



# **CITICORP FINANCE (INDIA) LIMITED**

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## **TWENTY SIXTH ANNUAL REPORT**

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**FINANCIAL YEAR – 2022-23**

## Corporate Information

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### **BOARD OF DIRECTORS**

Ms. Nina Nagpal	Managing Director
Mr. Rohit Ranjan	Director (resigned w.e.f. March 1, 2023)
Mr. Neeraj Kumar	Director (resigned w.e.f. October 31, 2022)
Ms. Anuradha Choudhury	Director (appointed w.e.f. November 1, 2022)
Mr. Rajeev Mantri	Director
Mr. Saurabh Surendra Shah	Independent Director
Mr. Deepak Keshav Ghaisas	Independent Director

### **CHIEF FINANCIAL OFFICER**

- Mr. Ankit Goyal (resigned w.e.f. September 7, 2022)
- Mr. Ruchit Jain (appointed w.e.f. February 10, 2023)

### **COMPANY SECRETARY**

- Mr. Sameer V. Upadhyay

### **REGISTERED OFFICE**

B7, 5th Floor,  
Nirlon Knowledge Park Goregaon (East)  
Mumbai, MH 400063 IN

**CIN:** U65910MH1997PLC253897

### **HEAD OFFICE**

First International Financial Centre,  
Bandra Kurla Complex,  
Bandra (E) Mumbai, MH 400098

### **AUDITORS**

- M/s. Gokhale & Sathe

### **SECRETARIAL AUDITOR**

- M/s. VKMG & Associates LLP  
(For the Financial Year 2022-23)

### **DEBENTURE TRUSTEE**

- IDBI Trusteeship Services Limited

### **REGISTRAR AND SHARE TRANSFER AGENT**

- NSDL Database Management Ltd

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## ANNUAL GENERAL MEETING OF CITICORP FINANCE (INDIA) LIMITED

Notice is hereby given that the 26<sup>th</sup> Annual General Meeting of the Citicorp Finance (India) Limited will be held on Wednesday, 27<sup>th</sup> day of September 2023 at 3 pm at First International Financial Center, Plot No C54 & C55, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400098 to transact the following business:

### Ordinary Business:

**1. To consider and adopt (a) the audited standalone financial statement of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2023 and the report of Auditors thereon**

**2. To appoint Director in place of Mr. Rajeev Mantri (DIN: 09367771), who retires by rotation and being eligible, offers himself for re-appointment:**

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

**“RESOLVED THAT** pursuant to provision of Section 152(6) of the Companies Act, 2013 Mr. Rajeev Mantri (DIN: 09367771), Director of the Company, who retire by rotation and, being eligible, offer himself for re-appointment, be and is hereby re-appointed as director of the Company.”

### Special Business:

#### 3. Approval for Issuance of Debentures

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

**“RESOLVED THAT** pursuant to the provisions of Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and all other applicable provisions, if any, and rules as made thereunder, the approval of the members be and is hereby accorded for raising monies by way of issuance and allotment of various series/ tranches of secured or unsecured debentures (the **“Debentures”**) for a period of 1 (one) year from the date hereof, where the returns are either fixed, floating or linked to the market, on such terms and conditions including the price, coupon, premium / discount, tenor etc., as may be determined by the Board of Directors (or any other person so authorized by the Board of Directors), based on the prevailing market condition.

**“RESOLVED FURTHER THAT** the monies so raised pursuant to the authority under this resolution shall not exceed in the aggregate, at any time the overall limit of Rs. 6,000 crores (Rupees Six Thousand Crores only).

**RESOLVED FURTHER THAT** the Board of Directors may take all necessary actions in this regard, including:

- i. appoint debenture trustees / distributors for the purpose of issuance of Debentures;
- ii. negotiate, finalize, sign, execute and deliver all the relevant transaction documents in connection with the issuance of NCDs on behalf of the company, including but not limited to the General Information Document (GID), Key Information Document (KID), private placement offer letter (PPOL), or any other offer document, as it may be described under applicable law, Debenture Trust Deed (“DTD”), Debenture Trustee Agreement (“DTA”), Deed of Hypothecation, Distribution Agreement (“DA”) and such other documents, deeds, notices, letters, agreements, power of attorneys, declarations, memorandums, indentures, indemnities (including without limitation in respect of stamp duty), undertakings, instruments and forms etc. as may be required and to appear before appropriate authority for adjudication, stamping or registration of such documents; and
- iii. take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise in relation to the above and generally do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.

#### **4. Approval for amendment of Articles of Association of Company**

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

**"RESOLVED THAT** pursuant to the provisions of Section 14 of the Companies Act, 2013 and rules made thereunder and all other applicable provisions/regulations read with rules thereunder (including any statutory modifications or re-enactment thereof, for the time being in force), if any, as applicable to the Company from time to time, Article 110 of the Articles of Association of Citicorp Finance (India) Limited be altered as follows:

1. Existing Article 110 shall be re-classified as sub-clause A of Article 110
2. The words “and any other applicable laws” shall be inserted in sub-clause A after the words “Subject to the provisions of the Act” and before “the Board may appoint any person...”
3. Following sub-clause B shall be inserted after sub-clause A:  
B. The Board of Directors of the Company shall appoint the person nominated by the Debenture Trustee(s) in terms of clause (e) of sub regulation (1) of regulation 15 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 as a Nominee Director of the Company at the earliest from the date of receipt of nomination from the Debenture Trustee and within the time period as specified under Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and other applicable provisions or regulations and modifications, including any amendments thereto.

**RESOLVED FURTHER THAT** any Director or Company Secretary be and is hereby authorized to do all such acts, deeds, matters and things and to sign all such other documents as they may deem necessary, proper or desirable (including without



limitation making the appropriate e-filings with the Registrar of Companies), in connection with the alteration of AOA of the Company, as approved by the board and the members of the Company and/ or generally to give effect to the foregoing resolutions.

**RESOLVED FURTHER THAT** any Director or Company Secretary be and is hereby authorized to file necessary forms/documents with Registrar of Companies and any other regulatory authority, if any and issue certified true copies of this resolution.”

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

**Date: August 11, 2023  
Place: Mumbai**

**Sd/-  
Sameer Upadhyay  
Company Secretary**

**Notes:**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and a proxy need not be a member of the Company. In order to be effective proxies must be received at the registered office of the Company not less than 48 hours before the meeting.
2. Members / Proxies should fill in the attendance slip for attending the Meeting. Proxies form and attendance slip as prescribed under the Companies Act, 2013 is enclosed herewith.
3. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting (AGM) are requested to send a certified copy of the Board Resolution or Power of Attorney authorizing their representative to attend and vote on their behalf at the Meeting.
4. In case of joint shareholders, the member whose name appears in the register of member first will be entitled to receive the notice of meeting.
5. The requisite Statutory Registers as per the provision of Companies Act, 2013 will be available for inspection at Annual General Meeting of the Company.
6. In terms of the provisions of Section 152(6) of the Act, Mr. Rajeev Mantri (DIN: 09367771) Director of the Company, retire by rotation at the Meeting.

Mr. Rajeev Mantri (DIN: 09367771), being appointee is interested in the Ordinary Resolutions set out at Item Nos. 2, respectively, of the Notice with regard to their re-appointments. The relatives of such directors may be deemed to be interested in the resolutions set out at Item Nos. 2 of the Notice, respectively, to the extent of their shareholding, if any, in the Company. Save and except the above, none of the Director / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Business set out under Item Nos. 2 of the Notice. Details of Directors retiring by rotation / seeking re-appointment at this Meeting are provided in the 'Annexure I' to the Notice

7. The resolutions will be taken as passed effectively on the date of Annual General Meeting.
8. In terms of the requirements of the Secretarial Standards - 2 on "General Meetings" the Route – Map for the location of the aforesaid meeting is enclosed herewith as **Annexure II**.



## EXPLANATORY STATEMENT

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

#### ITEM NO. 3

Keeping in view the Company's existing and future financial requirements to support its business operations, the Company may need additional funds. For this purpose, the Company may, from time to time, raise finance from various banks and/or financial institutions and/ or any other lending institutions and/or bodies corporate and/or such other persons/ individuals as may be considered fit by issue of non-convertible debentures, in one or more series and/or more tranches on a private placement basis from time to time.

Pursuant to Section 42 of the Companies Act, 2013, read together with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 (together, the "**Debenture Rules**"), a Company offering or making an invitation to subscribe to Non-Convertible Debentures ("**NCDs**") on a private placement basis, is required to obtain the approval of the members by way of a special resolution. The Debenture Rules allow the company to pass a special resolution only once a year for all the offers and invitations made for such NCDs during the year.

Therefore, the approval of the members is sought by way of a special resolution for issue of debentures in one or more tranches on a private placement basis for an amount which does not exceed in aggregate the overall limit of Rs. 6,000 crores (Rupees Six Thousand Crores only). This approval is being sought for all such issuances for a period of 1 year.

A copy of relevant documents has been kept open, at the Registered Office of the Company, to inspection by the Members of the Company, between 11.00 am to 1.00 pm, on all working days, excepting Holidays, Saturdays and Sundays, till the date of the ensuing Annual General Meeting of the Company and at the AGM.

Your Directors have approved the aforesaid proposal on August 11, 2023 and recommend passing of this resolution by way of a Special Resolution.

None of the Directors or Key Managerial Personnel ("**KMP**"), or their relatives is in any way concerned or interested in this resolution, except to the extent of their shareholding.

#### ITEM NO. 4

SEBI, on February 02, 2023, amended the SEBI (Issue and Listing of Non-convertible Securities) Regulations, 2021 [hereinafter referred to as the "**ILDS Regulations**"] mandating issuer Companies to alter their Articles of Association ('**AOA**') to include a provision, requiring the Company to appoint a Director nominated by the debenture trustee(s) on their Board.

The Company, being an issuer company under these regulations, is required to comply with the said amendments.

Highlights of the amendment:





1. Company shall ensure that its Articles of Association have enabling provision to appoint nominee Director on behalf of debenture trustee(s) in a situation as explained in point 3 below:
2. The said amendment in Articles of Association shall be approved by Board of Directors and Shareholders on or before September 30, 2023
3. Company which is in default of payment of interest or repayment of principal amount in respect of listed debt securities, shall appoint the person nominated by the debenture trustee(s) as a director on its Board of Directors, within one month from date of receipt of nomination from the debenture trustee

Accordingly, the AOA of the Company was proposed to be amended as stated in resolution to include the above clause. Therefore, pursuant to Section 14 of the Companies Act, 2013, the approval of the members is sought by way of a special resolution for alteration of Articles.

A copy of altered AOA and relevant documents have been kept open, at the Registered Office of the Company, to inspection by the Members of the Company, between 11.00 am to 1.00 pm, on all working days, excepting Holidays, Saturdays and Sundays, till the date of the ensuing Annual General Meeting of the Company and at the AGM.

Your Directors have approved the aforesaid alteration on May 29, 2023 and recommend passing of this resolution by way of a Special Resolution.

None of the Directors or Key Managerial Personnel (“KMP”), or their relatives is in any way concerned or interested in this resolution, except to the extent of their shareholding.

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

Sd/-

**Date: August 11, 2023  
Place: Mumbai**

**Sameer Upadhyay  
Company Secretary**

## Annexure I

### **Brief Profile of Rajeev Mantri:**

Rajeev Mantri is the Chief Financial Officer for Citi India and Cluster Finance Head for Citi South Asia, a role he assumed on October 5, 2021. Rajeev is responsible for overseeing all areas of Finance including business planning and strategy, balance sheet management financial controls reporting and tax matters, while working closely with key stakeholders on franchise-level matters in India. In addition, he is responsible to provide governance and oversight on Finance function of Sri Lanka and Bangladesh

Rajeev has over 24 years of experience in Finance across India, UAE and Singapore. Prior to his current role, he was the CFO at TransUnion CIBIL, where he managed all areas of Finance including engagement with Independent Board and Audit Committee over the last three years Prior to that, he held several senior Finance roles at Standard Chartered Bank (SCB) in Singapore (2010-2018) and India (2000-2006). He managed Management Accounting and Business Finance for Corporate Banking in SCB India and led Financials Controls, Regulatory Reporting and Balance Sheet Management for SCB Singapore, where he played an important role in strengthening regulatory reporting and controls governance and in driving subsidiarization of Retail Bank business. Subsequently, he became Global Finance Head for Retail Products and Cost Management across all businesses, as part of which he drove strategic cost transformation through digitization and efficiency initiatives. He also led Financial Controls for IT & Operations and was the Global CFO for Investments. Prior to SCB Singapore, he was the CFO for Corporate and Investment Banking at Mashreq Bank in UAE from 2006 to 2010 and was instrumental in driving business growth and leading several strategic projects and M&A opportunities for the bank

Rajeev is a Chartered Accountant from ICAI, India and has an Executive Master's degree in Business Administration (EMBA) from INSEAD Business School, Singapore

Further, additional disclosure as per Secretarial Standard -2 issued by ICSI are as below:  
Mr. Rajeev Mantri (DIN- 09367771), Director

Date of Birth, Age	25/09/1976, 45 years
Nationality	Indian
Qualification	Chartered Accountant, Executive Masters degree in Business Administration from INSEAD Business School, Singapore.
Experience	Around 24 years
Term and Condition of re-appointment and remuneration	Being a Non Executive Director, no remuneration is proposed.
Remuneration last drawn	No remuneration

