

**INDEPENDENT AUDITORS' REPORT****To the Members of Citicorp Finance (India) Limited****Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Citicorp Finance (India) Limited (hereinafter referred to as the "Holding Company") and India Infradebt Limited (hereinafter referred to as the "associate Company"), comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Consolidated Financial Statements").

**Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as 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 prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. 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 respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.



**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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



**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Holding Company and its associate Company as at March 31, 2018, and their consolidated profit and their consolidated cash flows for the year ended on that date.

**Other Matters**

- a. The consolidated financial statements include the Holding Company's share of net profit of Rs. 2,016 lakhs for the year ended March 31, 2018, 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 the its associate Company, is based solely on the reports of other auditors.

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.

- b. The Consolidated Financial Statements of the Holding Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 25, 2017, expressed an unmodified opinion on those financial statements.

Our opinion is not modified in respect of these matters.



**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and other financial information of its associate Company, as noted in the 'Other Matters' paragraph above, 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;
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016;
  - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its associate company, none of the director of the Holding Company and its associate Company is disqualified as on March 31, 2018 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 the internal financial controls with reference to financial statements of the Holding Company and its associate Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and



- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, 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 24(1) to the Consolidated Financial Statements;
  - ii. The Holding Company and associate Company have long-term contracts including derivative contracts as at March 31, 2018 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 during the year ended March 31, 2018.
  - iv. The reporting on disclosure relating to Specified Bank Notes is not applicable to the Holding Company and associate Company for the year ended March 31, 2018.

For MSKA & Associates (formerly known as MZSK And Associates)

Chartered Accountants

ICAI Firm Registration No. 105047W

*Swapnil Kale*

Swapnil Kale

Partner

Membership No.117812



Mumbai

May 29, 2018

**ANNEXURE A TO 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, 2018.**

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

In conjunction with our audit of the Consolidated Financial Statements of Citicorp Finance (India) Limited (the "Holding Company") as of and for the year ended March 31, 2018, we have audited the internal financial controls with reference to financial statements of 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 over financial reporting 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") (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, 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 internal financial controls with reference to financial statements of the Holding company, 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 adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.



**ANNEXURE A TO 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, 2018.**

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Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements of the Holding company.

**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.



**ANNEXURE A TO 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, 2018.**

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**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, 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 adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.





**ANNEXURE A TO 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, 2018.**

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**Other Matters**

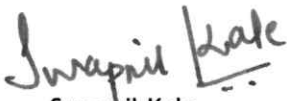
Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to its associate Company, which is company incorporated in India, is based on the corresponding reports of the auditors of such associate Company incorporated in India.

Our opinion is not modified in respect of this matter.

For MSKA & Associates (Formerly known as MZSK & Associates)

Chartered Accountants

ICAI Firm Registration No. 105047W



Swapnil Kale

Partner

Membership No. 117812



Mumbai

May 29, 2018

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

as at 31 March 2018

(Currency: Indian Rupees in Lakhs)

	Note No.	31 March 2018	31 March 2017
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. SHAREHOLDERS' FUNDS</b>			
Share capital	3	289,330	289,330
Reserves and surplus	4	107,564	91,852
		<u>396,894</u>	<u>381,182</u>
<b>2. NON-CURRENT LIABILITIES</b>			
Long term borrowings	5	89,997	47,338
Other long term liabilities	6	3,935	3,201
Long term provisions	7	969	718
		<u>94,901</u>	<u>51,257</u>
<b>3. CURRENT LIABILITIES</b>			
Short term borrowings	8	229,565	269,221
Trade payables			
- Total outstanding dues of micro enterprises and small enterprises		11	69
- Total outstanding dues of creditors other than micro enterprises and small enterprises		5,143	5,259
Other current liabilities	9	286,796	376,607
Short term provisions	10	9,133	9,509
		<u>530,648</u>	<u>660,665</u>
<b>TOTAL</b>		<u><u>1,022,443</u></u>	<u><u>1,093,104</u></u>
<b>II. ASSETS</b>			
<b>1. NON-CURRENT ASSETS</b>			
<b>Fixed assets</b>			
Property, Plant and Equipment	11	332	427
Capital work in progress		322	141
		<u>654</u>	<u>568</u>
Non current investments	12	15,848	14,165
Deferred tax assets (Net)	24.9	15,069	14,901
Long term loans and advances	13	189,395	162,282
Other non current assets	14	4,179	2,735
		<u>225,145</u>	<u>194,651</u>
<b>2. CURRENT ASSETS</b>			
Current investments	15	17,907	21,746
Cash and bank balances	16	21,054	29,153
Short term loans and advances	17	737,034	823,441
Other current assets	18	21,303	24,113
		<u>797,298</u>	<u>898,453</u>
<b>TOTAL</b>		<u><u>1,022,443</u></u>	<u><u>1,093,104</u></u>
Significant accounting policies	2		

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

As per our report of even date attached

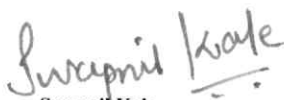
For **MSKA & Associates (Formerly known as MZSK & Associates)**

Chartered Accountants

Firm's Registration No: 105047W

For and on behalf of the Board of Directors

**Citicorp Finance (India) Limited**

  
**Swapnil Kale**  
 Partner  
 Membership No: 117812

  
**Rohit Ranjan**  
 Jt. Managing Director  
 DIN: 00003480

  
**Priti Goel**  
 Jt. Managing Director  
 DIN: 07649929

Mumbai  
 29 May 2018

  
**Ganesh Ramanathan**  
 Chief Financial Officer

  
**Sameer Upadhyay**  
 Company Secretary

**Citicorp Finance (India) Limited**  
**Consolidated Statement of profit and loss**  
*for the year ended 31 March 2018*

(Currency: Indian Rupees in Lakhs)

	<i>Note No.</i>	<b>31 March 2018</b>	31 March 2017
<b>REVENUE</b>			
Revenue from operations	19	77,328	81,278
Other income	20	<u>4,010</u>	<u>4,864</u>
<b>Total Revenue</b>		<b><u>81,338</u></b>	<b><u>86,142</u></b>
<b>EXPENSES</b>			
Employee benefits expense	21	4,578	4,286
Finance costs	22	35,488	40,431
Depreciation expense	11	122	125
Other expenses	23	<u>17,296</u>	<u>16,370</u>
<b>Total Expenses</b>		<b><u>57,484</u></b>	<b><u>61,212</u></b>
<b>PROFIT BEFORE TAX</b>		<b>23,854</b>	24,930
<b>TAX EXPENSE:</b>			
Current tax expense relating to prior years		-	1,269
Current tax expense		4,475	5,140
MAT credit (entitlement) / utilised		<u>3,835</u>	<u>(612)</u>
Net current tax		<u>8,310</u>	5,797
Deferred tax	24.9	(168)	2,931
<b>PROFIT FOR THE YEAR</b>		<b><u>15,712</u></b>	<b><u>16,202</u></b>
<b>EARNINGS PER EQUITY SHARE:</b>			
<b>Basic earnings per share (Face Value of Rs. 7.50 each)</b>	24.8	<b>0.41</b>	0.42
Significant accounting policies	2		

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

As per our report of even date attached

**For MSKA & Associates (Formerly known as MZSK & Associates)**

*Chartered Accountants*

Firm's Registration No: 105047W

For and on behalf of the Board of Directors

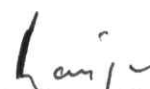
**Citicorp Finance (India) Limited**



**Swapnil Kale**

*Partner*

Membership No: 117812



**Rohit Ranjan**

*Jt. Managing Director*

DIN: 00003480



**Priti Goel**

*Jt. Managing Director*

DIN: 07649929

Mumbai  
29 May 2018



**Ganesh Ramanathan**

*Chief Financial Officer*



**Sameer Upadhyay**

*Company Secretary*

**Citicorp Finance (India) Limited**  
**Consolidated cash flow statement**

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

31 March 2018

31 March 2017

**Cash flows from operating activities**

Profit before tax	23,854	24,930
<b>Add:-</b>		
Depreciation and amortisation	122	125
Provision for diminution in the value of investments	-	5
Provision for doubtful advances and standard assets	227	1,164
Provision for other liabilities	47	199
Discount/(Premium) amortised on issue or charged-off on buy-back of debentures	(20)	4
Amortization of debt issuance and loan origination costs	205	223
MTM of Short Term Investments	8	-
Gain on sale of Short term investments	(40)	(197)
Loss/(Gain) on sale of fixed assets	25	(4)
<b>Less:-</b>		
Unrealized gain on derivatives	(6,126)	(1,336)
Share of profit in associates	2,016	1,395
Reversal of diminution in the value of investments	689	-
Amortisation of subvention income	178	334
Dividend income	81	81
<b>Operating profit before working capital changes</b>	<b>27,590</b>	<b>25,975</b>
Decrease / (Increase) in other current and non current assets	(6,038)	(7,279)
Decrease/ (Increase) in loans and advances	55,542	(230,349)
(Decrease) / Increase in provisions, liabilities and trade payables	(410)	(251)
	<b>49,094</b>	<b>(237,879)</b>
Net cash used in operating activities before taxes	76,684	(211,904)
Less: Taxes paid (Net of refunds)	4,582	4,215
<b>Cash flows generated from / (used in) operating activities - A</b>	<b>72,102</b>	<b>(216,119)</b>

