

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

We have audited the accompanying standalone financial statements of Citicorp Finance (India) Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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



We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act 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 standalone 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 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 Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Other Matter

The standalone financial statements of the 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 this matter.



Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016.
 - (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.
 - (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 Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its standalone financial statements - Refer Note 24(1).
 - ii. The Company has long-term contracts including derivative contracts as at March 31, 2018 for which there were no material foreseeable losses.



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- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.
- iv. The reporting on disclosure relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.
2. As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act, we give in the 'Annexure B', a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

We have audited the internal financial controls with reference to financial statements of Citicorp Finance (India) Limited (the "Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether 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 STANDALONE 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 is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

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



ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF CITICORP FINANCE (INDIA) LIMITED ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 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, the Company has, 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 Company considering the essential components of internal control stated in the Guidance Note.

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

Chartered Accountants

ICAI Firm Registration No. 105047W

Swapnil Kale

Swapnil Kale

Partner

Membership No. 117812



Mumbai

May 29, 2018

**ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE MEMBERS OF
CITICORP FINANCE (INDIA) LIMITED STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR
ENDED MARCH 31, 2018.**

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- i.
- (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) All the fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties as disclosed in Note 11 on fixed assets to the standalone financial statements are held in the name of the Company.
- ii. The Company is in the business of rendering financial services, and consequently, does not hold any inventory. Therefore, the provisions stated in clause 3(ii) of the Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 (the "Act"). Therefore, the provisions of clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has not granted any loans, provided any guarantees or security to the parties covered under Section 185. Therefore, the provisions of clause 3(iv) of the Order are not applicable to the Company.
- In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186(1) of the Act as applicable, in respect of investments made.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.
- vi. The provisions of sub-section (1) of Section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Therefore, the provisions of clause 3(vi) of the Order are not applicable to the Company.



**ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE MEMBERS OF
CITICORP FINANCE (INDIA) LIMITED STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR
ENDED MARCH 31, 2018.**

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vii.

- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amount deducted/accrued in the books of account in the respect of undisputed statutory dues including provident fund, income-tax, service tax, value added tax, goods and service tax, cess and any other statutory dues applicable to it have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of provident fund, income-tax, value added tax, service tax, employee's state insurance, customs duty, sales tax, excise duty and any other statutory dues applicable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the following dues of Income Tax, value added tax and Service Tax have not been deposited by the Company on account of dispute.

Name of the statute	Nature of dues	Amount (Rs.in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Demands	8.35	AY 1999-00	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax Demands	5.86	AY 2001-02	Assessing Officer
Income Tax Act, 1961	Income Tax Demands	33.71	AY 2002-03	High Court
Income Tax Act, 1961	Income Tax Demands	1.35	AY 2002-03	Assessing Officer
Income Tax Act, 1961	Income Tax Demands	356.52	AY 2005-06	Assessing Officer
Income Tax Act, 1961	Income Tax Demands	28.93	AY 2006-07	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax Demands	159.30	AY 2012-13	Commissioner of Income Tax (Appeals)
Maharashtra Value Added Tax Act 2002	Value Added Tax	266.23	FY 2010-11	Joint Commissioner of Sales Tax (Appeal)
Finance Act, 1994	Service Tax Demands	1,073.08	FY 2006-07 to FY 2008-09	Customs, Excise and Service Tax Appellate Tribunal



ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE MEMBERS OF CITICORP FINANCE (INDIA) LIMITED STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2018.

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- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of, loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. In our opinion, according to the information and explanations given to us, money raised by way of debt instruments and term loans during the year have been applied for the purpose for which they were raised.
- x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.
- xi. According to the information and explanations given to us and based on our examination of records of the Company, the Company has not paid any managerial remuneration. Accordingly, the provisions of clause 3(xi) of the order are not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Section 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Therefore, provisions of clause 3(xv) of the Order are not applicable to the Company.



**ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE MEMBERS OF
CITICORP FINANCE (INDIA) LIMITED STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR
ENDED MARCH 31, 2018.**

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

For MSKA & Associates (Formerly known as MZSK & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W

Swapnil Kale

Swapnil Kale
Partner
Membership No. 117812



Mumbai
May 29, 2018

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

as at 31 March 2018

(Currency: Indian Rupees in Lakhs)

	Note No.	31 March 2018	31 March 2017
I. EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
Share capital	3	289,330	289,330
Reserves and surplus	4	102,087	88,139
		<u>391,417</u>	<u>377,469</u>
2. NON-CURRENT LIABILITIES			
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>
3. CURRENT LIABILITIES			
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>
TOTAL		<u><u>1,016,966</u></u>	<u><u>1,089,391</u></u>
II. ASSETS			
1. NON-CURRENT ASSETS			
Fixed assets			
Property, Plant and Equipment	11	332	427
Capital work in progress		322	141
		<u>654</u>	<u>568</u>
Non current investments	12	10,371	10,452
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>219,668</u>	<u>190,938</u>
2. CURRENT ASSETS			
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>
TOTAL		<u><u>1,016,966</u></u>	<u><u>1,089,391</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