Date of first appointment on the board	March 15, 2022
Shareholding in the Company including shareholding as a beneficial owner	Nil
Relationship with other Director or KMPs	Not related
Number of Board Meeting attended during the Financial Year 2022-23	1
Other Directorship	Citi Investment Advisory Services Private Limited (Earlier known as Orbitech Private Limited)  Citicorp Services India Private Limited
Membership / Chairmanship of Committees of other Boards	Nil
Listed entities from which the Director has resigned in the past three years	Nil

## Annexure II

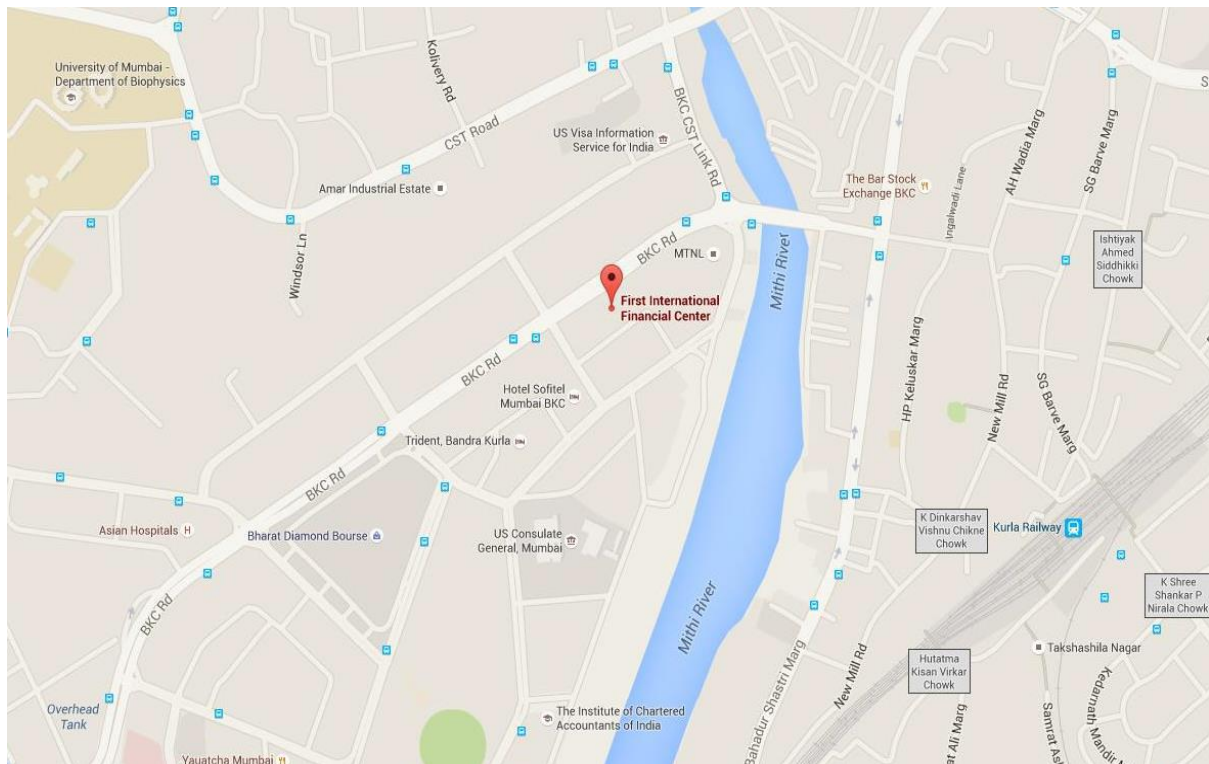
### Route Map for Venue of the Meeting

#### **Citicorp Finance (India) Limited**

Head Office:

First International Financial Center, Plot No C54 & C55, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400098.

Landmark: Near Hotel Sofitel, Bandra Kurla Complex





**Form no. MGT-11**

**Proxy Form**

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

**CIN:** U65910MH1997PLC253897  
**Name of the Company:** Citicorp Finance (India) Limited  
**Registered Office:** B7, 5th Floor, Nirlon Knowledge Park, Goregaon (East), Mumbai – 400063, Maharashtra, India  
**Head Office:** First International Financial Centre, Plot No. C-54 & C-55, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 098, Maharashtra

Name of the member (s): Registered address: E-mail ID: Folio No/Client Id: DP ID: NA
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I/We, being the member (s) of Citicorp Finance (India) Limited, holding \_\_\_\_\_ equity share of the above named Company, hereby appoint

1. Name:  
Address:  
Email Id:

Signature: .....

2. Name:  
Address:  
Email Id:

Signature: .....

As our proxy to attend and vote (on a poll) on our behalf at the Annual General Meeting of the Company, to be held on the September 27, 2023 at 3 pm in person at First International Financial Center, Plot No C54 & C55, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400098 and at any adjournment thereof in respect of such resolutions as are indicated below:

<b>Resolutions</b>	<b>For</b>	<b>Against</b>
<b><u>Ordinary Business:</u></b>  1. To consider and adopt (a) the audited standalone financial statement of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2023 and the report of Auditors thereon  2. To appoint Director in place of Mr. Rajeev Mantri (DIN: 09367771), who retires by rotation and being eligible, offers himself for re-appointment		
<b><u>Special Business:</u></b>		



3. Approval for Issuance of Debentures		
4. Approval for amendment of Articles of Association of the Company		

Signed this..... day of ..... , 2023.

Signature of Shareholder

Signature of Proxy Holder(s)

**Note:**

1. This form of Proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolution and Explanatory Statement please refer to notice of 26<sup>th</sup> Annual General Meeting.
3. It is optional to put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.



**ATTENDANCE SLIP**  
**(To be presented at the entrance)**  
**Citicorp Finance (India) limited**

**Registered office:** B7, 5th Floor, Nirlon Knowledge Park, Goregaon (East), Mumbai-400063, Maharashtra

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

**CIN: U65910MH1997PLC253897**

**26<sup>th</sup> Annual General Meeting**

**Venue of the Meeting:** in person at First International Financial Centre, Plot Nos. C-54 & C-55, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 098, Maharashtra

**Date & Time:** September 27, 2023 at 3 pm

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

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

\*Applicable for investors holding shares in Electronic form.

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

I hereby record my presence at the **26<sup>th</sup> Annual General Meeting** of the Company held on **September 27, 2023 at 3 pm in person** First International Financial Centre, Plot Nos. C-54 & C-55, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 098, Maharashtra.

\*Applicable for shareholders holding shares in electronic form

**Signature of Member / Proxy**

Note: 1. Electronic copy of the Annual Report for 2023 and Notice of the Annual General Meeting along with attendance slip and proxy form is being sent to all the members whose email address is registered with the Company/~~Depository Participant~~ unless any member has requested for a hard copy of the same. Shareholders receiving electronic copy and attending the Annual General Meeting can print copy of this attendance slip.

2. Physical copy of the Annual Report for 2023 and notice of the Annual General Meeting along with attendance slip and proxy form is sent in the permitted mode(s) to all members whose email ids are not registered with the Company or have requested for a hard copy.

## DIRECTORS' REPORT

To,  
The Members,  
**Citicorp Finance (India) Limited**

Your Directors have pleasure in presenting 26<sup>th</sup> Annual Report of the Company together with the financial statements for the year ended March 31, 2023.

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

### **FINANCIAL HIGHLIGHTS**

Summary of the Financial results for the year:

- Standalone income for the Financial Year 2022-23 increased by 4% to Rs. 663 Crores as compared to Rs. 639 Crores in 2021-2022;
- Standalone profit after tax for the Financial Year 2022-23 was Rs.124 Crores as compared to Rs. 140 Crores in the Financial Year 2021-22;
- Consolidated income for the year increased by 4% from Rs. 636 Crores in the Financial Year 2021-22 to Rs. 660 Crores in the Financial Year 2022-23;
- Consolidated profit after tax for the Financial Year was Rs. 158 Crores as compared to Rs. 168 Crores in the Financial Year 2021-22.

### **FINANCIAL RESULTS**

The summary of the financial result of the Company for the period ended March 31, 2023 as compared to the previous financial year is stated below:

Particulars	Rs. in Crores			
	Standalone		Consolidated	
	Year Ended Mar 31, 2023	Year Ended Mar 31, 2022	Year Ended Mar 31, 2023	Year Ended Mar 31, 2022
1. Total Income	663	639	660	636
2. Profit before tax before share in profit of associate	189	172	187	169
3. Share in profit of associate	0	0	36	31
4. Profit before tax	<b>189</b>	<b>172</b>	<b>223</b>	<b>200</b>
5. Total Tax	65	32	65	32
6. Profit after Taxation	<b>124</b>	<b>140</b>	<b>158</b>	<b>168</b>
7. Other comprehensive income (net of tax)	-100	72	-100	72
8. Total comprehensive income	24	211	57	240
9. Amount transferred to Statutory Reserves	25	28	25	34
10. Dividend payout (Including WHT)	50	500	50	500

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

### **BACKGROUND**





During 2021, Citigroup announced its decision to divest its interests in Consumer/Retail business across several Asian markets including India. CFIL was also engaged in Consumer business. During the latter part of 2021, the company selected Axis bank as the preferred buyer for its Consumer business. This was done post review of multiple bids received by the Company.

Basis the Business Transfer Agreement (BTA) signed with Axis bank on March 30, 2022, the transfer process was initiated effective April 2022 and a Legal Date (LD) for transfer of assets and people was determined as February 28, 2023. Effective this date, the company was able to complete the transfer as per BTA and received the agreed value for the transferred business.

The transfer of Consumer business effective February 28, 2023 leaves CFIL with an asset book that comprises of Corporate portfolio only. As we progress, our intent is to expand the existing Corporate loan portfolio with due controls and risk mitigants.

### **RESERVE BANK OF INDIA ON-SIGHT REVIEW: 2021-2022**

Reserve Bank of India conducted its on-sight review during the third quarter of calendar year 2022. The final report was received by the Company in November 2022 and as per the regulatory requirement the report along with responses was tabled to the Board. Post the approval of the Board, the responses to the RBI were released. All matters have since been remediated.

### **CREDIT RATING**

Your company has been consistently reviewing its asset portfolio quality, asset-liability management and liquidity coverage. The Company's credit rating has been maintained at AAA/Stable for our NCD issuances and A1+ for ICD/CP by both ICRA and CRISIL.

We remain committed to mitigating risks and in line with the Citigroup culture, continue to focus on regulatory compliances. Integrity and transparency in our operations will also remain key pillars of our governance philosophy, thereby protecting the interests of our shareholders, customers and investors.

### **STATE OF THE COMPANY'S AFFAIRS AND OPERATIONS REVIEW**

Pursuant to the Companies Amendment Act, 2020 and the Companies (Specification of definitions details) Second Amendment Rules 2021 issued by Ministry of Corporate Affairs, effective April 01, 2021 the status of the Company has been changed from Listed Public Company to Unlisted Public Company under the requirement of the Companies Act. However, under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 the Company continue to be under the preview of the Listed Company.

The Company operates in various segments as mentioned below:

#### **Corporate Business**

- a) Strategic Equity Solutions
- b) Corporate loans
- c) Mid and Small Segment Loans

#### **Consumer Business**

- a) Asset Backed Finance
- b) Personal Loans

Detailed description of each segment is given below:



## **Corporate Business**

### **a) Strategic Equity Solutions (SES)**

The Company offers lending against listed equity shares. This is a competitive business segment with financing focused on promotor groups who own significant portions of large public listed companies. The outstanding portfolio as of March 31, 2023 was Rs. 700 crores and it is expected that the loan portfolio to grow during the Financial Year 2023-24.

Business is India Rate sensitive and hence cooling of Interest rates should present opportunities for expansion and we may see new projects converted which are currently stalled due to expectation of lower rates from clients.

### **b) Corporate Loans**

The Corporate Loans segment provides secured and unsecured loans to local corporates, financial institutions and multi-national company subsidiaries in India. Loan products offered include Working Capital Loans, Short-term Loans and Term Loans.

The Interest income for the year decreased from Rs. 119 Crores in Financial Year 2021-22 to Rs. 66 Crores in Financial Year 2022-23 owing to repayment of some large assets which formed part of the scheduled maturities.

The demand largely emanates from clients for strategic fund raising for acquisition of business/ increase in promoter stake through share financing/ growth capital backed by liquid security. We continue to work with clients in meeting client's strategic objectives and do transactions which provide an opportunity for the Company to build a healthy book with good Net Interest Margin.

### **c) Mid and Small Segment Lending**

Mid and Small Corporate Segment business caters to financing needs of small and medium enterprises by offering term loan for both short term purpose like working capital loan or long-term loans for capital expenditure or acquisition financing etc.

As of March 31, 2023 the Loan Portfolio under this segment stood at Rs. 27 Crores (decreased from Rs. 72 Crores as at March 31, 2022). The revenue from this segment, predominantly in the form of interest on loans the same has been on declining trend due to rundown of loans in the portfolio.

Asset quality of the portfolio continues to remain strong and compliant. We monitor our portfolio and keep close tab on financial and liquidity position of our customers. With recovery of demand, we will be prospecting new customer based on defined target market and strict compliance to policies and processes.