**Cash flows from investing activities**

Dividend income	81	81
Recovery from investments		
Net proceeds from / (investment) in deposits with banks		
Proceeds from deposits with banks with a maturity of more than 90 days	-	-
Sale proceeds of research and analytics division	-	-
Net proceeds from sale of short term investments	4,560	8,172
Decrease in long term investments	333	-
(Acquisition) / Recovery of short term investments	-	-
Sale proceeds of fixed assets	-	4
Merger Proceeds	-	-
Purchase of fixed assets	(232)	(147)
<b>Cash flows generated from investing activities - B</b>	<b>4,742</b>	<b>8,110</b>

**Cash flows from financing activities**

Increase/ (Decrease) in secured loans (net)	103,438	(13,685)
Increase/ (Decrease) in unsecured loans (net)	(189,656)	222,905
<b>Cash flows generated from / (used in) financing activities - C</b>	<b>(86,218)</b>	<b>209,220</b>

**Net increase in cash and cash equivalents - (A+B+C)**

	<b>(9,374)</b>	<b>1,211</b>
Cash and cash equivalents at the beginning of the period	20,450	19,239
Cash and cash equivalents at the end of the period	<b>11,076</b>	<b>20,450</b>

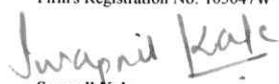
Note:

- 1) The above cash flow statement have been prepared under the indirect method set out in Accounting Standard (AS)-3, 'Cash Flow Statement' notified pursuant to the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.
- 2) Cash and cash equivalents comprises of cash at bank and in hand, cheques on hand and short-term investments with an original maturity of three months or less.

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

As per our report of even date attached.

For **MSKA & Associates** (Formerly known as **MZSK & Associates**)  
 Chartered Accountants  
 Firm's Registration No: 105047W

  
**Swapnil Kale**  
 Partner  
 Membership No: 117812

Mumbai  
 29 May 2018

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

  
**Rohit Ranjan**  
 Jt. Managing Director  
 DIN: 00003480

  
**Ganesh Ramanathan**  
 Chief Financial Officer

  
**Priti Goel**  
 Jt. Managing Director  
 DIN: 07649929

  
**Sameer Upadhyay**  
 Company Secretary

# Citicorp Finance (India) Limited

## Notes to the consolidated financial statements

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

### 1 Background

Citicorp Finance (India) Limited ('the Company') incorporated in India on 1 May 1997, is registered with the Reserve Bank of India ('the RBI') as a Non-Banking Financial Company ('NBFC') vide Certificate No. N.13.02079 dated 10 October 2014. It is a non-deposit taking systemically important Non-Banking Financial Company ('NBFC-ND-SI'). The Company is a loan and investment NBFC as defined under section 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 includes:

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

### 2 Significant accounting policies

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

#### 2.1 Basis of preparation of financial statements

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

As per the provisions of section 129 (3) of the Companies Act, 2013 and MCA notification dated 14 October 2014, a company needs to prepare consolidated financial statement if it has one or more subsidiaries and / or associates. The Company has one associate as on 31 March 2017. Accordingly, the Company has prepared the consolidated financial statements.

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

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



# Citicorp Finance (India) Limited

## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

### *Basis of preparation of consolidated financial statements (continued)*

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

The associate considered in the consolidated financial statement is:

Investment in Associate	Country of Incorporation	Proportion of ownership interest	
		As at March 2018	As at March 2017
India Infradebt Limited	India	15.06%	29%

### 2.2 Use of estimates

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

### 2.3 Current – non-current classification

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

#### *Assets*

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

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

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

All other assets are classified as non-current.

#### *Liabilities*

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

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

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

All other liabilities are classified as non-current.



# Citicorp Finance (India) Limited

## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

### *Current – non-current classification (continued)*

#### *Operating cycle*

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

### **2.4 Fixed assets and depreciation, amortisation and impairment**

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

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

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

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

During the current year, the Company has decided to revise useful life of computer equipment purchased and put to use on or after 1<sup>st</sup> April 2017 from 3 years to 4 years.

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



# Citicorp Finance (India) Limited

## Notes to the consolidated financial statements (*continued*)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

### 2.5 *Investments*

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

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

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

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

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

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

### 2.6 *Employee benefits*

#### *Short term employee benefits*

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

#### *Post-employment benefits*

##### *Gratuity*

The Company pays gratuity to employees who retire or resign after 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.

Actuarial valuation of the gratuity liability for the above fund is determined as per AS-15 'Employee Benefits' by an independent actuary appointed by the Company. In accordance with the gratuity fund's rules, actuarial valuation of gratuity liability is calculated based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition as per the projected unit credit method.

##### *Superannuation fund*

The Company contributes to superannuation fund (defined contribution scheme) in respect of the employee opting for superannuation scheme from certain level and above in a trust duly approved by the Income Tax authorities. The trust has a master policy for management of the members' fund with LIC. These contributions are charged to the statement of profit and loss during the period in which the employee renders the related services.





# Citicorp Finance (India) Limited

## Notes to the consolidated financial statements (*continued*)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

### *Employee benefits (continued)*

#### *Provident fund*

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

#### *Compensated absences*

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

#### *Long term service awards (LTSA)*

The company 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.

## 2.7 *Revenue recognition*

Interest and commission income are recognised on a period proportionate basis except in respect of penal interest charged on overdue instalments, which is recognised when there is a reasonable certainty over its collection.

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

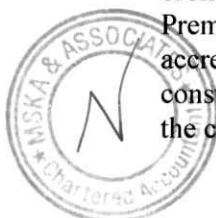
Hire purchase income and income on finance leases, as defined in AS 19 - Accounting for Leases ('AS 19'), are recognized by applying the internal rate of return implicit in the underlying contracts, on the diminishing balance of the financed amount over the period of the agreement so as to provide a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

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

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

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

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



# Citicorp Finance (India) Limited

## Notes to the consolidated financial statements (*continued*)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

### ***Revenue recognition (continued)***

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

The cost of securities is computed based on weighted average method.

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

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

### **2.8 *Cost of borrowings***

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

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

### **2.9 *Loan origination / acquisition costs***

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

### **2.10 *Bad debts and provision for doubtful debts***

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

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

### **2.11 *Loan assignment***

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



# Citicorp Finance (India) Limited

## Notes to the consolidated financial statements (*continued*)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

### *Loan assignment (continued)*

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 follows the requirement of minimum holding period, minimum retention requirement and amortization of gain arising on assignment transactions as per the provisions of the circular and loss arising on assignment transaction is recognized immediately in the statement of profit and loss.

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

### **2.12 Leases**

**Operating leases:** Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

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

**Finance leases:** Leases where substantially all the risks and rewards incidental to ownership of an asset are transferred to the lessee are classified as finance leases.

- a. Assets taken on finance lease are recognised as a fixed asset at the fair market value of the asset or present value of the minimum lease payments, whichever is lower, as prescribed under AS 19. An equivalent liability is created at the inception of the lease. Rentals paid are apportioned between finance charge and principal based on the implicit rate of return in the contract. The finance charge is shown as an interest expense and the principal amount is reduced from secured loans.
- b. Assets given out on financial leases are shown as 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.

### **2.13 Foreign currency transactions**

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



# Citicorp Finance (India) Limited

## Notes to the consolidated financial statements (*continued*)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

### 2.14 *Derivatives*

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

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

The Company presents mark to market on derivative transactions on a gross basis in accordance with the presentation requirements as set out in the Guidance Note on accounting for derivative contracts.

### 2.15 *Taxation*

#### *Current and deferred tax*

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

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

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

#### *Minimum alternate tax (MAT)*

The Company recognises MAT credit available as an asset only to the extent that the Company, based on convincing 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 convincing evidence that it will be able to set off MAT credit against the income tax liability during the specified period.



