	78,500	-	-
Other expenses	1,566	1,407	-	-	108	243	255	226
Equity Dividend Received	-	-	252	252	-	-	-	-

*Previous year numbers includes secondment charges for joint managing directors

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

Nature of Related party outstanding balances	Holding Companies and companies exercising control			Fellow Subsidiaries					
	Citibank N.A. and its branches			Citicorp Services India Pvt Ltd			Other Fellow Subsidiaries		
	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Assets									
Trade receivables	2,522	5,059	1,600	72	209	134	15	36	20
Other receivables	1,677	1,493	834	-	-	-	-	-	-
Fixed deposits	2,300	2,192	2,082	-	-	-	-	-	-
Fixed deposits (with original maturity of less than 3 months)	28,867	10,476	18,311	-	-	-	-	-	-
Bank Balances	483	121	1,610	-	-	-	-	-	-
Leasing	16	1,609	2,412	-	853	1,197	-	57	77
Liabilities									
Inter Corporate Borrowings	-	-	-	150,906	102,793	-	-	-	-
Trade payables	5,078	3,281	3,082	51	115	44	1,101	191	1,138
Collection payables on servicing portfolio	2,088	2,051	2,982	-	-	-	-	-	-
Loans repayable on demand from banks (overdraft)	504	675	1,689	-	-	-	-	-	-

Transactions with Key managerial personnel
The key managerial remuneration has been disclosed seperately in Annexure 1

All amounts are in INR lakhs except per share data and unless stated otherwise

Note 36 - Off balance sheet items, contingent liabilities and capital commitments

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Tax assessments	3,995	3,995	5,386
Customer litigations	494	587	661
Estimated amount of contracts remaining to be executed on capital account	7	185	207
Undrawn committed credit lines	409	1,215	640

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 INR 854 (31 March 2018: INR 854; 01 April 2017: INR 3,144).

There were outstanding demands against the Company under Karnataka Value Added Tax Act, 2003, primarily on account of disallowance of input tax credit amounting to INR 1,702 (31 March 2018: INR 1,702; 01 April 2017: INR 1,976). These matters were heard before the Karnataka Appealate Tribunal and were remanded back to the Assessing Authotity. However the amount continues to be reported in contingent liability as the reassessment by the Assessing Authority is in progress. Out of this, the Company has made a predeposit of INR 270 in the previous years.

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 accountant of "transfer of KPO Division" on slump sale basis amounting to INR 316 (31 March 2018: INR 316 ; 01 April 2017: INR 266 (excluding pre deposit of INR 50)). Out of this, the Company has made a predeposit of INR 50 in the previous years.

There are outstanding demands against the Company under Finance Act,1994 , primarily on account of adjustment of service tax paid in previous years and other miscellenious issues amounting to INR 1,123 (31 March 2018: INR 1,123; 01 April 2017: NIL). Out of this, the Company has made a predeposit of INR 50 in the previous year.

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.

Further, there are few customers who have initiated legal proceedings against the Company for a total compensation demand of INR 494 (31 March 2018: INR 587 ; 01 April 2017: INR 661). The Company believes that such demands are not tenable and are highly unlikely to be confirmed by higher authorities.

Note 37 - Leases

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

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Net carrying value of the assets as at the date of balance sheet	9	15	21
Total of minimum lease payments as at the balance sheet date			
Not later than one year	7	8	15
Later than one year and not later than five years	3	10	10
	10	18	25
Present value of minimum lease payments as at the balance sheet date			
Not later than one year	6	7	13
Later than one year and not later than five years	3	8	8
	9	15	21

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

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Gross investment as at the date of balance sheet			
Not later than one year	14	1,419	1,891
Later than one year and not later than five years	3	1,474	2,431
	17	2,893	4,322
Present value of minimum lease payments as at the balance sheet date			
Not later than one year	13	1,188	1,528
Later than one year and not later than five years	3	1,331	2,158
	16	2,519	3,686
Unearned finance charges	1	375	638
Unguaranteed residual value	-	-	-
Accumulated provision for minimum lease payment receivable	-	-	-
	1	375	638

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Note 38 - Earnings per share (EPS)

a) The basic and diluted earnings per share has been calculated based on the following:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Net profit after tax available for equity shareholders	20,026	15,345
Weighted average number of equity shares	3,857,727,031	3,857,727,031
Basic / Diluted earnings per share (Rs.)	**0.52**	**0.40**

b) Weighted average number of equity shares is computed for the purpose of calculating diluted earning per share for the respective years.

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Weighted average number of shares for computation of Basic EPS	3,857,727,031	3,857,727,031
Shares issued during the year	-	-
Weighted average number of shares for computation of Diluted EPS	3,857,727,031	3,857,727,031

Note 39 - Corporate social responsibility expenditure

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Gross amount required to be spent during the year	471	635
Amount spent during the year		
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above		
In cash	472	635
Yet to be paid in cash	-	-
Total	**472**	**635**

Note 40 - 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 2019	31 March 2018
Principal amount remaining unpaid to any supplier as at the year end	5	-
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	4	181
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	0	3
Amount of interest accrued and remaining unpaid at the end of the accounting year	8	11

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Note 41 - Employee benefit obligations

a) Gratuity

The Company pays gratuity to employees who retire or resign after serving for the stipulated period mentioned under 'The Payment of Gratuity Act, 1972'. 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. The plan assets under the fund are invested in schemes of Insurance - conventional products.

i. The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Year ended 31 March 2019			Year ended 31 March 2018		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
At the beginning of the year	**(512)**	**334**	**(178)**	**(421)**	**303**	**(118)**
Current service cost	(56)	-	**(56)**	(41)	-	**(41)**
Past service cost	-	-	-	(59)	-	**(59)**
Interest (expense) / income	(37)	27	**(10)**	(27)	21	**(6)**
Total amount recognised in profit or loss	**(93)**	**27**	**(66)**	**(127)**	**21**	**(106)**
Remeasurements						-
Return on plan assets greater/(lesser) than discount rate	-	(2)	**(2)**	-	2	**2**
Gain / (loss) from change in demographic assumptions	-	-	-	-	-	-
Gain / (loss) from change in financial assumptions	(10)	-	**(10)**	19	-	**19**
Experience gains/(losses)	(11)	-	**(11)**	(34)	-	**(34)**
Total amount recognised in other comprehensive income	**(21)**	**(2)**	**(23)**	**(15)**	**2**	**(13)**
Employer contributions	-	80	**80**	-	59	**59**
Benefit payments	23	(23)	-	51	(51)	-
At the end of the year	**(603)**	**416**	**(187)**	**(512)**	**334**	**(178)**

ii. The net liability disclosed above related to funded plans is as follows:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Present value of funded obligations	(603)	(512)	(421)
Fair value of plan assets	416	334	303
Net liability	**(187)**	**(178)**	**(118)**

iii. The significant actuarial assumptions were as follows:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Financial Assumptions			
Discount rate	7.10%	7.40%	6.80%
Salary escalation rate (taking into account the inflation, seniority, promotions and other relevant factors)	10.00%	10.00%	10.00%
Demographic Assumptions			
Mortality Rate	Indian Assured Lives Mortality (2006-08)Ult.	Indian Assured Lives Mortality (2006-08)Ult.	Indian Assured Lives Mortality (2006-08)Ult.
Withdrawal Rate	15.00%	15.00%	15.00%

iv. Sensitivity of actuarial assumptions

Particulars	Change in assumption	Impact on defined benefit obligation			
		Year ended 31 March 2019		Year ended 31 March 2018	
		Increase	Decrease	Increase	Decrease
Discount Rate	1%	(33)	37	(29)	32
Salary Escalation rate	1%	36	(33)	31	(28)
Withdrawal rate	5%	(25)	39	(21)	32

Plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

The methods and types of assumptions used in preparing the sensitivity analysis were consistent with prior period.

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v. Expected payment for future years:
The defined benefit obligations shall mature after year end as follows:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Within 1 year	82	69	62
1-2 year	84	72	63
2-3 year	88	75	64
3-4 year	92	79	65
4-5 year	101	83	66
5-10 year	471	424	304
Total expected payments	**918**	**802**	**624**

The Company expects to contribute INR 133 to the fund in the next financial year. The weighted average duration of the defined benefit obligation as at 31 March 2019 is 6 years (31 March 2018: 6 years; 01 April 2017: 6 years)

b) Provident and Superannuation fund
The Company contributes to employee provident fund for all employees and superannuation fund for eligible employees which are defined contribution plans.These contributions are charged to the statement of profit and loss during the period in which the employee renders the related services. The expense recognised during the year is INR 208 (31 March 2018: INR 195).

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Note 42 - Other disclosures

A. 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 2019	31 March 2018
Total number of loan assets assigned during the year (Nos)	1,607	1,222
Total amount of exposures retained by the Company to comply with MRR	3,411	2,298
Total book value of loan assets assigned	33,416	22,512
Sale consideration received for the assigned assets	33,625	22,774
Gain on account of assigned assets	227	294
Gains amortized during the year as per the RBI guidelines*	Refer note given below	

*Gain on assignment of loans is recognized in the profit and loss account in the year of assignment as per Ind AS. Refer note 45d.ix.

B. Movement of provision

Particulars	As at 31 March 2018	Created during the year	Utilized/ released during the year	As at 31 March 2019
Provision on securitization of asset portfolio	1,617	-	39	**1,578**
Provision for Input tax credit	11,490	-	357	**11,133**
Provision for Value Added Tax (VAT)	3,228	-	3006	**222**
Provision for litigation	1,294	134	235	**1,193**
Provision for Asset Retirement Obligation	52	8	13	**47**
Total	**17,681**	**142**	**3,650**	**14,173**

Particulars	As at 01 April 2017	Created during the year	Utilized/ released during the year	As at 31 March 2018
Provision on securitization of asset portfolio	2,099	-	482	**1,617**
Provision for Input tax credit	11,906	-	416	**11,490**
Provision for Value Added Tax (VAT)	3,223	5	-	**3,228**
Provision for litigation	1,247	241	194	**1,294**
Provision for Asset Retirement Obligation	70	5	23	**52**
Total	**18,545**	**251**	**1,115**	**17,681**

C. Net debt reconciliation

Particulars	As at 01 April 2018	Cash flow	Interest Expense	Fair Value changes	As at 31 March 2019
Debt securities	364,827	62,508	28,380	(950)	454,765
Borrowings	230,036	66,075	12,838	-	308,949

Particulars	As at 01 April 2017	Cash flow	Interest Expense	Fair Value changes	As at 31 March 2018
Debt securities	414,282	(73,816)	22,926	1,435	364,827
Borrowings	269,277	(51,804)	12,563	-	230,036

D. In accordance with the RBI notification No. RBI/DNBS/2016-17/49 Master Direction DNBS.PPD.01/66.15.001/2016-17 dated September 29, 2016, INR Nil of fraud was detected and reported during the financial year ended 31 March 2019 (31 March 2018: INR 13.50).

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Note 42 - Other disclosures (continued)

E. In accordance with Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 1, 2016 – Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, the Company did not enter into any credit default swaps during the year ended 31 March 2019 (31 March 2018: Nil).

F. In accordance with Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 1, 2016 – Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, the Company has not lent against gold jewellery during the year ended 31 March 2019 (31 March 2018: Nil).

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

H. Fees and commission expense includes transfer pricing fees amounting to INR 2,857 (31 March 2018: INR 3,105) paid/ accrued to affiliates. These fees are based on refinements in the transfer pricing model which 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.

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

Note 43 - Details of borrowings (other than debt securities)
A. Secured borrowings

i. Workings capital demand loan from banks

Particulars	**As at 31 March 2019**	**As at 31 March 2018**	**As at 01 April 2017**
Residual tenure	Maturing within 1 year	Maturing within 1 year	NA
Rate Range	8.80%	9.60%	NA

The above loan is secured by a pari passu charge on the movable financial assets.

B. Unsecured Borrowings

i. Cash Credit Facility from Banks*

Particulars	**As at 31 March 2019**	**As at 31 March 2018**	**As at 01 April 2017**
Residual tenure	Maturing within 1 year	Maturing within 1 year	Maturing within 1 year
Rate Range	13.50%	13.50%	13.50%

ii. Commercial papers

Particulars	**As at 31 March 2019**	**As at 31 March 2018**	**As at 01 April 2017**
Residual tenure	NA	Maturing within 1 year	Maturing within 1 year
Discount Rate (Range)	NA	6.98% to 7.90%	6.67% to 7.30%

iii. Intercorporate borrowings*

Particulars	**As at 31 March 2019**	**As at 31 March 2018**	**As at 01 April 2017**
Residual tenure	Maturing within 1 year	Maturing within 1 year	Maturing within 1 year
Rate Range	7.00% to 7.85%	6.50% to 7.50%	6.20% to 6.50%

*Refer note 35 for borrowings from related parties

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Note 44 - The Company has issued non-convertible redeemable debentures under various series on different terms and conditions.

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.

A. Details of secured market linked non-convertible redeemable debentures are as follows:

Series No	Maturity / Call Date	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
730 I	28-Sep-22	3,656	-	-
727 I	12-Sep-22	1,825	-	-
727 III	12-Sep-22	7,650	-	-
728 III	12-Sep-22	1,500	-	-
730 II	12-Sep-22	1,850	-	-
722 III	1-Aug-22	6,003	-	-
723 III	1-Aug-22	3,645	-	-
725 III	1-Aug-22	4,365	-	-
722 II	30-May-22	5,810	-	-
723 II	30-May-22	1,150	-	-
725 II	30-May-22	1,000	-	-
720 I	4-May-22	2,400	-	-
718 I	1-Apr-22	3,115	-	-
719 I	1-Apr-22	400	-	-
706 I	31-Dec-21	3,500	-	-
711 II	31-Dec-21	2,500	-	-
701 I	30-Nov-21	4,684	-	-
696 I	28-Oct-21	3,955	-	-
690 I	29-Sep-21	3,356	-	-
686 I	9-Sep-21	901	-	-
687 I	9-Sep-21	300	-	-
684 I	29-Aug-21	1,910	-	-
656 I	2-Mar-21	1,400	1,400	-
654 I	27-Jan-21	1,075	1,075	-
650 I	29-Dec-20	975	975	-
649 I	1-Dec-20	1,550	1,600	-
713 I	9-Nov-20	2,100	-	-
713 II	9-Nov-20	2,100	-	-
714 II	9-Nov-20	1,725	-	-
716 II	9-Nov-20	1,200	-	-
717 I	9-Nov-20	900	-	-
717 II	9-Nov-20	300	-	-
718 II	9-Nov-20	300	-	-
720 II	9-Nov-20	2,793	-	-
642 I	27-Oct-20	100	100	-
642 V	27-Oct-20	130	130	-
647 I	27-Oct-20	300	300	-
647 II	27-Oct-20	50	50	-
647 V	27-Oct-20	470	470	-
647 VI	27-Oct-20	100	100	-
647 XI	27-Oct-20	50	50	-
648 VI	27-Oct-20	100	100	-
638 I	29-Sep-20	400	400	-
638 II	29-Sep-20	100	100	-
639 I	29-Sep-20	200	200	-
639 III	29-Sep-20	100	100	-
639 VI	29-Sep-20	250	250	-
640 I	29-Sep-20	1,400	1,450	-
640 II	29-Sep-20	125	125	-
641 I	29-Sep-20	600	600	-
641 II	29-Sep-20	250	250	-
641 III	29-Sep-20	50	50	-
634 II	30-Aug-20	150	150	-
634 IV	30-Aug-20	100	100	-
636 II	30-Aug-20	650	650	-
636 IV	30-Aug-20	280	280	-
637 IV	30-Aug-20	100	100	-
637 VIII	30-Aug-20	100	100	-

Series No	Maturity / Call Date	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
671 I	2-Apr-19	150	2,705	-
626 VIII	1-Apr-19	-	100	100
630 II	1-Apr-19	-	300	300
632 II	1-Apr-19	-	100	100
562 I	19-Mar-19	-	1,080	1,080
561 I	27-Feb-19	-	1,700	1,700
620 IV	31-Jan-19	-	100	100
656 II	28-Jan-19	-	16,250	-
658 I	28-Jan-19	-	5,000	-
660 I	28-Jan-19	-	800	-
664 I	28-Jan-19	-	600	-
665 I	28-Jan-19	-	10,000	-
559 II	26-Jan-19	-	320	320
618 I	10-Jan-19	-	2,200	2,200
652 I	7-Dec-18	-	10,000	-
653 I	7-Dec-18	-	3,500	-
557 I	28-Nov-18	-	500	500
556 I	27-Nov-18	-	300	300
556 II	27-Nov-18	-	518	518
553 II	30-Oct-18	-	385	410
553 III	30-Oct-18	-	354	379
554 II	30-Oct-18	-	870	870
554 III	30-Oct-18	-	310	310
603 I	28-Oct-18	-	100	100
604 I	28-Oct-18	-	160	160
551 II	2-Oct-18	-	505	530
551 IV	2-Oct-18	-	240	240
600 I	27-Sep-18	-	50	50
596 I	27-Sep-18	-	-	100
629 I	24-Sep-18	-	2,500	2,500
550 II	19-Sep-18	-	100	100
549 II	12-Sep-18	-	325	480
547 II	28-Aug-18	-	405	485
548 II	28-Aug-18	-	657	722
648 VII	30-Jul-18	-	300	-
643 VII	16-Jul-18	-	7,700	-
586 II	3-Jul-18	-	-	100
626 IV	2-Jul-18	-	150	150
632 VII	2-Jul-18	-	2,925	2,925
639 V	2-Jul-18	-	200	-
596 VI	1-Jul-18	-	50	50
641 VII	30-Jun-18	-	500	-
641 IX	30-Jun-18	-	850	-
544 I	28-Jun-18	-	100	100
585 II	28-Jun-18	-	250	250
582 II	17-Jun-18	-	-	100
638 IV	11-Jun-18	-	2,000	-
633 V	6-Jun-18	-	120	-
540 I	30-May-18	-	170	195
541 I	30-May-18	-	455	480
541 II	30-May-18	-	225	225
632 V	30-May-18	-	330	330
635 VI	30-May-18	-	220	-
625 II	27-May-18	-	550	550
633 III	7-May-18	-	200	-
633 IV	7-May-18	-	200	-
633 VIII	7-May-18	-	200	-
594 II	3-May-18	-	100	100

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Series No	Maturity / Call Date	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
635 V	25-Aug-20	776	776	-
633 I	5-Aug-20	50	50	-
632 I	29-Jul-20	400	400	400
626 I	28-Jul-20	210	210	210
628 II	22-Jul-20	876	876	876
623 I	27-Jun-20	200	200	200
620 I	13-Jun-20	175	175	175
726 II	3-Jun-20	9,000	-	-
727 II	3-Jun-20	7,865	-	-
728 II	3-Jun-20	6,900	-	-
726 III	27-Mar-20	15,000	-	-
604 IV	29-Feb-20	50	50	50
604 VIII	29-Feb-20	500	500	500
604 IX	29-Feb-20	-	100	100
602 II	28-Jan-20	300	300	300
602 III	28-Jan-20	100	150	150
602 IV	28-Jan-20	-	100	100
596 II	25-Jan-20	200	300	300
596 III	25-Jan-20	100	200	200
600 II	25-Jan-20	260	260	260
600 III	25-Jan-20	240	240	240
592 III	31-Dec-19	300	300	350
593 II	31-Dec-19	100	100	100
593 III	31-Dec-19	200	200	200
594 III	31-Dec-19	50	50	50
591 II	6-Dec-19	200	700	700
707 II	6-Dec-19	2,500	-	-
707 III	6-Dec-19	2,500	-	-
580 I	30-Nov-19	110	160	210
580 III	30-Nov-19	375	375	425
581 I	30-Nov-19	150	200	200
581 II	30-Nov-19	200	200	200
581 III	30-Nov-19	250	350	450
578 I	26-Oct-19	405	555	605
578 II	26-Oct-19	50	50	50
578 III	26-Oct-19	750	750	750
579 I	26-Oct-19	100	250	250
579 II	26-Oct-19	150	150	150
579 III	26-Oct-19	280	280	330
710 II	21-Oct-19	3,000	-	-
698 I	16-Oct-19	11,100	-	-
701 II	16-Oct-19	10,100	-	-
705 I	16-Oct-19	796	-	-
707 I	16-Oct-19	16,841	-	-
710 I	16-Oct-19	8,500	-	-
711 I	16-Oct-19	985	-	-
712 I	16-Oct-19	3,273	-	-
730 IV	3-Oct-19	5,000	-	-
687 II	19-Aug-19	9,300	-	-
688 II	19-Aug-19	2,000	-	-
692 I	19-Aug-19	6,000	-	-
693 I	19-Aug-19	450	-	-
695 II	19-Aug-19	1,750	-	-
697 I	19-Aug-19	500	-	-
589 I	30-Jul-19	460	460	460
576 V	30-Jul-19	-	-	100
574 IV	14-Jul-19	100	100	100
640 V	1-Jul-19	200	200	-
571 IV	29-Jun-19	100	100	100
571 VI	29-Jun-19	300	300	450
572 V	29-Jun-19	200	200	300
572 VII	29-Jun-19	200	200	200
592 I	29-Jun-19	100	100	100
585 I	28-Jun-19	635	635	660
680 I	20-Jun-19	18,700	18,700	-
582 I	17-Jun-19	250	250	250
581 VIII	2-May-18	-	300	300
582 III	2-May-18	-	100	100
586 III	2-May-18	-	100	100
604 VI	2-May-18	-	100	100
604 VII	2-May-18	-	500	500
608 II	2-May-18	-	100	100
604 X	2-May-18	-	-	200
539 II	1-May-18	-	155	155
585 III	1-May-18	-	200	200
626 VI	30-Apr-18	-	50	50
632 VI	30-Apr-18	-	200	200
626 III	15-Apr-18	-	150	150
537 I	10-Apr-18	-	627	627
627 I	5-Apr-18	-	6,500	6,500
535 II	31-Mar-18	-	-	250
536 III	31-Mar-18	-	-	175
536 IV	31-Mar-18	-	-	305
576 I	31-Mar-18	-	-	100
576 III	31-Mar-18	-	-	350
623 V	31-Mar-18	-	-	100
536 I	27-Mar-18	-	-	25
623 III	25-Mar-18	-	-	225
625 V	24-Mar-18	-	-	800
623 VII	16-Mar-18	-	-	400
622 I	10-Mar-18	-	-	1,300
621 II	9-Mar-18	-	-	1,000
621 III	9-Mar-18	-	-	1,000
620 II	2-Mar-18	-	-	50
532 II	27-Feb-18	-	-	330
533 II	27-Feb-18	-	-	175
621 I	22-Feb-18	-	-	6,500
619 I	4-Feb-18	-	-	10,000
529 II	31-Jan-18	-	-	655
530 II	31-Jan-18	-	-	585
531 II	31-Jan-18	-	-	370
529 IV	13-Jan-18	-	-	10,010
577 I	31-Dec-17	-	-	3,000
611 I	30-Dec-17	-	-	8,500
519 I	29-Dec-17	-	-	505
526 III	29-Dec-17	-	-	260
526 IV	29-Dec-17	-	-	745
527 II	29-Dec-17	-	-	635
600 IV	28-Dec-17	-	-	50
602 V	28-Dec-17	-	-	265
608 I	15-Dec-17	-	-	1,500
609 I	15-Dec-17	-	-	700
607 I	9-Dec-17	-	-	10,000
525 IV	30-Nov-17	-	-	310
592 IV	30-Nov-17	-	-	310
593 IV	30-Nov-17	-	-	200
524 III	28-Nov-17	-	-	510
525 III	28-Nov-17	-	-	630
603 II	26-Nov-17	-	-	50
603 III	26-Nov-17	-	-	170
604 III	26-Nov-17	-	-	730
604 V	26-Nov-17	-	-	100
605 I	25-Nov-17	-	-	500
524 II	24-Nov-17	-	-	1,005
601 I	28-Oct-17	-	-	10,000
521 I	28-Sep-17	-	-	335
522 I	28-Sep-17	-	-	955
585 IV	28-Sep-17	-	-	100
595 I	23-Sep-17	-	-	700
594 I	16-Sep-17	-	-	500
551 I	27-Aug-17	-	-	165
549 I	13-Aug-17	-	-	325

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Series No	Maturity / Call Date	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
567 II	1-Jun-19	350	450	450
568 II	1-Jun-19	450	595	595
568 VI	1-Jun-19	200	350	350
568 I	1-Jun-19	-	2,500	2,500
641 V	30-May-19	100	100	-
641 VIII	30-May-19	215	215	-
642 IV	30-May-19	50	50	-
647 VIII	30-May-19	200	200	-
647 IX	30-May-19	200	200	-
647 IV	30-May-19	1,550	1,550	-
648 IV	30-May-19	200	200	-
669 I	29-May-19	925	925	-
639 IV	27-May-19	100	100	-
625 I	26-May-19	200	200	200
723 IV	15-May-19	2,000	-	-
700 I	6-May-19	200	-	-
700 II	6-May-19	100	-	-
581 VII	6-May-19	-	2,500	2,500
630 III	29-Apr-19	200	200	200
640 IV	29-Apr-19	50	50	-
641 IV	29-Apr-19	100	100	-
668 I	22-Apr-19	22,000	22,000	-
672 I	22-Apr-19	3,900	3,900	-
674 I	22-Apr-19	10,000	10,000	-
681 I	22-Apr-19	2,325	2,325	-
633 VII	8-Apr-19	100	100	-
Total				