## **Consumer Business**

### **a) Asset Backed Finance**

Asset Backed Finance caters to transportation and construction industry and extends loans for procuring assets which are used for commercial purpose. The target segment includes first time buyers including micros, small & medium operators. In addition, ABF also offers top-up, refinance on existing free (from encumbrance) assets for their working capital needs. The target segment is mainly farmers engaged in agriculture and activity and micro, small and medium enterprises. The main income is in the form of interest on loans, earnings from loan transfer via assignments, processing fees, subventions and incentives from manufacturers and dealers etc. Furthermore, ABF acts as servicing agency for Citibank



ABF portfolio and charges a servicing and collection fee for the same. ABF business has a distribution network in four zones and operates out of 38 branches and mainly caters to Priority Sector lending (PSL) qualifying borrower for fulfilling PSL requirement of banks, primarily in Agriculture and Micro sector.

ABF book size for the Financial Year 2022-23 stands at Rs. Nil as of 31st March 2023 due to consumer business divestiture. The net Interest income has increased from Rs. 101 Crores in Financial Year 2021-22 to Rs. 206 Crores in Financial Year 2022-23.

Despite business sale announcement, new origination and asset quality of this portfolio continued to be strong due to judicious customer selection based on defined target market criteria and strict compliance to policies and processes. We continue to closely monitor clientele in this segment on their financial performance and liquidity position.

The Company has assigned ABF portfolio to Citibank of Rs. 1446.54 Crores during the Financial Year 2022-23.

## **OPPORTUNITIES AND THREATS**

This year has seen some significant economic developments globally. Supply side constraints, inflation and the interest rate increase have been key. Rate increases have a bearing on our business as well raising the cost of funds. Your company will provide special focus on ensuring optimal cost of funds.

The exit of consumer business, while potentially reducing the size of the company's assets will present an opportunity to grow its corporate loan portfolio with expected higher returns.

## **DIVIDEND**

During the Financial Year 2022-23, the management has already declared an interim dividend of Rs. 50 Crores i.e. Rs. 0.13 per equity share (face value of Rs.7.50 each), hence the Board of Directors of the Company have not recommended any dividend on equity shares for the year under review.

## **TRANSFER TO SPECIAL RESERVE/ OTHER RESERVES**

During the Financial Year 2022-23, the Company has appropriated Rs. 24.89 Crores towards the Statutory Reserve (Previous Year – Rs. 27.93 Crores) in accordance with requirements under Section 45IC of the Reserve Bank of India Act, 1934. Please refer to Statement of changes in Equity in the Standalone Financial Statement of the Company for details pertaining to changes during the year in Other Equity.

## **SHARE CAPITAL**

The authorized share capital of the Company stands at Rs. 39,520,000,000 (Rs. Three Thousand Nine Hundred and Fifty-Two Crores only) as at March 31, 2022. The issued, subscribed and paid-up share capital of the Company as at March 31, 2022 is Rs 28,932,952,732 (Rs. Two Thousand Eight Hundred Ninety-Three Crores Twenty-Nine Lacs Fifty-Two Thousand Seven Hundred and Thirty-Two only).

There is no change in the share capital during the Financial Year 2022-23.

## **COMPOSITION OF AUDIT COMMITTEE**

The composition of the Audit Committee as on March 31, 2023 is as under:

- a) Ms. Nina Nagpal, Managing Director
- b) Mr. Deepak Ghaisas, Independent Director



c) Mr. Saurabh Shah, Independent Director

Further, during the year under review, there are no such cases where the recommendation of Audit Committee, has not been accepted by the Board.

### **VIGIL MECHANISM**

The Company has established a Vigil Mechanism/Whistle Blower Policy for directors and employees to report concerns about unethical behavior. During the Financial Year 2022-23, no personnel has been denied access to the Chairman of the Audit Committee. The said policy is hosted on the website at <https://www.online.citibank.co.in/CFIL/assets/pdf/vigil-mechanism-policy.pdf>.

### **ANNUAL RETURN**

The Annual Return in Form MGT-7 as required under Section 92(3) of the Companies Act, 2013 is being hosted on the website at <https://www.citicorpfinance.co.in/CFIL/assets/pdf/annualreturn-fy-2021-22.pdf>

### **RELATED PARTY TRANSACTIONS**

The particulars of every contract or arrangement entered into by the Company with its related parties, pursuant to the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements), 2015, for the Financial Year 2022-23 are in the ordinary course of business and at arm's length.

The Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions as approved by the Board is available on the Company's website and can be accessed at <https://www.online.citibank.co.in/CFIL/assets/pdf/CFIL-RPT-Policy.pdf>.

There were no materially significant related party transactions that may have potential conflict with the interest of the Company at large.

Further, omnibus approval of the Audit Committee is obtained for all related party transactions which are foreseen and of repetitive nature.

During the Financial Year 2022-23, the Company has not entered into any transaction with its holding Company in relation to loans/ advances/ Investments as required to disclose pursuant to Schedule V of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulations, 2015.

For further details of related party transactions [including as required under Indian Accounting Standard 24 (Ind AS 24)] are part of Note 35 of Financial Statements.

### **RESERVE BANK OF INDIA GUIDELINES ON PUBLIC DEPOSITS**

As per the Reserve Bank of India guidelines for Non-Banking Finance Companies, during the Financial Year 2022-23 the Company has not accepted any deposits from the public and shall not accept any deposits from the public without obtaining prior approval of Reserve Bank of India. Further, RBI issued a circular "Financial Regulation of Systemically Important NBFCs and Banks' Relationship with them" dated December 12, 2006 according to which the Company is categorized as a systemically important non-deposit taking NBFC and in terms of said guidelines the Company is required to maintain a minimum Capital to Risk-Weighted Assets Ratio (CRAR) of 15% and also comply with the single and group entity exposure norms. We are pleased to state that the CRAR of the Company as on March 31,

2023 was 69.12 % as compared to the prescribed ratio of 15%. As regards, compliance with the group entity exposure norms, which are applicable effective April 1, 2007, the Company is in compliance with all the norms as on March 31, 2023.

#### **EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS**

Event subsequent to the date of financial statements has been updated in the respective section.

#### **CAPITAL EXPENDITURES**

During the Financial Year 2022-23, the Company has incurred capital expenditure of Rs. 0.26 Crores towards fixed assets (Previous year Rs. 0.87 Crores).

#### **SALE OF NON-PERFORMING ASSETS (NPAs)**

There was no sale of NPAs during the Financial Year 2022-23.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

##### **(A) Conservation of Energy**

###### **(i) The steps taken or impact on conservation of energy:**

Though business operation of the Company is not energy-intensive, the Company, being a responsible corporate makes conscious efforts to reduce its energy consumption. Some of the measures undertaken by the Company on a continuous basis, including during the year under review, are listed below:

- a) Use of LED Lights at office spaces;
- b) Rationalisation of usage of electricity and electrical equipment – air-conditioning system, office illumination, beverage dispensers, desktops;
- c) Regular monitoring of temperature inside the buildings and controlling the air-conditioning system;
- d) Planned preventive maintenance schedule put in place for electromechanical equipment;
- e) Usage of energy efficient illumination fixtures.

###### **(ii) Steps taken by the Company for utilizing alternate sources of energy:**

The business operations of the Company are not energy-intensive, hence apart from steps mentioned above to conserve energy, the management would also explore feasible alternate sources of energy.

###### **(iii) The capital investment on energy conservation equipment:**

There is no capital investment on energy conservation equipment's during the year under review.

##### **(B) Technology Absorption**

###### **(i) The efforts made towards technology absorption:**

Nil

**(ii) The benefits derived:**

Nil

**(iii) Information regarding imported technology (Imported during last three years):**

The Company has not imported any technology during last three years.

**(iv) Expenditure incurred on research and development:**

The Company has not incurred any expenditure on Research and Development during the year under review.

**(C) Foreign Exchange Earnings**

There were no foreign exchange earnings during the Financial Year 2022-23.

**(D) Foreign Exchange Expenditure**

**Rs. in Crores**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Technology and software expenses	6.84	5.65
Transfer pricing fees	9.32	8.10
HR Processing fees	0.61	0.51
Other expenses	0.13	0.05
<b>Total</b>	<b>16.90</b>	<b>14.30</b>

**SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY**

The Company did not have any subsidiary or entered into joint venture during the Financial Year 2022-23. As per shareholder agreement, the Company has an associate Company namely India Infradebt Limited since 2015

**DISCLOSURES PERTAINING TO CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with the Companies Act, 2013 (the “Act”) and Accounting Standard (INDAS-110) on Consolidated Financial Statements, the audited consolidated financial statement is provided in the Annual Report. A statement containing the salient features of the financial statements of the associate company are enclosed herewith form AOC-1 as **Annexure- I**. For Contribution of the Associate Company to the performance of the Company kindly refer Note 49 of consolidated financial statements.

**AUDITORS AND REPORTS**

**a) Statutory Auditors**

At the Extraordinary General Meeting held on February 1, 2022, M/s Gokhale & Sathe, Chartered Accountants (firm registration number 103264W) were appointed as the Statutory Auditors of the Company for a term of 3 years (from financial year 2021-22 to 2023-24), to hold office from the conclusion of 27<sup>th</sup> Extraordinary General Meeting till the conclusion of the 27<sup>th</sup> Annual General Meeting of the Company to be held in the year 2024.

M/s Gokhale & Sathe, Chartered Accountants have conducted the audit for the financial year 2022-23.

**b) Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company at its meeting held on May 30, 2022 had appointed M/s VKMG & Associates, LLP, Practicing Company Secretary Certificate of Practice No. 16067 as secretarial auditor of the Company to undertake the secretarial audit of the Company for the Financial Year 2022-23.

**c) Internal Auditors**

Pursuant to Section 138 of the Companies Act, 2013 read with rule 13 of the Companies (Accounts) Rules, 2014, the Board of Directors in its meeting held on May 30, 2022, had appointed Mr. Ashutosh Pandey as an Internal Auditor for the Financial Year 2022-23. Further, due to movement of Mr. Ashutosh Pandey into another role, he stepped down from the position of Internal Auditor and Ms. Sejal M Patani was appointed as an Internal Auditor, for the Financial Year 2022-23, in the Board Meeting held on August 08, 2022.

The Company has implemented Risk Based Internal Audit (RBIA) pursuant to RBI circular dated February 03, 2021. The Internal Auditor manages the Internal Audit Function and reports functionally to the Audit Committee of the Company and administratively to the Chief Auditor of Citigroup or his designee with full compliance and alignment with the letter and spirit of local regulatory requirements. Internal Audit responsibilities are carried out independently under the oversight of the Company's Audit Committee and Internal Audit employees accordingly report to the Chief Auditor of Citigroup or his designee and do not have reporting lines to management. Internal Audit reviews are completed as per the Annual Audit Plan and results of same are reported to the Audit Committee. Internal audit contributes to the assessment and reporting of emerging risks and issues across the business, engages with the Senior Management Team and Board Stakeholders and escalate significant issues on a timely basis.

**AUDITORS REPORT**

**(i) Statutory Auditors**

The Auditor's Report issued by statutory auditor of the company for the year ended March 31, 2023 does not contain any qualification, reservation or adverse remark or disclaimer.

The statutory auditors in their report to members have made certain observations, which though are not qualifications in nature, have been explained as under:

In para 7(b), the Auditors have mentioned that following dues have not been paid:

Name of the statute	Nature of the dues	Amount Rs. in Lakhs	Period to which the amount relates	Forum where dispute is pending
Income Tax Act,1961	Income Tax Demands	8.35	AY 1999-2000	Commissioner of Income Tax (Appeals)
Income Tax Act,1961	Income Tax Demands	5.86	AY 2001-02	Assessing Officer
Income Tax Act,1961	Income Tax Demands	33.71	AY 2002-03	High Court
Income Tax Act,1961	Income Tax Demands	1.35	AY 2002-03	Assessing Officer

Income Tax Act,1961	Income Tax Demands	356.52	AY 2005-06	Assessing Officer
Income Tax Act,1961	Income Tax Demands	28.93	AY 2006-07	Income Tax Appellate Tribunal
Income Tax Act,1961	Income Tax Demands	578.63	AY 2011-12	Assistant Commissioner of Income Tax (Appeals)
Income Tax Act,1961	Income Tax Demands	159.30	AY 2012-13	Commissioner of Income Tax (Appeals)
Maharashtra VAT Act, 2002	VAT Demands	266.23	FY 2010-11	Joint Commissioner of Sales Tax (Appeals IV)
Maharashtra VAT Act, 2002	VAT Demands	42.37	FY 2016-17	Joint Commissioner of Sales Tax
Maharashtra VAT Act, 2002	VAT Demands	20.37	FY 2013-14	Joint Commissioner of Sales Tax
Karnataka VAT Act, 2002	VAT Demands	16.70	FY 2016-17	Joint Commissioner of Sales Tax
Finance Act, 1994	Service Tax Demands	1,073.08	FY 2006-07 to 2008-09	Customs, Excise and Service Tax Appellate Tribunal
Karnataka Value Added Tax Act, 2003	Vat Demands	3,276.00	FY 2005-06 to FY 2010-11	Reassessment proceedings with Assessing Officer

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 3,546 Lakhs. These matters were heard before the Karnataka Appellate Tribunal and were remanded back to the Assessing Authority. There were in all 6 years i.e. Financial Year 2005-06 to Financial Year 2010-11. For Financial Year 2005-06, 06-07, 07-08 and 2010-11, the Assessing Officer has passed a clean order. For FY 2008-09 and FY 2009-10, the Assessing Officer passed the order along with a demand. Against the same, writ was filed with the Karnataka High Court. The Karnataka High Court quashed the order and instructed the Assessing officer to undertake fresh assessment. After calling for all the documents, the Assessing Officer again passed a negative order raising a demand of INR 3,546 lakhs. The Company has currently filed an appeal against the second order. The appeal is yet to be adjudicated. The Company has under this issue 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 this we had made a pre deposit of Rs. 50 lakhs in the previous years.