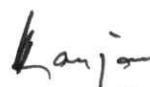
For and on behalf of the Board of Directors

Citicorp Finance (India) Limited

Swapnil Kale

Partner

Membership No: 117812


Rohit Ranjan

Jt. Managing Director

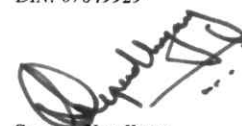
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Priti Goel

Jt. Managing Director

DIN: 07649929

Mumbai
29 May 2018

Ganesh Ramanathan
Chief Financial Officer

Sameer Upadhyay
Company Secretary

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

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

	<i>Note No.</i>	31 March 2018	31 March 2017
REVENUE			
Revenue from operations	19	77,328	81,278
Other income	20	2,246	3,469
Total Revenue		79,574	84,747
EXPENSES			
Employee benefits expense	21	4,578	4,286
Finance costs	22	35,488	40,431
Depreciation expense	11	122	125
Other expenses	23	17,296	16,370
Total Expenses		57,484	61,212
PROFIT BEFORE TAX		22,090	23,535
TAX EXPENSE:			
Current tax expense relating to prior years		-	1,269
Current tax expense		4,475	5,140
MAT credit (entitlement) / utilised		3,835	(612)
Net current tax		8,310	5,797
Deferred tax	24.9	(168)	2,931
PROFIT FOR THE YEAR		13,948	14,807
EARNINGS PER EQUITY SHARE:			
Basic earnings per share (Face Value of Rs. 7.50 each)	24.8	0.36	0.38

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

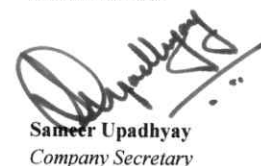
**Priti Goel**

Jt. Managing Director

DIN: 07649929

Mumbai

29 May 2018

**Ganesh Ramanathan**
Chief Financial Officer**Sameer Upadhyay**
Company Secretary

Citicorp Finance (India) Limited**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	22,090	23,535
Add:-		
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)
Less:-		
Unrealized gain on derivatives	(6,126)	(1,336)
Reversal of diminution in the value of investments	689	-
Amortisation of subvention income	178	334
Dividend income	333	81
Operating profit before working capital changes	27,590	25,975
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)
	49,094	(237,879)
Net cash used in operating activities before taxes	76,684	(211,904)
Less: Taxes paid (Net of refunds)	4,582	4,215
Cash flows generated from / (used in) operating activities - A	72,102	(216,119)
Cash flows from investing activities		
Dividend income	333	81
Net proceeds from sale of short term investments	4,560	8,172
Decrease in long term investments	81	-
Sale proceeds of fixed assets	-	4
Purchase of fixed assets	(232)	(147)
Cash flows generated from investing activities - B	4,742	8,110
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
Cash flows generated from / (used in) financing activities - C	(86,218)	209,220
Net increase in cash and cash equivalents - (A+B+C)	(9,374)	1,211
Cash and cash equivalents at the beginning of the period	20,450	19,239
Cash and cash equivalents at the end of the period	11,076	20,450

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



Priti Goel

Jt. Managing Director

DIN: 07649929



Ganesh Ramanathan

Chief Financial Officer



Sameer Upadhyay

Company Secretary

Citicorp Finance (India) Limited

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

2.2 Use of estimates

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



Citicorp Finance (India) Limited

Notes to the financial statements *(continued)*

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

2.3 *Current – non-current classification*

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

Assets

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

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

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

All other assets are classified as non-current.

Liabilities

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

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

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

All other liabilities are classified as non-current.

Operating cycle

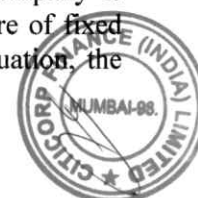
Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

2.4 *Fixed assets and depreciation, 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.



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

Fixed assets and depreciation (continued)

Class of fixed assets	Estimated useful life
Office buildings	50 years
Computer equipment	3 years/ 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 1st 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.

2.5 Investments

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

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

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

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

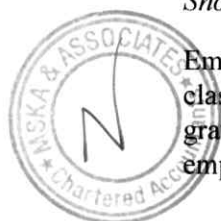
Quoted current investments are stated at lower of cost and market value determined based on published sources such as quotes from news wire agencies, recognised stock exchange, Fixed Income Money Market and Derivatives Association ('FIMMDA') etc.