Series No	Maturity / Call Date	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
589 III	13-Aug-17	-	-	150
590 III	13-Aug-17	-	-	8,350
516	29-Jul-17	-	-	545
518	29-Jul-17	-	-	620
547 I	27-Jul-17	-	-	475
548 I	27-Jul-17	-	-	490
581 VI	8-Jul-17	-	-	1,000
584 III	8-Jul-17	-	-	500
583 I	7-Jul-17	-	-	6,750
581 IV	4-Jul-17	-	-	5,750
582 IV	4-Jul-17	-	-	400
576 II	2-Jul-17	-	-	620
576 IV	29-Jun-17	-	-	450
512	28-Jun-17	-	-	815
575 IV	21-Jun-17	-	-	500
580 IV	7-Jun-17	-	-	400
580 V	7-Jun-17	-	-	100
509	30-May-17	-	-	760
571 II	24-May-17	-	-	200
571 III	24-May-17	-	-	200
572 II	24-May-17	-	-	100
542 I	14-May-17	-	-	510
579 V	13-May-17	-	-	500
505	29-Apr-17	-	-	260
575 I	20-Apr-17	-	-	1,600
		286,625	180,778	158,592

B. Details of secured non-convertible redeemable debentures are as follows:

Series No	Interest rate	Maturity / Call Date	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
729 I	7.95%	20-Sep-19	9,500	-	-
721 II	8.35%	29-Jul-19	2,500	-	-
730 III	8.45%	5-Jul-19	20,000	-	-
728 I	8.25%	21-Jun-19	40,000	-	-
663 I	7.70%	14-Jun-19	17,500	17,500	-
724 I	7.85%	15-May-19	2,500	-	-
721 I	8.20%	29-Apr-19	10,000	-	-
722 IV	8.00%	29-Apr-19	50,000	-	-
715 I	8.50%	24-Apr-19	3,000	-	-
677 I	8.30%	12-Sep-18	-	15,000	-
676 I	8.40%	7-Sep-18	-	10,000	-
675 I	8.40%	6-Sep-18	-	50,000	-
681 II	7.75%	20-Jul-18	-	15,000	-
679 I	8.25%	14-Jun-18	-	60,000	-
678 I	7.90%	13-Jun-18	-	3,500	-
641 X	7.30%	31-May-18	-	2,000	-
673 I	7.50%	31-May-18	-	500	-
577 IV	8.95%	30-Jun-17	-	-	15,000
632 IX	7.70%	29-Jun-17	-	-	25,000
631 I	7.25%	27-Jun-17	-	-	20,000
630 IV	7.70%	23-Jun-17	-	-	25,000
628 I	7.50%	22-Jun-17	-	-	25,000
624 I	7.10%	6-Jun-17	-	-	2,500
Total			**155,000**	**173,500**	**112,500**

C. Details of unsecured non-convertible redeemable debentures are as follows:

Series No	Interest rate	Maturity / Call Date	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
626 IX	7.25%	16-Jun-17	-	-	50,000
615 I	7.35%	23-May-17	-	-	50,000
610 I	7.10%	11-Apr-17	-	-	30,000
Total			**-**	**-**	**130,000**

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Note 45 - First-time adoption of Ind AS

Transition to Ind AS

These are the company's first standalone financial statements prepared in accordance with Ind AS.
The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended 31 March 2019, the comparative information presented in these financial statements for the year ended 31 March 2018 and in the preparation of an opening Ind AS balance sheet at 01 April 2017 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

a) Exemptions from retrospective application
Ind AS 101 'First Time Adoption of Indian Accounting Standards' allows first-time adopters certain voluntary exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

- Deemed cost for property, plant and equipment
Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value.

- Deemed cost for investments in associate
The Company has elected to measure its investment in associate at its previous GAAP carrying value which shall be the deemed cost as at the date of transition.

- Business combination
Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company has elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

- Share based payments
Ind AS 102 deals with the accounting and disclosure requirements related to share-based payment transactions. The standard addresses three types of share-based payment transactions: equity-settled, cash-settled, and with cash alternatives.

A first-time adopter is encouraged, but not required, to apply Ind AS 102 to:
(i) equity instruments that vested before the date of transition to Ind AS,
(ii) liabilities arising from share-based payment transactions that were settled before the date of transition to Ind AS.

Accordingly, the Company has chosen not to apply Ind AS 102 to options that had vested before the date of transition.

The remaining voluntary exemptions as per Ind AS 101 - First time adoption either do not apply or are not relevant to the Company.

b) Exceptions from full retrospective application
The Company has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101:

- Estimates
On an assessment of the estimates made under previous GAAP the Company has concluded that there was no necessity to revise the estimates under Ind AS except where estimates were required by Ind AS and not required by previous GAAP or the basis of measurement were different (e.g. impairment of loans and other assets as per expected credit losses).

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- De-recognition of financial assets and liabilities
Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

- Impairment of financial assets
Ind AS 101 requires an entity to use reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised and compare that to the credit risk at the date of transition to Ind AS. Basis this assessment, the Company has concluded that there is no significant increase in the credit risk since the initial recognition.

- Classification and measurement of financial assets
Ind AS 101 requires an entity to assess classification and measurement of financial assets (eg. loans and investments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Company has assessed financial assets at the date of transition and has classified all its investments as measured at fair value through profit and loss except for investments in equity shares of its associate which are measured at cost. Asset backed finance loan portfolio is measured at fair value through other comprehensive income and all other loans are measured at amortised cost.

The remaining mandatory exceptions are not relevant to the Company

c. Reconciliations between previous GAAP and Ind AS
Ind AS 101 requires a first time adopter to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of total equity between previous GAAP and Ind AS:

Particulars	Notes to first time adoption	As at 31 March 2018	As at 01 April 2017
Total equity as per previous GAAP		**391,417**	**377,469**
Adjustments:			
Provisions for expected credit losses under Ind AS 109	i	528	1,438
Accounting for market linked non convertible debentures under Ind AS	ii	757	(460)
Fair valuation of unquoted equity shares	iii	3,218	1,936
Discounting of security deposits	vi	(5)	(6)
Upfront recognition of gains on assignment	ix	325	224
Reversal of rent equalisation reserves	vii	25	26
Fairvalue of loans through other comperhensive income	v	321	423
Accounting for asset retirement obligations	viii	(37)	(38)
Fair valuation of investments in debt securities	iv	5	16
Interest recognised on stage 3 assets	xi	11	6
Tax impact on above adjustments	xiii	(1,050)	(788)
Total adjustments		**4,098**	**2,777**
Total equity as per Ind AS		**395,515**	**380,246**

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Reconciliation of profit as per Ind AS with profit reported under previous GAAP:

Particulars	Notes to first time adoption	Year ended 31 March 2018
Net profit after tax as per previous GAAP		**13,947**
Adjustments:		
Provisions for expected credit losses under Ind AS 109	i	(911)
Accounting for market linked non convertible debentures under Ind AS	ii	1,218
Fair valuation of unquoted equity shares	iii	1,282
Discounting of security deposits	vi	1
Upfront recognition of gains on assignment	ix	101
Reversal of rent equalisation reserves	vii	(1)
Remeasurement gains and losses transferred to OCI	x	13
Accounting for asset retirement obligations	viii	1
Fair valuation of investments in debt securities	iv	(11)
Interest recognised on stage 3 assets	xi	4
Tax impact on above adjustments	xiii	(299)
Total adjustments		**1,398**
Profit after tax as per Ind AS		**15,345**
Other comprehensive income:		
Remeasurement gains and losses transferred to OCI	x	(13)
Fairvalue of loans through other comperhensive income	v	(102)
Tax impact on above adjustments	xiii	39
Total comprehensive income as per Ind AS		**15,269**

d) Notes to first-time adoption:

i) Expected Credit loss
Under the previous GAAP, provisions against loans and advances were made as per the prudential norms specified by the RBI. In accordance with Ind AS 109, the Company is required to recognise provisions by applying the expected credit loss model. Accordingly, the Company has reversed all outstanding provisions created against advances under the previous GAAP and recognised an amount for expected credit losses on its loans and other financial assets with a corresponding adjustment to profit and loss and consequently, equity.

ii) Market linked non convertible debentures
Previous GAAP required separation of embedded derivatives and host contract in market linked debentures. While the embedded derivative was accounted at fair value with changes in the fair value recognised in the statement of profit and loss, the host debt instrument was accounted as a fixed rate debenture and interest was accrued at the market rate of interest prevelant at the time of issue. Under Ind AS, the Company has irrevocably designated such market linked debentures to be measured at fair value through profit or loss in its entirety. Subsequently, all fair value changes are recognised in the statement of profit and loss.

iii) Fair valuation of investments in equity shares
Under the previous GAAP, investments are classified as either long term or current at the time of purchase of each investment. Long term investments were carried at cost less any diminution in value other than temporary. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value either through profit or loss or through other comprehensive income. The Company has irrevocably elected to measure all such investments at fair value through profit or loss. Subsequently, fair value changes are recognised in the statement of profit and loss.

iv) Fair valuation of investments in other than equity shares
Under the previous GAAP, Investments in debt instruments are accounted at transaction price less any permanent diminution. Under Ind AS, all financial instruments are initially recognised at fair value. Subsequently, a debt instrument is classified and measured either at amortised cost or at fair value (through profit or loss or OCI) depending upon the business model of the Company for managing those assets and the cash flow characteristics of the instrument. Debt instruments held by the Company are held for the purpose of trading and not for collection of contractual cash flows. Accordingly, they are classified and measured at fair value through profit or loss. Subsequently, fair value changes are recognised in the statement of profit and loss.

v) Fair value of loan portfolios

Under the previous GAAP, advances are recognised at transaction price. Under Ind AS, all financial instruments are initially recognised at fair value. Subsequently, a debt instrument is classified and measured either at amortised cost or at fair value (through profit or loss or OCI) depending upon the business model of the Company for managing those assets and the cash flow characteristics of the instrument. A debt instrument is classified and measured at fair value through other comprehensive income (FVOCI) if the debt instrument is held with the dual purpose i.e. hold to collect and sell and the contractual cash flows represent solely payments of principal and interest. Subsequently, fair value changes are recognised in other comprehensive income and interest income is recognised at effective interest rate in the statement of profit and loss.

vi) Discounting of interest free lease deposits

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be initially recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS. The difference between the fair value and transaction value of the security deposit on initial recognition has been recognised as prepaid rent. Subsequently, prepaid rent is charged to the statement of profit and loss as rent expenses over the tenure of the lease and unwinding of security deposit is credited to the statement of profit and loss as finance income.

vii) Rent equalisation reserves

Under the previous GAAP, lease rentals under operating leases are recognized on a straight-line basis over the lease term. As per Ind AS, lease rent expenses are recognised on a straight-line basis unless the payments are structured to increase in line with expected general inflation to compensate the for the lessor's expected inflationary cost increases. Based on assessment of the Company's lease agreements, the management believes that increase in lease rentals is a compensation for inflation to the lessor. Accordingly the lease expenses will no longer be recognised on a straight-line basis and the existing rent equalisation reserve under Indian GAAP has been reversed.

viii) Asset retirement obligations

Under the previous GAAP, expenses relating to asset retirement obligations (ARO) were recorded in the statement of profit and loss as and when incurred. Under Ind AS, the present value of the expected cost for decommissioning an asset after its use is included in the cost of the respective asset and a corresponding lialibility is recognised. Subsequently, interest is accrued on the provision and depreciation is charged on the decommissioning asset.

ix) Gain on assignment

Under the previous GAAP, as per RBI guidelines any gains on execution of assignment transactions were amortised over the balance tenor of the loan while losses on assignment are recognized upfront. Under Ind AS, entire gain/loss is recognised upon derecognition of a financial asset.

x) Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

xi) Interest income on stage 3 assets

Under the previous GAAP, interest income was recognised only on realization, i.e., cash basis. Ind AS 109 requires interest to be recognised on non-performing advances by applying the effective interest rate method to the net carrying amount of the advances. Interest is only recognised to the extent that the Company estimates is recoverable. Accordingly, the Company has recognised interest receivable as at 01 April 2017 and interest income in the statement of profit or loss for the year ended March 31, 2018.

xii) Other comprehensive income

Under Indian GAAP, the Company was not required to present other comprehensive income (OCI). The Company has reconciled Indian GAAP profit to profit as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

xiii) Deferred tax

Deferred tax impact has been considered on the adjustments made on transition to Ind AS.

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Note 46 - Details of Loan Assets subjected to Restructuring as at 31 March 2019

	Type of Restructuring		Others				
	Asset Classification						
SL. No	Details		Standard	Sub Standard	Doubtful	Loss	Total
1	Restructured Accounts as on 01 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 31 March 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.

All amounts are in INR lakhs except per share data and unless stated otherwise

Note 47 - RBI Disclosures

Accompanying financial statements have been prepared basis Ind AS and accordingly, below disclosures are also prepared basis Ind AS. Further, previous year numbers have also been reinstated basis Ind AS.

a) As required in terms of paragraph 18 of RBI/DNBR/2016-17/45 - Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 1, 2016 – Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

Particulars	As at 31 March 2019		As at 31 March 2018	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
Liabilities side:				
1. Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:				
(a) Debentures: Secured	454,765	Nil	364,827	Nil
Unsecured	Nil	Nil	Nil	Nil
(other than falling within the meaning of public deposits (see note 1 below))				
(b) Deferred credits	Nil	Nil	Nil	Nil
(c) Term loans	Nil	Nil	Nil	Nil
(d) Inter-corporate loans and borrowings	258,427	Nil	145,444	Nil
(e) Commercial Paper	Nil	Nil	63,881	Nil
(f) Other Loans – WCDL	50,009	Nil	20,021	Nil
(g) Other Loans – Cash credit	504	Nil	675	Nil
(h) Other Loans – Finance lease obligation	9	Nil	15	Nil

Assets side:

Particulars	As at 31 March 2019	As at 31 March 2018
	Amount outstanding	Amount outstanding
2. Break-up of loans and advances including bills receivables [other than those included in (3) below]: refer note 5 below		
(a) Secured	552,717	389,196
(b) Unsecured	491,368	481,420

Particulars	As at 31 March 2019	As at 31 March 2018
	Amount outstanding	Amount outstanding
3. Break up of leased assets and stock on hire and hypothecation loans counting towards AFC activities: refer note 5 below		
(i) Lease assets including lease rentals under sundry debtors :		
(a) Finance lease	16	2,519
(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		
(a) Loans where assets have been repossessed	2	19
(b) Loans other than (a) above	27,545	33,703

Particulars	As at 31 March 2019	As at 31 March 2018
	Amount outstanding	Amount outstanding
Assets side :		
4. Break-up of Investments :		
Current Investments :		
1. Quoted :		
(i)Shares:		
(a)Equity	Nil	771
(b)Preference	Nil	Nil
(ii) Debentures and Bonds	20,280	5,183
(iii) Units of mutual funds	Nil	Nil
(iv) Government Securities	Nil	Nil
(v) Others – Commercial Paper	9,314	12,140
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 – Commercial paper	Nil	Nil
Long Term Investments :		
1. Quoted :		
(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	14,082	13,588
(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

MSKA & ASSOCIATES ★ Chartered Accountants ★

CITICORP FINANCE (INDIA) LIMITED ★ MUMBAI-98

Notes to the financial statements *(continued)*
for the year ended 31 March 2019
All amounts are in INR lakhs except per share data and unless stated otherwise

5. Borrower group-wise classification of assets financed as in (2) and (3) above :Refer note 2 below

Category	As at 31 March 2019			As at 31 March 2018		
	Amounts net of provision			Amounts net of provision		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties **						
(a)Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
(b)Companies in the same group	16	44,104	44,120	2,519	35,546	38,065
(c)Other related parties	Nil	Nil	Nil	Nil	Nil	Nil
2. Other than related parties	580,207	446,729	1,026,936	422,833	445,625	868,458
Total	**580,223**	**490,833**	**1,071,056**	**425,352**	**481,171**	**906,523**

6. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Please see note 3 below

Category	As at 31 March 2019		As at 31 March 2018	
	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	16,182	8,700	14,174	8,700
2. Other than related parties***	34,976	34,976	22,982	22,982
Total	**51,158**	**43,676**	**37,156**	**31,682**

** As per IndAS 24 - Please see Note 3 *** Refer note 4

Other information

Particulars	As at 31 March 2019	As at 31 March 2018
(i) Gross Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	781	364
(ii) Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	189	30
(iii) Assets acquired in satisfaction of debt		

Notes:
1 As defined in point xix of paragraph 3 of Chapter -2 of Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016
2 Stage 3 ECL provision is considered as NPA provision for the puspose of these disclosures.
3 All Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Amendments Rules 2016 issued by the Central Government, are applicable including for valuation of investments and other assets and including assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments are disclosed irrespective of whether they are classified as long term or current in column (4) above.
4 The break-up value or NAV of investments are arrived based on the audited financial statements for the year ended 31 March 2018 as the latest audited financial statements are not available.
5 Loans and advances are reported at gross carrying amount.

i. CRAR

Items	As at 31 March 2019	As at 31 March 2018
(i) CRAR (%)	**34.59%**	39.10%
(ii) CRAR - Tier I capital (%)	**34.59%**	39.10%
(iii) CRAR - Tier II Capital (%)	**0.00%**	0.00%
(iv) Amount of subordinated debt raised as Tier-II capital	**Nil**	Nil
(v) Amount raised by issue of Perpetual Debt Instruments	**Nil**	Nil

ii. Exposures

Exposure to real estate sector

Category	As at 31 March 2019	As at 31 March 2018
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;	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)	32,500	Nil
Total exposure to real estate sector	**32,500**	**Nil**

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CITICORP FINANCE (INDIA) LIMITED ★ MUMBAI-98.

All amounts are in INR lakhs except per share data and unless stated otherwise

Exposure to capital markets

Particulars	As at 31 March 2019	As at 31 March 2018
(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;	14,082	14,359
(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;	362,823	299,722
(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	**376,905**	**314,081**

iii. Maturity pattern of certain items of assets and liabilities

As at 31 March 2019	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									
Debt securities	106,185	9,054	81,901	53,720	89,916	72,196	41,343	450	454,765
Borrowings	176,979	85,854	26,399	3,960	15,754	3	-	-	308,949
Assets									
Advances	260,474	210,685	140,308	100,838	195,134	120,203	35,201	4,727	1,067,570
Investments	-	-	29,611	-	-	-	-	14,065	43,676

As at 31 March 2018	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									
Debt securities	10,737	86,410	94,769	20,177	59,862	92,639	-	233	364,827
Borrowings	143,501	76,694	1	1	9,831	8	-	-	230,036
Assets									
Advances	256,319	165,003	73,000	108,981	141,159	137,808	19,455	1,937	903,662
Investments	-	-	17,323	-	771	-	-	13,588	31,682

iv. Investments

Particulars	As at 31 March 2019	As at 31 March 2018
1 Value of Investments		
(i) Gross Value of Investments	43,676	31,682
(a) In India	43,676	31,682
(b) Outside India,	-	-
(ii) Provisions for Depreciation	-	-
(a) In India	-	-
(b) Outside India,		
(iii) Net Value of Investments	43,676	31,682
(a) In India	43,676	31,682
(b) Outside India.		
2 Movement of provisions held towards depreciation on investments.	-	-
(i) Opening balance	-	-
(ii) Add : Provisions made during the year	-	-
(iii) Less: Write-off / write-back of excess provisions during the year	-	-
(iv) Closing balance	-	-

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 2019 and 31 March 2018, 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 and other regulators – Nil

ix. Draw down from Reserve - Nil during the year ended 31 March 2019 and 31 March 2018

x. Overseas Assets (For those with joint ventures and subsidiaries abroad)
The Company does not have any joint ventures or subsidiaries, hence not applicable.

xi. Sector wise NPA (Stage 3 loans have been considered as NPA for the purpose of this disclosure)

Sector	Percentage of NPAs to total advances in that sector	
	As at 31 March 2019	As at 31 March 2018
1 Agriculture & allied activities	0.09%	0.09%
2 MSME	1.53%	0.17%
3 Corporate borrowers	Nil	Nil
4 Services	Nil	Nil
5 Unsecured personal loans	0.37%	0.21%
6 Auto loans	Nil	Nil
7 Others	Nil	Nil

Citicorp Finance (India) Limited

Notes to the financial statements *(continued)*
for the year ended 31 March 2019
All amounts are in INR lakhs except per share data and unless stated otherwise

xii. Concentration of NPAs (Stage 3 loans have been considered as NPA for the purpose of this disclosure)

Particulars	As at 31 March 2019	As at 31 March 2018
Total exposure to top four NPA accounts	83	34

xiii. Customer complaints

Particulars	As at 31 March 2019	As at 31 March 2018
No. of complaints pending at the beginning of the year	11	7
No. of complaints received during the year	397	269
No. of complaints redressed during the year	407	265
No. of complaints pending at the end of the year	1	11

xiv. Movement of NPAs (Stage 3 loans have been considered as NPA for the purpose of this disclosure)

Particulars	As at 31 March 2019	As at 31 March 2018
Net NPAs to Net Advances (%)	0.02%	0.00%
Movement of NPAs (Gross)		
a) Opening balance	364	279
b) Additions during the year	3,810	1,758
c) Reductions during the year	3,393	1,673
d) Closing balance	781	364
Movement of Net NPAs		
a) Opening balance	30	121
b) Additions during the year	3,281	1,504
c) Reductions during the year	3,122	1,595
d) Closing balance	189	30
Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	334	158
b) Additions during the year	529	254
c) Reductions during the year	271	78
d) Closing balance	592	334

xv. Registration obtained from other financial sector regulators - NA

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

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for Cenvat Credit	(357)	(416)
Provision for VAT	(3,006)	5
Provision for Litigations	(101)	47
Provision for ARO	(5)	(18)

xvii. Credit Ratings

Particulars	As at 31 March 2019		As at 31 March 2018	
(i) Rating Assigned	"Stable"		"Stable"	
(ii) Name of the Rating Agency	ICRA	CRISIL	ICRA	CRISIL
(iii) Rating of products				
(a) Commercial Paper	(ICRA) A1+	CRISIL A1+	(ICRA) A1+	CRISIL A1+
(b) Inter-corporate borrowings*	(ICRA) A1+	CRISIL A1+	-	-
(c) Debentures	(ICRA) AAA (Stable)	CRISIL AAA (Stable)	(ICRA) AAA (Stable)	-
(d) Market Linked Debentures.	PP-MLD (ICRA) AAA (Stable)	CRISIL PP-MLD AAAr (Stable)	PP-MLD (ICRA) AAA (Stable)	CRISIL PP-MLD AAAr (Stable)

*As at 31 March 2019, Inter-corporate borrowings of INR 2,720 are unrated

xviii. Concentration of Advances and Exposures

Details	As at 31 March 2019	As at 31 March 2018
Total advances to twenty largest borrowers	561,108	456,111
Percentage of advances to twenty largest borrowers to total advances of the Company	52%	51%
Total exposure to twenty largest borrowers /customers	696,141	777,548
Percentage of exposures to twenty largest borrowers / customers to total exposure of the Company on borrowers / customers	51%	42%

For MSKA & Associates
Chartered Accountants
Firm's Registration No: 105047W

Swapnil Kale
Partner
Membership No: 117812

Mumbai
30 May 2019

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

Nina Nagpal
Managing Director
DIN: 00138918

Priti Goel
Director
DIN: 07649929

Manisha Inamdar
Chief Financial Officer

Sameer Upadhyay
Company Secretary

Floor 3, Enterprise Centre
Nehru Road, Near Domestic Airport
Vile Parle (E), Mumbai 400099, INDIA
Tel: +91 22 3358 9800

INDEPENDENT AUDITORS' REPORT

To the Members of Citicorp Finance (India) Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Citicorp Finance (India) Limited (hereinafter referred to as the "Holding Company") and India Infradebt Limited (hereinafter referred to as the "Associate Company"), which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated Statement of Profit and Loss, the consolidated Statement of changes in equity and the consolidated Statement of Cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors' on separate financial statements of the Associate Company, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Holding Company and its Associate Company as at March 31, 2019, of its consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Holding Company and its Associate Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by Institute of Chartered Accountant of India (" the ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

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

Key audit Matter	Auditors' Response
Measurement and Disclosure of Expected Credit Loss (ECL) on Loans **Note 8 of the Financial Statements.** The carrying amount of Loans as on March 31, 2019 is Rs. 1,067,570 lakhs net of Expected Credit Loss Provision of Rs. 4,078 lakhs made in the books of account. The provision and classification of loans requires appropriate identification and presentation in accordance with Ind AS 109 "Financial Instruments". The Company has applied a three-stage approach to measure expected credit losses / Impairment loss allowance (ECL) on loans accounted for at amortised cost and Fair Value through Other Comprehensive Income. We have identified measurement of provision for ECL as a key audit matter in view of the significant judgement and assumptions involved.	**Our audit procedures in respect of this area included:** 1.Obtained an understanding of Management's process and tested the design and operating effectiveness of internal controls with respect to Credit Appraisals, Credit Sanctioning, Credit Disbursement and Credit Monitoring. 2.Obtained an understanding of Management's judgement over classification of loan portfolio into Stage 1, Stage 2 and Stage 3 category of financial assets and assessing on test check basis whether the ECL provisions were reasonable considering the Company's portfolio, risk profile, credit risk Management practices and the macroeconomic environment. 3.Verified loan documents on test check basis (Including collateral valuation documents) to evaluate the classification and write off of loan accounts. 4.Performed sensitivity analysis in relation to the key forward looking assumptions.
	5.Assessed the adequacy and appropriateness of disclosures for compliance with the Indian Accounting Standards.