# Citicorp Finance (India) Limited

## Notes to the consolidated financial statements (*continued*)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

### 2.16 *Provisions and contingent liabilities*

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

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

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

### 2.17 *Earnings per share ('EPS')*

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

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



# Citicorp Finance (India) Limited

## Notes to the consolidated financial statements (continued)

as at 31 March 2018

(Currency: Indian Rupees in Lakhs)

	As at 31 March 2018	As at 31 March 2017
<b>Note 3:</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED CAPITAL:</b>		
5,269,333,333 (Previous year : 5,269,333,333) Equity shares of Rs.7.50 each	395,200	395,200
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP:</b>		
3,857,727,031 (Previous year : 3,857,727,031) Equity shares of Rs.7.50 each	289,330	289,330
<b>Reconciliation of the number of shares</b>		
At the beginning of the year	3,857,727,031	3,857,727,031
Issued during the year	-	-
<b>At the end of the year</b>	<b>3,857,727,031</b>	<b>3,857,727,031</b>
<b>Reconciliation of equity share capital</b>		
At the beginning of the year	289,330	289,330
Issued during the year	-	-
<b>At the end of the year</b>	<b>289,330</b>	<b>289,330</b>
<b>Terms/rights attached to Equity shares</b>		
The Company has only one class of equity shares having a par value of Rs 7.50 per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting.		
In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
<b>Equity shares held by holding Company or ultimate holding Company</b>		
Associates Financial Services (Mauritius) LLC	2,042,338,070	2,042,338,070
Citibank Overseas Investment Corporation	1,815,388,961	1,815,388,961
<b>Details of shareholding more than 5% shares in the Company</b>		
Associates Financial Services (Mauritius) LLC (% held 52.94 % (Previous Year: 52.94 %))	2,042,338,070	2,042,338,070
Citibank Overseas Investment Corporation (% held 47.06 % (Previous Year: 47.06 %))	1,815,388,961	1,815,388,961
<b>Note 4:</b>		
<b>RESERVES AND SURPLUS</b>		
<b>Statutory reserve:</b>		
(Created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934)		
Opening balance	57,230	53,990
Add: Transfer from surplus in the statement of profit and loss	3,142	3,240
Closing balance	60,372	57,230
<b>General reserve:</b>		
Opening balance	3,674	3,674
Additions during the year	-	-
Closing balance	3,674	3,674



# Citicorp Finance (India) Limited

## Notes to the consolidated financial statements (continued)

as at 31 March 2018

(Currency: Indian Rupees in Lakhs)

	As at 31 March 2018	As at 31 March 2017
<b>Note 4:</b>		
<b>RESERVES AND SURPLUS (continued)</b>		
<b>Surplus in the statement of profit and loss:</b>		
Opening balance	30,948	4,131
Add:		
Reversal of proposed dividend of previous year (Refer Note 24.18)	-	11,511
Reversal of provision for dividend distribution tax of previous year (Refer Note 24.18)	-	2,344
Amount carried forward from the statement of profit and loss	15,712	16,202
Less: Appropriations		
Transfer to statutory reserve	3,142	3,240
Closing balance	<u>43,518</u>	<u>30,948</u>
<b>Total</b>	<u><u>107,564</u></u>	<u><u>91,852</u></u>
<b>Note 5:</b>		
<b>LONG TERM BORROWINGS</b>		
<b>SECURED</b>		
Long term maturities of non convertible redeemable debentures (The Company has issued secured non-convertible debentures under various series on different terms and conditions, which have been secured by a pari passu charge on the Company's immovable property and movable financial assets) (Refer Note 24.4)	89,989	47,330
Long term maturities of finance lease obligation (Refer Note 24.7A)	8	8
<b>Total</b>	<u><u>89,997</u></u>	<u><u>47,338</u></u>
<b>Note 6:</b>		
<b>OTHER LONG TERM LIABILITIES</b>		
Franchisee and other liabilities	126	270
Cash profit on loan transfer transactions pending recognition	217	141
Interest accrued but not due on borrowings	3,592	2,790
<b>Total</b>	<u><u>3,935</u></u>	<u><u>3,201</u></u>
<b>Note 7:</b>		
<b>LONG TERM PROVISIONS</b>		
Provision for gratuity (Refer Note 24.11)	178	118
Provision for employee benefits	10	9
Contingent provision for standard assets (Refer Note 2.10)	630	445
Provision for non performing assets (Refer Note 2.10)	151	146
<b>Total</b>	<u><u>969</u></u>	<u><u>718</u></u>



## Citicorp Finance (India) Limited

### Notes to the consolidated financial statements (continued)

as at 31 March 2018

(Currency: Indian Rupees in Lakhs)

	As at 31 March 2018	As at 31 March 2017
<b>Note 8:</b>		
<b>SHORT TERM BORROWINGS</b>		
<b>SECURED</b> (Refer Note 24.25A)		
Loans repayable on demand from banks	20,000	-
<b>UNSECURED</b> (Refer Note 24.25B)		
Loans repayable on demand from banks	675	1,689
Commercial paper	63,890	240,932
Inter Corporate Borrowings	145,000	26,600
<b>Total</b>	<b>229,565</b>	<b>269,221</b>
<b>Note 9:</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Current maturities of secured non convertible redeemable debentures (refer note 24.4)	264,520	223,755
Current maturities of unsecured non convertible redeemable debentures (refer note 24.4)	-	130,000
Current maturities of finance lease obligations (Refer Note 24.7A)	6	13
Interest accrued but not due on borrowings	7,622	12,556
Interest collected but not earned on loans and advances	358	218
Dealer held disbursal and other liabilities	6,380	4,255
Statutory dues including employee benefit payable	1,224	212
Mark to market on derivatives	4,444	2,347
Collection payables on servicing portfolio	2,134	3,168
(Payable to related parties- Rs. 2,051 (Previous Year : Rs. 2,982))		
Cash profit on loan transfer transactions pending recognition	108	83
<b>Total</b>	<b>286,796</b>	<b>376,607</b>
<b>Note 10:</b>		
<b>SHORT TERM PROVISIONS</b>		
Provision for loan assignment	1,617	2,099
Provision for bonus	46	34
Provision for employee benefits	2	3
Provision for value added tax	3,228	3,223
Provision for litigations	1,294	1,247
Contingent provision for standard assets (Refer Note 2.10)	2,946	2,903
<b>Total</b>	<b>9,133</b>	<b>9,509</b>









## Citicorp Finance (India) Limited

### Notes to the consolidated financial statements (continued)

as at 31 March 2018

(Currency: Indian Rupees in Lakhs)

Note 12:	31 March 2018	31 March 2017
<b>NON-CURRENT INVESTMENTS</b> (Valued at cost unless stated otherwise)		
<b>IN ASSOCIATE COMPANIES (UNQUOTED)</b>		
<b>IN EQUITY SHARES</b>		
India Infradebt Limited 87,000,000 (Previous year : 87,000,000) equity shares of Rs. 10/- each fully paid	14,177	12,413
<b>SUB TOTAL</b>	<u>14,177</u>	<u>12,413</u>
<b>IN OTHER COMPANIES (UNQUOTED)</b>		
Rediff.com India Limited 192,720 (Previous year : 192,720) equity shares of Rs. 5/- each fully paid	868	868
Prime Telesystems Limited 784,570 (Previous year : 784,570) equity shares of Rs. 10/- each fully paid	480	480
Secova Eservices Private Limited 117,176 (Previous year: 117,176) equity shares of Rs. 10/- each fully paid	13	13
Tejas Networks Limited (Refer Note 24.26) 255,450 (Previous year : 255,450) equity shares of Rs. 10/- each fully paid	-	770
Grameen Capital India Private Limited 875,000 (Previous year: 875,000) equity shares of Rs. 10/- each fully paid	88	88
NSDL e-Governance Infrastructure Limited 1,250,000 (Previous year : 1,250,000) equity shares of Rs. 10/- each fully paid	1,644	1,644
Less: Provision for diminution in value	(1,422)	(2,111)
<b>SUB TOTAL</b>	<u>1,671</u>	<u>1,752</u>
<b>IN DEBENTURES (UNQUOTED)</b>		
Primus Retail Private Limited 300,000 (Previous year : 300,000) 18% optionally convertible debentures of Rs. 1,000/- each	3,000	3,000
Less: Provision for diminution in value	(3,000)	(3,000)
<b>SUB TOTAL</b>	<u>-</u>	<u>-</u>
<b>GRAND TOTAL</b>	<u>15,848</u>	<u>14,165</u>
<b>AGGREGATE COST OF UNQUOTED INVESTMENTS</b>	20,270	19,276
<b>AGGREGATE PROVISION FOR DIMINUTION IN THE VALUE OF INVESTMENTS</b>	4,422	5,111



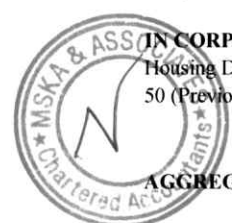
## Citicorp Finance (India) Limited

### Notes to the consolidated financial statements (continued)

as at 31 March 2018

(Currency: Indian Rupees in Lakhs)