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

2.6 Employee benefits

Short term employee benefits

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



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

Employee benefits (continued)

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.

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.



Citicorp Finance (India) Limited

Notes to the financial statements (*continued*)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

Revenue recognition (*continued*)

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

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

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

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

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

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

The cost of securities is computed based on 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.



Citicorp Finance (India) Limited

Notes to the financial statements *(continued)*

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

2.9 *Loan origination / acquisition costs*

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

2.10 *Bad debts and provision for doubtful debts*

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

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

2.11 *Loan assignment*

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

In accordance with 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.



Citicorp Finance (India) Limited

Notes to the financial statements *(continued)*

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

Leases (continued)

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.

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.

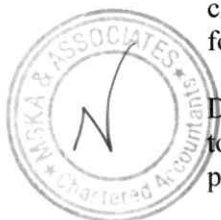
The Company presents mark to market on derivative transactions on a gross basis in accordance with the presentation requirements as set out in the Guidance Note on accounting for derivative contracts.

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.



Citicorp Finance (India) Limited

Notes to the financial statements (*continued*)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

Taxation (continued)

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.

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.

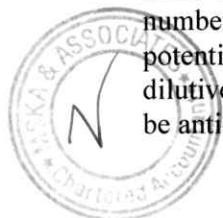
Provisions are reviewed at the balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

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 financial statements (continued)

as at 31 March 2018

(Currency: Indian Rupees in Lakhs)

	As at 31 March 2018	As at 31 March 2017
Note 3:		
SHARE CAPITAL		
AUTHORISED CAPITAL:		
5,269,333,333 (Previous year : 5,269,333,333) Equity shares of Rs.7.50 each	<u>395,200</u>	<u>395,200</u>
ISSUED, SUBSCRIBED AND FULLY PAID UP:		
3,857,727,031 (Previous year : 3,857,727,031) Equity shares of Rs.7.50 each	<u>289,330</u>	<u>289,330</u>
Reconciliation of the number of shares		
At the beginning of the year	3,857,727,031	3,857,727,031
Issued during the year	-	-
At the end of the year	<u>3,857,727,031</u>	<u>3,857,727,031</u>
Reconciliation of equity share capital		
At the beginning of the year	289,330	289,330
Issued during the year	-	-
At the end of the year	<u>289,330</u>	<u>289,330</u>
Terms/rights attached to Equity shares		
The Company has only one class of equity shares having a par value of Rs 7.50 per share.		
All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting.		
In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
Equity shares held by holding Company or ultimate holding Company		
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
Details of shareholding more than 5% shares in the Company		
Associates Financial Services (Mauritius) LLC (% held 52.94 % (Previous Year: 52.94 %))	2,042,338,070	2,042,338,070
Citibank Overseas Investment Corporation (% held 47.06 % (Previous Year: 47.06 %))	1,815,388,961	1,815,388,961
Note 4:		
RESERVES AND SURPLUS		
Statutory reserve:		
(Created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934)		
Opening balance	56,951	53,990
Add: Transfer from surplus in the statement of profit and loss	2,790	2,961
Closing balance	<u>59,741</u>	<u>56,951</u>
General reserve:		
Opening balance	3,674	3,674
Additions during the year	-	-
Closing balance	<u>3,674</u>	<u>3,674</u>



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

as at 31 March 2018

(Currency: Indian Rupees in Lakhs)

	As at 31 March 2018	As at 31 March 2017
Note 4:		
RESERVES AND SURPLUS (continued)		
Surplus in the statement of profit and loss:		
Opening balance	27,514	1,813
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	13,948	14,807
Less: Appropriations		
Transfer to statutory reserve	2,790	2,961
Closing balance	<u>38,672</u>	<u>27,514</u>
Total	<u>102,087</u>	<u>88,139</u>
Note 5:		
LONG TERM BORROWINGS		
SECURED		
Long term maturities of non convertible redeemable debentures (The Company has issued secured non-convertible debentures under various series on different terms and conditions, which have been secured by a pari passu charge on the Company's immovable property and movable financial assets) (Refer Note 24.4)	89,989	47,330
Long term maturities of finance lease obligation (Refer Note 24.7A)	8	8
Total	<u>89,997</u>	<u>47,338</u>
Note 6:		
OTHER LONG TERM LIABILITIES		
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
Total	<u>3,935</u>	<u>3,201</u>
Note 7:		
LONG TERM PROVISIONS		
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
Total	<u>969</u>	<u>718</u>



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

as at 31 March 2018

(Currency: Indian Rupees in Lakhs)