The VAT assessment by Mumbai office for FY 2016-17 got concluded in the previous year where a demand of Rs 44.32 lakhs was raised on account of disallowance of input tax credit. Out of the total demand Rs 1.95 lakhs is paid as prepayment during the previous year.

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 1,322 lakhs out of this we had made a pre deposit of Rs. 250 lakhs in the previous year.

In the above cases, the Company has partly paid the aforesaid demand under protest and is in the process of appeal against the same with the appropriate tax authorities. The Company has sought legal opinion in the aforesaid demands and is of the opinion that the disallowances / demands are not tenable and highly unlikely to be retained by higher authorities. Accordingly, the Company is not carrying any provision in its books for the above.

### **(ii) Secretarial Auditors Report**

The Secretarial Audit Report issued by M/s. VKMG & Associates LLP, Practicing Company Secretary is annexed to this report as **Annexure II**.

The Secretarial Audit Report does not contain any qualification, reservation, or adverse remark or disclaimer except in respect of few matters, the details of which and comments of the Board on the same has been provided in Annexure part of Secretarial Audit Report.

### **(iii) Internal Auditors (IA) Report**

During the Financial Year 2022-23, key business processes were reviewed as per the Annual Internal Audit Plan and audit results of the same were tabled at the Audit Committee of the Company. Major areas reviewed during the Financial Year 2022-23 included the following:

- Consumer divestiture – pre legal day 1,
- Rates and currencies - local markets and treasury operations,
- Technology infrastructure and applications,
- Anti-money laundering program and
- Operational risk management.

Control environment assessment indicates that there are Moderate Improvements Needed in the design and operating effectiveness of internal controls to mitigate and /or manage those inherent risk to which the activities being audited are exposed.

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

During the Financial Year 2022-23, the auditors have no reason to believe that an offence involving fraud is being or has been committed against the Company by officers or employees of the Company.

### **RISK MANAGEMENT FRAMEWORK**

Risk Management is an integral part of the Company's business strategy. Risk is assessed and evaluated at various levels, including at formal Committees and forums, and reported to the Board. The risk review, assessment and mitigation are aligned to the various Risk Policies that the Company has. The risk policies are approved by the Board.

The Company has a Risk Management Committee, aligned with the Reserve Bank of India guidelines and Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements),



Regulations, 2015. The Committee meets on a quarterly basis and reviews a range of actual and potential risks.

The Company loan assets portfolio is also reviewed periodically to assess credit quality and the attendant risks.

The constitution, term of reference and other details are provided in Corporate Governance Report. Please refer **Annexure III**.

## **RISK REVIEW AND MITIGATION: APPROACH**

At the operational level, the risk management oversight structure is multi-level one and includes three lines of defense. The first line of defense is the Business or the Function, the second line being the Independent Risk & Compliance and the third line is the Internal Audit and Audit Assurance by a third-party firm. The Internal Audit/Audit Assurance function reports into the Audit Committee of the Board.

## **RISK MANAGEMENT STRUCTURE AND POLICIES**

The Company has a documented Corporate Governance Code, which governs forum including the Risk Management Committee & Asset Liability Committee. The Company has constituted Risk Management Committee (RMC), to evaluate risk emanating from Credit, Market, Liquidity, Operations, Regulatory and other residual Risks. While Asset Liability Committee (ALCO) is constituted to review and monitor the rationale for and risk associated with lending and borrowing, resultant gaps in the funding positions of the Company, manages interest rate risk and determine the pricing criteria of various assets and liabilities of the Company.

The Company operates within the risk management framework defined by various risk policies approved by the Board. Further, the Company has framed various policies that define the employee Code of Conduct.

The Company has also constituted the Audit Committee to oversee matters related to internal controls and finance and accounting, regulatory compliance and others.

### **a) Business and Management Continuity Risk**

This has been an important area of focus for the Company and the Company has defined Continuity of Business Plans that are tested every cycle. These plans define the sequence of activities and the responsibility of teams under contingency situation. The contingency plan is currently being implemented under the COVID situation.

The Business Continuity plans are actively monitored and tested and also reviewed by the IT Strategy Committee headed by an Independent Director. The Committee meets on a six-monthly frequency.

## **DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

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

Further, the Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operation in future.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)**

### **A. Change in Directorship**

#### **Appointment: -**

Ms. Nina Nagpal (DIN- 00138918) was re-appointed as Managing Director at the Board meeting held on May 31, 2021 for a further period of 2 (Two) years w.e.f June 01, 2021 to May 31, 2023.

Her office as Managing Director expired on May 31, 2023. Based on the recommendation of the Nomination and Remuneration Committee and considering the knowledge, acumen, expertise, experience and the substantial contribution, the Board has, at its meeting held on May 29, 2023, approved her re-appointment as Managing Director of the Company with effect from June 01, 2023 till the date of her retirement from the services i.e. December 31, 2023.

Ms. Anuradha Choudhury (DIN-: 01375718) was appointed as an Additional Director of the Company w.e.f. November 1, 2022. Her appointment was further approved by the shareholders of the Company at its meeting held on December 9, 2022 and her designation has been changed from Additional Director to Director.

#### **Resignation: -**

Mr. Neeraj Kumar & Mr. Rohit Ranjan had stepped down from the directorship of the Company w.e.f. October 31, 2022 and March 1, 2023 respectively. The Board placed on record its appreciation for their invaluable contribution and guidance during their tenure with the Company.

### **B. Directors liable to retire by rotation**

Mr. Rajeev Mantri retires by rotation at the ensuing AGM, being eligible, offers himself for re-appointment. Brief details of Rajeev are given in the Notice of AGM.

### **C. KMPs**

During the Financial Year 2022-23, there was a change in the Chief Financial Officer of the Company. Mr. Ankit Goyal resigned w.e.f. September 7, 2022 and Mr. Ruchit Jain was appointed as the Chief Financial Officer of the Company w.e.f. February 10, 2023.

The Board placed on record its appreciation for Mr. Ankit Goyal's invaluable contribution and guidance during his tenure with the Company.

## **BOARD DIVERSITY**

The Board of the Company comprises of adequate number of members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company. The present composition broadly meets this objective. The directors are persons of eminence in areas such as profession, business, industry, finance banking, etc. and bring with them experience/skills which add value to the performance of the Board.

The Company also believes that the diverse Board will enhance the quality of decision made by the Board by utilizing the different skills, qualification, experience, knowledge, etc. of the Board necessary for achieving sustainable and balance development.

## **NUMBER OF MEETINGS OF THE BOARD**

During the Financial Year under review, seven (7) meetings of the Board of Directors were held. Details of the meetings and attendance thereat forms part of the Corporate Governance Report. Please refer **Annexure IV**.

## **INDEPENDENT DIRECTORS**

Pursuant to the Companies Act, 2013, the Company had issued formal Letters of Appointment to Mr. Deepak Ghaisas and Mr. Saurabh Shah on their re-appointment, effective from January 28, 2020. The terms and conditions of appointment of Independent Directors are placed on the website of the Company at [www.citicorpfinance.co.in](http://www.citicorpfinance.co.in).

## **ANNUAL DECLARATION FROM INDEPENDENT DIRECTORS**

In the opinion of the Board, all the Independent Directors on the Board possess requisite qualifications, experience (including proficiency, as applicable) and expertise and hold highest standards of integrity.

The Company has received declarations from all the Independent Directors of the Company confirming that:

- i. they meet the criteria of independence and also in compliance of code of conduct prescribed under the Act and the Listing Regulations; and
- ii. they have registered their names in the Independent Directors' Databank.

The Company has also received requisite declarations from Independent Directors of the Company as prescribed under rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

All Independent Directors have affirmed compliance to the code of conduct for Independent Directors as prescribed in Schedule IV to the Act.

## **RECEIPT OF ANY COMMISSION BY MANAGING DIRECTOR/ WHOLE TIME DIRECTOR FROM A COMPANY OR FOR RECEIPT OF COMMISSION / REMUNERATION FROM ITS HOLDING OR SUBSIDIARY**

Nil

## **NOMINATION AND REMUNERATION POLICY**

In terms of Section 178 of the Companies Act, 2013 and Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated and adopted the Nomination and Remuneration Policy

The Policy is available on the Company's website at <https://www.citicorpfinance.co.in/CFIL/assets/pdf/Nomination-Remuneration-Policy.pdf>

The Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who may be appointed in Senior Management and who are qualified to become Directors and to determine the independence of Directors, while considering their appointment as Independent Directors of the Company. The Policy also provides for the factors in evaluating the



suitability of individual Board members with diverse background and experience that are relevant for the Company's operations.

The Policy also sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the Directors, Key Managerial Personnel and other Senior Managerial personnel.

## **ORDERLY SUCCESSION TO BOARD AND SENIOR MANAGEMENT**

Pursuant to regulation 17(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, the framework of succession planning for appointment of director/Management was placed before the Board, in its meeting held on May 29, 2023, for review.

## **PARTICULARS OF LOANS, GUARANTEE, OR INVESTMENT**

The Company, being an NBFC, the disclosure regarding particulars of loans made, guarantees given and securities provided in the ordinary course of its business is exempted as per the provisions of Section 186(11) of the Companies Act, 2013. However, one of the Citigroup entities (Citicorp Services India Private Limited) has placed Inter- Corporate Deposits (ICDs) with the Company.

## **FRAUD**

No new fraud incidents identified or reported during the last two Financial Years 2022-23 and 2021-22.

All the Quarterly Reporting on Frauds Outstanding and Progress Report on Frauds of Rs. 1.00 lakh & above have been reported on a quarterly basis vide reports FMR2 and FMR3 on time.

Further, total recovery of Rs. 9.76 lakhs received during Financial Year 2022-23 on the frauds reported in the Financial Year 2019-20.

Total Fraud amount involved for all the open fraud cases as on March 31, 2023, is Rs 325.23 lakhs, however loss to the Company stands at Rs 213.73 lakhs.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company as adopted by the Board and the initiatives undertaken by the Company on CSR activities during the year under review are set out in **Annexure VI** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021. The CSR policy is hosted on the website of the Company and available at <https://www.citicorpfinance.co.in/CFIL/assets/pdf/CSR-Policy.pdf>

## **LISTING**

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

## **INVESTOR EDUCATION AND PROTECTION FUND**

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

## ALLOTMENT AND REDEMPTION OF DEBENTURES

During the year under review, the Company has allotted debentures aggregating to Rs.1107.50 Crores/- the details of the same are as under:

Series No	ISIN Code	Listed/ Unlisted	CPR Rate	Allot Date	Maturity Date	Annual Date / Conversion Date / Call Excise Date	Call Payout Date	Underlying	Secured / Unsecured	Callability	Allotted amt	Face Value
800 I	INE915D07 O74	Unlisted	7.0000%	17-Aug-22	17-Aug-24	14-Aug-23	17-Aug-23	Fixed NCD - 7.00	Secured	Callable	2,500,000,000	1,000,000
801 I	INE915D07 O82	Unlisted	6.2500%	16-Sep-22	16-Sep-25	12-Sep-24	16-Sep-24	Fixed NCD - 6.25%	Secured	Callable	500,000,000	1,000,000
802 I	INE915D07 O90	Listed	6.8000%	29-Sep-22	28-Sep-29	14-Jan-26	12-Feb-26	NIFTY 50 Linked	Secured	Callable	605,000,000	1,000,000
804 I	INE915D07 P08	Unlisted	7.0000%	31-Oct-22	31-Oct-25	28-Oct-24	31-Oct-24	Fixed NCD - 7.00	Secured	Callable	300,000,000	1,000,000
805 I	INE915D07 P16	Listed	6.8000%	16-Nov-22	16-Nov-29	11-Feb-26	26-Feb-26	NIFTY 50 Linked	Secured	Callable	271,000,000	1,000,000
806 I	INE915D07 P24	Listed	6.6500%	28-Nov-22	28-Nov-29	13-Nov-24	28-Nov-24	NIFTY 50 Linked	Secured	Callable	559,000,000	1,000,000
807 I	INE915D07 P32	Unlisted	7.3500%	30-Nov-22	30-Nov-25	25-Nov-24	29-Nov-24	Fixed NCD - 7.35%	Secured	Callable	250,000,000	1,000,000
808 I	INE915D08 CU4	Listed	8.2400%	16-Dec-22	1-Mar-25	23-Feb-24	1-Mar-24	Fixed NCD - 8.24%	Unsecured	Callable	6,000,000,000	1,000,000
809 I	INE915D07 P40	Listed	6.7000%	30-Jan-23	30-Jan-30	15-Jan-25	30-Jan-25	NIFTY 50 Linked	Secured	Callable	90,000,000	100,000

Debentures amounting to Rs. 3,623.86 Crores have been redeemed/ paid (Previous Year Rs. 6,540.37 Crores).