	As at 31 March 2018	As at 31 March 2017
<b>Note 13:</b>		
<b>LONG TERM LOANS AND ADVANCES</b>		
<b>Secured and considered good</b>		
Loans for commercial vehicles and construction equipments	20,778	11,901
Advance against financial assets and other loans	23,088	15,578
Finance lease receivables (Refer Note 24.7B)	1,331	2,157
(Finance lease to related parties- Rs. 1,331 (Previous Year : Rs. 2,157))		
Gross amount receivable from customers under hire purchase agreements	-	33
Less : Unearned hire purchase premium	-	(33)
	<u>-</u>	<u>-</u>
<b>Unsecured and considered good</b>		
Unsecured loans	112,226	96,923
Deposits	157	167
Prepaid expenses	88	102
Advance tax (net of provision Rs. 110,625 and includes MAT credit entitlement of Rs. 16,054) (Previous Year : net of provision Rs. 106,138 and includes MAT credit entitlement of Rs. 19,889)	31,727	35,454
<b>Total</b>	<u><u>189,395</u></u>	<u><u>162,282</u></u>
<b>Note 14:</b>		
<b>OTHER NON-CURRENT ASSETS</b>		
Unamortized costs (net)	2,816	2,105
Deposits with banks (maturity over 12 months)	444	-
(Deposit with related parties - Rs. 444 (Previous Year : Rs. Nil)) (Includes lien marked deposits of Rs 444 lacs (Previous Year: Nil) for securitization transactions executed in prior years)		
Interest accrued on fixed deposits	67	-
(Interest accrued from fixed deposits with related parties - Rs. 67 (Previous Year : Rs. Nil))		
Input tax credit	11,815	11,913
Provision for input tax credit	<u>(11,490)</u>	<u>(11,906)</u>
	325	7
Other deposits	<u>527</u>	<u>623</u>
<b>Total</b>	<u><u>4,179</u></u>	<u><u>2,735</u></u>
<b>Note 15:</b>		
<b>CURRENT INVESTMENT</b>		
<b>QUOTED IN EQUITY SHARES</b>		
Tejas Networks Limited (Refer Note 24.26)	770	-
255,450 (Previous year : 255,450) equity shares of Rs. 10/- each fully paid		
<b>IN COMMERCIAL PAPERS</b>		
Housing Development Finance Corporation Limited	12,135	-
2,500 (Previous year : Nil) of Face value Rs. 500,000/- each		
L&T Infrastructure Finance Company Limited	-	9,675
Nil (Previous year : 2,000) of Face value Rs. 500,000/- each		
L&T Fincorp Limited	-	12,071
Nil (Previous year : 2,500) of Face value Rs. 500,000/- each		
<b>IN CORPORATE BONDS</b>		
Housing Development Finance Corporation Limited	5,002	-
50 (Previous year : Nil) of Face value Rs. 10,000,000/- each		
	<u>17,907</u>	<u>21,746</u>
<b>AGGREGATE COST OF QUOTED INVESTMENTS</b>	17,915	21,746
<b>AGGREGATE MARKET VALUE OF QUOTED INVESTMENTS</b>	18,076	21,759



# Citicorp Finance (India) Limited

## Notes to the consolidated financial statements (continued)

as at 31 March 2018

(Currency: Indian Rupees in Lakhs)

	As at 31 March 2018	As at 31 March 2017
<b>Note 16:</b>		
<b>CASH AND BANK BALANCES</b>		
<b>A) Cash and cash equivalents*</b>		
Cash on hand	-	3
Cheques on hand	47	308
Balance with banks		
- In current accounts	553	1,831
(Balances with related parties - Rs. 121 (Previous Year : Rs. 1,610))		
- In fixed deposits (with original maturity of less than 3 months)	10,476	18,308
(Fixed deposits with related parties - Rs. 10,476 (Previous Year : Rs. 18,308))		
<b>B) Other bank balances</b>		
- In fixed deposits# (Fixed deposits with related parties - Rs. 1,605 (Previous Year : Rs. 2,034))		
with original maturity of less than 3 months	247	-
with original maturity of more than 3 months but less than 12 months	1,431	2,103
-Margin money deposit		
with original maturity of less than 3 months	5,900	-
with original maturity of more than 3 months but less than 12 months	2,400	6,600
<b>Total</b>	<b>21,054</b>	<b>29,153</b>

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

(#Includes lien marked deposits of Rs 1,605 lacs (Previous Year: Rs 1,997 lacs) for securitization transactions executed in prior years)

**Note 17:**

### SHORT TERM LOANS AND ADVANCES

#### Secured and considered good

Loans for commercial vehicles and construction equipments	12,510	8,047
Advances against financial assets and other loans	361,156	402,240
Finance lease receivables (Refer Note 24.7B)	1,187	1,527
(Finance lease to related parties- Rs. 1,187 (Previous Year: Rs. 1,527))		

#### Unsecured and considered good

Trade advances	71	122
Unsecured loans	362,019	411,412
Security deposits	-	50
Prepaid expenses	73	31
Other advances	18	12
<b>Total</b>	<b>737,034</b>	<b>823,441</b>

**Note 18:**

### OTHER CURRENT ASSETS

Mark to market on derivatives	4,645	8,686
Interest accrued on loans and advances	7,435	10,553
Interest accrued on investments	181	-
Interest accrued on fixed deposits	154	144
(Interest accrued from fixed deposits with related parties - Rs. 75 (Previous Year : Rs. 88))		
Unamortized costs (net)	1,774	1,262
Debt issue costs	8	13
Margin money with exchanges	138	65
Other receivables	6,968	3,390
(Receivables from related parties - Rs. 6,843 (Previous Year : Rs. 2,588))		
<b>Total</b>	<b>21,303</b>	<b>24,113</b>



# Citicorp Finance (India) Limited

## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

	31 March 2018	31 March 2017
<b>Note 19:</b>		
<b>REVENUE FROM OPERATIONS</b>		
<b>INTEREST INCOME</b>		
Interest on loans	68,546	74,009
Interest on fixed deposits	1,872	785
Interest on investments	365	660
Finance lease income	402	488
	<u>71,185</u>	<u>75,942</u>
<b>OTHER FINANCIAL SERVICES</b>		
Collection and sourcing fees	5,721	4,592
Gain on assignment	345	452
Other fees	77	292
	<u>6,143</u>	<u>5,336</u>
<b>Total</b>	<u><u>77,328</u></u>	<u><u>81,278</u></u>

**Note 20:**

### OTHER INCOME

Dividend income		
- From others	81	81
Gain on sale of investments (net)	40	197
Gain on derivatives (net)	414	2,181
Bad debts recovered (net)	-	176
Reversal of provision for diminution in investments (net)	689	-
Profit on sale of fixed assets	-	4
Share in income of associate	2,016	1,395
Miscellaneous income	770	830
<b>Total</b>	<u><u>4,010</u></u>	<u><u>4,864</u></u>

**Note 21:**

### EMPLOYEE BENEFITS EXPENSE

Salaries, wages and bonus	4,223	3,982
Contribution to provident fund and other funds	195	185
Gratuity (Refer Note 24.11)	118	59
Staff welfare expenses	42	60
<b>Total</b>	<u><u>4,578</u></u>	<u><u>4,286</u></u>



# Citicorp Finance (India) Limited

## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

31 March 2018

31 March 2017

### Note 22:

#### FINANCE COSTS

Interest on non convertible debentures	22,926	26,475
Interest on commercial paper	9,400	10,260
Interest on Inter-Corporate Borrowings	2,641	48
Interest on borrowings from banks	512	3,640
Interest on finance lease	6	6
Other interest	3	2
<b>Total</b>	<b>35,488</b>	<b>40,431</b>

### Note 23:

#### OTHER EXPENSES

Rent	1,036	984
Premises maintenance costs	379	488
Rates and taxes	218	145
Bad debts written off (net)	812	-
Diminution, other than temporary, in the value of investments (net)	-	5
Provision for standard assets	227	1,164
Provision for litigations	143	48
Loss on MTM of current Investments	8	-
Loss on sale of fixed assets (net)	25	-
Bank charges	66	78
Brokerage	47	104
Distribution and placement fees	493	324
Credit rating and surveillance fees	176	137
Service bureau expenses	2,278	1,869
Fees and Commission	5,616	5,875
Technology and software expenses	1,876	1,680
Stamping / franking charges	316	420
Travelling and conveyance expenses	330	301
Telephone expenses	33	75
Professional and legal expenses	680	611
Collection expenses	1,386	956
HR processing charges	35	50
Payments to the auditors		
(a) statutory audit	54	59
(b) tax audit	8	9
(c) limited review	5	6
(d) reimbursement of expenses	3	1
Corporate social responsibility expenses (Refer Note 24.16)	635	575
Miscellaneous expenses	411	406
<b>Total</b>	<b>17,296</b>	<b>16,370</b>



# Citicorp Finance (India) Limited

## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

### Note 24

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

Particulars	As at	As at
	31 March 2018	31 March 2017
Tax assessments	3,995	5,386
Customer litigations	587	661
Estimated amount of contracts remaining to be executed on capital account	185	207
Undrawn committed credit lines	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 Rs. 854 lakhs (Previous year: 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 Rs. 1,702 lakhs (Previous year: Rs. 1,976 lakhs). During the year, 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 account of "transfer of KPO Division" on slump sale basis amounting to Rs. 316 lakhs, out of which we had made a pre-deposit of Rs. 50 lakhs in the previous years (Previous year: Rs. 266 lakhs (excluding pre deposit of 50 Lakhs)).

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. 1,123 lakhs (Previous year: Nil). Out of this, we have made a pre-deposit of Rs. 49.59 lakhs in the current 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 Rs. 587 lakhs (Previous year: Rs.661 lakhs). The Company believes that such demands are not tenable and are highly unlikely to be confirmed by higher authorities.