	As at 31 March 2018	As at 31 March 2017
Note 8:		
SHORT TERM BORROWINGS		
SECURED (Refer Note 24.25A)		
Loans repayable on demand from banks	20,000	-
UNSECURED (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
Total	229,565	269,221
Note 9:		
OTHER CURRENT LIABILITIES		
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
Total	286,796	376,607
Note 10:		
SHORT TERM PROVISIONS		
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
Total	9,133	9,509



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

as at 31 March 2018

(Currency: Indian Rupees in Lakhs)

Note 12:

31 March 2018

31 March 2017

NON-CURRENT INVESTMENTS

(Valued at cost unless stated otherwise)

IN ASSOCIATE COMPANIES (UNQUOTED)

IN EQUITY SHARES

India Infradebt Limited

8,700

8,700

87,000,000 (Previous year : 87,000,000) equity shares of Rs. 10/- each fully paid

SUB TOTAL

8,700

8,700

IN OTHER COMPANIES (UNQUOTED)

Rediff.com India Limited

868

868

192,720 (Previous year : 192,720) equity shares of Rs. 5/- each fully paid

Prime Telesystems Limited

480

480

784,570 (Previous year : 784,570) equity shares of Rs. 10/- each fully paid

Secova Eservices Private Limited

13

13

117,176 (Previous year: 117,176) equity shares of Rs. 10/- each fully paid

Tejas Networks Limited (Refer Note 24.26)

-

770

255,450 (Previous year : 255,450) equity shares of Rs. 10/- each fully paid

Grameen Capital India Private Limited

88

88

875,000 (Previous year: 875,000) equity shares of Rs. 10/- each fully paid

NSDL e-Governance Infrastructure Limited

1,644

1,644

1,250,000 (Previous year : 1,250,000) equity shares of Rs. 10/- each fully paid

Less: Provision for diminution in value

(1,422)

(2,111)

SUB TOTAL

1,671

1,752

IN DEBENTURES (UNQUOTED)

Primus Retail Private Limited

3,000

3,000

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

Less: Provision for diminution in value

(3,000)

(3,000)

SUB TOTAL

-

-

GRAND TOTAL

10,371

10,452

AGGREGATE COST OF UNQUOTED INVESTMENTS

14,793

15,563

AGGREGATE PROVISION FOR DIMINUTION IN THE VALUE OF INVESTMENTS

4,422

5,111



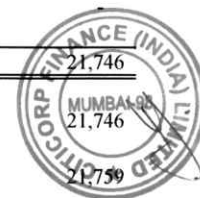
Citicorp Finance (India) Limited

Notes to the financial statements (continued)

as at 31 March 2018

(Currency: Indian Rupees in Lakhs)

	As at 31 March 2018	As at 31 March 2017
Note 13:		
LONG TERM LOANS AND ADVANCES		
Secured and considered good		
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>
Unsecured and considered good		
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
Total	<u><u>189,395</u></u>	<u><u>162,282</u></u>
Note 14:		
OTHER NON-CURRENT ASSETS		
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>
Total	<u><u>4,179</u></u>	<u><u>2,735</u></u>
Note 15:		
CURRENT INVESTMENT		
QUOTED IN EQUITY SHARES		
Tejas Networks Limited (Refer Note 24.26)	770	-
255,450 (Previous year : 255,450) equity shares of Rs. 10/- each fully paid		
IN COMMERCIAL PAPERS		
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		
IN CORPORATE BONDS		
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>
AGGREGATE COST OF QUOTED INVESTMENTS	<u>17,915</u>	<u>21,746</u>
AGGREGATE MARKET VALUE OF QUOTED INVESTMENTS	<u>18,076</u>	<u>21,759</u>



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

as at 31 March 2018

(Currency: Indian Rupees in Lakhs)

	As at 31 March 2018	As at 31 March 2017
Note 16:		
CASH AND BANK BALANCES		
A) Cash and cash equivalents*		
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) Other bank balances		
- 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
Total	21,054	29,153
(* 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
Total	737,034	823,441
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))		
Total	21,303	24,113



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

31 March 2018

31 March 2017

Note 19:

REVENUE FROM OPERATIONS

INTEREST INCOME

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>

OTHER FINANCIAL SERVICES

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>

Total	<u><u>77,328</u></u>	<u><u>81,278</u></u>
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Note 20:

OTHER INCOME

Dividend income		
- From Associates	252	-
- 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
Miscellaneous income	770	830
Total	<u><u>2,246</u></u>	<u><u>3,469</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
Total	<u><u>4,578</u></u>	<u><u>4,286</u></u>



Citicorp Finance (India) Limited

Notes to the 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
Total	35,488	40,431