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Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Director's report but does not include the Consolidated financial statements and our auditors' report thereon. The Director's report are expected to be made available to us after the date of this auditors' report.

Our opinion on the Consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of 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 Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the Holding Company and its Associate Company 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 its Associate 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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In preparing the consolidated financial statements, the respective Board of Directors of the companies are responsible for assessing the ability of the Holding Company and of its Associate Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies are responsible for overseeing the financial reporting process of the Holding Company and its Associate Company.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

We give in "Annexure A" a detailed description of Auditors' responsibilities for Audit of the Consolidated Financial Statements.

Other Matters

a. The consolidated financial statements include the Holding Company's share of net profit of Rs. 2,620 lakhs for the year ended March 31, 2019, as considered in the consolidated financial statements, in respect of India Infradebt Limited, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of its Associate Company, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to its Associate Company, is based solely on the report of the other auditors.

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b. The comparative financial information of the Company for the transition date opening balance sheet as at April 1, 2017 included in these Consolidated financial statements, are based on the previously issued statutory financial statements prepared 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 audited by the predecessor auditor whose report for the year ended March 31, 2017 dated May 25, 2017 expressed an unmodified audit opinion on those Consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

c. The comparative financial information of the Company for the year ended March 31, 2018 included in these Consolidated financial statements are based on the previously issued statutory financial statements prepared in accordance 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 and Companies (Accounting Standards) Amendment Rules, 2016 for the year ended March 31, 2018 on which we issued an unmodified audit opinion vide our reports dated May 29, 2018 on those Consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have also been audited by us.

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 auditors'.

Report on Other Legal and Regulatory Requirements

1. 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.

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c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows 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 Companies (Indian Accounting Standards) Rules, 2015 as amended.

e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its Associate Company incorporated in India, none of the directors of the Holding Company and its Associate Company is disqualified as on March 31, 2019 from being appointed as a director of that Company in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) 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 Company - Refer Note 36 to the consolidated financial statements.

   ii. The Holding Company and its Associate Company have long-term contracts including derivative contracts as at March 31, 2019 for which there were no material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its Associate Company, incorporated in India, during the year ended March 31, 2019.

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2. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Holding Company and its Associate Company to its directors is within the limits laid down under Section 197 of the Act and the rules thereunder.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Swapnil Kale
Swapnil Kale
Partner
Membership No. 117812

MSKA & ASSOCIATES ★ Chartered Accountants ★

Mumbai
May 30, 2019

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF CITICORP FINANCE (INDIA) LIMITED

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Holding Company and its Associate Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Holding Company and its Associate Company to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information or business activities of the Holding Company and its Associate Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the Holding Company included in the consolidated financial statements of which we are the independent auditors. For the Associate Company included in the consolidated financial statements, which has been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Swapnil Kale
Swapnil Kale
Partner
Membership No. 117812

MSKA & ASSOCIATES ★ Chartered Accountants ★

Mumbai
May 30, 2019

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF CITICORP FINANCE (INDIA) LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Citicorp Finance (India) Limited on the consolidated Financial Statements for the year ended March 31, 2019]

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to consolidated financial statements of Citicorp Finance (India) Limited (hereinafter referred to as "the Holding Company") and its Associate Company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its Associate Company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of 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, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its Associate Company, which are Companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 internal financial controls with reference to consolidated financial statements 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 internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its Associate Company, which are Companies incorporated in India.

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Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

A Company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to consolidated financial statements 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 consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

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

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Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its Associate Company, which are companies incorporated in India, have, in all material respects, an internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to Associate Company, which is Company incorporated in India, is based on the corresponding reports of the auditors of such Associate Company incorporated in India.

Our opinion is not modified in respect of this matter.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Swapnil Kale
Swapnil Kale
Partner
Membership No.117812

MSKA & ASSOCIATES ★ Chartered Accountants ★

Mumbai
May 30, 2019

Citicorp Finance (India) Limited
All amounts are in INR lakhs except per share data and unless stated otherwise

Consolidated balance sheet

Particulars	Note	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
ASSETS				
Financial assets				
Cash and cash equivalents	4	29,471	11,076	20,453
Bank balance other than cash and cash equivalents above	5	8,834	10,643	8,845
Derivative financial assets	6	2,779	1,666	5,111
Receivables				
(i) Trade receivables	7	2,610	5,305	1,754
(ii) Other receivables	7	1,821	1,657	1,583
Loans	8	1,067,570	903,662	962,422
Investments	9	51,285	36,923	37,655
Other financial assets	10	140	139	66
Total financial assets		**1,164,510**	**971,071**	**1,037,889**
Non-financial assets				
Current tax assets (Net)	30	15,501	15,673	15,566
Deferred tax Assets (Net)	30	26,536	30,073	34,000
Property, plant and equipment	11	314	347	457
Capital work-in-progress	11	-	322	141
Other non-financial assets	12	751	1,052	821
Total non-financial assets		**43,102**	**47,467**	**50,985**
TOTAL ASSETS		**1,207,612**	**1,018,538**	**1,088,874**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Derivative financial liabilities	6	1,003	1,138	1,332
Trade payables				
(i) total outstanding dues of micro and small enterprises		13	11	68
(ii) total outstanding dues of creditors other than micro and small enterprises		7,636	5,143	5,260
Debt securities	13	454,765	364,827	414,282
Borrowings (other than debt securities)	14	308,949	230,036	269,277
Other financial liabilities	15	6,441	7,718	6,961
Total financial liabilites		**778,807**	**608,873**	**697,180**
Non-financial liabilities				
Provisions	16	3,402	6,431	6,807
Other non-financial liabilities	17	1,912	2,478	1,136
Total non-financial liabilites		**5,314**	**8,909**	**7,943**
EQUITY				
Equity share capital	18	289,330	289,330	289,330
Other equity		134,161	111,426	94,421
Total equity		**423,491**	**400,756**	**383,751**
TOTAL LIABILITIES AND EQUITY		**1,207,612**	**1,018,538**	**1,088,874**

Significant accounting policies 3

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

As per our report of even date attached

For **MSKA & Associates**
Chartered Accountants
Firm's Registration No: 105047W

Swapnil Kale

Swapnil Kale
Partner
Membership No: 117812

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

Nina Nagpal
Managing Director
DIN: 00138918

Priti Goel
Director
DIN: 07649929

Manisha Inamdar
Chief Financial Officer

Sameer Upadhyay
Company Secretary

Place: Mumbai
Date: 30 MAY 2019

Citicorp Finance (India) Limited
All amounts are in INR lakhs except per share data and unless stated otherwise

Consolidated statement of profit and loss

Particulars	Note	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from operations			
Interest income	19	79,048	71,189
Dividend income	20	81	81
Fees and commission income	21	6,628	5,798
Net gain on fair value changes	22	6,041	3,623
Other revenue from operations	23	294	446
Total revenue from operations		**92,092**	**81,137**
Other income	24	4,024	783
Total income		**96,116**	**81,920**
Expenses			
Finance costs	25	41,209	35,492
Fees and commission expense	26	7,700	6,156
Impairment on financial instruments	27	3,146	1,950
Employee benefits expenses	28	4,480	4,565
Depreciation and amortisation	11	112	134
Others expenses	29	10,289	10,089
Total expenses		**66,936**	**58,386**
Profit before share in profits of associate		**29,180**	**23,534**
Share in profit of associate		2,620	1,988
Profit before tax		**31,800**	**25,522**
Tax expense:			
Current tax	30	6,052	4,475
Deferred tax	30	3,354	3,966
Total tax expense		**9,406**	**8,441**
Profit for the year		**22,394**	**17,081**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligation		(24)	(13)
Tax relating to above		8	5
Share in other comprehensive income of associate		0	0
Subtotal (A)		**(16)**	**(8)**
Items that may be reclassified to profit or loss			
Changes in fair value of loans classified as FVOCI		549	(102)
Tax relating to above		(192)	34
Subtotal (B)		**357**	**(68)**
Other comprehensive income (A+B)		**341**	**(76)**
Total comprehensive income for the year		**22,735**	**17,005**
Earnings per equity share			
Basic and diluted earnings per share (Face value of Rs. 7.50 each)	38	0.58	0.44

The above consolidated statement of profit and loss should be read in conjunction with the accompanying notes.

As per our report of even date attached

For **MSKA & Associates**
Chartered Accountants
Firm's Registration No: 105047W

Swapnil Kale
Swapnil Kale
Partner
Membership No: 117812

Place: Mumbai
Date: 30 MAY 2019

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

Nina Nagpal
Managing Director
DIN: 00138918

Priti Goel
Director
DIN: 07649929

Manisha Inamdar
Chief Financial Officer

Sameer Upadhyay
Company Secretary

Citicorp Finance (India) Limited
All amounts are in INR lakhs except per share data and unless stated otherwise

Consolidated statement of changes in equity

A. Equity share capital

Particulars	Number	Amount
As at 01 April 2017	3,857,727,031	289,330
As at 31 March 2018	3,857,727,031	289,330
As at 31 March 2019	3,857,727,031	289,330

B. Other equity

Particulars	Reserves and surplus			Other reserves	Total other equity
	Statutory reserve	Retained earnings	Share based payment reserve	Debt instruments through other comprehensive income	
As at 01 April 2017	**56,951**	**37,151**	**42**	**277**	**94,421**
Profit for the year	-	17,081	-	-	17,081
Other comprehensive income	-	(8)	-	(68)	(76)
Total comprehensive income for the year	**-**	**17,073**	**-**	**(68)**	**17,005**
Transfer from Retained Earnings	2,790	(2,790)	-	-	-
As at 31 March 2018	**59,741**	**51,434**	**42**	**209**	**111,426**
Profit for the year	-	22,394	-	-	22,394
Other comprehensive income	-	(16)	-	357	341
Total comprehensive income for the year	**-**	**22,378**	**-**	**357**	**22,735**
Transfer from Retained Earnings	4,005	(4,005)	-	-	-
As at 31 March 2019	**63,746**	**69,807**	**42**	**566**	**134,161**

Notes
1. Statutory reserve is created pursuant to section 45-IC of the Reserve Bank of India Act, 1934.
2. Retained earnings represents the Company's cumulative earnings.
3. Share based payment reserve - Refer Note 3.11
4. Debt instruments through other comprehensive income reserve represents accumulated unrealised fair value gains/(losses) on loans measured at fair value through other comprehensive income

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

As per our report of even date attached

For **MSKA & Associates**
Chartered Accountants
Firm's Registration No: 105047W

Swapnil Kale
Swapnil Kale
Partner
Membership No: 117812

Place: Mumbai
Date: 30 MAY 2019

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

Nina Nagpal
Managing Director
DIN: 00138918

Priti Goel
Director
DIN: 07649929

Manisha Inamdar
Chief Financial Officer

Sameer Upadhyay
Company Secretary

Citicorp Finance (India) Limited
All amounts are in INR lakhs except per share data and unless stated otherwise

Consolidated statement of cash flow

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Cash flow from operating activities :		
Profit before tax:	31,800	25,522
Adjustment:		
Depreciation and amortisation	112	134
Share in income of associate	(2,620)	(1,988)
Unrealised (gain)/ loss on fair value changes	(7,966)	2,940
Provisions/(reversal of provisions)	(3,075)	143
Unwinding of discount on security deposit	(11)	(13)
Impairment of financial instruments	880	1,144
Net (gain)/ loss on derecognition of property, plant and equipment	(1)	8
Interest income from investments	(1,785)	(365)
Dividend income	(81)	(81)
Finance Charges	41,209	35,492
Realised gain/ (loss) on fair value changes	2,946	(233)
Loss/ (gain) on sale of investment	28	(23)
Operating profit before working capital changes	**61,436**	62,680
Working Capital changes:		
(Increase)/decrease in receivables	2,531	(3,625)
(Increase)/decrease in loans	(164,239)	57,514
(Increase)/decrease in other financial assets and others	4,012	(1,860)
(Increase)/decrease in other non-financial assets	312	(218)
Increase/(decrease) in trade Payables	2,495	(174)
Increase/(decrease) in other financial liabilities	(1,277)	757
Increase/(decrease) in other non-financial liabilities and provisions	(544)	810
Interest paid on debt securities	(25,139)	(27,261)
Interest paid on borrowings	(11,735)	(11,245)
Interest received on investments	1,584	359
Net cash used in operating activities before taxes	**(130,564)**	77,737
Less : Income taxes paid (net of refunds)	5,880	4,582
Net cash inflow / (outflow) from operating activities (A)	**(136,444)**	73,155
Cash flow from investing activities :		
Purchase of investments		
Purchase of investments	(523,064)	(21,122)
Proceeds from sale of investments	511,860	25,587
Purchase of Property, Plant and Equipment	(204)	(232)
Proceeds from Sale of Property, Plant and Equipment	457	17
Dividend Income	333	333
Net cash inflow / (outflow) from investing activities (B)	**(10,618)**	4,583
Cash flow from financing activities :		
Receipts from issuance of debt securities	578,664	624,614
Payments on redemption of debt securities	(491,017)	(671,169)
Receipts from borrowing products	3,470,252	2,581,368
Repayments of borrowing	(3,392,442)	(2,621,928)
Net cash inflow / (outflow) from financing activities (C)	**165,457**	(87,115)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**18,395**	(9,377)
Add : Cash and cash equivalents at beginning of the year	**11,076**	20,453
Cash and cash equivalents at end of the year	**29,471**	11,076

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

As per our report of even date attached

For MSKA & Associates
Chartered Accountants
Firm's Registration No: 105047W

Swapnil Kale

Swapnil Kale
Partner
Membership No: 117812

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

Nina Nagpal
Managing Director
DIN: 00138918

Priti Goel
Director
DIN: 07649929

Manisha Inamdar
Chief Financial Officer

Sameer Upadhyay
Company Secretary

Place: Mumbai
Date: 30 MAY 2019

Notes to the consolidated financial statements
for the year ended 31 March 2019
All amounts are in INR lakhs except per share data and unless stated otherwise

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 45IA of the Reserve Bank of India Act, 1934.

Associates Financial Services (Mauritius) LLC, a Company incorporated in Mauritius holds 52.94% in the Company and remaining 47.06% 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 include:
a. Loans against securities
b. Corporate loans
c. Personal loans
d. Loans for purchase of commercial vehicles, construction equipment and agricultural assets, leasing, assignment and origination services of the aforesaid loans
e. Investment in shares and securities

2 Basis of preparation

2.1 Accounting Standard Compliance

The consolidated financial statements of the Company and its associate have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015] as amended from time to time.

These consolidated financial statements for the period ended 31 March 2019 are the first consolidated financial statements of the Company prepared under Ind AS. For all periods up to and including the year ended 31 March, 2018, the Company has prepared its consolidated financial statements in accordance with the Companies (Accounting Standard) Rules, 2006 (as amended) notified under the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), the guidelines issued by other Generally Accepted Accounting Principles in India (collectively referred to as 'Previous GAAP'). Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's Balance Sheet and Profit and Loss account is provided in notes 45.

The consolidated financial statements have been prepared on the accrual and going concern basis. The Ind AS accounting assumptions and treatments are applied consistently to all the periods presented in these consolidated financial statements, including the preparation of the opening Ind AS consolidated balance Sheet as at 1 April 2017 being the 'date of transition to Ind AS'.

These consolidated financial statements are prepared under the historical cost convention except for the application of fair value measurements where required or allowed by the relevant standards under Ind AS in the case of certain financial assets and liabilities, net defined benefit (asset)/ liability and share based payments.

MSKA & ASSOCIATES * Chartered Accountants *

CITICORP FINANCE (INDIA) LIMITED * MUMBAI-98.

2.2 Presentation of financial statements

The consolidated balance Sheet, the consolidated statement of Changes in Equity and the consolidated statement of Profit and Loss are presented in the format prescribed under Division III of Schedule III of the Act, as amended from time to time, for Non-Banking Financial Companies ('NBFCs') that are required to comply with Ind AS. The consolidated statement of Cash Flows has been presented as per the requirements of Ind AS 7 Statement of Cash Flows.

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its associate. An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investment made by the Company in an associate company is accounted under the equity method, in accordance with Ind AS 28 Investment in Associates and Joint Ventures. Under the equity method, investments in an associate is carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of the investments. Associates are accounted for from the date on which Group starts exercising significant influence over the associate.

The associate company considered in the consolidated financial statements is as below:

Investment in Associate	Country of Incorporation	Proportion of ownership interest		
		As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
India Infradebt Limited	India	10.02%	15.06%	29%

During the year, the associate company had a rights shares issuance in which the Company did not participate which led to the dilution of its shareholding from 15.06% to 10.02%. As per the shareholder's agreement, despite the dilution of equity ownership, there have been no changes in the rights of the Company, which includes one seat on the Board of Directors of the associate company. Consequently, the Company continues to have power to participate in the financial and operating policy decisions of the associate company.

2.4 Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees ("INR"), which is also the Company's functional currency. All amounts have been rounded to the nearest lakh, unless otherwise indicated.

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CITICORP FINANCE (INDIA) LIMITED MUMBAI-98.

2.5 Significant accounting judgments, estimates and assumptions

The preparation of the Company's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, the accompanying disclosures including the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the consolidated financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, estimates and assumptions, which have significant effect on the amounts recognised in the consolidated financial statements:

- **Fair value measurement of financial instruments**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/judgments about these factors could affect the reported fair value of financial instruments. For further details about determination of fair value refer note 31.

- **Impairment of financial assets using the expected credit loss method**

The impairment provisions for financial assets are based on assumptions about risk of default, expected loss rates and loss given defaults. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's history, existing market conditions as well as forward looking estimates at the end of each reporting period. For further details about assumptions used in calculating expected credit losses and the sensitivity of assumptions refer note 32.

- **Business model assessment**

Classification and measurement of financial assets depends on the results of the Solely for payment of principal and interest (SPPI) test and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment used by the Company in determining the business model including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed. The Company monitors financial assets that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held.

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CITICORP FINANCE (INDIA) LIMITED MUMBAI-98.

- **Income taxes**

Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. For further details refer note 30.

- **Provisions and Contingencies**

Provisions and contingencies are recognized when they become probable and when there will be a future outflow of funds resulting from past operations or events and the outflow of resources can be reliably estimated. The timing of recognition and quantification of the provision and liability requires the application of judgement to existing facts and circumstances, which are subject to change.

Assumptions and Estimates

The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when consolidated financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

- **Gratuity and Long term service awards (LTSA) benefits**

The cost of the Gratuity and LTSA benefits and the present value of its obligations are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the future salary increases, attrition rate, mortality rates and discount rate. Due to the complexities involved in the valuation and its long-term nature, the obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
Future salary increases are based on expected future inflation rates for India. The attrition rate represents the Company's expected experience of employee turnover. The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Discount rate is based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities.

Further details about gratuity and LTSA obligations are provided in note 41.

- **Effective Interest Rate**

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments and other fee income/expense that are integral parts of the Instrument.

MSKA & ASSOCIATES Chartered Accountants

CITICORP FINANCE (INDIA) LIMITED MUMBAI-98.

- **Provisioning for Asset retirement obligation (ARO)**

For the commercial premises taken on lease, the Company has recognised the provision for the obligation (ARO) to restore the premises in the same condition at the end of the lease term. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to restore the premise and the expected timing of those costs.

3 Summary of significant accounting policies

3.1 Business Combination

In accordance with Ind AS 101 provisions related to first time adoption, the Company has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2017. This provides relief from full retrospective application that would require full restatement of past business combination prior to transition date. As such, previous GAAP balances relating to business combinations entered into before that date, have been carried forward with no adjustment.

3.2 Foreign currency

Transactions in foreign currency are recorded at the exchange rate prevailing on the date 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..

3.3 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is a measure as at a specific date and may be significantly different from the amount which will actually be paid or received on maturity or settlement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either :

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The Company follows a fair value hierarchy that categorises into three levels, the inputs to valuation techniques used to measure fair value, which gives highest priority to quoted prices.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Assets and liabilities are classified as Level 1 if their value is observable in an active market.

Level 2 inputs are inputs, other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. A Level 2 input must be observable for substantially the full term of the instrument. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves observable at commonly quoted intervals, implied volatilities and credit spreads.

Level 3 inputs are unobservable inputs. Assets and liabilities are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data.

Wherever possible, fair values have been calculated using unadjusted quoted market prices in active markets for identical instruments held by the Company. Where quoted market prices are not available, or are unreliable because of poor liquidity, fair values have been determined using valuation techniques which, to the extent possible, use market observable inputs, but in some cases may also use non-market observable inputs. Valuation techniques used include discounted cash flow analysis, price to earning ratio and, where appropriate, comparison to instruments with characteristics similar to those of the instruments held by the Company after making necessary adjustments (eg. broker pooling method).

3.4 Revenue recognition

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to a customer. When a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price that is allocated to that performance obligation.

Interest income
For all financial instruments, interest income is recorded using the effective interest rate (EIR). Refer note 3.12

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

Fees and commission income
Fees and commission income are recognised on accrual basis based on contractual terms with customers.

Incentives from dealers/manufacturers
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.

Income on finance leases
Income on finance leases, are recognized by applying the 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.

3.5 Income tax:

Income tax comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent it relates to an item recognised directly in equity or other comprehensive income.

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Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in India where the Company operates and generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred income tax asset and liabilities are recognised for all temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the consolidated financial statement except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer reasonably certain that related tax benefit will be realized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets are recognised subject to management's judgment that their future realisation is reasonably certain, except where there is unabsorbed depreciation and carried forward losses under taxation laws.
Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT)

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

3.6 Property, plant and equipment

Property, plant and equipment 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 available for use. Depreciation on property, plant and equipment is provided on a straight-line basis over the useful lives of assets.

Capital work-in-progress includes cost of property, plant and equipment under installation/ under development as at the balance sheet date and are carried at cost, comprising of direct cost, directly attributable cost and attributable interest.

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Gains or losses arising from disposal of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is disposed.

Lease hold improvements are depreciated over the lease period (including renewal, if any) or useful life whichever is shorter.

The estimated useful life of property, plant and equipment of the Company is listed below. Based on the nature of property, plant and equipment used by the Company and past experience of its usage and internal evaluation, the Company considers that the useful life for respective assets to be appropriate.

Class of property, plant and equipment	Estimated useful life
Office buildings	50 years
Computer equipment	3 years/ 4 years
Furniture and fixtures – in leased premises	6 years
Electrical installations and office equipment– in leased premises	6 years
Vehicles- Lease	4 years

The present value of the expected cost for asset retirement obligation (ARO) related to the asset after its use is included in the cost of the respective leased asset if the recognition criteria are met.

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flow that are largely independent of this from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there is a change in the estimate used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

The Company records a provision for decommissioning costs to restore lease premises (Asset retirement obligation) to its original condition. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

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3.7 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is, or contains a lease if, fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 1 April 2017, the Company has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

The Company as lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on contractual terms over the lease term.

The Company as lessor

Assets given out on financial leases are shown as finance lease receivables. 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 finance lease receivables.

3.8 Provisions and contingencies

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent liabilities are disclosed in the notes to the consolidated financial statements. Contingent assets are not recognised in the consolidated financial statements.

3.9 Borrowing costs

All borrowing costs are recognised as expense in the period in which they are incurred.

3.10 Employee benefits

The Company provides retirement and other benefits to its employees. Retirement benefits are in the nature of defined contribution scheme and defined benefit scheme. A defined contribution scheme is a retirement benefit scheme under which the Company contributes a defined sum into a separate entity and will have no legal or constructive obligation to contribute further amount. A defined benefit scheme is a retirement benefit scheme other than a defined contribution scheme.

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.

Remeasurements, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding charge or credit to other comprehensive income in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.
Past service costs are recognised in the statement of profit or loss on the earlier of:
- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of Profit and Loss:
- Service costs comprising current service costs; and
- Net interest expense or income

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Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. Both the employee and the employer make monthly contributions to the plan at a predetermined rate of the employees' basic salary. These contributions are made to the fund administered and managed by the Government of India. The Company's contributions are charged to statement of profit and loss on accrual basis, during the period in which the employee renders the related services. The Company has no further obligations under these plans beyond its monthly contributions.