# Citicorp Finance (India) Limited

## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

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

Particulars	As at 1 April 2017	Created during the year	Utilized / Released during the year	As at 31 March 2018
Provision for NPA	146	502	497	151
Investments	5,111	-	689	4,422
Provision on assignment 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
<b>Total</b>	<b>23,732</b>	<b>748</b>	<b>2,278</b>	<b>22,202</b>

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

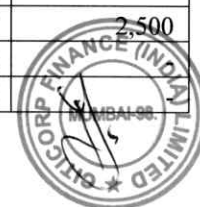
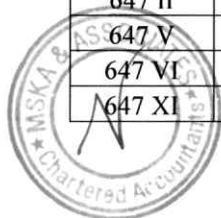
### (3) Expenditure in foreign currency on accrual basis:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Technology and software expenses	977	1,312
Service Bureau Expenses	49	43
Fees & Commission	311	1,834
HR Processing fees	35	36
<b>Total</b>	<b>1,372</b>	<b>3,225</b>

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

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

Series No	Maturity / Call Date	31 March 18	31 March 17	Series No	Maturity / Call Date	31 March 18	31 March 17
656 I	2-Mar-21	1,400	-	585 I	28-Jun-19	635	660
654 I	27-Jan-21	1,075	-	680 I	20-Jun-19	18,700	-
650 I	29-Dec-20	975	-	582 I	17-Jun-19	250	250
649 I	1-Dec-20	1,600	-	567 II	1-Jun-19	450	450
642 I	27-Oct-20	100	-	568 I	1-Jun-19	2,500	2,500
642 V	27-Oct-20	130	-	568 II	1-Jun-19	595	595
647 I	27-Oct-20	300	-	568 VI	1-Jun-19	350	350
647 II	27-Oct-20	50	-	639 IV	27-May-19	100	-
647 V	27-Oct-20	470	-	581 VII	6-May-19	2,500	2,500
647 VI	27-Oct-20	100	-	668 I	22-Apr-19	22,000	-
647 XI	27-Oct-20	50	-	672 I	22-Apr-19	3,900	-



# Citicorp Finance (India) Limited

## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

Series No	Maturity / Call Date	31 March 18	31 March 17	Series No	Maturity / Call Date	31 March 18	31 March 17
648 VI	27-Oct-20	100	-	674 I	22-Apr-19	10,000	-
638 I	29-Sep-20	400	-	681 I	22-Apr-19	2,325	-
638 II	29-Sep-20	100	-	633 VII	8-Apr-19	100	-
639 I	29-Sep-20	200	-	671 I	2-Apr-19	2,705	-
639 III	29-Sep-20	100	-	626 VIII	1-Apr-19	100	100
639 VI	29-Sep-20	250	-	630 II	1-Apr-19	300	300
640 I	29-Sep-20	1,450	-	632 II	1-Apr-19	100	100
640 II	29-Sep-20	125	-	562 I	19-Mar-19	-	1,080
641 I	29-Sep-20	600	-	561 I	27-Feb-19	-	1,700
641 II	29-Sep-20	250	-	620 IV	31-Jan-19	-	100
641 III	29-Sep-20	50	-	559 II	26-Jan-19	-	320
634 II	30-Aug-20	150	-	618 I	10-Jan-19	-	2,200
634 IV	30-Aug-20	100	-	557 I	28-Nov-18	-	500
636 II	30-Aug-20	650	-	556 I	27-Nov-18	-	300
636 IV	30-Aug-20	280	-	556 II	27-Nov-18	-	518
637 IV	30-Aug-20	100	-	553 II	30-Oct-18	-	410
637 VIII	30-Aug-20	100	-	553 III	30-Oct-18	-	379
635 V	25-Aug-20	776	-	554 II	30-Oct-18	-	870
633 I	5-Aug-20	50	-	554 III	30-Oct-18	-	310
632 I	29-Jul-20	400	400	603 I	28-Oct-18	-	100
626 I	28-Jul-20	210	210	604 I	28-Oct-18	-	160
628 II	22-Jul-20	876	876	551 II	2-Oct-18	-	530
623 I	27-Jun-20	200	200	551 IV	2-Oct-18	-	240
620 I	13-Jun-20	175	175	596 I	27-Sep-18	-	100
604 IV	29-Feb-20	50	50	600 I	27-Sep-18	-	50
604 VIII	29-Feb-20	500	500	629 I	24-Sep-18	-	2,500
604 IX	29-Feb-20	100	100	550 II	19-Sep-18	-	100
602 II	28-Jan-20	300	300	549 II	12-Sep-18	-	480
602 III	28-Jan-20	150	150	547 II	28-Aug-18	-	485
602 IV	28-Jan-20	100	100	548 II	28-Aug-18	-	722
596 II	25-Jan-20	300	300	586 II	3-Jul-18	-	100
596 III	25-Jan-20	200	200	632 VII	2-Jul-18	-	2,925
600 II	25-Jan-20	260	260	596 VI	1-Jul-18	-	50
600 III	25-Jan-20	240	240	544 I	28-Jun-18	-	100
592 III	31-Dec-19	300	350	585 II	28-Jun-18	-	250
593 II	31-Dec-19	100	100	582 II	17-Jun-18	-	100
593 III	31-Dec-19	200	200	540 I	30-May-18	-	195
594 III	31-Dec-19	50	50	541 I	30-May-18	-	480
591 II	6-Dec-19	700	700	541 II	30-May-18	-	225
580 I	30-Nov-19	160	210	594 II	3-May-18	-	100
580 III	30-Nov-19	375	425	581 VIII	2-May-18	-	300
581 I	30-Nov-19	200	200	582 III	2-May-18	-	100
581 II	30-Nov-19	200	200	586 III	2-May-18	-	100
581 III	30-Nov-19	350	450	604 VI	2-May-18	-	100
578 I	26-Oct-19	555	605	604 VII	2-May-18	-	500
578 II	26-Oct-19	50	50	604 X	2-May-18	-	200
578 III	26-Oct-19	750	750	608 II	2-May-18	-	100
579 I	26-Oct-19	250	250	539 II	1-May-18	-	155



# Citicorp Finance (India) Limited

## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

Series No	Maturity / Call Date	31 March 18	31 March 17	Series No	Maturity / Call Date	31 March 18	31 March 17
579 II	26-Oct-19	150	150	585 III	1-May-18	-	200
579 III	26-Oct-19	280	330	626 VI	30-Apr-18	-	50
589 I	30-Jul-19	460	460	632 VI	30-Apr-18	-	200
576 V	30-Jul-19	-	100	632 V	29-Apr-18	-	330
574 IV	14-Jul-19	100	100	630 III	28-Apr-18	-	200
571 IV	29-Jun-19	100	100	626 III	15-Apr-18	-	150
571 VI	29-Jun-19	300	450	626 IV	15-Apr-18	-	150
572 V	29-Jun-19	200	300	537 I	10-Apr-18	-	627
572 VII	29-Jun-19	200	200	627 I	5-Apr-18	-	6,500
592 I	29-Jun-19	100	100				
<b>Total</b>						<b>89,882</b>	<b>47,337</b>

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

Series No	Maturity / Call Date	31 March 18	31 March 17	Series No	Maturity / Call Date	31 March 18	31 March 17
562 I	19-Mar-19	1,080	-	535 II	31-Mar-18	-	250
669 I	4-Mar-19	925	-	536 III	31-Mar-18	-	175
561 I	27-Feb-19	1,700	-	536 IV	31-Mar-18	-	305
620 IV	31-Jan-19	100	-	576 I	31-Mar-18	-	100
656 II	28-Jan-19	16,250	-	576 III	31-Mar-18	-	350
658 I	28-Jan-19	5,000	-	623 V	31-Mar-18	-	100
660 I	28-Jan-19	800	-	536 I	27-Mar-18	-	25
664 I	28-Jan-19	600	-	623 III	25-Mar-18	-	225
665 I	28-Jan-19	10,000	-	625 V	24-Mar-18	-	800
559 II	26-Jan-19	320	-	623 VII	16-Mar-18	-	400
618 I	10-Jan-19	2,200	-	622 I	10-Mar-18	-	1,300
652 I	7-Dec-18	10,000	-	621 II	9-Mar-18	-	1,000
653 I	7-Dec-18	3,500	-	621 III	9-Mar-18	-	1,000
557 I	28-Nov-18	500	-	620 II	2-Mar-18	-	50
556 I	27-Nov-18	300	-	532 II	27-Feb-18	-	330
556 II	27-Nov-18	518	-	533 II	27-Feb-18	-	175
553 II	30-Oct-18	385	-	621 I	22-Feb-18	-	6,500
553 III	30-Oct-18	354	-	619 I	4-Feb-18	-	10,000
554 II	30-Oct-18	870	-	529 II	31-Jan-18	-	655
554 III	30-Oct-18	310	-	530 II	31-Jan-18	-	585
603 I	28-Oct-18	100	-	531 II	31-Jan-18	-	370
604 I	28-Oct-18	160	-	529 IV	13-Jan-18	-	10,010
551 II	2-Oct-18	505	-	577 I	31-Dec-17	-	3,000
551 IV	2-Oct-18	240	-	611 I	30-Dec-17	-	8,500
600 I	27-Sep-18	50	-	519 I	29-Dec-17	-	505
629 I	24-Sep-18	2,500	-	526 III	29-Dec-17	-	260
550 II	19-Sep-18	100	-	526 IV	29-Dec-17	-	745
549 II	12-Sep-18	325	-	527 II	29-Dec-17	-	635
547 II	28-Aug-18	405	-	600 IV	28-Dec-17	-	50
548 II	28-Aug-18	657	-	602 V	28-Dec-17	-	265
642 IV	30-Jul-18	50	-	608 I	15-Dec-17	-	1,500
647 VIII	30-Jul-18	200	-	609 I	15-Dec-17	-	700