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
Total	17,296	16,376



Citicorp Finance (India) Limited

Notes to the 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 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
Total	23,732	748	2,278	22,202

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

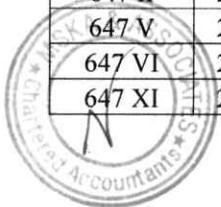
(3) Expenditure in foreign currency on accrual basis:

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
Total	1,372	3,225

(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	-



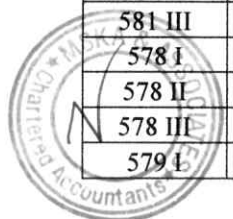
Citicorp Finance (India) Limited

Notes to the 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 financial statements (continued)

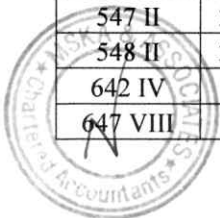
for the year ended 31 March 2018

(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				
Total						89,882	47,337

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 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
Total						90,896	111,255



Citicorp Finance (India) Limited

Notes to the 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
Total			173,500	112,500

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
Total			-	130,000

(5) Loan assignment deals

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

Particulars	31 March 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 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 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
Revenue												
Segment revenue	29,779	30,525	24,345	34,913	3,570	3,895	20,788	14,398	1,092	1,016	79,574	84,747
Inter-segment revenues	(15,772)	(16,038)	(12,829)	(18,633)	35,210	38,938	(6,609)	(4,267)	-	-	-	-
TOTAL REVENUE	14,007	14,487	11,516	16,280	38,780	42,833	14,179	10,131	1,092	1,016	79,574	84,747
Result												
Segment result	11,007	11,402	9,948	14,732	1,330	(396)	3,105	1,827	(3,300)	(4,030)	22,090	23,535
Income tax	-	-	-	-	-	-	-	-	(8,310)	(5,797)	(8,310)	(5,797)
Deferred tax	-	-	-	-	-	-	-	-	168	(2,931)	168	(2,931)
Net segment result	11,007	11,402	9,948	14,732	1,330	(396)	3,105	1,827	(11,442)	(12,758)	13,948	14,807
Other information (relating to the current period)												
Capital expenditure	-	-	-	-	-	-	212	105	20	43	232	148
Depreciation	-	-	-	-	2	0	30	21	90	104	122	125
Significant non-cash expenses included in segment expense												
Bad debts written off and provision for bad debts (net), Includes permanent diminution in the value of long term investment	-	-	-	-	-	5	896	-	(84)	-	812	5
Capital employed as at	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
Segment assets	321,929	385,212	416,467	440,657	65,755	71,202	208,319	138,924	4,496	53,396	1,016,966	1,089,391
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)
Net segment assets/(liabilities)	319,117	380,843	413,215	438,910	(533,829)	(617,783)	193,686	126,692	(772)	48,807	391,417	377,469



Citicorp Finance (India) Limited

Notes to the 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
Total	18	25
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
Total	14	21

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

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
Total	2,893	4,322
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
Total	2,518	3,684
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 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.

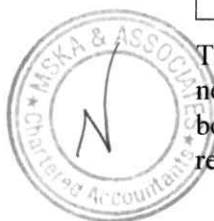
Particulars	31 March 2018	31 March 2017
Profit available to equity shareholders (A)		
Profit after tax	13,948	14,807
Weighted average number of equity shares		
Number of shares at the beginning of the year	3,857,727,031	3,857,727,031
Shares issued during the year	-	-
Total number of equity shares outstanding at the end of the year	3,857,727,031	3,857,727,031
Weighted average number of equity shares (B)	3,857,727,031	3,857,727,031
Nominal value of equity shares	7.5	7.5
Basic earnings per share [(A)/(B)]	0.36	0.38

(9) Deferred tax

The breakup of deferred tax assets is as under:

Particulars	As at 31 March 2018	As at 31 March 2017
Deferred tax assets:		
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
Subtotal (A)	17,662	18,419
Deferred tax liabilities		
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
Subtotal (B)	2,593	3,518
Total (A-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 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
Change in obligations		
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)
Present value of defined benefits obligations at the end of the year (A)	512	421
Change in plan assets		
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)	-
Plan assets at the end of the year (B)	334	303



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

Employee retirement benefits (continued)

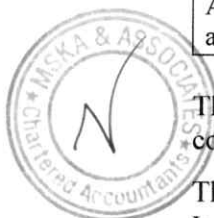
Net asset/(liability) recognized		
Present value of defined benefits obligations as at the end of the year	512	421
Fair value of plan assets as at the end of the year	334	303
Net liability recognized in the balance sheet (B-A)	(178)	(118)