Superannuation fund

The Company contributes to superannuation fund (defined contribution scheme) in respect of the employee opting for superannuation scheme from certain organizational 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.

Long term service awards (LTSA)

The entity provides for liability towards long term service awards for eligible employees, based on length of service, based on actuarial valuation performed by an independent actuary using the Projected Unit Cost Method as at the balance sheet date.

Short term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short term employee benefits and are measured at the amounts expected to be paid when the liabilities are settled. Benefits include salaries, 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. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, they are discounted.

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.

3.11 Share - based payments

The Company participates in ultimate holding company, Citigroup Inc. (Citi) share-based incentive plan under which Citi grants shares to the Company's employees. Pursuant to a separate Stock Plans Affiliate Participation Agreement (SPAPA) the Company makes a cash settlement to Citi for the fair value of the share-based incentive awards delivered to the Company's employees under these plans.

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The Company uses equity-settled accounting for its share-based incentive plans, with separate accounting for its associated obligations to make payments to Citi. The Company recognises the fair value of the awards at grant date as a compensation expense over the vesting period, with the Company electing to account for the corresponding credit within other equity as a capital contribution from Citi. Associated obligations under the SPAPA and all amounts paid to Citi are accounted for by analogy to the requirements for cash-settled share-based transactions over the vesting period with the intercompany payable due to Citi remeasured at the reporting date and settlement date for subsequent changes in fair value and the corresponding entry recognised within other equity.

3.12 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchase and sale of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability (other than financial asset or financial liability carried at fair value through profit or loss). Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss.

Financial assets

Classification and subsequent measurement

Financial assets are classified into three categories:
- fair value through profit or loss (FVTPL);
- fair value through other comprehensive income (FVOCI); or
- amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms including contractual cash flows.

For debt instruments, classification will depend on the business model in which the debt is held.
For equity instruments, classification will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The classification requirements of financial assets are described below:

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Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans disbursed, investment in corporate bonds .

Business model: The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows from the sale of asset. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by the Company in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how risks are assessed and managed. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVTPL. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement.

Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories:

Amortised cost: Financial assets that are held for collection of contractual cash flows where business model of those cash flows represent solely payment of principal and interest ('SPPI'), and that are not designated at FVTPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in note 31. Interest income from these financial asset are recognised using the effective interest rate method.

Fair value through other comprehensive income (FVOCI): Financial assets are measured at FVOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets and contractual terms of the financial asset meet the SPPI test.

FVOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in other comprehensive income (OCI). Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified to statement of profit and loss account.

Fair value through profit or loss (FVTPL): Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. Financial assets designated at FVTPL are carried in the Balance sheet at fair value with net changes in fair value presented as other (gains)/losses in Statement of profit or loss. Interest income on financial assets classified as FVTPL is not recognised in net gain/(loss) on fair value changes and is recognised separately as interest income.

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Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for credit-impaired financial assets (i.e. 'stage 3').

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees paid or received that are integral to the effective interest rate, such as origination fees.

When a financial asset becomes credit-impaired and is regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net carrying value of such financial asset. If the financial assets are no longer credit impaired, the Company calculates the interest income on a gross basis. Interest income on credit impaired advances are recognised on outstanding amount net of expected credit loss allowance.

Equity instruments

Equity instruments is a contract that evidences residual interest in the assets of the company after deducting all its liabilities. The Company subsequently measures all equity investments under the scope of Ind AS 109 at fair value. Changes in the fair value of these instruments are recognized in profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTPL are not reported separately from other changes in fair value.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost and FVOCI, loans and advances and on exposure arising from loan commitments. The Company recognizes a loss allowance for such losses at each reporting date.

The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money;
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The method and significant judgments used while computing the expected credit losses and information about the exposure at default, probability of default and loss given default have been set out in note 32.

Write-off policy

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery.
For retail clients, the Company writes off financial assets prudentially, basis the duration of delinquency.

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Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

The rights to receive cash flows from the asset have expired, or The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability, the transferred asset and the associated liability are measured on the basis that reflects the rights and obligations that the Company has returned.

Loan commitments

Loan commitments provided by the Company are measured as per financial instrument classification less loss allowance. For loan commitments, the loss allowance is recognised as a provision. However, for contracts that include both a loan and an undrawn commitment and the Company cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan.

Financial liabilities

Classification and subsequent measurement

Financial liabilities are classified at amortised cost, except for:

Financial liabilities at fair value through profit or loss: This classification is applied to derivatives and financial liabilities held for trading and other financial liabilities designated as such at initial recognition.

Gains or losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, which is determined as the amount that is not attributable to changes in market conditions that give rise to market risk) and partially profit or loss (the remaining amount of change in the fair value of the liability).

Derecognition of financial liabilities

Financial liabilities are derecognised when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired.

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Reclassification of financial instrument

The Company reclassifies debt instruments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent.

After initial recognition, equity instruments and financial liabilities are not reclassified.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivatives

Derivatives are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently measured at fair value.

Embedded derivatives

The embedded derivatives are treated as separate derivatives when:
- their economic characteristics and risks are not closely related to those of the host contract;
- a separate instrument with the same terms would meet the definition of a derivative; and

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract , with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to an index of prices or rates or other variable. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

These embedded derivatives are separately accounted for at fair value, with changes in fair value recognised in the statement of profit or loss unless the Company chooses to designate the hybrid contracts at fair value through profit or loss.

Certain market linked non-convertible debentures issued by the Company have returns linked to non-interest related benchmarks. The Company has opted to designate the entire hybrid contract at FVTPL as the embedded derivative significantly modifies the cash flows that otherwise would be required by the contract. Further, the embedded derivative is not closely related to the financial liability host contract.

3.13 Loan assignment

The Company undertakes sale of loans by way of assignment.

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 on such assignment.

The Company recognizes entire gain/loss upon derecognition of a loan.

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Classification of financial instruments sold by way of loan assignment is applicable to the business segment as a whole, including loans retained by the Company to comply with minimum retention requirements in accordance with Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 1, 2016 – Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and amendments thereto.

3.14 Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

3.15 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.

3.16 Recent accounting pronouncements

Ind AS 116 was notified by Ministry of Corporate Affairs on 30 March 2019 and it is applicable for annual reporting periods beginning on or after 1 April 2019. Ind AS 116 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases. An optional exemption exists for short-term and low-value leases. The standard will affect primarily the accounting for the group's operating leases. The Company is in the process of assessing the impact on account of adoption of Ind AS 116.

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Notes to the consolidated financial statements *(continued)*
for the year ended 31 March 2019
All amounts are in INR lakhs except per share data and unless stated otherwise

Note 4 - Cash and cash equivalents

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Cash on hand	-	-	3
Balance with banks			
- In current accounts	564	553	1,831
- In fixed deposits (with original maturity of less than 3 months)	28,867	10,476	18,311
Cheques on hand	40	47	308
Total	**29,471**	**11,076**	**20,453**

Refer note 35 for balances with related parties.
Note: The cash and cash equivalents for cash flow statements is same as cash and cash equivalents given above.

Note 5 - Bank balance other than cash and cash equivalents above

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Margin money deposit	6,533	8,378	6,656
Fixed Deposit	2,301	2,265	2,189
Total	**8,834**	**10,643**	**8,845**

1. Fixed deposit includes lien marked deposits of INR 2,297 (31 March 2018: INR 2,191; 01 April 2017: INR 2,081) for securitization transactions executed in prior years.
2. Refer note 35 for fixed deposits with related parties.

Note 6 - Derivative financial assets and liabilities

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Derivative financial assets			
Equity linked derivatives (futures and options)	2,779	1,666	5,111
Total	**2,779**	**1,666**	**5,111**
Derivative financial liabilities			
Equity linked derivatives (futures and options)	1,003	1,138	1,332
Total	**1,003**	**1,138**	**1,332**
Notional amount	**64,482**	**61,964**	**131,069**

Note 7 - Receivables

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Trade receivables			
Receivables considered good - Secured	88	515	226
Receivables considered good - Unsecured	2,522	4,790	1,528
Less: Expected credit losses	0	0	0
Subtotal	**2,610**	**5,305**	**1,754**
Other receivables			
Receivables considered good - Unsecured	1,821	1,657	1,583
Less: Expected credit losses	0	0	0
Subtotal	**1,821**	**1,657**	**1,583**
Total	**4,431**	**6,962**	**3,337**

1. No amount of trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person.
2. Refer note 35 for receivables from related parties.

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Note 8 - Loans

Particulars	As at 31 March 2019			As at 31 March 2018			As at 01 April 2017		
	Amortised cost	Fair value through OCI	Total	Amortised cost	Fair value through OCI	Total	Amortised cost	Fair value through OCI	Total
Loans									
Bills purchased and bills discounted	57,012	-	**57,012**	41,859	-	**41,859**	79,935	-	**79,935**
Loans repayable on demand	721,210	-	**721,210**	591,794	-	**591,794**	674,983	-	**674,983**
Term loans	265,723	27,547	**293,270**	236,831	33,722	**270,553**	185,192	20,461	**205,653**
Leasing*	16	-	**16**	2,519	-	**2,519**	3,686	-	**3,686**
Deposits	140	-	**140**	132	-	**132**	217	-	**217**
Total (Gross)	**1,044,101**	**27,547**	**1,071,648**	**873,135**	**33,722**	**906,857**	**944,013**	**20,461**	**964,474**
Less: Expected credit losses	(3,936)	(142)	**(4,078)**	(2,973)	(222)	**(3,195)**	(1,825)	(227)	**(2,052)**
Total (Net)	**1,040,165**	**27,405**	**1,067,570**	**870,162**	**33,500**	**903,662**	**942,188**	**20,234**	**962,422**
Secured by tangible assets	552,733	27,547	580,280	391,715	33,722	425,437	428,697	20,461	449,158
Unsecured	491,368		491,368	481,420	-	481,420	515,316	-	515,316
Total (Gross)	**1,044,101**	**27,547**	**1,071,648**	**873,135**	**33,722**	**906,857**	**944,013**	**20,461**	**964,474**
Less: Expected credit losses	(3,936)	(142)	**(4,078)**	(2,973)	(222)	**(3,195)**	(1,825)	(227)	**(2,052)**
Total (Net)	**1,040,165**	**27,405**	**1,067,570**	**870,162**	**33,500**	**903,662**	**942,188**	**20,234**	**962,422**
Advances in India									
Public sector	-	-	-	-	-	**-**	-	-	**-**
Other than public sector	1,044,101	27,547	1,071,648	873,135	33,722	**906,857**	944,013	20,461	**964,474**
Total (Gross)	**1,044,101**	**27,547**	**1,071,648**	**873,135**	**33,722**	**906,857**	**944,013**	**20,461**	**964,474**
Less: Expected credit losses	(3,936)	(142)	(4,078)	(2,973)	(222)	**(3,195)**	(1,825)	(227)	**(2,052)**
Total (Net)	**1,040,165**	**27,405**	**1,067,570**	**870,162**	**33,500**	**903,662**	**942,188**	**20,234**	**962,422**

*Refer Note 35 for finance lease receivable from related parties.

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Note 9 - Investments

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
In India			
Accounted under equity method			
Equity shares of associate	16,309	13,941	12,205
At fair value through profit or loss			
Corporate bonds (quoted)	20,280	5,183	-
Commercial papers (quoted)	9,314	12,140	21,763
Equity shares (unquoted)	5,382	4,888	3,687
Equity shares (quoted)	-	771	-
Debentures (unquoted)	-	-	-
Total	**51,285**	**36,923**	**37,655**

Refer note 35 for invetsments in related parties.

Note 10 - Other financial assets

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Margin money	138	138	65
Other deposits	2	1	1
Total	**140**	**139**	**66**

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Note 11 - Property, plant and equipment

Particulars	Gross block				Accumulated depreciation				Net block	
	As at 01 April 2018	Additions	Deletions	As at 31 March 2019	As at 01 April 2018	For the year	Deductions	As at 31 March 2019	As at 31 March 2019	As at 31 March 2018
Property, Plant and Equipment										
Building	61	-	-	**61**	23	1	-	**24**	**37**	38
Freehold land	5	-	-	**5**	-	-	-	**-**	**5**	5
Furniture and fixtures	29	13	-	**42**	22	3	-	**25**	**17**	7
Office equipments	134	4	-	**138**	100	16	-	**116**	**22**	34
Electrical installations	357	34	2	**389**	165	43	1	**207**	**182**	192
Computer equipments	529	12	-	**541**	481	29	-	**510**	**31**	48
Asset retirement obligation	44	9	-	**53**	29	11	-	**40**	**13**	15
Subtotal	**1,159**	**72**	**2**	**1,229**	**820**	**103**	**1**	**922**	**307**	339
Vehicles taken on lease	128	8	49	**87**	120	9	49	**80**	**7**	8
Total	**1,287**	**80**	**51**	**1,316**	**940**	**112**	**50**	**1,002**	**314**	347
Capital work-in-progress	322	133	455	**-**	-	-	-	**-**	**-**	322

Particulars	Gross block				Accumulated depreciation				Net block	
	As at 01 April 2017	Additions	Deletions	As at 31 March 2018	As at 01 April 2017	For the year	Deductions	As at 31 March 2018	As at 31 March 2018	As at 01 April 2017
Property, Plant and Equipment										
Building	61	-	-	**61**	22	1	-	**23**	38	39
Freehold land	5	-	-	**5**	-	-	-	**-**	5	5
Furniture and fixtures	29	-	-	**29**	20	2	-	**22**	7	9
Office equipments	130	6	2	**134**	86	15	1	**100**	34	44
Electrical installations	392	6	41	**357**	135	47	17	**165**	192	257
Computer equipments	490	39	-	**529**	438	43	-	**481**	48	52
Asset retirement obligation	64	-	20	**44**	35	12	18	**29**	15	29
Sub-Total	**1,171**	**51**	**63**	**1,159**	**736**	**120**	**36**	**820**	339	435
Vehicles taken on lease	128	-	-	**128**	106	14	-	**120**	8	22
Total	**1,299**	**51**	**63**	**1,287**	**842**	**134**	**36**	**940**	347	457
Capital work-in-progress	141	181	-	**322**	-	-	-	**-**	322	141

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All amounts are in INR lakhs except per share data and unless stated otherwise

Note 12 - Other non-financial assets

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Deposits with statutory authorities	522	529	630
Prepaid expenses	172	198	184
Net input tax credit (refer note below)	56	325	7
Receivable from staff	1	-	-
Total	**751**	**1,052**	**821**

Input tax credit	11,189	11,815	11,913
Provision for input tax credit	(11,133)	(11,490)	(11,906)
Net input tax credit	**56**	**325**	**7**

Note 13 - Debt securities

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
In India			
At amortised cost			
Non convertible debentures	156,607	174,698	245,826
At fair value through profit or loss			
Market linked non convertible debentures	298,158	190,129	168,456
Total	**454,765**	**364,827**	**414,282**

Refer note 44 for details of debt securities.

Note 14 - Borrowings (other than debt securities)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
In India			
At amortised cost			
Secured			
Loans repayable on demand from banks	50,009	20,021	-
Finance lease obligations	9	15	21
Unsecured			
Inter corporate borrowings	258,427	145,444	26,648
Commercial paper	-	63,881	240,919
Loans repayable on demand from banks	504	675	1,689
Total	**308,949**	**230,036**	**269,277**

Refer note 43 for details of borrowings.

Note 15 - Other financial liabilities

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Dealer held disbursal and other liabilities	4,327	5,584	3,793
Collection payables on servicing portfolio	2,114	2,134	3,168
Total	**6,441**	**7,718**	**6,961**

Refer note 35 for payables to related parties.

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Note 16 - Provisions

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Provision for employee benefits:			
Gratuity (refer note 41)	187	178	118
Employee benefits	14	12	12
Bonus	55	46	34
Others	105	-	-
Provision for others:			
Securitization	1,578	1,617	2,099
Value added tax	222	3,228	3,223
Legal and regulatory	1,193	1,294	1,247
Asset retirement obligations	47	52	70
Expected credit loss on loan commitments	1	4	4
Total	**3,402**	**6,431**	**6,807**

Note 17 - Other non-financial liabilities

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Statutory dues payable	536	1,222	193
Interest collected but not earned on loans and advances	552	358	218
Others	824	898	725
Total	**1,912**	**2,478**	**1,136**

Note 18 - Equity share capital

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Authorised share capital			
5,269,333,333 (31 March 2018: 5,269,333,333; 01 April 2017: 5,269,333,333) Equity shares of INR 7.50 each	**395,200**	395,200	395,200
Issued, subscribed and paid up			
3,857,727,031 (31 March 2018: 3,857,727,031; 01 April	**289,330**	289,330	289,330
Total	**289,330**	289,330	289,330

Reconciliation of the number of shares

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
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 and rights attached to equity shares

The Company has only one class of equity shares having a par value of INR 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.

Shares of the Company held by the holding companies

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Associates Financial Services (Mauritius) LLC	52.94%	52.94%	52.94%
Citibank Overseas Investment Corporation	47.06%	47.06%	47.06%

Details of shareholding more than 5% shares in the Company

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Associates Financial Services (Mauritius) LLC	2,042,338,070	2,042,338,070	2,042,338,070
Citibank Overseas Investment Corporation	1,815,388,961	1,815,388,961	1,815,388,961

Refer note 33 for information of the Company's objectives, policies and process of managing capital.

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Note 19 - Interest income

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest on financial instruments measured at amortised cost		
Loans	72,211	66,221
Deposits with banks	1,845	1,872
Finance leases	195	402
Interest on financial instruments measured at FVOCI		
Loans	3,012	2,329
Interest on financial instruments measured at FVTPL		
Investments	1,785	365
Total	**79,048**	**71,189**

Note 20 - Dividend income

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Others	81	81
Total	**81**	**81**

Note 21 - Fees and commission income

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Collection and sourcing fees	6,565	5,721
Other fees	63	77
Total	**6,628**	**5,798**

Note 22 - Net gain on fair value changes

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
a) on financial instruments designated at fair value through profit and loss account-		
Gain on fair value of market linked non convertibel debentures	2,072	1,218
Gain on derivatives (net)	3,379	414
Gain on fair value of investments classified as FVTPL	590	1,991
Total	**6,041**	**3,623**
Fair Value changes:		
Unrealised gain/(loss)	7,966	(2,940)
Realised (loss)/gain	(1,925)	6,563
Total	**6,041**	**3,623**

Note 23 - Other revenue from operations

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Gain on assignment	294	446
Total	**294**	**446**

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Note 24 - Other income

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Reversal of provision for value added tax	3,006	-
Miscellaneous income	938	770
Reversal of provision for litigation (net)	69	-
Interest on lease deposits	11	13
Total	**4,024**	**783**

Note 25 - Finance costs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest on financial liabilities measured at amortised cost		
Non convertible debentures	12,154	10,611
Inter corporate borrowings	10,496	2,641
Commercial paper	1,428	9,400
Borrowings from banks	910	512
Finance lease	4	6
Others	(9)	7
Interest on financial liabilities designated at FVTPL		
Market linked non convertible debentures	16,226	12,315
Total	**41,209**	**35,492**

Note 26 - Fees and commission expense

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Transfer pricing fees (refer note Note 42H)	3,551	3,656
Fees and commission expense	2,231	1,960
Distribution and placement fees	1,896	493
Brokerage	22	47
Total	**7,700**	**6,156**

Note 27 - Impairment loss on financial instruments

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Financial instruments measured at amortised cost		
Write offs (net of recoveries)	2,533	1,161
Expected credit loss on loans and loan commitments	959	1,149
Expected credit loss on other assets	0	0
Financial instruments measured at FVOCI		
Write offs (net of recoveries)	(267)	(355)
Expected credit loss on loans (net of reversal)	(79)	(5)
Total	**3,146**	**1,950**

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Note 28 - Employee benefits expenses

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Salaries, wages and bonus	4,149	4,222
Contribution to provident fund and other funds	208	195
Gratuity (Refer note 41)	66	106
Other expenses	57	42
Total	**4,480**	**4,565**

Note 29 - Other expenses

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Rent	946	1,049
Premises maintenance costs	365	379
Rates and taxes	1	218
Provision for litigations	-	143
Bank charges	125	66
Net loss/(gain) on derecognition of property, plant and equipment	(1)	8
Credit rating and surveillance fees	141	176
Service bureau expenses	2,889	2,278
Technology and software expenses	1,720	1,876
Stamping / franking charges	443	316
Travelling and conveyance expenses	348	330
Telephone expenses	58	33
Professional and legal expenses	499	680
Collection expenses	1,605	1,386
HR processing charges	55	35
Payments to the auditors		
(a) Statutory Audit	63	54
(b) Tax audit	8	8
(c) Limited Review	6	5
(d) Reimbursement of expenses	4	3
Corporate social responsibility expenses (refer note 39)	472	635
Miscellaneous expenses	542	411
Total	**10,289**	**10,089**

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Note 30 - Income tax

a) The components of income tax expense are:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Current tax		
Current tax on profits for the year	6,052	4,475
Adjustments for current tax of prior periods	-	-
Total current tax expense	**6,052**	**4,475**
Deferred tax		
Decrease/(Increase) in deferred tax assets	1,927	5,308
(Decrease)/ Increase in deferred tax liabilities	1,427	(1,342)
Total deferred tax expense	**3,354**	**3,966**
Total tax expense	**9,406**	**8,441**

b) Tax charge recognised directly to other comprehensive income

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Deferred tax expense/(benefit)	(184)	39
Total tax charge/(benefit) recognized directly in other comprehensive income	**(184)**	**39**

c) Reconciliation of the total tax charge

The table below explains the differences between the expected tax expense, at the Indian statutory tax rate payable by corporate entities in India on taxable profits under tax laws in India, and the Company's total tax expense for the year.

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Accounting profit before share in profit of associate	29,180	23,534
Add: Dividend reversed under equity method of acounting	252	252
Accounting profit for tax calculation	**29,432**	**23,786**
Tax at India's statutory income tax rate of 34.944% (31 March 2018: 34.608%)	**10,285**	**8,232**
Tax effect of the amount which are not taxable in calculating taxable income :		
- Dividend Income not liable to tax	(116)	(115)
- Expenses related to Dividend Income	47	36
- CSR expenses (net of benefit of deduction)	82	110
- Other	(892)	178
Income tax expense	**9,406**	**8,441**
Effective tax rate	**31.96%**	**35.49%**

d) Current tax assets

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Advance income tax (net of provision for tax) (Net of provision for income tax)	15,501	15,673	15,566
Total	**15,501**	**15,673**	**15,566**

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e) Deferred tax assets/liabilities

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities / assets:

Particulars	As at 31 March 2018	(Charged)/ credited to profit and loss	(Charged)/ credited to OCI	As at 31 March 2019
Deferred tax liability :				
Fair value of derivatives	(459)	(2,395)	-	(2,854)
Lease rental receivable	(871)	865	-	(6)
Changes in fair value of FVOCI debt instruments	(112)	-	(192)	(304)
Fair value of investments	(375)	103	-	(272)
	(1,817)	**(1,427)**	**(192)**	**(3,436)**
Deferred tax asset :				
Provisions on financial assets	6,087	197	-	6,284
Property, plant and equipment	5,135	(1,154)	-	3,981
Disallowance of expenses	1,284	(1,098)	-	186
Interest accrued on debentures	3,305	2,641	-	5,947
Remeasurement of defined benefit obligation at FVOCI	9	-	8	17
MAT Credit available	16,054	(2,516)	-	13,538
Others	16	3		19
	31,890	**(1,927)**	**8**	**29,972**
Net deferred tax asset/(liability)	**30,073**	**(3,354)**	**(184)**	**26,536**

Particulars	As at 01 April 2017	(Charged)/ credited to profit and loss	(Charged)/ credited to OCI	As at 31 March 2018
Deferred tax liability :				
Fair value of derivatives	(1,546)	1,087	-	(459)
Lease rental receivable	(1,275)	404	-	(871)
Changes in fair value of FVOCI debt instruments	(146)	-	34	(112)
Fair value of investments	(226)	(149)	-	(375)
	(3,193)	**1,342**	**34**	**(1,817)**
Deferred tax asset :				
Provisions on financial assets	5,865	222	-	6,087
Property, plant and equipment	6,009	(874)	-	5,135
Disallowance of expenses	1,263	21	-	1,284
Interest accrued on debentures	4,143	(838)	-	3,305
Remeasurement of defined benefit obligation at FVOCI	4	-	5	9
MAT Credit available	19,889	(3,835)	-	16,054
Others	20	(4)		16
	37,193	**(5,308)**	**5**	**31,890**
Net deferred tax asset/(liability)	**34,000**	**(3,966)**	**39**	**30,073**

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Note 31 - Fair value measurements

a) Fair value measurement

As per Ind AS 113, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is a measure as at a specific date and may be significantly different from the amount which will actually be paid or received on maturity or settlement date. The standard also provides a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value, which gives highest priority to quoted prices.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Assets and liabilities are classified as Level 1 if their value is observable in an active market.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. A Level 2 input must be observable for substantially the full term of the instrument. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves observable at commonly quoted intervals, implied volatilities; and credit spreads.