## DEBENTURE TRUSTEE

The IDBI Trusteeship Services Limited continues to be a Debenture Trustee of the Company for the year under review. The Contact details are as below:

**IDBI Trusteeship Services Limited,**  
 Universal Insurance Building,  
 Ground Floor, Sir P.M. Road,  
 Fort, Mumbai - 400001.  
 Contact No: 022 4080 7032

## PARTICULARS OF EMPLOYEES, DIRECTORS AND RELATED DISCLOSURES

The Company has 22 employees as of March 31, 2023.

- The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this report as '**Annexure-VI**'.
- In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules is provided in a separate annexure forming part of this Report. Having regard to the provisions of the first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the Members of the Company. In



terms of Section 136, the said annexure is open for inspection by the members through electronic mode. Any member interested in obtaining such particulars may write at [cfilsecretarial@citi.com](mailto:cfilsecretarial@citi.com). The said particulars shall be open for inspection by the Members at the registered office of the Company on all working days, except Saturdays, Sundays and public holidays, between 11.00 a.m. to 1.00 p.m. upto the date of AGM.

#### **APPOINTMENT OF RELATIVES OF DIRECTORS TO AN OFFICE OR PLACE OF PROFIT**

None of the relatives of any director has been appointed to an office or place of profit of the Company as per available records.

#### **PERFORMANCE EVALUATION**

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees, chairperson and individual directors pursuant to the provisions of the Companies Act and Securities and Exchange Board of India (Listing Obligation and Disclosures Requirements) Regulations, 2015.

The Nomination and Remuneration Committee in its meeting held on September 20, 2022 had reviewed and discussed the inputs received from Directors for evaluation. The report on performance evaluation was also discussed in the Board Meeting held on November 11, 2022.

On the basis of evaluation, it is concluded that the Board as whole and directors are working as a team and are contributing significantly towards the achievement of the objectives of the company.

The Directors of the company have been successful in providing effective management inputs to the various businesses at the Company and have participated in the implementation of a risk management system, financial and compliance management system, building and development of quality human resources and good corporate governance. Further, Chairpersons of the company are creative thinkers and good administrators who give the necessary importance to encourage governance and take the initiative for fulfilling the objectives of the company. The Chairpersons are team builders, understand various aspects of the company at a good level of detail and persuade all the directors at the Board meetings to contribute in the meeting so as to understand the joint determination of the Board.

#### **CORPORATE GOVERNANCE REPORT**

In terms of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulation, 2015, a separate section titled Report on Corporate Governance has been included in this Annual Report. Please refer **Annexure III** for Corporate Governance Report.

#### **TRAINING AND DEVELOPMENT**

The Company provides various training and skill development related opportunities to its employees to continuously upgrade their knowledge, skills & professional competence, besides ensuring compliance of various local laws and regulations. During the year under review, below mentioned training were imparted covering Man hours and Man days respectively.

<b>Competency</b>	<b>Sum of Activity Man Hours</b>	<b>Sum of Activity Man Days</b>
Degreed	77	10
Functional	520	65
Functional Skills	397	50
Leadership	81	10
Mandatory	1956	244
New Hire	5	1

Professional Development	59	7
<b>Grand Total</b>	<b>3095</b>	<b>387</b>

#### **SECRETARIAL STANDARDS OF INSTITUTE OF COMPANY SECRETARIES OF INDIA**

The Company has complied with the requirements prescribed under the Secretarial Standards on meetings of the Board of Directors (SS-1) and General Meetings (SS-2) read with the Ministry of Corporate Affairs (MCA) circulars granting exemptions in view of the COVID-19 pandemic.

#### **DIRECTORS'S RESPONSIBILITY STATEMENT**

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed and there is no material departure
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities
- (d) they have prepared the annual accounts on a going concern basis; and
- (e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **DETAILS OF MATERIAL CHANGES AND COMMITMENTS FROM THE END OF THE FINANCIAL YEAR**

No material changes have taken place from the end of the financial year till the date of this Report.

#### **INTERNAL COMPLAINTS COMMITTEE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### **GENERAL**





Your directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions / events on these matters during the year under review:

- i. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- ii. Issue of equity shares (including sweat equity shares, ESOP) to employees of the Company under any scheme.
- iii. There has been no change in the nature of business of the Company.
- iv. Scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- v. Instance of one-time settlement with any Bank or Financial Institution.
- vi. Application or proceedings under the Insolvency and Bankruptcy Code, 2016.
- vii. Maintenance of cost records as prescribed by the Central Government under Section 148(1) of the Act.

#### **ACKNOWLEDGEMENT**

The Directors wish to place on record their appreciation for the support extended by the Reserve Bank of India, Securities and Exchange Board of India, Registrar of Companies and other Regulatory and Government Bodies, Company's Auditors, Customers, Bankers, Promoters and Shareholders. The Directors look forward to their continued support in the future as well.

Your directors take this opportunity to place on record their appreciation to all employees for their hard work, spirited efforts, dedication and loyalty to the Company which has helped the Company maintain its growth.

**For Citicorp Finance (India) Limited**

**Sd/-**

**Sd/-**

**Date: August 11, 2023  
Place: Mumbai**

**Nina Nagpal  
Managing Director  
DIN- 00138918**

**Anuradha Choudhury  
Director  
DIN-01375718**

**ANNEXURE INDEX**

<b>Annexure</b>	<b>Content</b>
i	AOC - 1
ii	Secretarial Audit Report
iii	Corporate Governance Report
iv	Certificate of Practicing Company Secretary regarding Directors' disqualification
v	Annual Report on Corporate Social Responsibility
vi	Disclosure related to employees and Ratio of remuneration to each Director
vii	Details of Stock Code
viii	Certificate from Managing Director for confirmation received by Directors and Senior Management Personnel w.e.t. Code of Conduct
ix	Certificate from Practicing Company Secretary on Corporate Governance
x	Compliance Certificate from Managing Director and Chief Financial Officer

**Annexure I**

**Form AOC-1**

**(Pursuant to first proviso to sub-section (3) of Section 129 read  
with Rule 5 of Companies (Accounts) Rules, 2014  
Statement containing salient features of the financial  
Statement of Subsidiaries/Associate Companies/Joint Ventures**

**Part “A”: Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs. ....)	NA
1. Sl. No.	NA
2. Name of the Subsidiary	NA
3. The date since when subsidiary was acquired	NA
3. Reporting period for the subsidiary concerned, if different from the holding company’s reporting period	NA
4. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	NA
5. Share capital	NA
6. Reserves & surplus	NA
7. Total assets	NA
8. Total Liabilities	NA
9. Investments	NA
10. Turnover	NA
11. Profit before taxation	NA
12. Provision for taxation	NA
13. Profit after taxation	NA
14. Proposed Dividend	NA
15. % of shareholding	NA

- Names of subsidiaries which are yet to commence operations- NA
- Names of subsidiaries which have been liquidated or sold during the year- As at March 31, 2023 the company does not have any subsidiaries.

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

Name of Associates/ Joint Ventures	India Infradebt Limited
1. Latest audited Balance Sheet Date	31/03/2023
2. Date on which the Associate or Joint Venture was associated or acquired	Since 2015
3. Shares of Associate/Joint Ventures held by the company on the year end a. No.	87,000,000

b. Amount of Investment in Associates/Joint Venture c. Extend of Holding %	Rs. 870,000,000 10.02%
4. Description of how there is significant influence	No significant influence on the Company
5. Reason why the associate/ joint venture is not consolidated	NA
6. Networth attributable to Shareholding as per latest audited Balance Sheet	2,717.19 Crores
7. Profit / Loss for the year i. Considered in Consolidation ii. Not Considered in Consolidation	35.75 Crores Nil

1. Names of associates or joint ventures which are yet to commence operations-NA
2. Names of associates or joint ventures which have been liquidated or sold during the year-NA

**For Citicorp Finance (India) Limited**

**Sd/-  
Nina Nagpal  
Managing  
Director  
DIN-00138918**

**Sd/-  
Anuradha  
Choudhury  
Director  
DIN-01375718**

**Sd/-  
Ruchit Jain  
Chief Financial Officer**

**Sd/-  
Sameer V. Upadhyay  
Company Secretary**

**Date: August 11, 2023  
Place: Mumbai**

**Annexure II**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2023**

*(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)*

To,  
The Members,  
**CITICORP FINANCE (INDIA) LIMITED**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by CITICORP FINANCE (INDIA) LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 (Audit Period) generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on March 31, 2023 according to the provisions of:

(i)	The Companies Act, 2013 (the Act) and the rules made thereunder;
(ii)	The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder
(iii)	The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(iv)	Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, to the extent applicable to the Company;
(v)	The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a)	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; to the extent applicable to the Company.
(b)	The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
(c)	The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
(d)	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; to the extent applicable to the Company
(e)	The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not Applicable during the Audit period);
(f)	The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not Applicable during the Audit period);
(g)	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Not Applicable during the Audit period);
(h)	The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Not Applicable during the Audit period); and
(i)	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not Applicable during the Audit period).

I have also examined compliance with the applicable clauses/regulations of the following:

- a) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India; and
- b) Listing Agreements entered into by the Company with the National Stock Exchange of India Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above, except in respect of matters specified in “Annexure A & B” to this certificate.

During the period under review, the Company has paid the penalty imposed by National Stock Exchange of India Limited in respect of non-compliance of certain provision of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the financial year 2021-2022, the details of such penalty has been provided in Annexure-C to this certificate.

I further report that, having regard to the Compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- (a) Reserve Bank of India Act, 1934 and the rules, regulations, directions and orders made thereunder;

**I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.



Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (except in cases where Meetings were convened at a shorter notice). In case agenda and detailed notes on agenda could not sent at least seven days in advance, the Company has complied with application provisions of the Act and SS-1 in relation to shorter notice. Further, there is a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period, the company has:

- (a) Issued and allotted Non- Convertible Debentures under Private Placement in Series and tranches and
- (b) The Company has signed an agreement with Axis Bank Limited (“Axis”), to transfer, to Axis, an undertaking comprising the commercial vehicle and construction equipment financing line of business and the personal loans line of business together with the entire portfolio of loans associate therewith on a slump sale basis, so as to exit the consumer business completely, at a lumpsum consideration of Rs.60,00,00,000/- (Rupees Sixty Crores only) for the acquisition of the consumer business as a going concern, subject to customary closing adjustments.

**For VKMG & Associates LLP  
Company Secretaries  
FRN: L2019MH005300**

**Sd/-**

**Vijay Babaji Kondalkar  
Partner  
ACS-15697  
CP-4597  
PRN:1279/2021**

**Date: 11.08.2023**

**Place: Mumbai**

**UDIN: A015697E000791626**

**Note:** This report is to be read with My letter of even date which is annexed as **Annexures** and forms an integral part of this report.

**Annexure A**

Sr. No.	Sub-Section	Compliance Requirement (Regulations / circulars / guidelines including specific Clause)	Regulation / Circular No.	Deviations	Action Taken by	Type of Action (Advisory / Clarification / Fine / Show Cause Notice / Warning, etc.)	Details of Violation	Fine Amount	Observations / Remarks of the PCS	Management Response	Remarks
<b>Key Obesevation under SEBI PIT Regulation</b>											
1	<b>The Secretarial Auditor has observed following discrepancies / non-compliance:</b>										
	a	Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015 - Requirement to maintain Structured Digital Database (SDD) and submission of quarterly compliance certificate with the stock exchange.	Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015 and NSE Circular Ref No. NSE/CML/2022/23 dated October 28, 2022	The Company has not maintained structured digital database in the manner as prescribed in Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015 and have not submitted quarterly certificates with the exchange.	-	-	Non Compliance of provision of Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015	-	The Management response is self explanatory they have taken on record observation and committed to comply the same, hence do call any further comments.	The Company currently maintains an excel database of the UPSI generated by CFIL. The excel database is managed by the finance team in CFIL. It is to be noted that material UPSI in CFIL largely consists of the financial information (Balance Sheet, Profit and Loss) and the same is maintained by Finance in a secured EUC (End user computing) tool. The EUC file is password protected and has the functionality of generating audit trail. Also the access is provided only on a need to know basis.  While a systemic solution is being reviewed for CFIL, the above mentioned excel templates are being maintained to comply with the minimum set of requirements. CFIL management team is in the process of evaluating system solutions available to identify a sustainable systemic database to ensure full compliance to this regulatory requirement. Meanwhile, CFIL will submit the compliance certificate to NSE for the quarter ended September and December 2022 based on the existing manual controls.	-



**Key Obeservations under Securities and Exchange Board of India (Listing Obligation and Disclosure Requirments), Regulation 2015 ["SEBI (LODR)"]**

