

Citicorp Finance (India) Limited

Condensed Financial Statements
together with the
Independent Review Report
for the half year ended
30 September 2016

Citicorp Finance (India) Limited

Condensed Financial Statements together with the Independent Review Report

for the half year ended 30 September 2016

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B S R & Co. LLP

Chartered Accountants

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Review Report

To the Board of Directors of Citicorp Finance (India) Limited

Introduction

We have reviewed the accompanying unaudited condensed balance sheet of Citicorp Finance (India) Limited ("the Company") as at 30 September 2016 and the related unaudited condensed statement of profit and loss, unaudited condensed cash flow statement for the half year ended 30 September 2016, and a summary of significant accounting policies and other explanatory notes ("hereinafter referred to as Interim Financial Statements"). Management is responsible for the preparation and fair presentation of these Interim Financial Statements in accordance with Accounting Standard 25 "Interim Financial Reporting" ("AS 25"), and other Accounting Standards to the extent applicable and specified under section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Interim Financial Statements based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the entity" issued by the Institute of Chartered Accountants of India. A review of Interim Financial Statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Statements are not prepared, in all material respects, in accordance with AS 25 and other Accounting Standards to the extent applicable under section 133 of the Companies Act 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India.

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



Vaibhav Shah
Partner

Membership No: 117377

Mumbai
11 November 2016

Citicorp Finance (India) Limited
Condensed Balance sheet
as at 30 September 2016

(Currency: Indian Rupees in Lakhs)

	30 September 2016 Unaudited	31 March 2016 Audited
I. EQUITY AND LIABILITIES		
1. SHAREHOLDERS' FUNDS		
Share capital	289,330	289,330
Reserves and surplus	78,599	59,477
	<u>367,929</u>	<u>348,807</u>
2. NON-CURRENT LIABILITIES		
Long term borrowings	73,517	77,315
Other long term liabilities	7,953	7,108
Long term provisions	662	619
	<u>82,132</u>	<u>85,042</u>
3. CURRENT LIABILITIES		
Short term borrowings	178,568	221,317
Trade payables	3,673	2,125
Other current liabilities	326,180	203,570
Short term provisions	9,393	22,796
	<u>517,814</u>	<u>449,808</u>
TOTAL	<u><u>967,875</u></u>	<u><u>883,657</u></u>
II. ASSETS		
1. NON-CURRENT ASSETS		
Fixed assets		
Tangible assets	454	463
Intangible assets	-	-
Capital work in progress	83	83
	<u>537</u>	<u>546</u>
Non current investments	10,452	10,457
Deferred tax assets (Net)	14,323	17,832
Long term loans and advances	140,443	125,131
Other non current assets	1,274	950
	<u>167,029</u>	<u>154,916</u>
2. CURRENT ASSETS		
Current investments	-	29,722
Cash and bank balances	43,585	27,647
Short term loans and advances	715,977	631,818
Other current assets	41,284	39,554
	<u>800,846</u>	<u>728,741</u>
TOTAL	<u><u>967,875</u></u>	<u><u>883,657</u></u>

Significant accounting policies

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

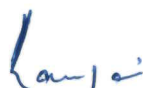
For **B S R & Co. LLP**
Chartered Accountants
 Firm's Registration No: 101248W/W-100022



Vaibhav Shah
 Partner
 Membership No: 117377

Mumbai
 11 November 2016

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



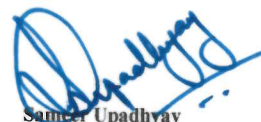
Rohit Ranjan
 Managing Director



Niraj Parekh
 Director



Ganesh Ramanathan
 Chief Financial Officer



Sankar Upadhyay
 Company Secretary

Mumbai
 11 November 2016

Citicorp Finance (India) Limited
Condensed Statement of profit and loss
for the half year ended 30 September 2016

(Currency: Indian Rupees in Lakhs)

	30 September 2016 Unaudited	30 September 2015 Unaudited
REVENUE		
Revenue from operations	38,674	27,255
Other income	1,509	2,297
Total Revenue	40,183	29,552
EXPENSES		
Employee benefits	2,513	2,381
Finance costs	19,738	8,602
Depreciation	63	53
Other expenses	7,823	6,369
Total Expenses	30,137	17,405
PROFIT BEFORE TAX	10,046	12,147
TAX EXPENSE:		
Current tax expense relating to prior years	1,268	-
Current tax expense	2,243	2,517
MAT credit entitlement	(2,243)	(2,517)
Net current tax	1,268	-
Deferred tax	3,510	2,700
PROFIT FOR THE YEAR	5,268	9,447
EARNINGS PER EQUITY SHARE:		
Basic and diluted earnings per share of Rs. 7.50 face value	0.14	0.24