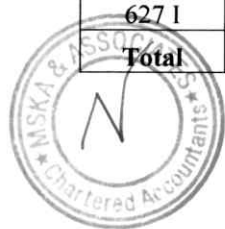
# Citicorp Finance (India) Limited

## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

Series No	Maturity / Call Date	31 March 18	31 March 17	Series No	Maturity / Call Date	31 March 18	31 March 17
647 IX	30-Jul-18	200	-	607 I	9-Dec-17	-	10,000
647 IV	30-Jul-18	1,550	-	525 IV	30-Nov-17	-	310
648 IV	30-Jul-18	200	-	592 IV	30-Nov-17	-	310
648 VII	30-Jul-18	300	-	593 IV	30-Nov-17	-	200
643 VII	16-Jul-18	7,700	-	524 III	28-Nov-17	-	510
626 IV	2-Jul-18	150	-	525 III	28-Nov-17	-	630
632 VII	2-Jul-18	2,925	-	603 II	26-Nov-17	-	50
639 V	2-Jul-18	200	-	603 III	26-Nov-17	-	170
640 V	2-Jul-18	200	-	604 III	26-Nov-17	-	730
640 IV	2-Jul-18	50	-	604 V	26-Nov-17	-	100
641 IV	2-Jul-18	100	-	605 I	25-Nov-17	-	500
641 V	2-Jul-18	100	-	524 II	24-Nov-17	-	1,005
641 VIII	2-Jul-18	215	-	601 I	28-Oct-17	-	10,000
596 VI	1-Jul-18	50	-	521 I	28-Sep-17	-	335
641 VII	30-Jun-18	500	-	522 I	28-Sep-17	-	955
641 IX	30-Jun-18	850	-	585 IV	28-Sep-17	-	100
544 I	28-Jun-18	100	-	595 I	23-Sep-17	-	700
585 II	28-Jun-18	250	-	594 I	16-Sep-17	-	500
638 IV	11-Jun-18	2,000	-	551 I	27-Aug-17	-	165
633 V	6-Jun-18	120	-	549 I	13-Aug-17	-	325
540 I	30-May-18	170	-	589 III	13-Aug-17	-	150
541 I	30-May-18	455	-	590 III	13-Aug-17	-	8,350
541 II	30-May-18	225	-	516	29-Jul-17	-	545
630 III	30-May-18	200	-	518	29-Jul-17	-	620
632 V	30-May-18	330	-	547 I	27-Jul-17	-	475
635 VI	30-May-18	220	-	548 I	27-Jul-17	-	490
625 I	27-May-18	200	200	581 VI	8-Jul-17	-	1,000
625 II	27-May-18	550	550	584 III	8-Jul-17	-	500
633 III	7-May-18	200	-	583 I	7-Jul-17	-	6,750
633 IV	7-May-18	200	-	581 IV	4-Jul-17	-	5,750
633 VIII	7-May-18	200	-	582 IV	4-Jul-17	-	400
594 II	3-May-18	100	-	576 II	2-Jul-17	-	620
581 VIII	2-May-18	300	-	576 IV	29-Jun-17	-	450
582 III	2-May-18	100	-	512	28-Jun-17	-	815
586 III	2-May-18	100	-	575 IV	21-Jun-17	-	500
604 VI	2-May-18	100	-	580 IV	7-Jun-17	-	400
604 VII	2-May-18	500	-	580 V	7-Jun-17	-	100
608 II	2-May-18	100	-	509	30-May-17	-	760
539 II	1-May-18	155	-	571 II	24-May-17	-	200
585 III	1-May-18	200	-	571 III	24-May-17	-	200
626 VI	30-Apr-18	50	-	572 II	24-May-17	-	100
632 VI	30-Apr-18	200	-	542 I	14-May-17	-	510
626 III	15-Apr-18	150	-	579 V	13-May-17	-	500
537 I	10-Apr-18	627	-	505	29-Apr-17	-	260
627 I	5-Apr-18	6,500	-	575 I	20-Apr-17	-	1,600
<b>Total</b>						<b>90,896</b>	<b>111,255</b>



# Citicorp Finance (India) Limited

## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

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

Series No	Interest rate	Maturity / Call Date	31-Mar-18	31-Mar-17
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	-
663 I	7.70%	14-Jun-18	17,500	-
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
<b>Total</b>			<b>173,500</b>	<b>112,500</b>

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

Series No	Interest rate	Maturity / Call Date	31-Mar-18	31-Mar-17
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
<b>Total</b>			<b>-</b>	<b>130,000</b>

### (5) Loan assignment deals

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

Particulars	31 March 2018	31 March 2017
Total number of loan assets assigned during the year (Nos)	1,222	1,359
Total amount of exposures retained by the Company to comply with MRR	2,298	1,957
Total book value of loan assets assigned	22,512	19,816
Sale consideration received for the assigned assets	22,774	19,957
Gain on account of assigned assets	294	136
Gains amortized during the year as per the RBI guidelines (includes gains amortized of previous years assignment)	193	272



# Citicorp Finance (India) Limited

## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

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

#### Basis of preparation

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

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

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

The Treasury segment undertakes various activities of investments in corporate debt and government securities, loans, funding and gapping and structured products. Revenues of the Treasury segment consist of interest income on assets and gains from investment activities.

Treasury provides funds to other segments as per the needs of business and excess capital with other segments is deployed back with Treasury. There is an internal transfer price attached to the funds so provided or deployed, which forms part of inter-segment revenues.

Other Retail Loans include Equipment Finance and Personal loan portfolio. Equipment Finance provides services in the form of loans for the purchase of commercial vehicles, construction equipment and agricultural assets. It also provides leasing and hire purchase products. The segment earns income in the form of interest on loans, loan assignments, lease rentals, hire premium, management fees, subventions, income from assignment etc. Personal loan portfolio bought during the year is unsecured loan given to individuals.

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

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

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

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



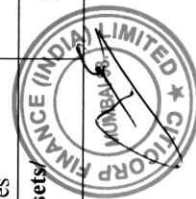
# Citicorp Finance (India) Limited

## Notes to the consolidated financial statements (continued) for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

### Summary of the segments for the year ended 31 March 2018

	AAFA		Corporate Loans		Treasury		Other Retail Loans		Unallocated		Total	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
<b>Revenue</b>												
Segment revenue	29,779	30,525	24,345	34,913	5,334	5,290	20,788	14,398	1,092	1,016	81,338	86,142
Inter-segment revenues	(15,772)	(16,038)	(12,829)	(18,633)	35,210	38,938	(6,609)	(4,267)	-	-	-	-
<b>TOTAL REVENUE</b>	<b>14,007</b>	<b>14,487</b>	<b>11,516</b>	<b>16,280</b>	<b>40,544</b>	<b>44,228</b>	<b>14,179</b>	<b>10,131</b>	<b>1,092</b>	<b>1,016</b>	<b>81,338</b>	<b>86,142</b>
<b>Result</b>												
Segment result	11,007	11,402	9,948	14,732	3,093	999	3,105	1,827	(3,299)	(4,030)	23,854	24,930
Income tax	-	-	-	-	-	-	-	-	(8,310)	(5,797)	(8,310)	(5,797)
Deferred tax	-	-	-	-	-	-	-	-	168	(2,931)	168	(2,931)
<b>Net segment result</b>	<b>11,007</b>	<b>11,402</b>	<b>9,948</b>	<b>14,732</b>	<b>3,093</b>	<b>999</b>	<b>3,105</b>	<b>1,827</b>	<b>(11,441)</b>	<b>(12,758)</b>	<b>15,712</b>	<b>16,202</b>
<b>Other information (relating to the current period)</b>												
Capital expenditure	-	-	-	-	-	-	212	105	20	43	232	148
Depreciation	-	-	-	-	2	-	30	21	90	104	122	125
<b>Significant non-cash expenses included in segment expense</b>												
Bad debts written off and provision for bad debts (net), Includes permanent diminution in the value of long term investment	-	-	-	-	-	5	896	-	(84)	-	812	5
<b>Capital employed as at</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
Segment assets	321,929	385,212	416,467	440,657	71,231	74,915	208,319	138,924	4,497	53,396	1,022,443	1,093,104
Segment liabilities	(2,812)	(4,369)	(3,252)	(1,747)	(599,584)	(688,985)	(14,633)	(12,232)	(5,268)	(4,589)	(625,549)	(711,922)
<b>Net segment assets (liabilities)</b>	<b>319,117</b>	<b>380,843</b>	<b>413,215</b>	<b>438,910</b>	<b>(528,353)</b>	<b>(614,070)</b>	<b>193,686</b>	<b>126,692</b>	<b>(771)</b>	<b>48,807</b>	<b>396,894</b>	<b>381,182</b>