2 The Secretarial Auditor has observed following discrepancies / non-compliance:										
a	The Company shall give prior intimation to the stock exchange of at least two working days in advance, excluding the date of the intimation and the date of the meeting of the board of directors, about the Board meeting in which financial results viz. quarterly or annual is to be considered.	Regulation 50(1)(C) of SEBI (LODR)	There was a delay of one day in respect of prior intimation to stock exchange about the Board meeting held on November 11, 2022.	Natio nal Stock Exch ange of India Limit ed	Fine	Non Compli ance of provisi on of Regula tion 50(1)(c ) of SEBI (LODR )	Rs.50 00/- plus GST	The Management response is self explanatory and paid also paid fine for such non-compliance, hence do call any further comments.	In accordance with regulation 50 (1) (C), the Company was required to intimate NSE on November 8, 2022 about its Board Meeting scheduled on November 11, 2022. However, since November 8, 2022 was a public holiday (stock exchange holiday as well) on account of Guru Nanak Jayanti, the intimation was given to NSE on November 9, 2022. We have written to Stock Exchange for waiver of penalty and simultaneously has made the payment of Rs. 5000+ GST. We are awaiting response from NSE on waiver request.	-
b	The Chairperson of the audit committee shall be an independent director and he /she shall be present at Annual general meeting to answer shareholder queries.	Regulation 18(1)(d) of SEBI (LODR)	The Chairma n of the Audit Committ ee has not attended the Annual General Meeting held on Septemb er 29, 2022	-	-	Non- Compli ance of provisi on of Regula tion 18(1)(d ) of SEBI (LODR )	-	The Management response is self explanatory, hence do call any further comments.	The Chairman of Audit Committee was unable to attend the meeting due to some personal exigencies. Further, this requirement was not under mandatory compliance in September 2022.	-
c	The Company shall forward to the debenture trustee promptly along with copy of Annual Report, a copy of certificate from the auditors in respect of utilisation of funds during the implementation period of the project for which the funds have been raised and as per regulation 56 (1) (d) a half-yearly certificate	Regulation 56(1)(a) and (d) of SEBI (LODR)	The Compan y had not submitte d a copy of certificat e from the auditors in respect of utilisatio n of funds during the impleme ntation period of the project for which the funds	-	-	Non Compli ance of provisi on of Regula tion 56(1)(a ) and (d) of SEBI (LODR )	-	The Management response is self explanatory they have taken on recod observation and committed to comply the same, hence do call any further comments.	We have taken note of your point.  In relation to your observation under Regulation 56(1)(a), the company has already raised requirement with Statutory Auditor for Utilization Certificate and the same will be submitted to the Debenture Trustee along with Financial/Auditor Report as soon as it is submitted to Stock Exchange.  In relation to your observation under Regulation 56(1)(d), going forward the Company will submit the Auditor Certificate in	-

	<p>regarding maintenance of hundred percent security cover or higher security cover as per the terms of offer document/ Information Memorandum and/or Debenture Trust Deed, including compliance with all the covenants, in respect of listed non-convertible debt securities, by the statutory auditor, along with the financial results, in the manner and format as specified by the Board.</p>		<p>have been raised and there was delay in submission on a half-yearly certificate regarding maintenance of hundred percent security cover for half year ended September 30, 2022.</p>					<p>relation to security cover, along with Financial Results to the Debenture Trustee immediately as soon as it is submitted to Stock Exchange.</p>		
<b>d</b>	<p>The Company shall submit a quarterly compliance report on corporate governance in the format as specified by the Board from time to time to the recognised stock exchange(s) within twenty one days from the end of each quarter.</p>	<p>Regulation 27(2)(a) of SEBI (LODR)</p>	<p>Corporate Governance report filed with NSE for all quarters, category of chairpersons as required as per CG report was not specified for both Board and Committee.</p>	-	-	<p>Non Compliance of provision of Regulation 27(2)(a) of SEBI (LODR)</p>	-	<p>The Management response is self explanatory they have taken on record observation and going forward committed to comply the same, hence do call any further comments.</p>	<p>In terms of compliances with respect to Regulation 27(2)(a), the details were filled of Chairperson/designation basis our understanding and interpretation. However, we have noted your suggestion on specific mention about Chairperson, which we shall follow going forward.</p>	-

e	A copy of the financial results submitted to stock exchanges shall also be provided to Debenture Trustees on the same day.	Regulation 52(1) proviso of SEBI (LODR)	There was a delay in submission of copy of the financial result for June 2022 quarter to Debenture Trustee.	-	-	Non Compliance of provision of Regulation 52(1) of SEBI (LODR)	-	The Management response is self explanatory they have taken on record observation and going forward committed to comply the same, hence do call any further comments.	We have taken note of your point.  Going forward the Company will submit the Financial Results to the Debenture Trustee immediately as soon as it is submitted to Stock Exchange.	-
f	The Company shall within five working days prior to the beginning of the quarter provide details for all the non-convertible securities for which interest/dividend/principal obligations shall be payable during the quarter, to the Stock Exchange.	Regulation 57(4) of SEBI (LODR)	The submission of disclosure for quarter ended June, 2022 and December 2022, was made before five working days prior to the beginning of the quarter.	-	-	Non Compliance of provision of Regulation 57(4) of SEBI (LODR)	-	The Management response is self explanatory they have taken on record observation and going forward committed to comply the same, hence do call any further comments.	We have taken note of your point.  Going forward the Company will submit the said report to the Stock Exchange within five working days prior to the beginning of the quarter.	-
g	The Company shall submit to the stock exchange(s), along with the quarterly financial results, a statement indicating the utilisation of the issue proceeds of non-convertible securities, in such format as may be specified by the Board, till such proceeds of issue have been fully utilised or the purpose for which the proceeds were raised has been achieved and shall also submit a statement	Regulation 52(7)&7(a) of SEBI (LODR)	The submission of disclosure for quarter ended December 2022 and March 2023, was made in advance before the submission of financial result and also in all disclosure made during the year in the column of fund	-	-	Non Compliance of provision of Regulation 52(7) & 7(a) of SEBI (LODR)	-	The Management response is self explanatory they have taken on record observation and going forward committed to comply the same, hence do call any further comments.	We have taken note of your point.  Going forward the Company will submit the utilization statement along with Financial result (no separate advance submission will be done). Statement will be updated with Utilization Amount instead of Utilization Date.	-

	disclosing material deviation(s) (if any) in the use of issue proceeds of non-convertible securities from the objects of the issue, in such format as may be specified by the Board, till such proceeds have been fully utilised or the purpose for which the proceeds were raised has been achieved.		utilised instead of amount utilized, the date of utilisation of fund have been reported						
--	---	--	---	--	--	--	--	--	--

#### Annexure B

Sr No.	Remark	Management Reply
1	In Notice of (e-AGM through VC) dated August 08, 2022, the disclosures and framework related to VC as provided in MCA General Circular No.14/2020 dated 8th April, 2020 is not provided	We have taken note of your observation. As such there are no public shareholder, and therefore, this was not followed. However, we shall follow the same going forward.
2	The Company has not maintained/updated MBP-4 Register of contracts or arrangements in which directors are interested as required under Section 189 read with rule 16 of Companies (Meetings of Board and its Powers) Rules, 2014	
3	There is following discrepancy in Form PAS-3 filed in respect of Preferential Allotment wherein (a) List of allottees attached in all Form PAS-3 filed in respect of Preferential Allotment does not contain the occupation of allottees (b) One Form PAS-3 filed with ROC in attachment in Part A of List of Allottee and Part A of Form PAS-5 are not missing (c) Further Form PAS-3 filed after 29-09-2022 include the copy of shareholder resolution dated 23-09-2021 earlier years instead of shareholder resolution dated 29-09-2022 of current year	We have taken note of the comments. Going forward, we will ensure that, requisite formats as per regulation are being adhered to. With respect to resolution, we will check with secretarial team before filing for any change in the resolution.

#### Annexure-C

Sr No.	Regulation of SEBI LODR	Particular	Amount of Fine	Fine Payment Status
1.	50 (1)	The Company is required to provide prior intimation to the stock exchange(s) at least eleven working days before the date on and from which the interest on debentures and bonds, and redemption amount of redeemable shares or of debentures and bonds shall be payable. NSE has highlighted delay in this reporting for 7 events.	7,000.00	Paid
2.	57 (1)	The Company is required to give notice in advance of at least seven working days to the stock exchange(s) of the record date. NSE has highlighted delay in this intimation to them for 1 event.	67,000.00	Paid

3.	60 (2)	The Company is required to submit a certificate to the stock exchange within two days of the interest or principal or both becoming due that it has made timely payment of interests or principal obligations or both in respect of the non-convertible debt securities. NSE has highlighted delay in this intimation to them for 5 events.	10,000.00	Paid
4.	50 (1)	The Company is required to give prior intimation to the stock exchange at least two working days in advance, excluding the date of the intimation and the date of the meeting of the board of directors, about the Board meeting in which financial results viz. quarterly or annual is to be considered. There was a delay of one day in respect of prior intimation to stock exchange about the Board meeting held on November 11, 2022.	5,000.00	Paid

#### ANNEXURE D

To,  
The Members,  
**CITICORP FINANCE (INDIA) LIMITED**

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For VKMG & Associates LLP**  
**Company Secretaries**  
**FRN: L2019MH005300**

**Sd/-**  
**Vijay Babaji Kondalkar**  
**Partner**  
**ACS-15697**  
**CP-4597**  
**PRN:1279/2021**

**Date: 11.08.2023**

**Place: Mumbai**

**UDIN: A015697E000791626**

## Annexure III

### Corporate Governance Report

#### **Pursuant to Schedule V of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulations, 2015**

Corporate Governance is about promoting fairness, transparency, accountability, commitment to values, ethical business conduct and about considering all stakeholders' interest while conducting business.

In accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto, given below is the Corporate Governance Report of the Company for the Financial Year 2022-2023.

#### **(1) COMPANY'S PHILOSOPHY**

Corporate Governance is a reflection of principles entrenched in our values and policies and also embedded in our day-to-day business practices, leading to value driven growth. Ethical dealings, transparency, fairness, disclosure and accountability are the main thrust of the working of the Company.

The Corporate Governance framework of the Company is based on the following key principles:

- Establishing strategic objectives and a set of corporate values that are communicated throughout the organization;
- Setting and enforcing clear lines of responsibility and accountability throughout the organization;
- Ensuring that board members are qualified for their positions, have a clear understanding of their role in corporate governance and are not subject to undue influence from management or outside concerns;
- Ensuring that compensation approaches are consistent with the Company's ethical values, objectives, strategy and control environment;
- Ensuring an environment supportive of sound corporate governance.

#### **(2) BOARD OF DIRECTORS**

The Board of the Company comprises of combination of Executive, Non-Executive and Independent Directors. The Board is at the core of corporate governance practice and oversees and ensures that the Management serves and protects the long-term interest of all our stakeholders/clients. The Company believe that an active, well-informed and Independent Board is necessary to ensure the highest standards of corporate governance.

##### **(a) Composition and category of directors**

The Composition of the Board is in compliance with the provisions of Companies Act, 2013 and Securities and Exchange Board of India (Listing obligations and Disclosure Requirements), Regulation, 2015. As on March 31, 2023, the Board of the Company consisted of five directors, of which one is executive director (woman director) and 4 (of which 1 is a woman director) are non-executive directors including two independent directors.

None of the Directors of your Company are related to each other.

Below details as on March 31, 2023:

S. No	Name	Designation	Executive / Non Executive / Chairman / Independent	DIN	Directorships	Name of directorship in other listed entities
1	Ms. Nina Nagpal	Managing Director	Executive	00138918	2	India Infradebt Limited (Nominee Director)
2	Mr. Rajeev Mantri	Director	Non-Executive	09367771	2	NA
3	Ms. Anuradha Choudhury	Director	Non-Executive	08389469	-	NA
4	Mr. Deepak Ghaisas	Independent Director	Independent	00001811	9	Minspace Business Parks REIT (Independent Director)
5	Mr. Saurabh Shah	Independent Director	Independent	02094645	2	GRP Limited (Director)

No Director is inter-se related to any other Director on the Board nor is related to the other Key Managerial Personnel of the Company.

Basis declaration received from Independent Directors, the Board confirm that Independent Directors fulfill the conditions specified in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 and are independent of the management.

The Board confirmed that none of the Independent Directors have resigned before the expiry of their tenure.

#### **(b) Meeting of Board of Directors**

The Company Secretary in consultation with Managing Director prepares a detailed agenda for the meetings. The Board members have access to all the relevant information of the Company. The Board papers, agenda and explanatory notes are circulated to the directors well in advance and are made available in a digital form. The members of the board are free to recommend inclusion of any matter in the agenda for discussion.

During the Financial Year 2022-23, the Board of Directors met 7 (Seven) times on May 30, 2022, August 8, 2022, November 11, 2022, December 14, 2022, February 10, 2023, February 24, 2023, and March 29, 2023. The requisite quorum was present for all the Meetings. The maximum time gap between any two Meetings was not more than one hundred and twenty days. During the year, the Board met at regular intervals to discuss and decide on various business, policy matters and regulatory requirements of the Company.