Significant accounting policies

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

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




Vaibhav Shah

Partner

Membership No: 117377

Mumbai

11 November 2016



Rohit Ranjan

Managing Director



Ganesh Ramanathan

Chief Financial Officer

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



Niraj Parekh

Director



Sameer Upadhyay

Company Secretary

Mumbai

11 November 2016

Citicorp Finance (India) Limited
Condensed Cash flow statement
for the half year ended 30 September 2016

(Currency: Indian Rupees in Lakhs)

	30 September 2016	30 September 2015
	Unaudited	Unaudited
Cash flows used in operating activities - A	(87,480)	(85,186)
Cash flows generated from investing activities - B	29,949	58,359
Cash flows generated from / (used in) financing activities - C	73,359	38,747
Net increase in cash and cash equivalents - (A+B+C)	15,828	11,920
Cash and cash equivalents at the beginning of the period	<u>19,239</u>	<u>14,959</u>
Cash and cash equivalents at the end of the period	<u><u>35,067</u></u>	<u><u>26,879</u></u>

Note:

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

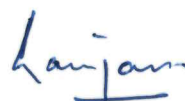
As per our report of even date attached.

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



Vaibhav Shah
Partner
 Membership No: 117377

Mumbai
 11 November 2016



Rohit Ranjan
Managing Director



Ganesh Ramanathan
Chief Financial Officer

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



Niraj Parekh
Director



Sameer Upadhyay
Company Secretary

Mumbai
 11 November 2016

Citicorp Finance (India) Limited

Notes to the unaudited condensed financial statements (*Continued*)

for the half year ended 30 September 2016

(Currency: Indian Rupees in Lakhs)

1 Background

Citicorp Finance (India) Limited (“the Company”) incorporated in India on 1 May 1997, is registered with the Reserve Bank of India (‘RBI’) as a Non-Banking Financial Company (‘NBFC’) vide Certificate No. N.13.02079 dated 10 October 2014. It is a non-deposit taking systemically important Non-Banking Financial Company (‘NBFC-ND-SI’). The Company is a loan and investment NBFC as defined under section 45IA of the Reserve Bank of India Act, 1934.

Associates Financial Services (Mauritius) LLC, a Company incorporated in Mauritius holds 53% in the Company and remaining 47% is held by Citibank Overseas Investment Corporation, a company incorporated in Delaware, U.S.A.

The Company is engaged in a range of Financial Service activities which includes:

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

2 Basis of preparation

These unaudited condensed 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 unaudited condensed financial statements have been prepared in Indian rupees rounded off to the nearest lakh.

3 Significant accounting policies

The accounting policies and practices followed in the preparation of the condensed financial statements for half year ended 30 September 2016 are the same as those followed in the preparation of financial statements for the year ended 31 March 2016, except for the following:

3.1 Employee benefits

The Company’s liability towards gratuity has been accounted for on the basis of an independent actuarial valuation done at each year end. For the half year ended 30 September 2016, the liability has been computed as per reasonable estimate based on the assumptions used in actuarial valuation done for the year ended 31 March 2016.

3.2 Taxation

Provision for taxes has been determined based on annual effective tax rate applicable for the full year i.e. financial statements for the year ending 31 March 2017 as required under AS 25.



Citicorp Finance (India) Limited

Notes to the unaudited condensed financial statements (*Continued*)

for the half year ended 30 September 2016

(Currency: Indian Rupees in Lakhs)

4 Dividend

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

5 Segment reporting

Disclosures relating to segment information have been made in accordance with Accounting Standard 17 – Segment Reporting (AS-17).