Level 3 inputs are unobservable inputs. Assets and liabilities are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data.

Wherever possible, fair values have been calculated using unadjusted quoted market prices in active markets for identical instruments held by the Company. Where quoted market prices are not available, or are unreliable because of poor liquidity, fair values have been determined using valuation techniques which, to the extent possible, use market observable inputs, but in some cases may also use non-market observable inputs also. Valuation techniques used include discounted cash flow analysis, price to earning ratio and, where appropriate, comparison to instruments with characteristics similar to those of the instruments held by the Company after making necessary adjustments (eg. broker pooling method).

b) Valuation techniques

- The fair value of exchange traded and OTC derivatives are determined using valuation models when quoted market prices or third-party consensus pricing information are not available. The valuation models, such as discounted cash flow method or Black-Scholes option model, incorporate observable or unobservable inputs for interest rates, equity indices, credit spreads, corresponding market volatility levels, and other market-based pricing factors. The Company uses widely recognised valuation models to determine the fair value of financial instruments. The inputs of the models are usually observable and available in the market for exchange traded derivatives and simple OTC derivatives. Use of observable inputs for valuation of derivative instrument are classified as Level 2 in the hierarchy (as stated above) where available and the unobservable inputs used are not significant to the fair value of the derivatives.

- Loans measured at fair value through other comprehensive income are valued using income approach wherein, the future cash inflows are discounted using appropriate broker quotes. These broker quotes are obtained from the market participants as exit price for similar loan portfolio. Use of broker quotes is classified as Level 2 in the fair value heirarchy, being quoted price for similar financial assets.

- Investment in equity shares consist of listed and unlisted equity shares. The listed equity shares are fair valued based on adjusted quoted price in active markets. The quoted price in active market are adjusted for liquidity as the Company was a pre-IPO shareholder having restrictions on sale of the securities. Adjusted quoted price is classified as Level 2 in the fair value heirarchy and the unobservable inputs used are not significant to the fair value of the derivatives
For unlisted equity shares, fair value is determined based on quoted market prices for similar securities or through valuation techniques, such as multiples of earnings or net asset value method. A liquidity discount is applied when few or no transactions exist to support the valuations. In case of unlisted equity shares, significant inputs being unobservable, they are classified as Level 3 in the fair value hierarchy.

- Investment in debt securities are valued using income approach wherein, the future cash inflows are discounted using appropriate broker quotes i.e yields. These broker quotes are obtained from the market participants as exit price for similar loan portfolio. Use of broker quotes is classified as Level 2 in the fair value heirarchy, being quoted price for similar financial assets.

- Market linked non convertible debentures are fair valued based on fair valuation of the underlying embedded derivative and the host principal.
Embedded derivatives linked to equity index are measured basis valuation models for determination of fair value of derivatives stated above. The fair value of host contract (principal component) is derived using broker pooling method by obtaining quotes of similar instruments. Inputs used for fair valuation of market linked convertible debentures are classified as Level 2 in the fair value heirarchy as they are directly or indirectly observable in the market. No significant unobservable inputs are used in valuation of market linked non convertible debentures.

c) Valuation Control framework

The Company develops models for valuation of financial instruments which are subject to due diligence before becoming operational and goes through periodic assessment. These models are assessed by the Market Risk Management team housed under Risk Management. The key elements of the framework for the valuation of financial instruments include model validation, model implementation review and independent verification. Additionally, for fair values determined using valuation models, the control framework also includes development or validation by independent support functions of the model logic, inputs, model outputs and adjustments.

d) Financial instruments by category

Particulars	As at 31 March 2019			As at 31 March 2018			As at 01 April 2017		
	FVTPL	FVOCI	At Amortised Cost	FVTPL	FVOCI	At Amortised Cost	FVTPL	FVOCI	At Amortised Cost
Financial Assets									
Cash and cash equivalents	-	-	29,471	-	-	11,076	-	-	20,453
Bank balance other than cash and cash equivalents above	-	-	8,834	-	-	10,643	-	-	8,845
Derivative financial assets	2,779	-	-	1,666	-	-	5,111	-	-
Trade receivables			2,610			5,305			1,754
Other receivables	-	-	1,821	-	-	1,657	-	-	1,583
Loans	-	27,405	1,040,165	-	33,500	870,162	-	20,234	942,188
Investments	34,976	-	-	22,982	-	-	25,450	-	-
Other financial assets	-	-	140	-	-	139	-	-	66
Total financial assets	**37,755**	**27,405**	**1,083,041**	**24,648**	**33,500**	**898,982**	**30,561**	**20,234**	**974,889**
Financial Liabilities									
Derivative financial liabilities	1,003			1,138			1,332		
Trade Payables	-	-	7,649	-	-	5,154	-	[illegible]	5,328
Debt securities	298,158	-	156,607	190,129	-	174,698	168,456	[illegible]	245,826
Borrowings (other than debt securities)	-	-	308,949	-	-	230,036	-	[illegible]	269,277
Other financial liabilities	-	-	6,441	-	-	7,718	-	[illegible]	6,961
Total financial liabilities	**299,161**	**-**	**479,646**	**191,267**	**-**	**417,606**	**169,788**	[illegible]	**527,392**

Note: Investment in associate amounting to INR 16,309 (31 March 2018: INR 13,941; 01 April 2017: INR 12,205) is is accounted under equity method and does not form part of the above.

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Notes to the consolidated financial statements *(continued)*
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e) Fair value hierarchy

Financial asset and liabilities measured at fair value - recurring fair value measurements	As at 31 March 2019			As at 31 March 2018			As at 01 April 2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at -									
Fair value through profit and loss									
Derivative financial assets	-	2,779	-	-	1,666	-	-	5,111	-
Investments	-	29,599	5,377	-	18,094	4,888	-	21,763	3,687
Fair value through other comprehensive income									
Loans	-	27,405	-	-	33,500	-	-	20,234	-
Total	-	**59,783**	**5,377**	-	**53,260**	**4,888**	-	**47,108**	**3,687**
Financial liabilities measured fair value through profit and loss									
Derivative financial instruments	-	1,003	-	-	1,138	-	-	1,332	-
Debt securities	-	298,158	-	-	190,129	-	-	168,456	-
Total	-	**299,161**	-	-	**191,267**	-	-	**169,788**	-

Financial assets and liabilities measured at amortised cost for which fair value is disclosed	Fair value hierarchy	As at 31 March 2019		As at 31 March 2018		As at 01 April 2017	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets							
Loans	Level 3	1,040,165	1,043,726	870,162	869,801	942,188	937,156
Financial liabilities							
Debt securities	Level 3	156,607	156,772	174,698	174,988	245,826	245,895
Inter-corporate borrowing	Level 3	258,427	258,325	145,444	145,385	26,648	26,609

Note:
The carrying amounts of cash and cash equivalents, bank balances other than cash and cash equivalents, other receivables, other financials assets, trade payables, borrowings other than inter corporate borrowings and other financial liabilities are considered to be approximately equal to their fair values due to their short term nature.

f) Fair value measurements using significant unobservable inputs (level 3)
The following table presents the changes in level 3 items for the periods ended 31 March 2019 and 31 March 2018:

	As at 31 March 2019	As at 31 March 2018
As at begining of the year	**4,888**	**3,687**
Transfer between Levels (*)	(49)	(81)
Gains / (losses) recognised in profit and loss	538	1,282
As at end of the year	**5,377**	**4,888**

* During the year, the Company has fair valued its investments in Secova Eservices Private Limited basis a buyer quote received. Owing to this, the Company has reclassified its investments to level 2 from level 3.
*Pursuant to the listing of the Tejas Networks on 27th June 2017, the Company has classified this investment as level 2 as at 31st March 2018.

f) Valuation inputs and relationships to fair value

Particulars	Valuation technique	Significant unobservable inputs	Change in input	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Investments in unquoted equity shares	P/E multiples	Earnings growth rate	± 1.5%	69/(69)	62/(62)	45/(45)
		Liquidity discounts	± 10%	(663)/663	(596)/596	(436)/436

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Note 32 - Financial Risk Management

The Company's activities expose it to credit risk, liquidity risk and market risk. This note explains the sources of risk which the Company is exposed to, how the Company manages the risk and the related accounting impact in the consolidated financial statements.

Risk type	Nature of risk	Risk arising from	Risk management process
Credit risk	Credit risk is the risk of loss resulting from the decline in credit quality (or downgrade risk) or failure of a borrower, counterparty, third party or issuer to honor its financial or contractual obligations.	Credit risk arises principally from direct lending, trade finance and leasing business.	Credit risk is: - measured as the amount that could be lost if a customer or counterparty fails to make repayments. The Company considers the amount of principal outstanding and interest due as credit exposure from its borrowers; - monitored using various internal risk management measures and within limits approved by individuals within a framework of delegated authorities; and - managed through a robust risk control framework and governance process, which outlines clear and consistent policies, principles and guidance for risk managers for credit sanctioning, lending and risk monitoring.
Liquidity risk	Liquidity risk is the risk that the Company does not have sufficiently stable and diverse sources of funding. Also the risk of insufficient financial resources to meet our commitments as they fall due.	Liquidity risk arises from mismatches in the timing of cash flows.	Liquidity risk is: - assessed through the internal liquidity adequacy assessment process ('RLAP'); - monitored against the Group's liquidity and funding risk framework; and - maintaining a contingency funding plan detailing actions and strategies available in stressed conditions.
Market risk	Market risk is the risk of loss arising from changes in the value of the Company's assets and liabilities resulting from changes in market variables (for eg.interest rates).	Structured notes, Investments held for trading, loans carried at fair value through other comprehensive income.	Market risk is: - measured using sensitivities and stress testing using factor sensitivities for market movements and scenarios; - managed by Market Risk Management (MRM) - reports and monitors the trading risk exposures against approved limits and triggers on a daily basis.

The Company's board of directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors have established a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed and updated regularly to reflect changes in market conditions and the Company's activities.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

All amounts are in INR lakhs except per share data and unless stated otherwise

Note 32 - Financial Risk Management (Continued)

A. Credit risk

Credit risk is the risk of loss resulting from the decline in credit quality or the failure of a borrower, counterparty, third party or issuer to honor its financial or contractual obligations. Credit risk mainly arises from CFIL's lending business activity which can be classified as below:
a) Loans and advances to corporate customers and HNIs i.e. High networth individuals
b) Loans and advances to other retail customers (other retail loans)
Credit risk also arises from concentration of exposure within a specific client, industry, region or other category.

i) Credit quality analysis and credit exposure
The Company assesses and manages credit risk based on assessment of obligor risk using obligor risk rating (ORR) for loans and advances to corporate customers and HNIs. The Credit risk team assesses and maintains the internal risk rating system. Obligor risk rating assessment is done for each obligor availing credit facilities. The Company assigns ORRs from 1 to 23 to each obligor based on assumptions, inputs and factors specific to the obligor. The credit quality classification is mapped to the obligor risk rating grades for loans and advances to corporate customers and HNIs. The ORR grades are mapped to the external ratings grade issued by Credit Rating Agencies.

The ORR 23 grade scale (1-10 including modifiers,e.g. 1,2+,2,2- and so on) summarises a more granular underlying 23 grade scale of obligor probability of default ('PD'). All corporate obligors are rated using the 23 grade scale, as per the Company's assessment. Each ORR band is associated with an external rating grade by reference to long-run default rates for that grade, represented by the average of issuer-weighted historical default rates. This mapping between internal and external ratings is indicative and may vary over time. The said mapping between internal and external ratings have been summarised below.

Internal ratings category	Credit risk category	External ratings S&P's	External ratings Moody's	Probability of default (PD)
Grades: 1 to 4-	Low	AAA to BBB-	Aaa to Baa3	0% to 0.34%
Grades: 5+ to 5-	Medium	BB+ to BB-	Ba1 to Ba3	0.89% to 3.39%
Grades: 6+ to 6-	High	B+ to B-	B1 to B3	5.57% to 12.16%
Grades: 7+ to 7-	Watchlist	CCC+ to CCC-	Caa1 to Caa3	16.64% to 22.13%
Grades: 8 to 10	Default	SD/D	-	-

The following tables set out information about the credit quality of loans and advances to Corporates, HNIs and other retail customers.

Internal rating grades (ORR)	Credit risk category	Stage 1	Stage 2	Stage 3	Total
As at 31 March 2019					
Grades: 1 to 4-	Low	594,586	-	-	594,586
Grades: 5+ to 5-	Medium	175,061	-	-	175,061
Grades: 6+ to 6-	High	50,000	-	-	50,000
Grades: 7+ to 7-	Watchlist	-	-	-	-
Grades: 8 to 10	Default	-	-	-	-
Principal outstanding		**819,647**	-	-	**819,647**
Interest accrued but not collected		8,723	-	-	8,723
Total exposure		**828,370**	-	-	**828,370**
Less: expected credit losses on total exposure		(341)	-	-	(341)
Net carrying amount		**828,029**	-	-	**828,029**
As at 31 March 2018					
Grades: 1 to 4-	Low	497,722	47,500	-	545,222
Grades: 5+ to 5-	Medium	140,643	-	-	140,643
Grades: 6+ to 6-	High	-	-	-	-
Grades: 7+ to 7-	Watchlist	-	-	-	-
Grades: 8 to 10	Default	-	-	-	-
Principal outstanding		**638,365**	**47,500**	-	**685,865**
Interest accrued but not collected		5,375	-	-	5,375
Total exposure		**643,740**	**47,500**	-	**691,240**
Less: expected credit losses on total exposure		(342)	(20)	-	(362)
Net carrying amount		**643,398**	**47,480**	-	**690,878**
As at 01 April 2017					
Grades: 1 to 4-	Low	451,286	185,373	-	636,659
Grades: 5+ to 5-	Medium	126,700	38,802	-	165,502
Grades: 6+ to 6-	High	-	-	-	-
Grades: 7+ to 7-	Watchlist	-	-	-	-
Grades: 8 to 10	Default	-	-	-	-
Principal outstanding		**577,986**	**224,175**	-	**802,161**
Interest accrued but not collected		9,035	-	-	9,035
Total exposure		**587,021**	**224,175**	-	**811,196**
Less: expected credit losses on total exposure		(108)	(143)	-	(251)
Net carrying amount		**586,913**	**224,032**	-	**810,945**

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Particulars	Loans carried at amortised cost	Loans carried at FVOCI	Commited lines of credit
As at 31 March 2019			
Stage 1	206,597	26,530	409
Stage 2	1,282	68	-
Stage 3	713	68	-
Total exposure	**208,592**	**26,666**	**409**
Less: expected credit losses on total exposure	(3,595)	(142)	(1)
Net carrying amount	**204,997**	**26,524**	**408**
As at 31 March 2018			
Stage 1	175,887	33,264	1,215
Stage 2	845	136	-
Stage 3	332	32	-
Total exposure	**177,064**	**33,432**	**1,215**
Less: expected credit losses on total exposure	(2,611)	(222)	(4)
Net carrying amount	**174,453**	**33,210**	**1,211**
As at 01 April 2017			
Stage 1	128,633	19,740	640
Stage 2	347	144	-
Stage 3	106	173	-
Total exposure	**129,086**	**20,057**	**640**
Less: expected credit losses on total exposure	(1,574)	(227)	(4)
Net carrying amount	**127,512**	**19,830**	**636**

The following table sets out information about the credit quality of investments in debt instruments measured at fair value through P&L.The amounts in the table represent gross carrying amounts which is also the maximum credit exposure of the financial assets.

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Rated AA and above	20,280	5,188	-
Rated A- to A+	9,314	12,135	21,763
Total	29,594	17,323	21,763

Cash and cash equivalents and other bank balances

The Company holds cash and cash equivalents of INR 29,471 and other bank balances of INR 8,834 as at 31 March 2019 (31 March 2018: INR 11,076 and INR 10,643; 01 April 2017: INR 20,453 and INR 8,845).The Company maintains its Cash and cash equivalents and Bank deposits with banks having low credit risk as per the internal obligor risk rating and also reviews the credit-worthiness of the banks on an on-going basis. The Company has provided for expected credit losses on its exposure on margin money held for derivatives and fixed deposits.

ii) Collateral held

The Company generally accepts bank deposits, financial assets, marketable securities, inventories and real estate as collaterals in the case of secured loans. As of 31 March 2019, 54.32% of the aggregate principal amount of the Company's loans were secured by collateral (31 March 2018: 46.97%; 01 April 2017: 46.47%). 45.68% of the Company's loans were unsecured as at 31 March 2019(31 March 2018: 53.03%; 01 April 2017: 53.53%).

At March 31, 2019, the net carrying amount of credit-impaired loans and advances amounted to INR 781 (31 March 2018: INR 364 ; 01 April 2017: INR 279) and the value of identifiable collateral held against those loans and advances amounted to INR 80 (31 March 2018: INR 103 ; 01 April 2017: INR 523).

The following table sets out the principal types of collateral held against different types of financial assets.

Instrument type	Percentage of exposure that is subject to collateral requirements			Principal type of collateral held
	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017	
Loans and advances to corporate customers and HNIs				
Corporate loans	46%	23%	11%	Book debts, inventories and financial assets
Citi private banking	100%	100%	100%	Financial assets
Treasury and trade solutions	-	-	-	Unsecured
Loans and advances to other retail customers				
Personal loans	-	-	-	Unsecured
Advance against financial assets	100%	100%	100%	Financial assets
Asset backed finance	100%	100%	100%	Commercial vehicles and construction equipments

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The following tables stratify credit exposures for margin lending loans by ranges of loan-to-value (LTV) ratio. LTV is calculated as the ratio of the gross amount of the loan to the value of the collateral. The valuation of the collateral excludes any adjustments for obtaining and selling the collateral. The maximum loan to value is basis the local regulatory norms for margin lending loans. The collateral value for marketable securities is derived basis market prices of such securities.

Margin lending loans

LTV ratio	Loans and advances to retail customers			Loans and advances to corporate customers and HNIs		
	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Less than 50%	97.73%	79.30%	97.20%	100.00%	96.86%	61.05%
51-70%	2.27%	15.42%	2.80%	0.00%	3.14%	10.91%
71-90%	0.00%	5.28%	0.00%	0.00%	0.00%	12.98%
91-100%	0.00%	0.00%	0.00%	0.00%	0.00%	1.40%
More than 100%	0.00%	0.00%	0.00%	0.00%	0.00%	13.66%
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

As at 31 March 2019, the fair value of financial assets accepted as collateral that the Company is permitted to sell or repledge in the absence of default for loans and advances to retail customers and to corporate customers and HNIs is INR 70,447 and INR 972,460 respectively (31 March 2018: INR 69,614 and INR 741,218 ; 01 April 2017: INR 71,079 and INR 693,808).

iii) Inputs, assumptions, techniques used for estimating impairment

The Company measures the amount of ECL on a financial instrument in a way that reflects an unbiased and probability-weighted amount. The Company considers its historical loss experience and adjusts the same for current observable data. The key inputs into the measurement of ECL are the probability of default, loss given default and exposure at default. These parameters are derived from the Company's internally developed statistical models and other historical data. In addition, the Company uses reasonable and supportable information on future economic conditions including macroeconomic factors such as gross domestic product and unemployment rate. Since incorporating these forward looking information increases the judgment as to how the changes in these macroeconomic factor will affect ECL, the methodology and assumptions are reviewed regularly. The Company has applied a three-stage approach to measure expected credit losses (ECL) on debt instruments accounted for at amortised cost and FVOCI. Assets migrate through following three stages based on the changes in credit quality since initial recognition:

Stage 1: 12- months ECL: For exposures where there is no significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12- months is recognized.
Stage 2: Lifetime ECL, not credit-impaired: For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognized.
Stage 3: Lifetime ECL, credit-impaired: Financial assets are assessed as credit impaired upon occurrence of one or more events that have a detrimental impact on the estimated future cash flows of that asset. For financial assets that have become credit-impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the net carrying amount of loans.

The key inputs into the measurement of ECL are the term structure of the following variables:
- Probability of defaults (PDs)
- Loss given default (LGD)
- Exposure at default (EAD) i.e. the total expected exposure in the event of a default. The Company calculates expected credit losses on interest earned but not collected at portfolio level.

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Loans and advances to corporate customers and HNIs
The company have an internal risk rating system that accurately and reliably differentiates between degrees of credit risk for classifiable managed exposures. To differentiate among degrees of credit risk and make meaningful and consistent distinctions among degrees of credit risk, the Company reviews its credit exposure along two dimensions – Default Risk and loss severity in the event of default.
In case of Classifiable managed obligors, company assigns
- Rating grades that appropriately reflect likelihood of default and
- Loss severity rating grade (or Loss Given Default estimates) that approximately reflect the loss severity expected in the event of default during economic downturn conditions.

The Obligor Risk Rating (ORR) represents the probability that an obligor will default within a one year time horizon. Risk ratings for obligors are assigned on a scale of 1 to 10, with sub- grades, where "1" is the best quality risk and "7-" is the worst for obligors that are not in default. ORRs of "9+", "9" and "10" are assigned to obligors meeting the definition of default under Basel when either or both of the following have occurred
- When the obligor is past due more than 90 days on any material credit obligation.
- When the company considers that the obligor is unlikely to pay its credit obligations in full, without recourse by Citi to actions such as realizing security (if held), collecting against a guarantee or other form of support, or filing a claim against the insurer.

The Facility Risk Rating (FRR) represents an expected loss rate, or "Loss Norm", for each facility, and is the product of two components:
The one-year Probability of Default (PD) of the Obligor,and The Loss Given Default (LGD) of a facility.
FRRs are assigned on a scale of 1 to 10, with sub-grades, where '1' is the best quality risk and '7-' is the worst for performing facilities. FRRs of 8, 9, and 10 are assigned to non- performing facilities.

At each reporting date, the Company assesses whether there has been a significant increase in credit risk of its financial assets since initial recognition by comparing the risk of default occurring over the expected life of the asset. In determining whether credit risk has increased significantly since initial recognition, the Company uses information that is relevant and available without undue cost or effort. This includes the Company's internal credit rating grading system, external risk ratings and forward-looking information to assess deterioration in credit quality of a financial asset.
The Company considers probability of default upon initial recognition of asset and whether there has been any significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Following indicators are incorporated:
- Internal credit rating
- changes in external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic condition that are expected to cause a significant change to borrower's ability to meet its obligations.
- significant increase in credit risk on other financial instruments of same borrower
- significant changes in value of the collateral supporting the obligation or in the quality of third party guarantees or credit support.
- significant changes in expected performance and behavior of the borrower including changes in payment status of borrowers and changes in operating results.

In addition to the DPD indicator for loans and advances to corporate customers and HNIs portfolio, it is presumed that the credit risk has significantly increased since initial recognition if the probability of default has increased by 20 bps and the movement in standard deviation of the PD is equal to or more than 1.

Loans and advances to other retail customers
The Company assesses and manages credit risk for retail customers at portfolio level. The customers are pooled into portfolios based on homogenous product characteristics. Credit risk for retail product portfolio is assessed based on quantitative indicator of obligor behaviour. This quantitative criteria is used to assess the Staging of the exposures and the probability of default for estimation of ECL.

Quantitative based staging criteria are as follows:
- Stage 3: 90+ DPD accounts; loans with partial charge-offs and and qualitative factors (such as current and expected borrower's liquidity position, need for refinance, significant change in collateral value) and other factors as considered appropriate by the management and credit committee.
- Stage 2: Accounts that are not Stage 3 and are 30-89 DPD; Hardship modifications (<6 months on book); Behavior score drops below marginal booking segment (if available)
- Stage 1: All accounts that are not Stage 2 or 3

In addition to quantitative factors as mentioned above, loans / exposures are also assessed for qualitative factors for staging. These include:
a) material adverse changes in business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its debt obligations to the Company.
b) significant adverse change in the regulatory, economic, or technological environment of the borrower that results in a significant change in the borrower's ability to meet its debt obligations to the Company
c) significant changes in the value of the collateral
d) significant changes in the loan documentation / arrangement

LGD is the magnitude of the likely loss if there is a default.
For the corporate portfolio, the Company estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset.
For retail portfolio, the Company segments its portfolios into smaller homogenous portfolios, based on the key characteristics that are relevant to the estimation of future cash flows. The applied data is based on historically collected loss data and involves a wider set of transaction characteristics as well as borrower characteristics.

The following table presents the key macroeconomic indicators used for the purposes of measurement of ECL in the periods presented.