S. No	Name	Designation	Number of Board Meetings		Whether attended last AGM held on September 29, 2022
			Held	Attended	

1	Ms. Nina Nagpal	Managing Director	7	7	Yes
2	Mr. Rohit Ranjan*	Director	7	4	Yes
3	Ms. Anuradha Choudhury*	Director	7	5	NA
4	Mr. Neeraj Kumar*	Director	7	2	No
5	Mr. Rajeev Mantri	Director	7	7	No
6	Mr. Deepak Ghaisas	Independent Director	7	6	No
7	Mr. Saurabh Shah	Independent Director	7	7	No

\* Neeraj Kumar and Rohit Ranjan resigned from the directorship of the company w.e.f. October 31, 2022 and March 1, 2023 respectively. Anuradha Choudhury was appointed as an Additional Director of the Company w.e.f. November 1, 2022. Further, w.e.f. December 9, 2022 designation of Anuradha has been changed from Additional Director to Director.

### **Meetings of Independent Directors**

Schedule IV of the Companies Act, 2013 and the Rules thereunder mandate that the Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of the Management to:

- (a) review the performance of non-independent directors and the Board as a whole;
- (b) review the performance of the Chairperson of the Company, taking into account the views of executive directors and non- executive directors;

The Company's Independent Directors met once on December 10, 2022 to review the performance of non-independent directors, board as a whole and chairperson of the board meeting.

### **Meeting of Chief Risk Officer (CRO) and Chief Compliance Officer (CCO) with Board without the presence of Managing Director**

Pursuant to RBI circular on Risk Management System – Appointment of Chief Risk Officer (CRO) for NBFCs DNBR (PD) CC. No.099/03.10.001/2018-19, CRO and Board met four times during the year on May 30, 2022, August 8, 2022, December 14, 2022 and February 10, 2023 without the presence of Managing Director.

Pursuant to RBI circular on Compliance Function and Role of Chief Compliance Officer (CCO)- NBFCs dated April 11, 2022 which is effective from October 1, 2023, the CCO and Board met two times during the year on December 14, 2022 and February 10, 2023 without the presence of Managing Director.

### **(c) Details of Shares/convertible instrument of the Company held by the non- executive directors as on March 31, 2023**

S. No.	Name	Category	No of Equity Shares	Remark
1	Mr. Rohit Ranjan	Director (resigned w.e.f. March 1, 2023)	1	Citibank Overseas Investment Corporation jointly with Mr. Rohit Ranjan (non-beneficial interest)

### **(d) Familiarisation programme of the Independent Directors**



The Independent Directors have been familiarized with the Company, its operations, business, industry and environment in which it functions and the regulatory environment applicable to it along-with their roles, rights and responsibilities in the Company at the time of their appointment.

Further, on an ongoing basis, the Company endeavors to keep the Board including Independent Directors abreast with matters relating to the industry in which Company operates, its business model, risk metrics, mitigation and management, governing regulations, information/cyber security, their roles, rights and responsibilities and major developments and updates on the Company and group, etc.

During the Financial Year 2022-2023, the directors were updated extensively on the following through presentations at Board/Committee meetings:

- Regulatory/Statutory changes having a bearing on industry and Company's business model;

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

The details of the familiarization program of the Independent Directors and program attended by the Independent Directors are available on the website of the Company at <https://www.citicorpfinance.co.in/CFIL/assets/Jan16/pdf/Familiarisation-program.pdf>.

#### (e) Board skills/expertise/competence matrix

The Board have identified the following parameters with respect to the skill/expertise/competence that are available with the Board in the context of the business and sector for it to function effectively:

Directors	Industry Knowledge/ Experience		Technical Skills/Experience				Behavioral Competencies	
	NBFCs knowledge	Understanding of Laws and Regulations	Accounting and Finance	Risk Management	Strategic Management	Governance	Leadership and Mentoring Skills	Interpersonal Relations
Nina Nagpal	√	√	x	√	√	√	√	√
Rohit Ranjan	√	√	√	√	√	√	√	√
Neeraj Kumar	√	√	x	√	√	√	√	√
Rajeev Mantri	√	√	√	√	√	√	√	√
Deepak Ghaisas	√	√	√	√	√	√	√	√
Saurabh Shah	√	√	√	√	√	√	√	√
Anuradha Choudhury	√	√	√	√	√	√	√	√

#### (f) Opinion of the Board



The Board hereby confirms that, in its opinion, the independent directors fulfil the conditions specified under the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulations, 2015 and are independent of the management of the Company.

**(g) Resignation of an independent director**

Not applicable as no Independent Director has resigned during the Financial Year 2022-23.

**(3) COMMITTEE DETAILS**

The Board of the Company functions either as a full Board or through various Committees constituted to oversee specific operational areas. The Board has constituted eight Committees, namely, Nomination and Remuneration Committee, Audit Committee, Debenture Issuance and Allotment Committee, Asset-Liability Committee (ALCO), Risk Management Committee (RMC), Corporate Social Responsibility (CSR) Committee, Stakeholder's Relationship Committee and IT Strategy Committee. Details of the Committee are as follows:

**(i) Audit Committee**

The Committee's composition meets with the requirement of Section 177 of the Companies Act, 2013, Regulation 70 (1) of Reserve Bank of India -Master Direction for Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Composition:**

The composition of the Audit Committee as on March 31, 2023 is as under:

- d) Ms. Nina Nagpal, Managing Director
- e) Mr. Deepak Ghaisas, Independent Director
- f) Mr. Saurabh Shah, Independent Director

**Brief Description of Terms of Reference:**

The purpose of establishing the Committee is to assist the Board in fulfilling its oversight responsibility relating to:

- (i) the integrity of [consolidated] financial statements and financial reporting process and systems of internal accounting and financial controls;
- (ii) the performance of Internal Audit ("Internal Audit")
- (iii) providing any concerns or recommendations to the Citigroup Audit Committee regarding the annual independent integrated audit of [consolidated] financial statements and effectiveness of internal control over financial reporting, the engagement of the independent registered public accounting firm ("Independent Auditors") and the evaluation of the Independent Auditors' qualifications, independence and performance, where feasible for the local team;
- (iv) policy standards and guidelines for risk assessment and risk management;
- (v) the compliance by with local legal and regulatory requirements, including disclosure controls and procedures, and
- (vi) the fulfilment of the other responsibilities set out herein. All of the responsibilities under this Charter are promulgated by the Citigroup and Citibank, N.A. Audit Committees Charters as supplemented by local law and regulation.

The role of the Audit Committee primarily relate to oversight of the Company's financial reporting process, disclosure of financial information and appointment / re-appointment of the statutory

auditors approve or any subsequent modification of transactions of the company with related parties.

It would include ensuring compliance to the internal control systems and review the financial statements which are presented to the Board for their consideration.

While the Committee has the responsibilities and powers set forth in its Audit Committee Charter, it is not the duty of the Committee:

- a) to plan or conduct audits or
- b) to determine that **the Company's** financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations.

These are the responsibilities of the Independent Auditors and management, respectively. The Committee may take into consideration the Independent Auditor's views and matters communicated to it by the Independent Auditors while reporting to the Board.

**Meetings and Attendance during the year:**

During the Financial Year 2022-23, the Audit Committee met 4 (four) times. Meetings of Audit Committee were held on May 30, 2022; August 8, 2022; November 11, 2022 and February 10, 2023.

The details of members attendance are as under:

Name of Members and Chairperson	Category	Date of Meetings				Total Meetings attended
		May 30, 2022	August 8, 2022	November 11, 2022	February 10, 2023	
<b>Chairperson</b>		Deepak Ghaisas	Deepak Ghaisas	Deepak Ghaisas	Deepak Ghaisas	-
Nina Nagpal, Managing Director	Member	√	√	√	√	4
Deepak Ghaisas, Independent Director	Member (elected as Chairperson in each meeting)	√	√	√	√	4
Saurabh Shah, Independent Director	Member	√	√	√	√	4

**(ii) Nomination and Remuneration Committee**

The constitution of the Nomination and Remuneration Committee is in compliance with the provisions of section 178(1) of the Companies Act, Regulation 70 (2) of Reserve Bank of India Master Direction for Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Composition:**

The composition of Nomination and Remuneration Committee as on March 31, 2023 is as under:

- a) Ms. Anuradha Choudhury, Director
- b) Mr. Deepak Ghaisas, Independent Director
- c) Mr. Saurabh Shah, Independent Director

**Brief Description of Terms of Reference:**

The primary role of the committee is:

1. To formulate criteria for determining qualification, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees, for evaluation of performance of independent directors and the board of directors;
2. To devise a policy on diversity of board of directors;
3. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
4. To decide whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
5. The Committee ascertains the “fit and proper” status of the existing as well as the proposed directors;
6. It ensures that self-declaration is obtained from every director (existing or proposed) in the prescribed format.
7. To take any other matter as required by the Board from time to time or as required under the Companies Act, 2013, or any rules framed there- under or under RBI Regulation, SEBI Regulation or any other law for the time being in force.

The Committee will also recommend a policy relating to the remuneration of the directors, key managerial personnel and other employees.

Additionally, it ensures that Statutory/Regulatory declarations are obtained from every director (existing or proposed) in the prescribed format.

**Meetings and Attendance during the year:**

During the Financial Year 2022-23, the Nomination and Remuneration Committee met 2 (Two) times. Meetings of Nomination and Remuneration Committee (NRC) were held on September 20, 2022 and February 10, 2023.

Name of Members and Chairperson	Category	Date of the Meetings		Total Meetings attended
		September 20, 2022	February 10, 2023	

	<b>Chairperson</b>	Deepak Ghaisas	Deepak Ghaisas	
Neeraj Kumar*, Director	Member	√	X	1
Anuradha Choudhury*, Director	Member	X	√	1
Deepak Ghaisas, Independent Director	Member (elected as Chairperson in each meeting)	√	√	2
Saurabh Shah, Independent Director	Member	√	√	2

\*Neeraj Kumar resigned as Director of the Company w.e.f. October 31, 2022 and Anuradha Choudhury was inducted as an NRC member on November 11, 2022.

### **Performance evaluation criteria for Independent Directors**

The performance evaluation criteria for Independent Directors are determined by the Nomination and Remuneration Committee basis requirement provided in the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015. An indicative list of factors on which evaluation was carried out includes participation and contribution by a director, managing relationship, knowledge and skill, leadership standard, personal attributes, and independence of behavior and judgment.

### **(iii) Stakeholder Relationship Committee**

The Stakeholder Relationship Committee is framed as per Regulation 20 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulations, 2015.

### **Composition:**

The composition of Stakeholder Relationship Committee as on March 31, 2023 is as under:

- a) Ms. Nina Nagpal, Managing Director, Member
- b) Ms. Anuradha Choudhury, Director, Member
- c) Mr. Deepak Ghaisas, Independent Director, Member (elected as Chairperson in December 2022 meeting)

During the year, the Committee met once on December 14, 2022 and the meeting was chaired by Deepak Ghaisas.

Mr. Sameer V. Upadhyay, Company Secretary, acts as the Compliance Officer for Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulations, 2015 perspective.

### **Brief Description of Terms of Reference:**

The role of the Committee is as follows:

1. To resolve the grievances of the security holders of the Company including complaints related to issue/ allotment/ transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends/interest, issue of new/duplicate certificates, general meetings etc.;
2. To review of measures taken for effective exercise of voting rights by shareholders;

3. To review adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. To review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/interest/annual reports/statutory notices by the shareholders of the Company.

During the year Financial Year 2022-23, the Committee has not received any complaints /grievance from stakeholders.

#### **(iv) Risk Management Committee (RMC)**

As required by the Reserve Bank of India, the Company has constituted a Risk Management Committee (RMC) which meets on a quarterly frequency. This Committee comprises of Board of directors including Independent Director and key management functionaries.

#### **Composition:**

The composition of Risk Management Committee as on March 31, 2023 are as under:

- a) Ms. Nina Nagpal, Managing Director
- b) Ms. Anuradha Choudhary, Director
- c) Mr. Saurabh Shah, Independent Director
- d) Ms. Neha Sharma, Chief Compliance Officer
- e) Ms. Swati Vatsa, Chief Risk Officer

Please note the following:

1. Mr. Kedar Kadam resigned as Chief Compliance Officer of the Company w.e.f January 29, 2023 and Ms. Neha Sharma was appointed as Compliance Officer of the Company w.e.f. February 10, 2023.
2. Mr. Ankit Goyal resigned as Chief Financial Officer of the Company w.e.f September 7, 2022 and Mr Ruchit Jain was appointed as Chief Financial Officer of the Company w.e.f from February 10, 2023
3. Mr. Vaibhav Gupta resigned as Chief Risk Officer of the Company w.e.f January 31, 2023 and Ms. Swati Vatsa was appointed as Chief Risk Officer of the Company w.e.f from Feb 1st, 2023

#### **Brief Description of Terms of Reference:**

The term of reference of the Risk Management Committee primarily includes the following:

- (1) Formulation of risk management policy which shall include: (a) Framework for identification of internal and external risks specifically faced by the entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee. (b) Measures for risk mitigation including systems and processes for internal control of identified risks. (c) Business continuity plan
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
- (4) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.

**Meetings and Attendance during the year:**

During the Financial Year 2022-23, the Risk Management Committee met 4 (Four) times. Meetings of Risk Management Committee were held on June 17, 2022; September 23, 2022; December 5, 2022, and February 27, 2023.