Basis of preparation

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

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

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

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

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

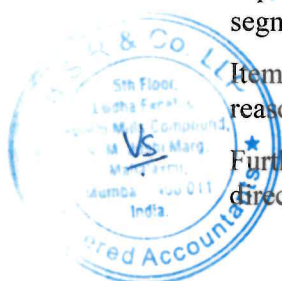
Others include Equipment Finance and Personal loan portfolio. Equipment Finance provides services in the form of loans for the purchase of commercial vehicles, construction equipments and agricultural assets. It also provides leasing and hire purchase products. The segment earns income in the form of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

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

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

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

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



Citicorp Finance (India) Limited
Notes to the unaudited condensed financial statements (Continued)

for the half year ended 30 September 2016

(Currency: Indian Rupees in Lakhs)

Summary of the segments for the half year ended 30 September 2016

	AAFA		Corporate Loans		Treasury		Others		Unallocated		Total	
	30 Sep 16	30 Sep 15	30 Sep 16	30 Sep 15	30 Sep 16	30 Sep 15	30 Sep 16	30 Sep 15	30 Sep 16	30 Sep 15	30 Sep 16	30 Sep 15
Revenue												
Segment revenue	13,868	13,485	17,520	8,954	1,700	1,610	6,750	4,474	345	1,029	40,183	29,552
Inter-segment revenues	(7,229)	(4,288)	(9,599)	(3,002)	18,782	7,827	(1,954)	(537)	-	-	-	-
TOTAL REVENUE	6,639	9,197	7,921	5,952	20,482	9,437	4,795	3,937	345	1,029	40,183	29,552
Result												
Segment result	4,708	8,202	7,389	5,730	(367)	213	664	66	(2,348)	(2,064)	10,046	12,147
Income tax	-	-	-	-	-	-	-	-	(1,268)	(2,700)	(1,268)	(2,700)
Deferred tax	-	-	-	-	-	-	-	-	(3,510)	(11,721)	(3,510)	-
Net segment result	4,708	8,202	7,389	5,730	(367)	213	664	66	(7,126)	(15,126)	5,268	9,447
Other information (relating to the current period)												
Capital expenditure	-	-	-	-	-	3	19	12	36	111	55	117
Depreciation	-	-	-	-	1	1	16	15	46	37	63	38
Significant non-cash expenses included in segment expense												
Bad debts written off and provision for bad debts (net), Includes permanent diminution in the value of long term investment	-	-	-	-	5	23	(192)	(8)	(31)	(39)	(218)	(24)
Capital employed as at	30 Sep 16	31 Mar 16	30 Sep 16	31 Mar 16	30 Sep 16	31 Mar 16	30 Sep 16	31 Mar 16	30 Sep 16	31 Mar 16	30 Sep 16	31 Mar 16
Segment assets	326,635	293,031	411,541	370,073	87,472	100,316	88,428	63,880	53,799	56,357	967,875	883,657
Segment liabilities	(3,987)	(2,192)	(715)	-	(575,086)	(327,308)	(15,407)	(13,398)	(4,750)	(191,952)	(599,946)	(534,850)
Net segment assets (Liabilities)	322,648	290,839	410,826	370,073	(487,614)	(226,992)	73,019	50,482	49,049	(135,595)	367,929	



Citicorp Finance (India) Limited

Notes to the unaudited condensed financial statements (*Continued*)

for the half year ended 30 September 2016

(Currency: Indian Rupees in Lakhs)

6 Contingent liability

There is Rs 6,839 lakhs of contingent liabilities outstanding as at 30 September 2016 (31 March 2016: Rs 7,373 lakhs).

7 Taxation

Current taxes

The Company has provided for current tax liability amounting to Rs 3,511 lakhs for the half year ended 30 September 2016 (30 September 2015: Rs 2,517 lakhs). This includes provision for prior years amounting to Rs 1,268 lakhs (30 September 2015: NIL)

Deferred taxes

During the current period the Company has utilised deferred tax asset of Rs 3,510 lakhs (30 September 2015: Rs 2,700 lakhs). The deferred tax asset (net) stands at Rs14,323 lakhs (31 March 2016: Rs 17,832 lakhs).

Minimum alternate tax (MAT)

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

The Company claimed MAT credit amounting to Rs 2,243 lakhs for the half year ended 30 September 2016 (30 September 2015: Rs 2,517 lakhs)

As per our report of even date attached.

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

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



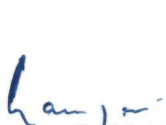
Vaibhav Shah

Partner

Membership No: 117377

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11 November 2016



Rohit Ranjan

*Managing
Director*



Niraj Parekh

Director



**Ganesh
Ramanathan**
*Chief Financial
Officer*



Sameer Upadhyay

Company Secretary

Mumbai

11 November 2016