Particulars	31 March 2018	31 March 2017
Components of employer expense		
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
Net cost recognized in the Profit and loss account	118	59
Assumptions		
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	LIC (2006-08) ultimate	LIC (2006-08) ultimate

Particulars	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Experience history					
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 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. Associates

India Infradebt Limited

D. Key Management Personnel

Rohit Ranjan (Joint Managing Director)

Priti Goel (Joint Managing Director)



Citicorp Finance (India) Limited

Notes to the financial statements (continued) for the year ended 31 March 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		Associates		Fellow Subsidiaries		
	Citibank N.A. and its branches		India Infradebt Limited		Citicorp Services India Ltd		
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-17
Asset given on lease	629	1,376	-	-	298	869	86
Lease rentals received for assets given on lease	1,225	1,357	-	-	603	636	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 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		Associates		Fellow Subsidiaries		
	Citibank N.A. and its branches		India Infradebt Limited		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	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	1,458
Secondment charges earned	482	486	-	-	-	-	-
Technology & Software expenses incurred	648	959	-	-	230	217	219
Collection Expenses incurred	675	271	-	-	-	-	-
Expense processing fees incurred	49	43	-	-	-	-	-
Compliance Services	-	-	-	-	-	14	-
Equity Dividend Received	-	-	252	-	-	-	-



Citicorp Finance (India) Limited

Notes to the 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
Assets						
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	-	-	-	-
Liabilities						
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 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 31st March 2017, cleared on 4th April 2017



Citicorp Finance (India) Limited

Notes to the 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 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 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)	Maturing within 1 year	NA
Rate Range	9.60%	NA
Total Outstanding Balance	20,000	-

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)	Maturing within 1 year	Maturing within 1 year
Rate Range	13.50%	13.50%
Total Outstanding Balance	675	1,689

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



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

ii. Commercial Paper

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

iii. Inter Corporate Borrowings

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



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

(27) Additional NBFC disclosures

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

Particulars					
<u>Liabilities side :</u>		31 March 2018	31 March 2017		
(1)	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
	(a) Debentures : Secured	354,509	Nil	271,085	Nil
	: Unsecured	Nil	Nil	130,000	Nil
	(other than falling within the meaning of public deposits*)				
	(b) Deferred Credits	Nil	Nil	Nil	Nil
	(c) Term Loans	Nil	Nil	Nil	Nil
	(d) Inter-corporate loans and borrowings	145,000	Nil	26,600	Nil
	(e) Commercial Paper	63,890	Nil	240,932	Nil
	(f) Other Loans – WCDL	20,000	Nil	Nil	Nil
	(g) Other Loans – Cash Credit	675	Nil	1,689	Nil
	(h) Other Loans – Finance Lease Obligation	14	Nil	21	Nil
	* Please see Note 1 below				
<u>Assets side :</u>		Amount outstanding			
(2)	Break-up of Loans and Advances including bills receivables [other than those included in (3) below] :	31 March 2018	31 March 2017		
	(a) Secured	384,244	417,819		
	(b) Unsecured	474,316	508,458		
(3)	Break up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities	31 March 2018	31 March 2017		
	(i) Lease assets including lease rentals under sundry debtors :				
	(a) Finance lease	2,518	3,684		
	(b) Operating lease	Nil	Nil		
	(ii) Stock on hire including hire charges under sundry debtors:				
	(a) Assets on hire	Nil	Nil		
	(b) Repossessed Assets	Nil	Nil		
	(iii) Other loans counting towards AFC activities				
	(a) Loans where assets have been repossessed	19	25		
	(b) Loans other than (a) above	33,270	19,923		



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

(27) a) Additional NBFC disclosures (continued)

	Particulars	Amount outstanding	
		31 March 2018	31 March 2017
	Assets side :		
(4)	Break-up of Investments :		
	Current Investments :		
	1. <u>Quoted :</u>		
	(i) Shares : (a) Equity	770	Nil
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	5,002	Nil
	(iii) Units of mutual funds	Nil	Nil
	(iv) Government Securities	Nil	Nil
	(v) Others – Commercial Paper	12,135	21,746
	2. <u>Unquoted :</u>		
	(i) Shares : (a) Equity	Nil	Nil
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of mutual funds	Nil	Nil
	(iv) Government Securities	Nil	Nil
	(v) Others – Commercial paper	Nil	Nil
	Long Term Investments :		
	1. <u>Quoted :</u>		
	(i) Shares : (a) Equity	Nil	Nil
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of mutual funds	Nil	Nil
	(iv) Government Securities	Nil	Nil
	(v) Others	Nil	Nil
	2. <u>Unquoted :</u>		
	(i) Shares : (a) Equity	10,371	10,452
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of mutual funds	Nil	Nil
	(iv) Government Securities	Nil	Nil
	(v) Others	Nil	Nil