Macro economic indicator	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
GDP growth	7.70%	7.60%	7.50%

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Particulars	Total exposure				Expected credit loss (ECL)				Net carrying amount
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	
Loans and advances carried at amortised cost									
- Loans and advances to corporate customers	828,370	-	-	**828,370**	(341)	-	-	**(341)**	**828,029**
- Loans and advances to retail customers	206,597	1,282	713	**208,592**	(2,099)	(961)	(535)	**(3,595)**	**204,997**
Loans and advances carried at FVOCI									
- Loans and advances to retail customers	26,530	68	68	**26,666**	(78)	(7)	(57)	**(142)**	**26,524**
- Loan commitments	409	-	-	**409**	(1)	-	-	**(1)**	**408**
Other financial assets measured at amortised cost	43,016	-	-	**43,016**	(0)	-	-	**(0)**	**43,016**
As at 31 March 2019	**1,104,922**	**1,350**	**781**	**1,107,053**	**(2,519)**	**(968)**	**(592)**	**(4,079)**	**1,102,974**
Loans and advances carried at amortised cost									
- Loans and advances to corporate customers	643,740	47,500	-	**691,240**	(342)	(20)	-	**(362)**	**690,878**
- Loans and advances to retail customers	175,887	845	332	**177,064**	(1,728)	(634)	(249)	**(2,611)**	**174,453**
Loans and advances carried at FVOCI									**-**
- Loans and advances to retail customers	33,264	136	32	**33,432**	(112)	(25)	(85)	**(222)**	**33,210**
- Loan commitments	1,215	-	-	**1,215**	(4)	-	-	**(4)**	**1,211**
Other financial assets measured at amortised cost	28,952	-	-	**28,952**	(0)	-	-	**(0)**	**28,952**
As at 31 March 2018	**883,058**	**48,481**	**364**	**931,903**	**(2,186)**	**(679)**	**(334)**	**(3,199)**	**928,704**
Loans and advances carried at amortised cost									
- Loans and advances to corporate customers	587,021	224,176	-	**811,197**	(108)	(143)	-	**(251)**	**810,946**
- Loans and advances to retail customers	128,633	347	106	**129,086**	(1,234)	(260)	(80)	**(1,574)**	**127,512**
Loans and advances carried at FVOCI									
- Loans and advances to retail customers	19,740	144	173	**20,057**	(142)	(7)	(78)	**(227)**	**19,830**
- Loan commitments	640	-	-	**640**	(4)	-	-	**(4)**	**636**
Other financial assets measured at amortised cost	32,915	-	-	**32,915**	(0)	-	-	**(0)**	**32,915**
As at 01 April 2017	**768,949**	**224,667**	**279**	**993,895**	**(1,488)**	**(410)**	**(158)**	**(2,056)**	**991,839**

iii) Reconciliation of loss allowance provision

Reconciliation of loss allowance	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses	
		Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets for which credit risk has increased significantly and credit-impaired
Loss allowance on 31 March 2019	**2,519**	**968**	**592**
Changes in loss allowances due to:			
Assets originated or purchased	1,645	898	482
Write – offs	(23)	(424)	(183)
Recoveries/ repayments	(1,368)	(145)	(87)
Changes in risk parameters	79	-	-
Change in measurement from 12-month to life-time expected losses or vice-versa	-	(40)	46
Loss allowance on 31 March 2018	**2,186**	**679**	**334**
Changes in loss allowances due to:			
Assets originated or purchased	1,681	632	235
Write – offs	-	(1)	2
Recoveries/ repayments	(976)	(361)	(78)
Changes in risk parameters	(2)	(21)	-
Change in measurement from 12-month to life-time expected losses or vice-versa	(5)	20	17
Loss allowance on 01 April 2017	**1,488**	**410**	**158**

All amounts are in INR lakhs except per share data and unless stated otherwise

Sensitivity analyisis of expected credit loss
For loans and advances given to corporate customers and HNIs, the Company estimates ECL based on internal models and the sensitivity of ECL to the input parameters assessed through the internal models has been considered to be immaterial.

In the case of retail loans portfolio, the Company uses days past due based customer behavior as a lagging indicator for staging. The ECL computation for retail loans is based on flow rates of obligors across the DPD buckets. The internal estimates based on the flow rate are a conservative estimate of the expected credit losses. Accordingly, the Company does not expect the estimated ECL to get adversely impacted due to changes in portfolio behaviour.

Write-offs still under enforcement
In the case of assets that are assessed collectively for impairment, the Company writes-off such secured and unsecured assets at 180 days and 120 days past due respectively unless there is empirical evidence to the contrary. The contractual amount outstanding on financial assets written-off and still subject to enforcement activity was INR 9,196 as at 31 March 2019 (31 March 2018: INR 7,254 ; 01 April 2017: INR 6,549).

Loans with renegotiated terms
A loan that is renegotiated is derecognised if the existing agreement is cancelled and a new agreement is made on substantially different terms or if the terms of the existing agreement are modified such that the renegotiated loan is a substantially different instrument.
Where the renegotiation of such loans are not derecognised, impairment continues to be assessed for significant increases in credit risk compared to the initial origination credit risk rating.

iv) Concentration of credit risk
Portfolio concentration is measured with the aim of optimizing the benefits associated with diversification and reducing the potential adverse impact of concentration of exposures to a particular borrower, sector or industry. Credit concentration shall be tracked and performed at:
1. Counterparty level (Single borrower limit / Group borrower limit)
2. Portfolio level -Sector

Counterparty exposure limits
The objective for setting exposure limits and the need for credit portfolio measurement emanates from the necessity to optimize the benefits associated with diversification and to reduce the potential adverse impact of concentration of exposures to a particular borrower, sector or industry.

In compliance with RBI directions vide RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17, CFIL has set Single Borrower & Group borrower limits (SBL/GBL) as under which will be strictly adhered.
a) Lend to (i) any single borrower exceeding 15% of its owned fund; and (ii) any single group of borrowers exceeding 25% of its owned fund;
b) Invest in (i) the shares of another company exceeding 15% of its owned fund; and (ii) the shares of a single group of companies exceeding 25% of its owned fund;
c) Lend and invest (loans/investments taken together) exceeding (i) 25% of its owned fund to a single party; and (ii) 40% of its owned fund to a single group of parties.

These ceilings on credit/investments shall be applicable to the own group of the Company as well as to the other group of borrowers/investee companies.

CFIL will monitor the above regulatory limits, and ensure that the exposure to any borrower/group is not in breach. This would be tracked at the time of sanction itself to avoid sanction of any facility which is in excess of counterparty exposure norms. During the year ended 31 March 2019 and 31 March 2018, the Company's credit exposure to single borrowers and group borrowers were within the limits.

Portfolio exposure limits
Industry wise concentration limites are monitored for loans and advances given to corporate customers. Industry Limit is set to 20% of total outstanding loans and advances in the Company. Any breach in Industry limits to be approved by at least 2 board members. An analysis of concentrations of credit risk is shown below:

Sector	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Chemicals	6.70%	8.80%	4.30%
Pharma & Healthcare	7.70%	2.40%	1.70%
Bank	4.10%	6.50%	0.00%
Metals	2.00%	4.70%	3.30%
Autos	0.80%	0.00%	4.70%
Agriculture & Food Preparation	0.00%	4.70%	5.80%
Other Financial Institutions	15.20%	6.90%	13.90%
Other sectors(*)	10.80%	11.50%	12.50%
Concentration of loans to corporate customers	**47.30%**	**45.50%**	**46.20%**
Margin lending and other loans and advances to retail customers	**52.70%**	**54.50%**	**53.80%**
Total loans and advances outstanding	**100.00%**	**100.00%**	**100.00%**

(*) Other sectors majorly include Company's exposure in telecom, home goods, global information technology, industry machinery and equipment, freight and transportation etc.

v) Offsetting financial assets and financial liabilities
The company does not have any financial instruments with offsetting rights.

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Note 32 - Financial Risk Management (Continued)

B. Liquidity risk

The liquidity objectives of the Company are to maintain a liquidity profile to enable it to efficiently meet expected and unexpected current and future cash flow and collateral needs and operate under a variety of market conditions, including market disruptions for both short term and long term periods.

The Company uses a variety of tools and metrics for measurement, monitoring and reporting of liquidity risk including liquidity gap statements, liquidity ratios on stock and flow approach as well as multiple stress testing scenarios over varying timeframes. The liquidity framework of the Company encompasses both the local regulatory liquidity reporting as well as additional internally adopted metrics to provide a comprehensive and robust coverage suited to our balance sheet requirements.

The Asset - Liability Committee (ALCO) comprising key stakeholders of the Company's senior management has direct oversight on balance sheet and liquidity while ongoing liquidity management is managed by the Treasury desk, with daily monitoring by Risk, Treasurer and Corporate Treasury functions.

The following factors add to comfort on management of balance sheet liquidity:
- Well capitalized balance sheet, with capital adequacy of 34.59% as of 31 March 2019
- Well diversified liability profile with market issuances carrying the highest credit rating for short term as well as long term issuances
- Diversified loan portfolio with multiple lines of business across Corporate and Retail segments

Financing arrangements

The Company has access to the following undrawn committed borrowing facilities at the end of the reporting period:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Committed undrawn loan facilities	-	-	45,000

The below table analyses the Company's non-derivative financial liabilities and financial assets into relevant maturity groupings based on the remaining period as at the reporting date to the contractual maturity date. The amounts disclosed in the below table are the contractual un-discounted cash flows and exclude the impact of netting agreements.

Particulars	Carrying amount	Contractual cash flows					
		Gross nominal inflow/ (outflow)	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year
As at 31 March 2019							
Non-derivative financial liabilities							
Trade payables	7,649	(7,649)	(7,649)	-	-	-	-
Debt securities	454,765	(486,999)	(198,774)	(55,808)	(93,591)	(83,222)	(55,604)
Borrowings (other than debt securities)	308,949	(311,340)	(290,846)	(4,099)	(16,392)	(3)	-
Other financial liabilities	6,441	(6,441)	(6,300)	(62)	(79)	-	-
Total	**777,804**	**(812,429)**	**(503,569)**	**(59,969)**	**(110,062)**	**(83,225)**	**(55,604)**
Non-derivative financial assets							
Cash and cash equivalents	29,471	29,472	29,472	-	-	-	-
Bank balance other than cash and cash equivalents above	8,834	9,046	2,060	-	4,686	2	2,298
Receivables	4,431	4,431	1,108	1,108	2,215	-	-
Loans	1,067,570	1,120,378	622,981	107,873	218,209	147,829	23,486
Investments	51,285	30,186	30,186	-	-	-	-
Other financial assets	140	140	-	-	140	-	-
Total	**1,161,731**	**1,193,653**	**685,807**	**108,981**	**225,250**	**147,831**	**25,784**

Particulars	Carrying amount	Contractual cash flows					
		Gross nominal inflow/ (outflow)	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year
As at 31 March 2018							
Non-derivative financial liabilities							
Trade payables	5,154	(5,154)	(5,154)	-	-	-	-
Debt securities	364,827	(382,381)	(103,240)	(113,554)	(62,866)	(102,721)	-
Borrowings (other than debt securities)	230,036	(231,798)	(221,782)	(2)	(10,004)	(10)	-
Other financial liabilities	7,718	(7,717)	(6,954)	(662)	(101)	-	-
Total	**607,735**	**(627,050)**	**(337,130)**	**(114,218)**	**(72,971)**	**(102,731)**	**-**
Non-derivative financial assets							
Cash and cash equivalents	11,076	11,078	11,078	-	-	-	-
Bank balance other than cash and cash equivalents above	10,643	10,775	6,015	2,492	-	76	2,192
Receivables	6,962	6,963	1,741	1,741	3,481	-	-
Loans	903,662	953,091	503,426	117,621	155,945	155,555	20,544
Investments	36,923	17,681	17,681	-	-	-	-
Other financial assets	139	139	-	-	139	-	-
Total	**969,405**	**999,727**	**539,941**	**121,854**	**159,565**	**155,631**	**22,736**

All amounts are in INR lakhs except per share data and unless stated otherwise

Particulars	Carrying amount	Contractual cash flows					
		Gross nominal inflow/ (outflow)	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year
As at 01 April 2017							
Non-derivative financial liabilities							
Trade payables	5,328	(5,328)	(5,328)	-	-	-	-
Debt securities	414,282	(431,860)	(140,651)	(147,994)	(86,507)	(54,419)	(2,289)
Borrowings (other than debt securities)	269,277	(273,668)	(208,647)	(25,004)	(40,007)	(10)	-
Other financial liabilities	6,961	(6,961)	(6,829)	(44)	(88)	-	-
Total	**695,848**	**(717,817)**	**(361,455)**	**(173,042)**	**(126,602)**	**(54,429)**	**(2,289)**
Non-derivative financial assets							
Cash and cash equivalents	20,453	20,453	20,453	-	-	-	-
Bank balance other than cash and cash equivalents above	8,845	8,989	-	6,796	111	-	2,082
Receivables	3,337	3,337	834	834	1,669	-	-
Loans	962,422	1,012,892	403,522	253,251	213,540	129,721	12,858
Investments	37,655	22,500	22,500	-	-	-	-
Other financial assets	66	66	-	-	66	-	-
Total	**1,032,778**	**1,068,237**	**447,309**	**260,881**	**215,386**	**129,721**	**14,940**

The table below analyses the Company's derivative financial instruments into relevant maturity groupings based on the remaining period as at respective year end to the contractual maturity date:

Particulars	Carrying amount	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year
Derivative financial assets						
As at 31 March 2019	2,779	1,710	-	-	1,069	-
As at 31 March 2018	1,666	-	-	1,666	-	-
As at 01 April 2017	5,111	-	-	5,111	-	-
Derivative financial liabilities						
As at 31 March 2019	1,003	349	-	-	654	-
As at 31 March 2018	1,138	1,138	-	-	-	-
As at 01 April 2017	1,332	10	-	1,322	-	-

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Note 32 - Financial Risk Management (Continued)

C. Market risk

Market risk is the risk arising due to changes in market prices – (e.g. interest rates and equity prices) and will affect the Company's income or the value of its holdings of financial instruments. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable parameters to ensure the Company's solvency while optimizing the return on risk.

All market risk taking activities are centralized with treasury. The Company's ALM policy is approved by Board of directors which defines the process and procedures of limit approvals, changes, delegation, reporting and escalation in case of limit excesses and trigger breaches. The Market Risk Management (MRM) monitors the risk exposures against approved limits and triggers at regular interval. MRM is responsible for the ongoing monitoring of the excess/breach to ensure that the corrective action plan is carried out. In case if a breach is reported and if it is determined to be real, it is reported to the ALCO and the Senior Market Risk Management.

i) Price risk
Price risk exposes the Company to fluctuations in fair values or future cash flows of a financial instrument because of changes in market prices whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The below table represents measures of the financial condition impacted by market risk for the financial instruments measured at fair value as on the reporting date:

Nature of product	Measurement basis	Sensitivity	Impact on the profit and loss account Year ended 31 March 2019	Impact on the profit and loss account Year ended 31 March 2018
Market linked debentures (net off hedged derivatives)	FVTPL	±100 basis points in interest rates	502/(502)	8/(8)
Investments in commerical papers and corporate bonds	FVTPL	±100 basis points in interest rates	(464)/464	(75)/75
Investments in unquoted equity shares	FVTPL	± 1.5% in earnings growth rate	69/(69)	62/(62)
		± 10% in liquidity adjustment factor	(663)/663	(596)/596

ii) Interest rate risk

Interest rate risk represents the Company's exposure to adverse movements in interest rates with regard to its debt instruments. Interest rate exposure (IRE) measures the potential pre-tax earnings impact, over a specified reporting period, for the accrual positions, from a defined change in the yield curve. Residual market risk is also monitored using a series of measures, including factor sensitivities (PV01). Factor sensitivity (PV01) is expressed as the change in the value of a position for a 1bp change in interest rate. Market Risk Management monitors factors for all relevant market risk.

The Company's exposure to interest rate risk arises majorly through structured debt securities where payment of interests are linked to the movement in the market index i.e. Nifty. The interest rate risk on such structured debt instruments are hedged through equity options and implied forwards.

Nature of product	Measurement basis	Sensitivity	Impact on the profit and loss account Year ended 31 March 2019	Impact on the profit and loss account Year ended 31 March 2018
Market linked debentures	FVTPL	±100 basis points in yield	349/(349)	725/(725)

Nature of product	Measurement basis	Sensitivity	Impact on other comprehensive income Year ended 31 March 2019	Impact on other comprehensive income Year ended 31 March 2018
Loans measured at FVOCI	FVOCI	±50 basis points in interest rates	(189)/174	(211)/214

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Note 32 - Financial Risk Management (Continued)

C. Market risk (continued)

The following is a summary of the Company's interest rate gap position on non-trading portfolios :

Particulars	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year	Non-sensitive	Total
As at 31 March 2019							
Assets							
Cash and cash equivalents	29,471	-	-	-	-	-	29,471
Bank balance other than cash and cash equivalents above	2,061	-	4,498	-	2,275	-	8,834
Derivative financial assets	1,710	-	-	1,069	-	-	2,779
Receivables	-	-	-	-	-	4,431	4,431
Loans	611,467	100,838	195,134	120,203	39,928	-	1,067,570
Investments	29,611	-	-	-	21,674	-	51,285
Other financial assets	-	-	-	-	-	140	140
Current tax assets (Net)	-	-	-	-	-	15,501	15,501
Deferred tax Assets (Net)	-	-	-	-	-	26,536	26,536
Property, plant and equipment	-	-	-	-	-	314	314
Other non-financial assets	-	-	-	-	-	751	751
Total Inflow	**674,320**	**100,838**	**199,632**	**121,272**	**63,877**	**47,673**	**1,207,612**
Equity & liabilities							
Derivative financial liabilities	(349)	-	-	(654)	-	-	(1,003)
Trade payables	-	-	-	-	-	(7,649)	(7,649)
Debt securities	(197,140)	(53,720)	(89,916)	(72,196)	(41,793)	-	(454,765)
Borrowings (other than debt securities)	(289,232)	(3,960)	(15,754)	(3)	-	-	(308,949)
Other financial liabilities	-	-	-	-	-	(6,441)	(6,441)
Provisions	-	-	-	-	-	(3,402)	(3,402)
Other non-financial liabilities	-	-	-	-	-	(1,912)	(1,912)
Equity share capital	-	-	-	-	-	(289,330)	(289,330)
Other equity	-	-	-	-	-	(134,161)	(134,161)
Total (outflow)	**(486,721)**	**(57,680)**	**(105,670)**	**(72,853)**	**(41,793)**	**(442,895)**	**(1,207,612)**

Particulars	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year	Non-sensitive	Total
As at 31 March 2018							
Assets							
Cash and cash equivalents	11,076	-	-	-	-	-	11,076
Bank balance other than cash and cash equivalents above	5,938	2,428	85	-	2,192	-	10,643
Derivative financial assets	-	-	1,666	-	-	-	1,666
Receivables	-	-	-	-	-	6,962	6,962
Loans	494,322	108,981	141,159	137,809	21,391	-	903,662
Investments	17,323	-	771	-	18,829	-	36,923
Other financial assets	-	-	-	-	-	139	139
Current tax assets (Net)	-	-	-	-	-	15,673	15,673
Deferred tax Assets (Net)	-	-	-	-	-	30,073	30,073
Property, plant and equipment	-	-	-	-	-	347	347
Capital work-in-progress	-	-	-	-	-	322	322
Other non-financial assets	-	-	-	-	-	1,052	1,052
Total inflow	**528,659**	**111,409**	**143,681**	**137,809**	**42,412**	**54,568**	**1,018,538**
Equity & liabilities							
Derivative financial liabilities	(1,138)	-	-	-	-	-	(1,138)
Trade payables	-	-	-	-	-	(5,154)	(5,154)
Debt securities	(191,916)	(20,177)	(59,862)	(92,639)	(233)	-	(364,827)
Borrowings (other than debt securities)	(220,196)	(1)	(9,831)	(8)	-	-	(230,036)
Other financial liabilities	-	-	-	-	-	(7,718)	(7,718)
Provisions	-	-	-	-	-	(6,431)	(6,431)
Other non-financial liabilities	-	-	-	-	-	(2,478)	(2,478)
Equity share capital	-	-	-	-	-	(289,330)	(289,330)
Other equity	-	-	-	-	-	(111,426)	(111,426)
Total (outflow)	**(413,250)**	**(20,178)**	**(69,693)**	**(92,647)**	**(233)**	**(422,537)**	**(1,018,538)**

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Particulars	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year	Non-sensitive	Total
As at 01 April 2017							
Assets							
Cash and cash equivalents	20,452	-	1	-	-	-	20,453
Bank balance other than cash and cash equivalents above	39	6,656	68	-	2,082	-	8,845
Derivative financial assets	-	-	5,111	-	-	-	5,111
Receivables	-	-	-	-	-	3,337	3,337
Loans	396,585	242,853	194,494	114,383	14,107	-	962,422
Investments	21,763	-	-	-	15,892	-	37,655
Other financial assets	-	-	-	-	-	66	66
Current tax assets (Net)	-	-	-	-	-	15,566	15,566
Deferred tax Assets (Net)	-	-	-	-	-	34,000	34,000
Property, plant and equipment	-	-	-	-	-	457	457
Capital work-in-progress	-	-	-	-	-	141	141
Other non-financial assets	-	-	-	-	-	821	821
Total inflow	**438,839**	**249,509**	**199,674**	**114,383**	**32,081**	**54,388**	**1,088,874**
Equity & liabilities							
Derivative financial liabilities	(10)	-	(1,322)	-	-	-	(1,332)
Trade payables	-	-	-	-	-	(5,328)	(5,328)
Debt securities	(253,485)	(31,635)	(79,727)	(47,704)	(1,731)	-	(414,282)
Borrowings (other than debt securities)	(205,352)	(24,589)	(39,328)	(8)	-	-	(269,277)
Other financial liabilities	-	-	-	-	-	(6,961)	(6,961)
Provisions	-	-	-	-	-	(6,807)	(6,807)
Other non-financial liabilities	-	-	-	-	-	(1,136)	(1,136)
Equity share capital	-	-	-	-	-	(289,330)	(289,330)
Other equity	-	-	-	-	-	(94,421)	(94,421)
Total (outflow)	**(458,847)**	**(56,224)**	**(120,377)**	**(47,712)**	**(1,731)**	**(403,983)**	**(1,088,874)**

Maturity analysis

The below table presents the maturity profile of key financial assets and liabilities of the company by their residual contractual maturity as of the dates presented:

Particulars	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year	Total
As at 31 March 2019						
Assets						
Cash and cash equivalents	29,471	-	-	-	-	29,471
Bank balance other than cash and cash equivalents above	2,061	-	4,498	-	2,275	8,834
Derivative financial assets	1,710	-	-	1,069	-	2,779
Receivables	4,431	-	-	-	-	4,431
Loans	611,467	100,838	195,134	120,203	39,928	1,067,570
Investments	29,611	-	-	-	21,674	51,285
Other financial assets	-	-	140	-	-	140
Current tax assets (Net)	-	-	-	-	15,501	15,501
Deferred tax Assets (Net)	-	-	-	-	26,536	26,536
Property, plant and equipment	-	-	-	-	314	314
Other non-financial assets	-	-	-	-	751	751
Total inflow	**678,751**	**100,838**	**199,772**	**121,272**	**106,979**	**1,207,612**
Equity & liabilities						
Derivative financial liabilities	(349)	-	-	(654)	-	(1,003)
Trade payables	(7,649)	-	-	-	-	(7,649)
Debt securities	(197,140)	(53,720)	(89,916)	(72,196)	(41,793)	(454,765)
Borrowings (other than debt securities)	(289,232)	(3,960)	(15,754)	(3)	-	(308,949)
Other financial liabilities	(6,120)	(321)	-	-	-	(6,441)
Provisions	(222)	-	(174)	(1,193)	(1,813)	(3,402)
Other non-financial liabilities	(1,912)	-	-	-	-	(1,912)
Equity share capital	-	-	-	-	(289,330)	(289,330)
Other equity	-	-	-	-	(134,161)	(134,161)
Total (outflow)	**(502,624)**	**(58,001)**	**(105,844)**	**(74,046)**	**(467,097)**	**(1,207,612)**

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Particulars	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year	Total
As at 31 March 2018						
Assets						
Cash and cash equivalents	11,076	-	-	-	-	11,076
Bank balance other than cash and cash equivalents above	5,938	2,428	85	-	2,192	10,643
Derivative financial assets	-	-	1,666	-	-	1,666
Receivables	6,962	-	-	-	-	6,962
Loans	494,322	108,981	141,159	137,809	21,391	903,662
Investments	17,323	-	771	-	18,829	36,923
Other financial assets	-	-	139	-	-	139
Current tax assets (Net)	-	-	-	-	15,673	15,673
Deferred tax Assets (Net)	-	-	-	-	30,073	30,073
Property, plant and equipment	-	-	-	-	347	347
Capital work-in-progress	-	-	-	-	322	322
Other non-financial assets	-	-	-	-	1,052	1,052
Total inflow	**535,621**	**111,409**	**143,820**	**137,809**	**89,879**	**1,018,538**
Equity & liabilities						
Derivative financial liabilities	(1,138)	-	-	-	-	(1,138)
Trade payables	(5,154)	-	-	-	-	(5,154)
Debt securities	(191,916)	(20,177)	(59,862)	(92,639)	(233)	(364,827)
Borrowings (other than debt securities)	(220,196)	(1)	(9,831)	(8)	-	(230,036)
Other financial liabilities	(6,744)	(974)	-	-	-	(7,718)
Provisions	(3,228)	-	(58)	(1,294)	(1,851)	(6,431)
Other non-financial liabilities	(2,478)	-	-	-	-	(2,478)
Equity share capital	-	-	-	-	(289,330)	(289,330)
Other equity	-	-	-	-	(111,426)	(111,426)
Total (outflow)	**(430,854)**	**(21,152)**	**(69,751)**	**(93,941)**	**(402,840)**	**(1,018,538)**

Particulars	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year	Total
As at 01 April 2017						
Assets						
Cash and cash equivalents	20,452	-	1	-	-	20,453
Bank balance other than cash and cash equivalents above	39	6,656	68	-	2,082	8,845
Derivative financial assets	-	-	5,111	-	-	5,111
Receivables	3,337	-	-	-	-	3,337
Loans	396,585	242,853	194,494	114,383	14,107	962,422
Investments	21,763	-	-	-	15,892	37,655
Other financial assets	-	-	-	-	66	66
Current tax assets (Net)	-	-	-	-	15,566	15,566
Deferred tax Assets (Net)	-	-	-	-	34,000	34,000
Property, plant and equipment	-	-	-	-	457	457
Capital work-in-progress	-	-	-	-	141	141
Other non-financial assets	-	-	-	-	821	821
Total inflow	**442,176**	**249,509**	**199,674**	**114,383**	**83,132**	**1,088,874**
Equity & liabilities						
Derivative financial liabilities	(10)	-	(1,322)	-	-	(1,332)
Trade payables	(5,328)	-	-	-	-	(5,328)
Debt securities	(253,485)	(31,635)	(79,727)	(47,704)	(1,731)	(414,282)
Borrowings (other than debt securities)	(205,352)	(24,589)	(39,328)	(8)	-	(269,277)
Other financial liabilities	(6,752)	(209)	-	-	-	(6,961)
Provisions	(3,223)	-	(46)	(1,247)	(2,291)	(6,807)
Other non-financial liabilities	(1,136)	-	-	-	-	(1,136)
Equity share capital	-	-	-	-	(289,330)	(289,330)
Other equity	-	-	-	-	(94,421)	(94,421)
Total (outflow)	**(475,286)**	**(56,433)**	**(120,423)**	**(48,959)**	**(387,773)**	**(1,088,874)**

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Note 33 - Capital Risk Management

Capital risk is defined as the risk that the Company has a sub-optimal quantity or quality of capital or that capital is inefficiently deployed across the Company. A capital risk exposure arises when the Company has insufficient capital resources to support its strategic objectives and plans, and to meet external stakeholder requirements and expectations. This could arise due to a depletion of the Company's capital resources as a result of the crystallisation of any of the risks to which it is exposed.
As per RBI regulations, the Company is required to maintain a minimum capital to risk-weighted assets ratio (CRAR) of 15%. Additionally, the capital base also supports prudential exposure limits for single and group borrowers and is a key factor to support a strong credit rating and capital metrics.