# Citicorp Finance (India) Limited

## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

### (7) Leases

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

Particulars	As at 31 March 2018	As at 31 March 2017
Net carrying value of the assets as at the date of balance sheet	14	21
Total of minimum lease payments as at the balance sheet date		
♦ Not later than one year	8	15
♦ Later than one year and not later than five years	10	10
<b>Total</b>	<b>18</b>	<b>25</b>
Present value of minimum lease payments as at the balance sheet date		
♦ Not later than one year	6	13
♦ Later than one year and not later than five years	8	8
<b>Total</b>	<b>14</b>	<b>21</b>

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

Particulars	As at 31 March 2018	As at 31 March 2017
Gross investment as at the date of balance sheet		
♦ Not later than one year	1,419	1,891
♦ Later than one year and not later than five years	1,474	2,431
<b>Total</b>	<b>2,893</b>	<b>4,322</b>
Present value of minimum lease payments as at the balance sheet date		
♦ Not later than one year	1,187	1,527
♦ Later than one year and not later than five years	1,331	2,157
<b>Total</b>	<b>2,518</b>	<b>3,684</b>
Unearned finance charges	375	638
Unguaranteed residual value	-	-
Accumulated provision for minimum lease payment receivable	-	-

There are no provisions relating to contingent rent.





# Citicorp Finance (India) Limited

## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

### (8) Earnings per share ('EPS')

EPS is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding for the year. There is no dilution to the basic earnings per share as there are no dilutive potential equity shares.

Particulars	31 March 2018	31 March 2017
<b>Profit available to equity shareholders (A)</b>		
Profit after tax	15,712	16,202
<b>Weighted average number of equity shares</b>		
Number of shares at the beginning of the year	3,857,727,031	3,857,727,031
Shares issued during the year	-	-
Total number of equity shares outstanding at the end of the year	3,857,727,031	3,857,727,031
<b>Weighted average number of equity shares (B)</b>	3,857,727,031	3,857,727,031
<b>Nominal value of equity shares</b>	7.5	7.5
<b>Basic earnings per share [(A)/(B)]</b>	0.41	0.42

### (9) Deferred tax

The breakup of deferred tax assets is as under:

Particulars	As at 31 March 2018	As at 31 March 2017
<b>Deferred tax assets:</b>		
a. Provision for doubtful assets / valuation loss / assignment	6,386	6,510
b. WDV of fixed assets as per tax	5,135	6,009
c. Disallowance of expenses	1,293	1,268
d. Unrealized losses on derivatives	1,538	482
e. Lease rental payable	5	7
f. Interest accrued but not due on debentures	3,305	4,143
<b>Subtotal (A)</b>	17,662	18,419
<b>Deferred tax liabilities</b>		
a. WDV of fixed assets as per books	115	148
b. Unrealized gain on derivatives	1,607	2,095
c. Lease rental receivable	871	1,275
<b>Subtotal (B)</b>	2,593	3,518
<b>Total (A-B)</b>	15,069	14,901

The Company is of view that there is reasonable certainty of earning taxable profits in the near future and hence deferred tax assets of Rs. 15,069 lakhs is being recognised in the books of accounts (In the previous year, the Company, based on reasonable certainty, had recognised deferred tax assets of Rs. 14,901 lakhs).



# Citicorp Finance (India) Limited

## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

### (10) Derivatives

#### Quantitative disclosure for derivative instruments

Particulars	As at 31 March 2018	As at 31 March 2017
Derivatives (notional principal amount)		
Futures and options:		
Equity and Index (net of long and (short))	61,964	43,472

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

### (11) Disclosure pursuant to Accounting Standard – 15 (Revised) “Employee Benefits”

#### A. Defined Contribution Plan

Amount of Rs. 195 lakhs (Previous year: Rs. 185 lakhs) is recognised as an expense for provident fund and superannuation fund included in "Employee Benefits"

#### B. Employee retirement benefits

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

Particulars	31 March 2018	31 March 2017
<b>Change in obligations</b>		
Present value of defined benefits obligations at the beginning of the year	421	395
Employer service cost	41	40
Plan amendments	59	(1)
Interest cost	27	28
Acquisitions cost/(credit)	-	-
Actuarial (gains) / losses	15	14
Settlement cost	-	-
Actual benefits payments	(51)	(55)
<b>Present value of defined benefits obligations at the end of the year (A)</b>	<b>512</b>	<b>421</b>
<b>Change in plan assets</b>		
Plan assets as at the beginning of the year	303	255
Expected return on plan assets	26	23
Actual company contributions	59	80
Actual benefits payments	(51)	(55)
Actuarial gain / (losses)	(3)	-
<b>Plan assets at the end of the year (B)</b>	<b>334</b>	<b>303</b>



# Citicorp Finance (India) Limited

## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

### Employee retirement benefits (continued)

<b>Net asset/(liability) recognized</b>		
Present value of defined benefits obligations as at the end of the year	512	421
Fair value of plan assets as at the end of the year	334	303
<b>Net liability recognized in the balance sheet (B-A)</b>	<b>(178)</b>	<b>(118)</b>

<b>Particulars</b>	<b>31 March 2018</b>	<b>31 March 2017</b>
<b>Components of employer expense</b>		
Current services cost	41	39
Interest cost	27	30
Expected return on assets	(26)	(23)
Past service cost	59	(1)
Settlement cost/ (credit)	-	-
Actuarial (gains) and losses	17	14
<b>Net cost recognized in the Profit and loss account</b>	<b>118</b>	<b>59</b>
<b>Assumptions</b>		
Discount rate	7.40%	6.80%
Expected return on assets	8.50%	8.50%
Salary escalation rate	10.00%	10.00%
Withdrawal rate	15.00%	15.00%
Mortality	<b>LIC (2006-08) ultimate</b>	LIC (2006-08) ultimate

<b>Particulars</b>	<b>31 March 2018</b>	<b>31 March 2017</b>	<b>31 March 2016</b>	<b>31 March 2015</b>	<b>31 March 2014</b>
<b>Experience history</b>					
Defined benefit obligation at the end of the period	(512)	(421)	(395)	(379)	(365)
Plan assets at the end of the period	334	303	255	308	361
Funded status	(178)	(118)	(140)	(71)	(4)
Experience gain/ (loss) adjustments on plan liabilities	(34)	6	-	(22)	24
Experience gain/ (loss) adjustments on plan assets	(3)	-	(1)	(7)	-
Actuarial gain / (loss) due to change of assumptions	19	(20)	(42)	(32)	31

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

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



# Citicorp Finance (India) Limited

## Notes to the consolidated financial statements (*continued*) for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

### (12) Related party disclosures

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

Related parties as per AS 18 with whom a controlling relationship exists and/or with whom transactions have taken place:

#### A. Holding Companies

Associates Financial Services (Mauritius) LLC

Enterprises which exercise control:

Citibank Overseas Investment Corporation ('COIC')

Citibank N.A. and its branches

Citigroup Inc. (the ultimate Holding Company)

#### B. Fellow subsidiaries

Citigroup Global Markets India Private Limited

Citibank Korea Inc.

Citibank Europe plc. and its branches

Citigroup Technology Inc.

Citigroup Transaction Services M Sdn Bhd

Citigroup Global Markets Asia Limited

Citicorp Services India Private Limited

Citicorp Investment Bank Singapore Limited

Citigroup Global Markets Hong Kong Limited

Citigroup Global Markets Singapore PTE Limited

Citibank (China) Co. Ltd.

Citigroup Global Markets Deutschland AG

Citibank Japan Ltd.