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

(27) a) Additional NBFC disclosures (continued)

Particulars						
Assets side :		Amount outstanding				
(5)	Borrower group-wise classification of assets financed as in (2) and (3) above :Refer note 2 below					
	Category	Amount net of provisions				
		31 March 2018			31 March 2017	
		Secured	Unsecured	Total	Secured	Unsecured
	1. Related Parties **					
	(a)Subsidiaries	Nil	Nil	Nil	Nil	Nil
	(b)Companies in the same group	2,518	35,540	38,058	3,684	44,963
	(c)Other related parties	Nil	Nil	Nil	Nil	Nil
	2. Other than related parties	417,466	438,693	856,159	437,649	463,467
	Total	419,984	474,233	894,217	441,333	508,430
(6)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Please see note 3 below					
		31 March 2018		31 March 2017		
	Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	
	1. Related Parties **					
	(a)Subsidiaries	Nil	Nil	Nil	Nil	
	(b)Companies in the same group	Nil	Nil	Nil	Nil	
	(c)Other related parties	14,174	8,700	12,413	8,700	
	2. Other than related parties***	19,651	19,578	23,039	23,499	
	Total	33,825	28,278	35,452	32,199	
	** As per Accounting Standard 18 (Please see Note 3)*** Refer note 4					
	Other information					
		31 March 2018		31 March 2017		
(i)	Gross Non-Performing Assets					
	(a)Related parties		Nil		Nil	
	(b)Other than related parties		407		296	
(ii)	Net Non-Performing Assets					
	(a) Related parties		Nil		Nil	
	(b) Other than related parties		256		150	
(iii)	Assets acquired in satisfaction of debt		Nil		Nil	



Citicorp Finance (India) Limited

Notes to the financial statements (*continued*)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

(27) a) Additional NBFC disclosures (*continued*)

Notes:

- 1 As defined in point xix of paragraph 3 of Chapter -2 of Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
- 2 Provisioning norms shall be applicable as prescribed in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
- 3 All Accounting Standards prescribed in the Companies (Accounts) Rules, 2014 issued by the Central Government, are applicable including for valuation of investments and other assets and including assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments are disclosed irrespective of whether they are classified as long term or current in point (4) above.
- 4 The break-up value or NAV of investments are arrived based on the audited financial statements for the year ended 31 March 2017 as the latest audited financial statements are not available

(27) Additional NBFC disclosures

- b) 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.

i. CRAR

Items	31 March 2018	31 March 2017
i) CRAR (%)	39.01	34.44
ii) CRAR - Tier I capital (%)	38.63	34.10
iii) CRAR - Tier II Capital (%)	0.38	0.34
iv) Amount of subordinated debt raised as Tier-II capital	Nil	Nil
v) Amount raised by issue of Perpetual Debt Instruments	Nil	Nil



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

(27) b) Additional NBFC disclosures (continued)

ii. Exposures

Exposure to Real Estate Sector

Category		31 March 2018	31 March 2017
a)	Direct exposure		
(i)	Residential Mortgages		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	Nil	Nil
(ii)	Commercial Real Estate		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	Nil	Nil
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitized exposures -		
	a. Residential	Nil	Nil
	b. Commercial Real Estate	Nil	Nil
b)	Indirect Exposure		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	Nil	Nil
	Total Exposure to Real Estate Sector	Nil	Nil

Exposure to Capital Market

Particulars		31 March 2018	31 March 2017
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	11,142	10,452
(ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	Nil	Nil
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	299,722	377,819
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds' does not fully cover the advances;	Nil	Nil
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
(vi)	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	Nil	Nil
(vii)	bridge loans to companies against expected equity flows / issues;	Nil	Nil
(viii)	all exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
	Total Exposure to Capital Market	310,864	388,271



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

(27) b) Additional NBFC disclosures (continued)

iii. Asset Liability Management

Maturity pattern of certain items of assets and liabilities as of 31 March 2018

	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from banks	20,675	-	-	-	-	-	-	-	20,675
Market Borrowings	132,528	163,106	93,820	18,228	66,720	89,890	-	-	564,292
Assets									
Advances**	253,370	163,878	72,432	107,525	139,859	137,852	19,457	-	894,373
Investments	-	-	17,143	-	770	-	-	10,371	28,284

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

	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from banks	1,689	-	-	-	-	-	-	-	1,689
Market Borrowings	38,460	212,270	204,765	53,730	116,130	45,476	1,861	-	672,692
Assets									
Advances**	206,267	108,443	77,140	238,246	193,299	114,398	12,119	-	949,912
Investments	-	-	22,500	-	-	-	-	10,452	32,952