CFIL has a comprehensive planning process, with capital planning as an integral pillar. To support the company's growth of its various lines of business and meeting strategic objectives and plans, sufficient capital buffer is maintained on an ongoing basis. Avenues for meeting incremental capital requirements include retention of profits over time, additional infusion from shareholders as well as contracting qualifying Tier 2 debt .

In an extreme scenario precipitating the risk of CRAR potentially dropping below the mandated minimum, the Company can additionally also consider the following contingency plans:
- Curtail loan growth to be able to avoid further buildup in RWA and facilitate reduction through scheduled loan maturities
- Consider selective portfolio sales to de-risk the asset portfolio and improve capital adequacy

The Asset Liabiity Committee (ALCO) monitors the capital position on an ongoing basis and oversees all capital related actions including infusions, retention or dividend remittance.

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 # Note 34 - Segment information

The segment disclosure is based on the client segment of the company which is aligned to internal reporting matrix. 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 geographies in India. Accordingly, the company has identified two segments : Institutional Client Group (ICG) and Global Consumer Banking (GCB) as reportable segments .

ICG - This segment provides secured and unsecured loans to corporate and high networth individual clients.Loan Products offered by this segment are unsecured loans, secured loans and bills discounting. Segment income mainly consists of interest on loans and service charges. This segment also includes markets business which undertakes activities such as investments in corporate debt, funding and gapping products and hedging positions and contributes to revenues of the segment which includes investment income and gains/loss on debentures/bonds and derivative transactions.

GCB - This segment provides loans to MSME and other retail customers. Loan products offered by this segment are loan against securities, loans for purchase of commercial vehicles, construction equipment and agricultural assets and personal loans. Segment income mainly comprises of interest on loans, Loan origination fees and income from assignment.

Segment wise income and expenses include certain internal allocations including internal transfer pricing attached to the funds provided or deployed.

Segment assets represents the net assets put up by that segment. Segment liabilities represent liabilities undertaken by respective segments.

Items which are not directly attributable to any particular segment and which cannot be reasonably allocated to segments are consolidated under "Unallocated" column. Further Capital and other equity are shown as unallocated since the same cannot be directly identified with any particular segment.

Segment revenue

Particulars	Year ended 31 March 2019				Year ended 31 March 2018			
	ICG	GCB	Unallocated	Total	ICG	GCB	Unallocated	Total
Interest income from external customers	53,811	24,914	323	79,048	50,928	20,261	-	71,189
Other income	5,844	9,209	2,015	17,068	3,820	6,101	810	10,731
Share in profit of associate	-	-	2,620	2,620	-	-	1,988	1,988
Total income	**59,655**	**34,123**	**4,958**	**98,736**	**54,748**	**26,362**	**2,798**	**83,908**
Interest expense	23,567	12,074	5,568	41,209	24,541	7,286	3,665	35,492
Other expenses	6,099	15,437	4,191	25,727	7,325	11,188	4,381	22,894
Segment Results	**29,989**	**6,612**	**(4,801)**	**31,800**	**22,882**	**7,888**	**(5,248)**	**25,522**
Income tax Expense	-	-	-	9,406	-	-	-	8,441
Profit after tax				**22,394**				**17,081**
Other Information								
Capital expenditure	-	-	213	**213**	-	-	232	**232**
Depreciation	-	-	112	**112**	-	-	134	**134**

Segment assets and liabilities

Particulars	As at 31 March 2019				As at 31 March 2018				As at 01 April 2017			
	ICG	GCB	Unallocated	Total	ICG	GCB	Unallocated	Total	ICG	GCB	Unallocated	Total
Segment assets	840,147	302,873	64,592	1,207,612	681,584	273,128	63,826	1,018,538	864,538	158,959	65,377	1,088,874
Segment liabilities	(766,735)	(8,886)	(8,500)	(784,121)	(596,908)	(12,766)	(8,108)	(617,782)	(684,708)	(11,576)	(8,839)	(705,123)
Net segment assets/ (liabilities)	**73,412**	**293,987**	**56,092**	**423,491**	**84,676**	**260,362**	**55,718**	**400,756**	**179,830**	**147,383**	**56,538**	**383,751**

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Note 35 - Related party disclosures

The Company has a policy of carrying all related party transactions; domestic or international, at arm's length.

As per Ind AS 24 ' Related party disclosures', the related party where control exists or where significant influence exists and with whom transactions have taken place are as below:

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 Technology Inc.
Citigroup Global Market Asia Limited
Citigroup Global Markets India Private Limited
Citicorp Services India Private Limited
Citigroup Transactions Services (M) Sdn Bhd
Citigroup Global Markets Hong Kong Ltd
Citigroup Global Markets Singapore PTE Limited
Citibank China Ltd Co
Ccorp Invest Bank (S) Ltd
Citigroup Global Markets Deutschland AG
Citibank Japan Ltd
Citi Europe PLC Hungary
Citi Europe PLC Poland
Citi Korea INC
Citi Europe PLC France
Citi Europe PLC Sweden
Citi Europe PLC Belgium
Citi Europe PLC Germany
Citigroup Global Markets Limited

C. Key Management Personnel
Nina Nagpal (Managing Director w.e.f 1 June 2018)
Rohit Ranjan
Priti Goel
Neeraj Kumar (w.e.f 26 Mar 2019)
Srinivas Sisthla (resigned w.e.f 26 Mar 2019)
Niraj Parekh (resigned w.e.f 9 Jul 2018)
Deepak Ghaisas (Independent Director)
Saurabh Shah (Independent Director)

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Citicorp Finance (India) Limited

Notes to the consolidated financial statements *(continued)*
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Details of related party transactions during the year are given below:

Nature of Related party transaction	Holding Companies and companies exercising control		Fellow Subsidiaries			
	Citibank N.A. and its branches		Citicorp Services India Pvt Ltd		Other Fellow Subsidiaries	
	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018
Asset given on lease	-	629		298		25
Lease rentals received for assets given on lease	**710**	1,225	**363**	603	**27**	39
Fixed deposits placed	**1,371,926**	1,545,171	-	-	-	-
Fixed deposits matured	**1,353,563**	1,551,817	-	-	-	-
Loans taken	**2,315,600**	1,481,900	-	-	-	-
Loans repaid	**2,315,600**	1,481,900	-	-	-	-
Loan portfolio purchase - Personal loan	**144,807**	135,078	-	-	-	-
Loan portfolio purchase - Domestic trade finance	**133,340**	123,296	-	-	-	-
Loan portfolio sale - Asset Backed Finance	**33,625**	22,774	-	-	-	-
Amount placed in Reverse Repo	**419,620**	-	-	-	-	-
Amount liquidated in Reverse Repo	**419,620**	-	-	-	-	-
Distribution and Placement Fees paid	**1,394**	464	-	-	-	-
Rent paid	**496**	595	**43**	19	-	-
Net movement in bank accounts	**530**	475	-	-	-	-
Interest paid on borrowings and overdraft	**815**	447	**5,651**	841	-	-
Bank Charges paid	**16**	24	-	-	-	-
Interest received on fixed deposits	**1,390**	1,512	-	-	-	-
Sourcing and Collection Fees earned	**6,556**	5,710	-	-	-	-
Fees and Commission*	**3,605**	5,310	**63**		**1,061**	145
Secondment charges earned	**670**	482	-	-	-	-
Transfer of software	**455**	-	-	-	-	-
Interest Income on Reverse Repo transaction	**108**	-	-	-	-	-
Inter Corporate borrowings taken	-	-	**448,600**	181,000	-	-
Inter Corporate borrowings repaid	-	-	**401,100**	78,500	-	-
Other expenses	**1,566**	1,407	**108**	243	**255**	226

*Previous year numbers includes secondment charges for joint managing directors

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

Nature of Related party outstanding balances	Holding Companies and companies exercising control			Fellow Subsidiaries					
	Citibank N.A. and its branches			Citicorp Services India Pvt Ltd			Other Fellow Subsidiaries		
	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Assets									
Trade receivables	**2,522**	5,059	1,600	**72**	209	134	**15**	36	20
Other receivables	**1,677**	1,493	834	-	-	-	-	-	-
Fixed deposits	**2,300**	2,192	2,082	-	-	-	-	-	-
Fixed deposits (with original maturity of less than 3 months)	**28,867**	10,476	18,311	-	-	-	-	-	-
Bank Balances	**483**	121	1,610	-	-	-	-	-	-
Leasing	**16**	1,609	2,412	-	853	1,197	-	57	77
Liabilities									
Inter Corporate Borrowings	-	-	-	**150,906**	102,793	-	-	-	-
Trade payables	**5,078**	3,281	3,082	**51**	115	44	**1,101**	191	1,138
Collection payables on servicing portfolio	**2,088**	2,051	2,982	-	-	-	-	-	-
Loans repayable on demand from banks (overdraft)	**504**	675	1,689	-	-	-	-	-	-

Transactions with Key managerial personnel
The Key managerial remuneration has been disclosed seperately in Annexure 1

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Note 36 - Off balance sheet items, contingent liabilities and capital commitments

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Tax assessments	3,995	3,995	5,386
Customer litigations	494	587	661
Estimated amount of contracts remaining to be executed on capital account	7	185	207
Undrawn committed credit lines	409	1,215	640

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 INR 854 (31 March 2018: INR 854; 01 April 2017: INR 3,144).

There were outstanding demands against the Company under Karnataka Value Added Tax Act, 2003, primarily on account of disallowance of input tax credit amounting to INR 1,702 (31 March 2018: INR 1,702; 01 April 2017: INR 1,976). These matters were heard before the Karnataka Appealate Tribunal and were remanded back to the Assessing Authotity. However the amount continues to be reported in contingent liability as the reassessment by the Assessing Authority is in progress. Out of this, the Company has made a predeposit of INR 270 in the previous years.

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 accountant of "transfer of KPO Division" on slump sale basis amounting to INR 316 (31 March 2018: INR 316 ; 01 April 2017: INR 266 (excluding pre deposit of INR 50)). Out of this, the Company has made a predeposit of INR 50 in the previous years.

There are outstanding demands against the Company under Finance Act,1994 , primarily on account of adjustment of service tax paid in previous years and other miscellenious issues amounting to INR 1,123 (31 March 2018: INR 1,123; 01 April 2017: NIL). Out of this, the Company has made a predeposit of INR 50 in the previous year.

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.

Further, there are few customers who have initiated legal proceedings against the Company for a total compensation demand of INR 494 (31 March 2018: INR 587 ; 01 April 2017: INR 661). The Company believes that such demands are not tenable and are highly unlikely to be confirmed by higher authorities.

Note 37 - Leases

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

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Net carrying value of the assets as at the date of balance sheet	9	15	21
Total of minimum lease payments as at the balance sheet date			
Not later than one year	7	8	15
Later than one year and not later than five years	3	10	10
	10	18	25
Present value of minimum lease payments as at the balance sheet date			
Not later than one year	6	7	13
Later than one year and not later than five years	3	8	8
	9	15	21

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

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Gross investment as at the date of balance sheet			
Not later than one year	14	1,419	1,891
Later than one year and not later than five years	3	1,474	2,431
	17	2,893	4,322
Present value of minimum lease payments as at the balance sheet date			
Not later than one year	13	1,188	1,528
Later than one year and not later than five years	3	1,331	2,158
	16	2,519	3,686
Unearned finance charges	1	375	638
Unguaranteed residual value	-	-	-
Accumulated provision for minimum lease payment receivable	-	-	-
	1	375	638

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Note 38 - Earnings per share (EPS)

a) The basic and diluted earnings per share has been calculated based on the following:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Net profit after tax available for equity shareholders	22,394	17,081
Weighted average number of equity shares	3,857,727,031	3,857,727,031
Basic / Diluted earnings per share (Rs.)	**0.58**	**0.44**

b) Weighted average number of equity shares is computed for the purpose of calculating diluted earning per share for the respective years.

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Weighted average number of shares for computation of Basic EPS	3,857,727,031	3,857,727,031
Shares issued during the year	-	-
Weighted average number of shares for computation of Diluted EPS	3,857,727,031	3,857,727,031

Note 39 - Corporate social responsibility expenditure

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Gross amount required to be spent during the year	471	635
Amount spent during the year		
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above		
In cash	472	635
Yet to be paid in cash	-	-
Total	**472**	**635**

Note 40 - 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 2019	31 March 2018
Principal amount remaining unpaid to any supplier as at the year end	5	-
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	4	181
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	0	3
Amount of interest accrued and remaining unpaid at the end of the accounting year	8	11

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Note 41 - Employee benefit obligations

a) Gratuity

The Company pays gratuity to employees who retire or resign after serving for the stipulated period mentioned under 'The Payment of Gratuity Act, 1972'. 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. The plan assets under the fund are invested in schemes of Insurance - conventional products.

i. The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Year ended 31 March 2019			Year ended 31 March 2018		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
At the beginning of the year	**(512)**	**334**	**(178)**	**(421)**	**303**	**(118)**
Current service cost	(56)	-	**(56)**	(41)	-	**(41)**
Past service cost	-	-	-	(59)	-	**(59)**
Interest (expense) / income	(37)	27	**(10)**	(27)	21	**(6)**
Total amount recognised in profit or loss	**(93)**	**27**	**(66)**	**(127)**	**21**	**(106)**
Remeasurements						-
Return on plan assets greater/(lesser) than discount rate	-	(2)	**(2)**	-	2	**2**
Gain / (loss) from change in demographic assumptions	-	-	-	-	-	-
Gain / (loss) from change in financial assumptions	(10)	-	**(10)**	19	-	**19**
Experience gains/(losses)	(11)	-	**(11)**	(34)	-	**(34)**
Total amount recognised in other comprehensive income	**(21)**	**(2)**	**(23)**	**(15)**	**2**	**(13)**
Employer contributions	-	80	**80**	-	59	**59**
Benefit payments	23	(23)	-	51	(51)	-
At the end of the year	**(603)**	**416**	**(187)**	**(512)**	**334**	**(178)**

ii. The net liability disclosed above related to funded plans is as follows:

Particulars	**As at 31 March 2019**	**As at 31 March 2018**	**As at 01 April 2017**
Present value of funded obligations	(603)	(512)	(421)
Fair value of plan assets	416	334	303
Net liability	**(187)**	**(178)**	**(118)**

iii. The significant actuarial assumptions were as follows:

Particulars	**As at 31 March 2019**	**As at 31 March 2018**	**As at 01 April 2017**
Financial Assumptions			
Discount rate	7.10%	7.40%	6.80%
Salary escalation rate (taking into account the inflation, seniority, promotions and other relevant factors)	10.00%	10.00%	10.00%
Demographic Assumptions			
Mortality Rate	Indian Assured Lives Mortality (2006-08)Ult.	Indian Assured Lives Mortality (2006-08)Ult.	Indian Assured Lives Mortality (2006-08)Ult.
Withdrawal Rate	15.00%	15.00%	15.00%

iv. Sensitivity of actuarial assumptions

Particulars	Change in assumption	Impact on defined benefit obligation			
		Year ended 31 March 2019		Year ended 31 March 2018	
		Increase	Decrease	Increase	Decrease
Discount Rate	1%	(33)	37	(29)	32
Salary Escalation rate	1%	36	(33)	31	(28)
Withdrawal rate	5%	(25)	39	(21)	32

Plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

The methods and types of assumptions used in preparing the sensitivity analysis were consistent with prior period.

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v. Expected payment for future years:
The defined benefit obligations shall mature after year end as follows:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Within 1 year	82	69	62
1-2 year	84	72	63
2-3 year	88	75	64
3-4 year	92	79	65
4-5 year	101	83	66
5-10 year	471	424	304
Total expected payments	**918**	**802**	**624**

The Company expects to contribute INR 133 to the fund in the next financial year. The weighted average duration of the defined benefit obligation as at 31 March 2019 is 6 years (31 March 2018: 6 years; 01 April 2017: 6 years)

b) Provident and Superannuation fund
The Company contributes to employee provident fund for all employees and superannuation fund for eligible employees which are defined contribution plans.These contributions are charged to the statement of profit and loss during the period in which the employee renders the related services. The expense recognised during the year is INR 208 (31 March 2018: INR 195).

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Note 42 - Other disclosures

A. 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 2019	31 March 2018
Total number of loan assets assigned during the year (Nos)	1,607	1,222
Total amount of exposures retained by the Company to comply with MRR	3,411	2,298
Total book value of loan assets assigned	33,416	22,512
Sale consideration received for the assigned assets	33,625	22,774
Gain on account of assigned assets	227	294
Gains amortized during the year as per the RBI guidelines*	Refer note given below	

*Gain on assignment of loans is recognized in the profit and loss account in the year of assignment as per Ind AS. Refer note 45d.ix.

B. Movement of provision during the year

Particulars	As at 31 March 2018	Created during the year	Utilized/ released during the year	As at 31 March 2019
Provision on securitization of asset portfolio	1,617	-	39	**1,578**
Provision for Input tax credit	11,490	-	357	**11,133**
Provision for Value Added Tax (VAT)	3,228	-	3006	**222**
Provision for litigation	1,294	134	235	**1,193**
Provision for Asset Retirement Obligation	52	8	13	**47**
Total	**17,681**	**142**	**3,650**	**14,173**

Particulars	As at 01 April 2017	Created during the year	Utilized/ released during the year	As at 31 March 2018
Provision on securitization of asset portfolio	2,099	-	482	**1,617**
Provision for Input tax credit	11,906	-	416	**11,490**
Provision for Value Added Tax (VAT)	3,223	5	-	**3,228**
Provision for litigation	1,247	241	194	**1,294**
Provision for Asset Retirement Obligation	70	5	23	**52**
Total	**18,545**	**251**	**1,115**	**17,681**

C. Net debt reconciliation

Particulars	As at 01 April 2018	Cash flow	Interest Expense	Fair Value changes	As at 31 March 2019
Debt securities	364,827	62,508	28,380	(950)	454,765
Borrowings	230,036	66,075	12,838	-	308,949

Particulars	As at 01 April 2017	Cash flow	Interest Expense	Fair Value changes	As at 31 March 2018
Debt securities	414,282	(73,816)	22,926	1,435	364,827
Borrowings	269,277	(51,804)	12,563	-	230,036

D. In accordance with the RBI notification No. RBI/DNBS/2016-17/49 Master Direction DNBS.PPD.01/66.15.001/2016-17 dated September 29, 2016, INR Nil of fraud was detected and reported during the financial year ended 31 March 2019 (31 March 2018: INR 13.50).

MSKA & ASSOCIATES ★ Chartered Accountants ★

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All amounts are in INR lakhs except per share data and unless stated otherwise

Note 42 - Other disclosures (continued)

E. In accordance with Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 1, 2016 – Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, the Company did not enter into any credit default swaps during the year ended 31 March 2019 (31 March 2018: Nil).

F. In accordance with Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 1, 2016 – Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, the Company has not lent against gold jewellery during the year ended 31 March 2019 (31 March 2018: Nil).

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

H. Fees and commission expense includes transfer pricing fees amounting to INR 2,857 (31 March 2018: INR 3,105) paid/ accrued to affiliates. These fees are based on refinements in the transfer pricing model which 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.

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

Note 43 - Details of borrowings (other than debt securities)
A. Secured borrowings

i. Workings capital demand loan from banks

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Residual tenure	Maturing within 1 year	Maturing within 1 year	NA
Rate Range	8.80%	9.60%	NA

The above loan is secured by a pari passu charge on the movable financial assets.

B. Unsecured Borrowings

i. Cash Credit Facility from Banks*

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Residual tenure	Maturing within 1 year	Maturing within 1 year	Maturing within 1 year
Rate Range	13.50%	13.50%	13.50%

ii. Commercial papers

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Residual tenure	NA	Maturing within 1 year	Maturing within 1 year
Discount Rate (Range)	NA	6.98% to 7.90%	6.67% to 7.30%

iii. Intercorporate borrowings*

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Residual tenure	Maturing within 1 year	Maturing within 1 year	Maturing within 1 year
Rate Range	7.00% to 7.85%	6.50% to 7.50%	6.20% to 6.50%

*Refer note 35 for borrowings from related parties

MSKA & Associates Chartered Accountants

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Note 44 - The Company has issued non-convertible redeemable debentures under various series on different terms and conditions.

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.