#### C. Key Management Personnel

Rohit Ranjan (Joint Managing Director)

Priti Goel (Joint Managing Director)



# Citicorp Finance (India) Limited

## Notes to the consolidated financial statements (continued) for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

### Related party disclosures (continued)

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 Ltd		Other Fellow Subsidiaries	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Asset given on lease	629	1,376	298	869	25	86
Lease rentals received for assets given on lease	1,225	1,357	603	636	39	44
Fixed deposits placed	1,545,171	383,078	-	-	-	-
Fixed deposits matured	1,551,817	382,745	-	-	-	-
Inter Corporate Borrowings taken	-	-	181,000	-	-	-
Inter Corporate Borrowings repaid	-	-	78,500	-	-	-
Loans taken	1,481,900	6,520,600	-	-	-	-
Loans repaid	1,481,900	6,520,600	-	-	-	-
Loan portfolio purchase personal loan	135,078	127,545	-	-	-	-
Loan portfolio purchase domestic trade finance	123,296	58,588	-	-	-	-
Loan portfolio sale	22,774	19,957	-	-	-	-
Net movement in bank accounts	475	403	-	-	-	-
Distribution and Placement Fees paid	464	324	-	-	-	-
Rent paid	595	606	19	23	-	19



# Citicorp Finance (India) Limited

## Notes to the consolidated financial statements (continued) for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

Nature of Related party transaction	Holding Companies and companies exercising control		Fellow Subsidiaries			
	Citibank N.A. and its branches		Citicorp Services India Ltd		Other Fellow Subsidiaries	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Rent recovered	-	-	-	148	-	-
Fee for HR & ICU Service earned	-	-	-	3	-	-
HR Related Expenses incurred	35	36	13	19	-	-
Interest paid on borrowings and overdraft	447	2,483	841	-	-	-
Bank Charges paid	24	34	-	-	-	-
Interest received on fixed deposits	1,512	363	-	-	-	-
Sourcing and Collection Fees earned	5,710	4,580	-	-	-	-
Fees and Commission (includes secondment charges for joint managing directors)	5,310	3,965	-	5	145	1,458
Secondment charges earned	482	486	-	-	-	-
Technology & Software expenses incurred	648	959	230	217	226	219
Collection Expenses incurred	675	271	-	-	-	-
Expense processing fees incurred	49	43	-	-	-	-
Compliance Services	-	-	-	14	-	-
Equity Dividend Received	-	-	-	-	-	-



# Citicorp Finance (India) Limited

## Notes to the consolidated financial statements (continued) for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

### Related party disclosures (continued)

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 Ltd		Other Fellow Subsidiaries	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
<b>Assets</b>						
Finance lease principal receivable	1,608	2,410	853	1,197	57	77
Other receivables	5,251	2,414	209	154	37	20
Fixed deposits	12,526	20,342	-	-	-	-
Interest accrued on fixed deposits	142	88	-	-	-	-
Bank Balances	121	1,610	-	-	-	-
<b>Liabilities</b>						
Inter Corporate Borrowings	-	-	102,500	-	-	-
Interest payable on Inter Corporate borrowings	-	-	293	-	-	-
Trade payables	3,281	3,082	115	44	191	1,138
Other Liabilities	2,051	2,982	-	-	-	-
Loans repayable on demand from banks (overdraft)	675	1,689	-	-	-	-



# Citicorp Finance (India) Limited

## Notes to the consolidated financial statements (*continued*)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

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

Particulars	31 March 2018	31 March 2017
Equity-futures and options	1,445	(4,662)

### (14) Micro, Small and Medium Enterprises

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

Particulars	31 March 2018	31 March 2017
Principal amount remaining unpaid to any supplier as at the year end	-	59
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	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	3	2
Amount of interest accrued and remaining unpaid at the end of the accounting year	11	10

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

### (16) Corporate social responsibility expense

Particulars	31 March 2018	31 March 2017
Gross amount required to be spent during the year	635	579
Amount spent during the year	-	-
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above		
In cash	635	141
Yet to be paid in cash	-	*434
Total	635	575

\* Payment initiated on 31<sup>st</sup> March 2017, cleared on 4<sup>th</sup> April 2017





# Citicorp Finance (India) Limited

## Notes to the consolidated financial statements *(continued)*

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

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

(Rs. as Actuals)

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

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

**(19)** Other expenses – fees and commission include transfer pricing fees amounting to Rs. 3,105 lakhs (Previous year: Rs. 4,616 lakhs) paid/ accrued to affiliates. These fees are based on refinements in the transfer pricing model which has been effective April 1, 2016. The refined model is aimed at simplifying and standardizing country and intercompany reporting while properly recognizing and rewarding components of the value chain through net revenue allocation for respective country locations and legal entities.

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



# Citicorp Finance (India) Limited

## Notes to the consolidated financial statements (continued) for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

### (21) Details of Loan Assets subjected to Restructuring as at 31 March 2018

SL. No	Type of Restructuring		Others					Total
	Asset Classification	Details	Standard	Sub Standard	Doubtful	Loss		
1	Restructured Accounts as on 1 April of the FY (opening figures)	No. of borrowers	-	-	-	-	-	
		Amount outstanding	-	-	-	-	-	
		Provision thereon	-	-	-	-	-	
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	
		Amount outstanding	-	-	-	-	-	
		Provision thereon	-	-	-	-	-	
3	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-	
		Amount outstanding	-	-	-	-	-	
		Provision thereon	-	-	-	-	-	
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	
		Amount outstanding	-	-	-	-	-	
		Provision thereon	-	-	-	-	-	
5	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	
		Amount outstanding	-	-	-	-	-	
		Provision thereon	-	-	-	-	-	
6	Write-offs (includes recovery) of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	
		Amount outstanding	-	-	-	-	-	
		Provision thereon	-	-	-	-	-	
7	Restructured Accounts as on March 31 of the FY (closing figures)	No. of borrowers	-	-	-	-	-	
		Amount outstanding	-	-	-	-	-	
		Provision thereon	-	-	-	-	-	

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



# Citicorp Finance (India) Limited

## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

- (22) 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, Rs. 13.50 lakhs of fraud was detected and reported during the financial year ended 31 March 2018 (Previous year: Rs. 0.47 lakhs).
- (23) 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 2018 (Previous year: Nil).
- (24) 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 2018 (Previous year: Nil).

### (25) Short Term Borrowings

#### A. Secured Borrowings

##### i. Working Capital Demand Loan from Banks

Particulars	As at 31 March 2018	As at 31 March 2017
Tenure (from the date of the Balance Sheet)	<b>Maturing within 1 year</b>	NA
Rate Range	<b>9.60%</b>	NA
Total Outstanding Balance	<b>20,000</b>	-

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 2018	As at 31 March 2017
Tenure (from the date of the Balance Sheet)	<b>Maturing within 1 year</b>	Maturing within 1 year
Rate Range	<b>13.50%</b>	13.50%
Total Outstanding Balance	<b>675</b>	1,689

Loans from related parties- Rs. 675 lakhs (Previous Year: Rs. 1,689 lakhs)



# Citicorp Finance (India) Limited

## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

### ii. Commercial Paper

Particulars	As at	As at
	31 March 2018	31 March 2017
Tenure (from the date of the Balance Sheet)	<b>Maturing within 1 year</b>	Maturing within 1 year
Discount Rate (Range)	<b>6.98% to 7.90%</b>	6.67% to 7.30%
Total Outstanding Balance	<b>65,000</b>	245,000
Less: Unamortised Cost	<b>1,110</b>	4,068
Net Outstanding Balance	<b>63,890</b>	240,932

### iii. Inter Corporate Borrowings

Particulars	As at	As at
	31 March 2018	31 March 2017
Tenure (from the date of the Balance Sheet)	<b>Maturing within 1 year</b>	Maturing within 1 year
Rate Range	<b>6.50% to 7.50%</b>	6.20% to 6.50%
Total Outstanding Balance	<b>145,000</b>	26,600

Loans from related parties- Rs. 102,500 lakhs (Previous Year: Rs. Nil)

- (26) During June 2017, Tejas Networks Ltd made a public offer and got listed on the stock exchange. Given that these equity shares are now marketable, the Company has reclassified the investment from non-current investment to current investment w.e.f. October 1, 2017 by virtue of a board resolution passed on November 15, 2017. Further, since the market value of the investment is greater than the initial investment amount as on the balance sheet date, provision of Rs. 689 lakhs, created earlier, has been reversed in the current year.

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

As at 31 March 2018

Name of the entity	Net Assets i.e total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
India Infradebt Limited	3.57%	14,177	12.83%	2,016

As at 31 March 2017

Name of the entity	Net Assets i.e total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
India Infradebt Limited	3.26%	12,413	8.61%	1,395



# Citicorp Finance (India) Limited

## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

### Annexure "A"

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

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

Part – "A": Subsidiaries: None

Part – "B": Associates and Joint ventures

Name of the Associate	India Infradebt limited
1. Latest audited Balance Sheet Date	31.03.2018
2. Shares of Associate held on the year end	
i. Number of Shares	87,000,000
ii. Amount of Investment	8,700
iii. Extent of Holding	15.06%
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 is not consolidated	Not Applicable
5. Networth attributable to Shareholding as per latest balance sheet	14,177
6. Profit/ Loss for the year	
i. Considered in consolidation	2,016
ii. Not considered in consolidation	Nil

As per our report of even date attached

For **MSKA & Associates**  
(Formerly known as MZSK & Associates)

For and on behalf of the Board of Directors

Chartered Accountants

Firm's Registration No:  
105047W

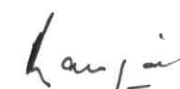
**Citicorp Finance (India) Limited**



**Swapnil Kale**

Partner

Membership No: 117812



**Rohit Ranjan**

Jt. Managing  
Director

DIN: 00003480



**Priti Goel**

Jt. Managing  
Director

DIN: 07649929



**Ganesh  
Ramanathan**  
Chief Financial  
Officer



**Sameer  
Upadhyay**  
Company  
Secretary

Mumbai  
29 May 2018