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



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

(27) b) Additional NBFC disclosures (continued)

iv. Investments

Particulars		31 March 2018	31 March 2017
1	Value of Investments		
(i)	Gross Value of Investments	32,700	37,310
	(a) In India	32,700	37,310
	(b) Outside India,	-	-
(ii)	Provisions for Depreciation	4,422	5,111
	(a) In India	4,422	5,111
	(b) Outside India,	-	-
(iii)	Net Value of Investments	28,278	32,199
	(a) In India	28,278	32,199
	(b) Outside India.	-	-
2	Movement of provisions held towards depreciation on investments.		
	(i) Opening balance	5,111	5,106
	(ii) Add : Provisions made during the year	-	5
	(iii) Less: Write-off / write-back of excess provisions during the year	689	-
	(iv) Closing balance	4,422	5,111

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

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

During the year ended 31 March 2018 and 31 March 2017, the Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI.

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

viii. Disclosure of penalties imposed by the RBI and other regulators – None

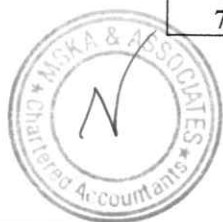
ix. Draw down from Reserve - Nil during the year ended 31 March 2018 and 31 March 2017

x. Overseas Assets (For those with joint ventures and subsidiaries abroad)

The Company does not have any joint ventures or subsidiaries, hence not applicable.

xi. Sector-wise NPAs

Sl. No.	Sector	Percentage of NPAs to total advances in that sector	
		31 March 2018	31 March 2017
1	Agriculture and allied activities	0.23%	0.35%
2	MSME	0.20%	4.47%
3	Corporate borrowers	Nil	Nil
4	Services	Nil	Nil
5	Unsecured personal loans	0.22%	0.10%
6	Auto loans	Nil	Nil
7	Other personal loans	Nil	Nil



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

(27) b) Additional NBFC disclosures (continued)

xii. Concentration of NPAs

Particulars	31 March 2018	31 March 2017
Total Exposure to top four NPA accounts	58	75

xiii. Customer complaints

Particulars	31 March 2018	31 March 2017
(a) No. of complaints pending at the beginning of the year	7	13
(b) No. of complaints received during the year	269	470
(c) No. of complaints redressed during the year	265	476
(d) No. of complaints pending at the end of the year	11	7

xiv. Movement of NPAs

Particulars	31 March 2018	31 March 2017
(i) Net NPAs to Net Advances (%)	0.03%	0.02%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	296	471
(b) Additions during the year	1,918	849
(c) Reductions during the year	1,807	1,024
(d) Closing balance	407	296
(iii) Movement of Net NPAs		
(a) Opening balance	150	276
(b) Additions during the year	1,416	648
(c) Reductions during the year	1,310	774
(d) Closing balance	256	150
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	146	195
(b) Provisions made during the year	502	201
(c) Write-off / write-back of excess provisions	497	250
(d) Closing balance	151	146

xv. Registration obtained from other financial sector regulators

During the year, the Company has not renewed its registration with IRDA as Corporate Agent for soliciting insurance business of both life and general insurance.

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

Particulars	31 March 2018	31 March 2017
Provision towards NPA	5	(72)
Provision for Cenvat Credit	(416)	(353)
Provision for VAT	5	(184)
Provision for Litigations	47	42
Provision for depreciation on investment	-	5
Provision for Standard Assets including restructured standard advance	227	1,164



Citicorp Finance (India) Limited

Notes to the financial statements (continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

(27) b) Additional NBFC disclosures (continued)

xvii. Credit Ratings

The latest available ratings assigned by ICRA as of 27 March 2018 to the Company is as below:

Particulars	31 March 2018	31 March 2017
(i) Rating Assigned	“Stable”	“Stable”
(ii) Name of the Rating Agency	ICRA	ICRA
(iii) Rating of products		
(a) Commercial Paper	(ICRA) A1+	(ICRA) A1+
(b) Debentures	(ICRA) AAA (Stable)	(ICRA) AAA (Stable)
(c) Market Linked Debentures.	PP-MLD (ICRA) AAA (Stable)	PP-MLD (ICRA) AAA (Stable)

xviii. Concentration of Advances and Exposures#

Details	31 March 2018	31 March 2017
Total advances to twenty largest borrowers	452,298	564,057
Percentage of advances to twenty largest borrowers to total advances of the Company	50.57%	59.38%
Total exposure to twenty largest borrowers /customers	777,548	653,049
Percentage of exposures to twenty largest borrowers / customers to total exposure of the Company on borrowers / customers	41.99%	46.10%

#includes unutilised limits.

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