A. Details of secured market linked non-convertible redeemable debentures are as follows:

Series No	Maturity / Call Date	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
730 I	28-Sep-22	3,656	-	-
727 I	12-Sep-22	1,825	-	-
727 III	12-Sep-22	7,650	-	-
728 III	12-Sep-22	1,500	-	-
730 II	12-Sep-22	1,850	-	-
722 III	1-Aug-22	6,003	-	-
723 III	1-Aug-22	3,645	-	-
725 III	1-Aug-22	4,365	-	-
722 II	30-May-22	5,810	-	-
723 II	30-May-22	1,150	-	-
725 II	30-May-22	1,000	-	-
720 I	4-May-22	2,400	-	-
718 I	1-Apr-22	3,115	-	-
719 I	1-Apr-22	400	-	-
706 I	31-Dec-21	3,500	-	-
711 II	31-Dec-21	2,500	-	-
701 I	30-Nov-21	4,684	-	-
696 I	28-Oct-21	3,955	-	-
690 I	29-Sep-21	3,356	-	-
686 I	9-Sep-21	901	-	-
687 I	9-Sep-21	300	-	-
684 I	29-Aug-21	1,910	-	-
656 I	2-Mar-21	1,400	1,400	-
654 I	27-Jan-21	1,075	1,075	-
650 I	29-Dec-20	975	975	-
649 I	1-Dec-20	1,550	1,600	-
713 I	9-Nov-20	2,100	-	-
713 II	9-Nov-20	2,100	-	-
714 II	9-Nov-20	1,725	-	-
716 II	9-Nov-20	1,200	-	-
717 I	9-Nov-20	900	-	-
717 II	9-Nov-20	300	-	-
718 II	9-Nov-20	300	-	-
720 II	9-Nov-20	2,793	-	-
642 I	27-Oct-20	100	100	-
642 V	27-Oct-20	130	130	-
647 I	27-Oct-20	300	300	-
647 II	27-Oct-20	50	50	-
647 V	27-Oct-20	470	470	-
647 VI	27-Oct-20	100	100	-
647 XI	27-Oct-20	50	50	-
648 VI	27-Oct-20	100	100	-
638 I	29-Sep-20	400	400	-
638 II	29-Sep-20	100	100	-
639 I	29-Sep-20	200	200	-
639 III	29-Sep-20	100	100	-
639 VI	29-Sep-20	250	250	-
640 I	29-Sep-20	1,400	1,450	-
640 II	29-Sep-20	125	125	-
641 I	29-Sep-20	600	600	-
641 II	29-Sep-20	250	250	-
641 III	29-Sep-20	50	50	-
634 II	30-Aug-20	150	150	-
634 IV	30-Aug-20	100	100	-
636 II	30-Aug-20	650	650	-
636 IV	30-Aug-20	280	280	-
637 IV	30-Aug-20	100	100	-
637 VIII	30-Aug-20	100	100	-

Series No	Maturity / Call Date	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
671 I	2-Apr-19	150	2,705	-
626 VIII	1-Apr-19	-	100	100
630 II	1-Apr-19	-	300	300
632 II	1-Apr-19	-	100	100
562 I	19-Mar-19	-	1,080	1,080
561 I	27-Feb-19	-	1,700	1,700
620 IV	31-Jan-19	-	100	100
656 II	28-Jan-19	-	16,250	-
658 I	28-Jan-19	-	5,000	-
660 I	28-Jan-19	-	800	-
664 I	28-Jan-19	-	600	-
665 I	28-Jan-19	-	10,000	-
559 II	26-Jan-19	-	320	320
618 I	10-Jan-19	-	2,200	2,200
652 I	7-Dec-18	-	10,000	-
653 I	7-Dec-18	-	3,500	-
557 I	28-Nov-18	-	500	500
556 I	27-Nov-18	-	300	300
556 II	27-Nov-18	-	518	518
553 II	30-Oct-18	-	385	410
553 III	30-Oct-18	-	354	379
554 II	30-Oct-18	-	870	870
554 III	30-Oct-18	-	310	310
603 I	28-Oct-18	-	100	100
604 I	28-Oct-18	-	160	160
551 II	2-Oct-18	-	505	530
551 IV	2-Oct-18	-	240	240
600 I	27-Sep-18	-	50	50
596 I	27-Sep-18	-	-	100
629 I	24-Sep-18	-	2,500	2,500
550 II	19-Sep-18	-	100	100
549 II	12-Sep-18	-	325	480
547 II	28-Aug-18	-	405	485
548 II	28-Aug-18	-	657	722
648 VII	30-Jul-18	-	300	-
643 VII	16-Jul-18	-	7,700	-
586 II	3-Jul-18	-	-	100
626 IV	2-Jul-18	-	150	150
632 VII	2-Jul-18	-	2,925	2,925
639 V	2-Jul-18	-	200	-
596 VI	1-Jul-18	-	50	50
641 VII	30-Jun-18	-	500	-
641 IX	30-Jun-18	-	850	-
544 I	28-Jun-18	-	100	100
585 II	28-Jun-18	-	250	250
582 II	17-Jun-18	-	-	100
638 IV	11-Jun-18	-	2,000	-
633 V	6-Jun-18	-	120	-
540 I	30-May-18	-	170	195
541 I	30-May-18	-	455	480
541 II	30-May-18	-	225	225
632 V	30-May-18	-	330	330
635 VI	30-May-18	-	220	-
625 II	27-May-18	-	550	550
633 III	7-May-18	-	200	-
633 IV	7-May-18	-	200	-
633 VIII	7-May-18	-	200	-
594 II	3-May-18	-	100	100

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Notes to the consolidated financial statements *(continued)*
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Series No	Maturity / Call Date	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
635 V	25-Aug-20	776	776	-
633 I	5-Aug-20	50	50	-
632 I	29-Jul-20	400	400	400
626 I	28-Jul-20	210	210	210
628 II	22-Jul-20	876	876	876
623 I	27-Jun-20	200	200	200
620 I	13-Jun-20	175	175	175
726 II	3-Jun-20	9,000	-	-
727 II	3-Jun-20	7,865	-	-
728 II	3-Jun-20	6,900	-	-
726 III	27-Mar-20	15,000	-	-
604 IV	29-Feb-20	50	50	50
604 VIII	29-Feb-20	500	500	500
604 IX	29-Feb-20	-	100	100
602 II	28-Jan-20	300	300	300
602 III	28-Jan-20	100	150	150
602 IV	28-Jan-20	-	100	100
596 II	25-Jan-20	200	300	300
596 III	25-Jan-20	100	200	200
600 II	25-Jan-20	260	260	260
600 III	25-Jan-20	240	240	240
592 III	31-Dec-19	300	300	350
593 II	31-Dec-19	100	100	100
593 III	31-Dec-19	200	200	200
594 III	31-Dec-19	50	50	50
591 II	6-Dec-19	200	700	700
707 II	6-Dec-19	2,500	-	-
707 III	6-Dec-19	2,500	-	-
580 I	30-Nov-19	110	160	210
580 III	30-Nov-19	375	375	425
581 I	30-Nov-19	150	200	200
581 II	30-Nov-19	200	200	200
581 III	30-Nov-19	250	350	450
578 I	26-Oct-19	405	555	605
578 II	26-Oct-19	50	50	50
578 III	26-Oct-19	750	750	750
579 I	26-Oct-19	100	250	250
579 II	26-Oct-19	150	150	150
579 III	26-Oct-19	280	280	330
710 II	21-Oct-19	3,000	-	-
698 I	16-Oct-19	11,100	-	-
701 II	16-Oct-19	10,100	-	-
705 I	16-Oct-19	796	-	-
707 I	16-Oct-19	16,841	-	-
710 I	16-Oct-19	8,500	-	-
711 I	16-Oct-19	985	-	-
712 I	16-Oct-19	3,273	-	-
730 IV	3-Oct-19	5,000	-	-
687 II	19-Aug-19	9,300	-	-
688 II	19-Aug-19	2,000	-	-
692 I	19-Aug-19	6,000	-	-
693 I	19-Aug-19	450	-	-
695 II	19-Aug-19	1,750	-	-
697 I	19-Aug-19	500	-	-
589 I	30-Jul-19	460	460	460
576 V	30-Jul-19	-	-	100
574 IV	14-Jul-19	100	100	100
640 V	1-Jul-19	200	200	-
571 IV	29-Jun-19	100	100	100
571 VI	29-Jun-19	300	300	450
572 V	29-Jun-19	200	200	300
572 VII	29-Jun-19	200	200	200
592 I	29-Jun-19	100	100	100
585 I	28-Jun-19	635	635	660
680 I	20-Jun-19	18,700	18,700	-
582 I	17-Jun-19	250	250	250

Series No	Maturity / Call Date	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
581 VIII	2-May-18	-	300	300
582 III	2-May-18	-	100	100
586 III	2-May-18	-	100	100
604 VI	2-May-18	-	100	100
604 VII	2-May-18	-	500	500
608 II	2-May-18	-	100	100
604 X	2-May-18	-	-	200
539 II	1-May-18	-	155	155
585 III	1-May-18	-	200	200
626 VI	30-Apr-18	-	50	50
632 VI	30-Apr-18	-	200	200
626 III	15-Apr-18	-	150	150
537 I	10-Apr-18	-	627	627
627 I	5-Apr-18	-	6,500	6,500
535 II	31-Mar-18	-	-	250
536 III	31-Mar-18	-	-	175
536 IV	31-Mar-18	-	-	305
576 I	31-Mar-18	-	-	100
576 III	31-Mar-18	-	-	350
623 V	31-Mar-18	-	-	100
536 I	27-Mar-18	-	-	25
623 III	25-Mar-18	-	-	225
625 V	24-Mar-18	-	-	800
623 VII	16-Mar-18	-	-	400
622 I	10-Mar-18	-	-	1,300
621 II	9-Mar-18	-	-	1,000
621 III	9-Mar-18	-	-	1,000
620 II	2-Mar-18	-	-	50
532 II	27-Feb-18	-	-	330
533 II	27-Feb-18	-	-	175
621 I	22-Feb-18	-	-	6,500
619 I	4-Feb-18	-	-	10,000
529 II	31-Jan-18	-	-	655
530 II	31-Jan-18	-	-	585
531 II	31-Jan-18	-	-	370
529 IV	13-Jan-18	-	-	10,010
577 I	31-Dec-17	-	-	3,000
611 I	30-Dec-17	-	-	8,500
519 I	29-Dec-17	-	-	505
526 III	29-Dec-17	-	-	260
526 IV	29-Dec-17	-	-	745
527 II	29-Dec-17	-	-	635
600 IV	28-Dec-17	-	-	50
602 V	28-Dec-17	-	-	265
608 I	15-Dec-17	-	-	1,500
609 I	15-Dec-17	-	-	700
607 I	9-Dec-17	-	-	10,000
525 IV	30-Nov-17	-	-	310
592 IV	30-Nov-17	-	-	310
593 IV	30-Nov-17	-	-	200
524 III	28-Nov-17	-	-	510
525 III	28-Nov-17	-	-	630
603 II	26-Nov-17	-	-	50
603 III	26-Nov-17	-	-	170
604 III	26-Nov-17	-	-	730
604 V	26-Nov-17	-	-	100
605 I	25-Nov-17	-	-	500
524 II	24-Nov-17	-	-	1,005
601 I	28-Oct-17	-	-	10,000
521 I	28-Sep-17	-	-	335
522 I	28-Sep-17	-	-	955
585 IV	28-Sep-17	-	-	100
595 I	23-Sep-17	-	-	700
594 I	16-Sep-17	-	-	500
551 I	27-Aug-17	-	-	165
549 I	13-Aug-17	-	-	325

All amounts are in INR lakhs except per share data and unless stated otherwise

Series No	Maturity / Call Date	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
567 II	1-Jun-19	350	450	450
568 II	1-Jun-19	450	595	595
568 VI	1-Jun-19	200	350	350
568 I	1-Jun-19	-	2,500	2,500
641 V	30-May-19	100	100	-
641 VIII	30-May-19	215	215	-
642 IV	30-May-19	50	50	-
647 VIII	30-May-19	200	200	-
647 IX	30-May-19	200	200	-
647 IV	30-May-19	1,550	1,550	-
648 IV	30-May-19	200	200	-
669 I	29-May-19	925	925	-
639 IV	27-May-19	100	100	-
625 I	26-May-19	200	200	200
723 IV	15-May-19	2,000	-	-
700 I	6-May-19	200	-	-
700 II	6-May-19	100	-	-
581 VII	6-May-19	-	2,500	2,500
630 III	29-Apr-19	200	200	200
640 IV	29-Apr-19	50	50	-
641 IV	29-Apr-19	100	100	-
668 I	22-Apr-19	22,000	22,000	-
672 I	22-Apr-19	3,900	3,900	-
674 I	22-Apr-19	10,000	10,000	-
681 I	22-Apr-19	2,325	2,325	-
633 VII	8-Apr-19	100	100	-
Total				

Series No	Maturity / Call Date	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
589 III	13-Aug-17	-	-	150
590 III	13-Aug-17	-	-	8,350
516	29-Jul-17	-	-	545
518	29-Jul-17	-	-	620
547 I	27-Jul-17	-	-	475
548 I	27-Jul-17	-	-	490
581 VI	8-Jul-17	-	-	1,000
584 III	8-Jul-17	-	-	500
583 I	7-Jul-17	-	-	6,750
581 IV	4-Jul-17	-	-	5,750
582 IV	4-Jul-17	-	-	400
576 II	2-Jul-17	-	-	620
576 IV	29-Jun-17	-	-	450
512	28-Jun-17	-	-	815
575 IV	21-Jun-17	-	-	500
580 IV	7-Jun-17	-	-	400
580 V	7-Jun-17	-	-	100
509	30-May-17	-	-	760
571 II	24-May-17	-	-	200
571 III	24-May-17	-	-	200
572 II	24-May-17	-	-	100
542 I	14-May-17	-	-	510
579 V	13-May-17	-	-	500
505	29-Apr-17	-	-	260
575 I	20-Apr-17	-	-	1,600
		286,625	180,778	158,592

B. Details of secured non-convertible redeemable debentures are as follows:

Series No	Interest rate	Maturity / Call Date	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
729 I	7.95%	20-Sep-19	9,500	-	-
721 II	8.35%	29-Jul-19	2,500	-	-
730 III	8.45%	5-Jul-19	20,000	-	-
728 I	8.25%	21-Jun-19	40,000	-	-
663 I	7.70%	14-Jun-19	17,500	17,500	-
724 I	7.85%	15-May-19	2,500	-	-
721 I	8.20%	29-Apr-19	10,000	-	-
722 IV	8.00%	29-Apr-19	50,000	-	-
715 I	8.50%	24-Apr-19	3,000	-	-
677 I	8.30%	12-Sep-18	-	15,000	-
676 I	8.40%	7-Sep-18	-	10,000	-
675 I	8.40%	6-Sep-18	-	50,000	-
681 II	7.75%	20-Jul-18	-	15,000	-
679 I	8.25%	14-Jun-18	-	60,000	-
678 I	7.90%	13-Jun-18	-	3,500	-
641 X	7.30%	31-May-18	-	2,000	-
673 I	7.50%	31-May-18	-	500	-
577 IV	8.95%	30-Jun-17	-	-	15,000
632 IX	7.70%	29-Jun-17	-	-	25,000
631 I	7.25%	27-Jun-17	-	-	20,000
630 IV	7.70%	23-Jun-17	-	-	25,000
628 I	7.50%	22-Jun-17	-	-	25,000
624 I	7.10%	6-Jun-17	-	-	2,500
Total			155,000	173,500	112,500

C. Details of unsecured non-convertible redeemable debentures are as follows:

Series No	Interest rate	Maturity / Call Date	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
626 IX	7.25%	16-Jun-17	-	-	50,000
615 I	7.35%	23-May-17	-	-	50,000
610 I	7.10%	11-Apr-17	-	-	30,000
Total			-	-	130,000

CITICORP FINANCE (INDIA) LIMITED MUMBAI-98.

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Note 45 - First-time adoption of Ind AS

Transition to Ind AS

These are the company's first consolidated financial statements prepared in accordance with Ind AS.
The accounting policies set out in note 3 have been applied in preparing the consolidated financial statements for the year ended 31 March 2019, the comparative information presented in these consolidated financial statements for the year ended 31 March 2018 and in the preparation of an opening Ind AS consolidated balance sheet at 01 April 2017 (the Company's date of transition). In preparing its opening Ind AS consolidated balance sheet, the Company has adjusted the amounts reported previously in consolidated financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

a) Exemptions from retrospective application
Ind AS 101 'First Time Adoption of Indian Accounting Standards' allows first-time adopters certain voluntary exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

- Deemed cost for property, plant and equipment
Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the consolidated financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value.

- Deemed cost for investments in associate
The Company has elected to measure its investment in associate at its previous GAAP carrying value which shall be the deemed cost as at the date of transition.

- Business combination
Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company has elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

- Share based payments
Ind AS 102 deals with the accounting and disclosure requirements related to share-based payment transactions. The standard addresses three types of share-based payment transactions: equity-settled, cash-settled, and with cash alternatives.

A first-time adopter is encouraged, but not required, to apply Ind AS 102 to:
(i) equity instruments that vested before the date of transition to Ind AS,
(ii) liabilities arising from share-based payment transactions that were settled before the date of transition to Ind AS.

Accordingly, the Company has chosen not to apply Ind AS 102 to options that had vested before the date of transition.

The remaining voluntary exemptions as per Ind AS 101 - First time adoption either do not apply or are not relevant to the Company.

b) Exceptions from full retrospective application
The Company has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101:

- Estimates
On an assessment of the estimates made under previous GAAP the Company has concluded that there was no necessity to revise the estimates under Ind AS except where estimates were required by Ind AS and not required by previous GAAP or the basis of measurement were different (e.g. impairment of loans and other assets as per expected credit losses).

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- De-recognition of financial assets and liabilities
Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

- Impairment of financial assets
Ind AS 101 requires an entity to use reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised and compare that to the credit risk at the date of transition to Ind AS. Basis this assessment, the Company has concluded that there is no significant increase in the credit risk since the initial recognition.

- Classification and measurement of financial assets
Ind AS 101 requires an entity to assess classification and measurement of financial assets (eg. loans and investments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Company has assessed financial assets at the date of transition and has classified all its investments as measured at fair value through profit and loss except for investments in equity shares of its associate which are measured at cost. Asset backed finance loan portfolio is measured at fair value through other comprehensive income and all other loans are measured at amortised cost.

The remaining mandatory exceptions are not relevant to the Company

c. Reconciliations between previous GAAP and Ind AS
Ind AS 101 requires a first time adopter to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of total equity between previous GAAP and Ind AS:

Particulars	Notes to first time adoption	As at 31 March 2018	As at 01 April 2017
Total equity as per previous GAAP		**396,658**	**380,974**
Adjustments:			
Provisions for expected credit losses under Ind AS 109	i	528	1,438
Accounting for market linked non convertible debentures under Ind A	ii	757	(460)
Fair valuation of unquoted equity shares	iii	3,218	1,936
Discounting of security deposits	vi	(5)	(6)
Upfront recognition of gains on assignment	ix	325	224
Reversal of rent equalisation reserves	vii	25	26
Fairvalue of loans through other comperhensive income	v	321	423
Accounting for asset retirement obligations	viii	(37)	(38)
Fair valuation of investments in debt securities	iv	5	16
Interest recognised on stage 3 assets	xi	11	6
Tax impact on above adjustments	xiii	(1,050)	(788)
Total adjustments		**4,098**	**2,777**
Total equity as per Ind AS		**400,756**	**383,751**

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Reconciliation of profit as per Ind AS with profit reported under previous GAAP:

Particulars	Notes to first time adoption	Year ended 31 March 2018
Net profit after tax as per previous GAAP		**15,683**
Adjustments:		
Provisions for expected credit losses under Ind AS 109	i	(911)
Accounting for market linked non convertible debentures under Ind AS	ii	1,218
Fair valuation of unquoted equity shares	iii	1,282
Discounting of security deposits	vi	1
Upfront recognition of gains on assignment	ix	101
Reversal of rent equalisation reserves	vii	(1)
Remeasurement gains and losses transferred to OCI	x	13
Accounting for asset retirement obligations	viii	1
Fair valuation of investments in debt securities	iv	(11)
Interest recognised on stage 3 assets	xi	4
Tax impact on above adjustments	xiii	(299)
Total adjustments		**1,398**
Profit after tax as per Ind AS		**17,081**
Other comprehensive income:		
Remeasurement gains and losses transferred to OCI	x	(13)
Fairvalue of loans through other comperhensive income	v	(102)
Tax impact on above adjustments	xiii	39
Total comprehensive income as per Ind AS		**17,005**

d) Notes to first-time adoption:

i) Expected Credit loss
Under the previous GAAP, provisions against loans and advances were made as per the prudential norms specified by the RBI. In accordance with Ind AS 109, the Company is required to recognise provisions by applying the expected credit loss model. Accordingly, the Company has reversed all outstanding provisions created against advances under the previous GAAP and recognised an amount for expected credit losses on its loans and other financial assets with a corresponding adjustment to profit and loss and consequently, equity.

ii) Market linked non convertible debentures
Previous GAAP required separation of embedded derivatives and host contract in market linked debentures. While the embedded derivative was accounted at fair value with changes in the fair value recognised in the statement of profit and loss, the host debt instrument was accounted as a fixed rate debenture and interest was accrued at the market rate of interest prevelant at the time of issue. Under Ind AS, the Company has irrevocably designated such market linked debentures to be measured at fair value through profit or loss in its entirety. Subsequently, all fair value changes are recognised in the statement of profit and loss.

iii) Fair valuation of investments in equity shares
Under the previous GAAP, investments are classified as either long term or current at the time of purchase of each investment. Long term investments were carried at cost less any diminution in value other than temporary. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value either through profit or loss or through other comprehensive income. The Company has irrevocably elected to measure all such investments at fair value through profit or loss. Subsequently, fair value changes are recognised in the statement of profit and loss.

iv) Fair valuation of investments in other than equity shares
Under the previous GAAP, Investments in debt instruments are accounted at transaction price less any permanent diminution. Under Ind AS, all financial instruments are initially recognised at fair value. Subsequently, a debt instrument is classified and measured either at amortised cost or at fair value (through profit or loss or OCI) depending upon the business model of the Company for managing those assets and the cash flow characteristics of the instrument. Debt instruments held by the Company are held for the purpose of trading and not for collection of contractual cash flows. Accordingly, they are classified and measured at fair value through profit or loss. Subsequently, fair value changes are recognised in the statement of profit and loss.

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v) Fair value of loan portfolios
Under the previous GAAP, advances are recognised at transaction price. Under Ind AS, all financial instruments are initially recognised at fair value. Subsequently, a debt instrument is classified and measured either at amortised cost or at fair value (through profit or loss or OCI) depending upon the business model of the Company for managing those assets and the cash flow characteristics of the instrument. A debt instrument is classified and measured at fair value through other comprehensive income (FVOCI) if the debt instrument is held with the dual purpose i.e. hold to collect and sell and the contractual cash flows represent solely payments of principal and interest. Subsequently, fair value changes are recognised in other comprehensive income and interest income is recognised at effective interest rate in the statement of profit and loss.

vi) Discounting of interest free lease deposits
Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be initially recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS. The difference between the fair value and transaction value of the security deposit on initial recognition has been recognised as prepaid rent. Subsequently, prepaid rent is charged to the statement of profit and loss as rent expenses over the tenure of the lease and unwinding of security deposit is credited to the statement of profit and loss as finance income.

vii) Rent equalisation reserves
Under the previous GAAP, lease rentals under operating leases are recognized on a straight-line basis over the lease term. As per Ind AS, lease rent expenses are recognised on a straight-line basis unless the payments are structured to increase in line with expected general inflation to compensate the for the lessor's expected inflationary cost increases. Based on assessment of the Company's lease agreements, the management believes that increase in lease rentals is a compensation for inflation to the lessor. Accordingly the lease expenses will no longer be recognised on a straight-line basis and the existing rent equalisation reserve under Indian GAAP has been reversed.

viii) Asset retirement obligations
Under the previous GAAP, expenses relating to asset retirement obligations (ARO) were recorded in the statement of profit and loss as and when incurred. Under Ind AS, the present value of the expected cost for decommissioning an asset after its use is included in the cost of the respective asset and a corresponding lialibility is recognised. Subsequently, interest is accrued on the provision and depreciation is charged on the decommissioning asset.

ix) Gain on assignment
Under the previous GAAP, as per RBI guidelines any gains on execution of assignment transactions were amortised over the balance tenor of the loan while losses on assignment are recognized upfront. Under Ind AS, entire gain/loss is recognised upon derecognition of a financial asset.

x) Remeasurements of post-employment benefit obligations
Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

xi) Interest income on stage 3 assets
Under the previous GAAP, interest income was recognised only on realization, i.e., cash basis. Ind AS 109 requires interest to be recognised on non-performing advances by applying the effective interest rate method to the net carrying amount of the advances. Interest is only recognised to the extent that the Company estimates is recoverable. Accordingly, the Company has recognised interest receivable as at 01 April 2017 and interest income in the statement of profit or loss for the year ended March 31, 2018.

xii) Other comprehensive income
Under Indian GAAP, the Company was not required to present other comprehensive income (OCI). The Company has reconciled Indian GAAP profit to profit as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

xiii) Deferred tax
Deferred tax impact has been considered on the adjustments made on transition to Ind AS.

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Citicorp Finance (India) Limited

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Note 46 - Details of Loan Assets subjected to Restructuring as at 31 March 2019

	Type of Restructuring		Others				
	Asset Classification						
SL. No	Details		Standard	Sub Standard	Doubtful	Loss	Total
1	Restructured Accounts as on 01 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 31 March 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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Note 47 - Additional information as required under Schedule III of Companies Act 2013

Name of the entity	Net Assets i.e total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount
Associates (Investment as per equity method)						
Indian						
India Infradebt Limited						
As at 31 March 2019	3.85%	16,309	11.70%	2,620	-	0
As at 31 March 2018	3.48%	13,941	11.64%	1,988	-	0
As at 01 April 2017	3.18%	12,205	NA	NA	NA	NA

For **MSKA & Associates**
Chartered Accountants
Firm's Registration No: 105047W

Swapnil Kale
Swapnil Kale
Partner
Membership No: 117812

Place: Mumbai
Date: 30 MAY 2019

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

Nina Nagpal
Managing Director
DIN: 00138918

Priti Goel
Director
DIN: 07649929

Manisha Inamdar
Chief Financial Officer

Sameer Upadhyay
Company Secretary