Name of Members and Chairperson	Category	Date of Meetings				Total Meetings attended
		June 17, 2022	September 23, 2022	December 05, 2022	February 27, 2023	
	<b>Chairperson</b>	<b>Nina Nagpal</b>	<b>Nina Nagpal</b>	<b>Nina Nagpal</b>	<b>Nina Nagpal</b>	
Nina Nagpal, Managing Director,	Member (elected as Chairperson in each meeting)	✓	✓	✓	✓	4
Neeraj Kumar <sup>1</sup> / Anuradha Choudhary, Director	Member	✓	✓	✓	✓	4
Saurabh Shah, Independent Director	Member	✓	✓	✓	✓	4
Vaibhav Gupta <sup>2</sup> / Swati Vatsa, Chief Risk Officer	Member	✓	✓	✓	✓	4
Ankit Goyal <sup>3</sup> / Ruchit Jain, Chief Financial Officer	Member	✓	X	X	X	1
Kedar Kadam <sup>4</sup> / Neha Sharma, Compliance Officer	Member	✓	✓	✓	✓	4
Kanupriya Sethi, Treasury and Markets	Member	✓	✓	x	✓	3
Achin Jain <sup>5</sup> / Minal Gandhi, Corporate lending Lead	Member	✓	✓	x	✓	3
Swanand Sapre <sup>6</sup> / Smita Waghmare, Mid and Small Segment Lending Lead	Member	✓	✓	x	✓	3

Ashutosh Pandey <sup>7</sup> / Sejal Patani, CFIL Internal Auditor	Member	✓	✓	✓	X	3
Deepak Singh, CFIL Legal	Member	✓	✓	✓	X	3
Ashutosh Sharma*, ABF Risk Manager	Member	x	✓	✓	✓	3
Naresh Shah*, ABF Risk Manager	Member	✓	✓	✓	✓	3
Anurag Jain, CFIL PNO	Member	✓	✓	✓	X	3
Shikha Didwania, CFIL Corporate Treasury	Member	x	✓	✓	✓	3
Sameer Khadilkar <sup>8</sup> / Chirag Joshi, CFIL AML Compliance Manager	Member	✓	x	x	✓	2
Sameer Upadhyay, CFIL Company Secretary	Member	✓	✓	✓	✓	4
Arjun Swarup, Strategy & Governance Officer	Member	✓	✓	✓	✓	4
Amita Tomar, CFIL HR Manager	Member	x	✓	✓	X	2
Manzoor Ahmed*, Consumer Business Head	Member	✓	x	✓	X	2

*Note: Membership of RMC has undergone change in Feb 2022, post revision of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015. According to revised Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, Director (including one Independent Director), Chief Financial Officer, Chief Risk Officer and Compliance Officer can be member.*

*\*Consumer Business got divested w.e.f March 1, 2023.*

*1. Neeraj Kumar resigned w.e.f October 31, 2022*

*2 Vaibhav Gupta resigned w.e.f. January 31<sup>st</sup>, 2023*

*3 Ankit Goyal resigned w.e.f September 7, 2022*

*4 Kedar Kadam resigned w.e.f January 23, 2023*

*5 Achin Jain resigned w.e.f December 31, 2022*

*6 Swanand Sapre resigned w.e.f. December 07, 2022.*

*7 Sameer Khadilkar resigned w.e.f. Aug 17, 2022.*

**(v) Assets Liability Committee (ALCO)**

The ALCO is formed as per the requirement of Reserve Bank of India- Master Direction - Non-





Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

**Composition:**

The composition of ALCO Committee as on March 31, 2023 are as under:

Function / Position	Name
Managing Director	Nina Nagpal
Chief Risk Officer	Swati Vatsa
Chief Financial Officer	Ruchit Jain
Market Treasury	Kanupriya Sethi
Corporate Treasury	Shikha Didwania

**Brief Description of Terms of Reference:**

The role of the ALCO with respect to liquidity risk includes, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions of the Company.

In addition, ALCO is responsible for monitoring market risk management systems compliance with the asset liability management policy and prudent gaps and tolerance limits and reporting systems set out by the Board of Directors and ensuring adherence to the RBI guidelines issued in this behalf from time to time.

The Committee is also responsible for monitoring on a periodic basis, the coupon at which long-term and short-term debts are raised by the Company and other listed NBFCs to observe any deterioration at which the Company is raising its debt. ALCO shall also monitor any breaches/penalties in respect of regulatory liquidity requirements, if any and report the same to the Board/RMC.

The Asset Liability Committee (ALCO) shall also be responsible to perform the following:

- Review the periodic funding plan basis the asset projections given by the business units and the liquidity requirements of the Company.
- To decide on the resource planning which should cover the planning horizon.
- Any deviation to periodicity of the private placement will be approved by any one director of the Board of the Company and will be ratified in the next ALCO meeting.
- To review regulatory updates relating to the NCD issuance process.

The has a monthly ALCO meeting process in terms of review of Loan / borrowing book and liquidity positions.

**Meetings and Attendance during the year:**

During the Financial Year 2022-23, the Committee met 11 (eleven) times. Meetings of ALCO were held on April 19, 2022; May 27, 2022; June 21, 2022; July 29, 2022; August 29, 2022, September 21, 2022; November 24, 2022; December 23, 2022; January 31, 2023; February 27, 2023 and March 23, 2023.

Name of Members and Chairperson	Category	Date of Meetings											Total Meetings attended	
		April 19, 2022	May 27, 2022	June 21, 2022	July 29, 2022	August 29, 2022	September 21, 2022	November 24, 2022	December 23, 2022	January 31, 2023	February 27, 2023	March 23, 2023		
	<b>Chairperson</b>	<b>Nina Nagpal</b>												
Nina Nagpal, Managing Director	Member (elected as chairperson at each meeting)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		11
Vaibhav Gupta*, Chief Risk Officer	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	-		9
Swati Vatsa*, Chief Risk Officer	Member	-	-	-	-	-	-	-	-	-	✓	✓		2
Ankit Goyal*, Chief Financial Officer	Member	✓	✓	✓	✓	✓	-	-	-	-	-	-		5
Ruchit Jain*, Chief Financial Officer	Member	-	-	-	-	-	-	-	-	-	✓	✓		2
Kanupriya Sethi, Market Treasury	Member	NM	✓	✓	✓	X	✓	✓	✓	✓	✓	✓		9

Shikha Didwania, Corporate Treasury	Member	NM	NM	NM	√	√	√	√	√	√	√	√	8
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\*CRO Vaibhav Gupta resigned during Feb'23 and Swati Vatsa joined in Feb'23  
CFO Ankit Goyal resigned during Sep'22 and later Ruchit Jain joined in Feb'23

**(vi) Corporate Social Responsibility Committee (“CSR”)**

For details of CSR Committee (like composition, meetings held during the financial year 2022-23 and attendance of the Committee Members) please refer Annexure III i.e. Annual Report on Corporate Social Responsibility.

**(vii) IT Strategy Committee**

Pursuant to the Reserve Bank of India Regulations, the Company has constituted IT Strategy Committee w.e.f. June 29, 2018.

**Composition:**

The composition of IT Strategy Committee as on March 31, 2023 is as under:

- Mr. Deepak Ghaisas - Independent Director
- Nina Nagpal- Managing Director
- Mr. Sukumar Pawaskar - CTI Head
- Mr. Joshua Marbaniang - COB team Head
- Ms. Saloni Dixit- Chief Information Security Officer (CISO)
- Mr. Sandesh Moorthy – Chief Information Officer

**Meetings and Attendance during the year:**

During the Financial Year 2022-23, the Committee met 3 (three) times. Meetings of IT Strategy Committee were held on April 25, 2022, October 4, 2022 and March 23, 2023.

Name of Members and Chairperson	Category	Date of the Meetings			Total Meetings attended
		25th Apr 2022	04th Oct 2022	23rd Mar 2023	
<b>Chairperson</b>		Deepak Ghaisas	Deepak Ghaisas	Deepak Ghaisas	
Deepak Ghaisas, Independent Director	Member (elected as Chairperson at each meeting)	√	√	√	3
Nina Nagpal, Managing Director	Member	√	√	√	3
Sukumar Pawaskar, CTI Head	Member	√	√	√	3
Joshua Marbaniang, COB team Head	Member	√	√	√	3
Rajeev Soni, Chief Information Officer	Member	√	√	√	3

Darshan Vyas/Abhishek Jha(BISO)/ Sandesh Moorthy, Chief Information Security Officer (CISO)	Member	√	√	√	3
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**(viii) Debenture Issuance and Allotment Committee**

The Committee is formed basis authority given by the Board of Directors of the Company.

**Brief Description of Terms of Reference:**

1. The role of the Committee is to issue, allot and transfer debentures and ensure that at the time of issuance of debentures, all requisite resolutions are passed and necessary documentation is maintained;
2. The Committee carries out acts relating to the issue, allotment and transfer of the said redeemable non- convertible debentures including decisions relating to application to the Company Law Board (CLB) or any other regulatory agency for seeking extension of time or any other related matter and authorizing anyone to appear before the CLB for any other matter relating to debenture issue, charge creation or registration of charge or any other regulatory agency on behalf of the Company;
3. To file petition(s), documents, affirm, execute and file affidavits, applications or any other documents or paper related to the same before the Company Law Board or any other regulatory agency for seeking extension of time and / or condonation of delay, if any, in allotment of the said non-convertible debentures disposal thereof, including make corrections and alterations in the petition and application.

**Meetings and Attendance during the year:**

During the Financial Year 2022-23, the Debenture Issuance and Allotment Committee met 3 (Three) times. Meetings of Debenture Issuance and Allotment Committee were held on November 7, 2022; January 31, 2023 and March 24, 2023.

Name of Members and Chairperson	Category	Date of the Meetings			Total Meetings attended
		November 7, 2022	January 31, 2023	March 24, 2023	
<b>Chairperson</b>		Nina Nagpal	Nina Nagpal	Nina Nagpal	
Nina Nagpal, Managing Director	Member (elected as chairperson in each meeting)	√	√	√	3
Rohit Ranjan, Director*	Member	√	x	NA	1
Ruchit Jain*, Chief Financial Officer	Member	NA	NA	√	1
Kanupriya Sethi, Markets Treasury	Member	√	√	√	3
Shikha Didwani, Corporate Treasury	Member	√	√	√	3

Vidya Balaye	Head Operation	√	√	√	3
Viral Patel*	Officer Operation	√	√	NA	2
Deepan Bafna*	Designated Dealer	NA	NA	√	1

*\*Rohit Ranjan resigned as Director of the Company with effect from March 1, 2023.*

*Ruchit Jain was appointed as Chief Financial Officer with effect from February 10, 2023*

*Designated Dealer was added as a member and Officer operations was removed as a member with effect from February 10, 2023.*

## SENIOR MANAGEMENT

Particulars of senior management including the changes therein since the close of the previous financial year

Senior Management means the personnel of the Company who are members of its core management team, excluding Board of Directors, and shall comprise of the following:

As on March 31, 2023:

### A. Function Heads

1. Company Secretary – Sameer Upadhyay
2. Chief Financial Officer, - Ruchit Jain\*
3. Chief Compliance Officer, - Neha Sharma\*
4. Chief Risk Officer, - Swati Vatsa\*
5. Chief Technology/ Chief Information Officer, - Rajiv Soni
6. Internal Auditor / Chief Internal Auditor, - Sejal Patni
7. Head – Strategy and Governance – Arjun Swarup
8. Treasury Head – Corporate – Shikha Didwania
9. Head – Operations – Vidya Balaye

### B. Business Heads

1. Head – Corporate Segment – Minal Gandhi
2. Head – Commercial Segment – Smita Waghmare
3. Head – Trading- Deepan Bafna
4. Head – Equities- Aman Kumar
5. Head – Treasury Markets – Kanupriya Sethi

*\*Appointed with effect from February 10, 2023.*

## (4) REMUNERATION OF DIRECTORS

### (a) Pecuniary relationship/transaction with non-executive directors

During the Financial Year 2022-2023, Non- executive directors have not drawn any remuneration from the Company except payment of sitting fees to Independent Directors as per their terms of appointment.

### (b) Criteria of making payments to non-executive directors

During the Financial Year 2022-23, sitting fees of Rs. 1,00,000/- per meeting was paid to Independent Director (non- executive) for every meeting of the Board and/or Committee (of which they are members) attended by them. All other non- executive directors are not liable to payment/remuneration as they are not on the payroll of the Company.

**(c) Remuneration to Managing Director**

During the Financial Year 2022-23, the Company paid remuneration to Ms. Nina Nagpal, Managing Director, as provided in the Annual Return (Form MGT 7). Further The tenure of Managing Director is upto December 31, 2023. The performance pays and bonus of the Managing Director is based on the performance of the Company and her contribution towards the same. Severance amount for eligible employees is calculated as per Citi India Severance Policy.

The Company currently have no stock option plan for any director/employee.

Further, the details information about remuneration of Managing Director is available with the company.

**(5) GENERAL BODY MEETINGS**

**(a) Annual General Meeting (AGM)**

Details of AGM and special resolutions passed in the previous three AGM are as follows:

<b>Date</b>	<b>Time</b>	<b>Special Resolution Passed</b>	<b>Venue</b>
August 27, 2020	3.30 pm	a) Re-appointment of Mr. Deepak Ghaisas (DIN – 00001811) as an Independent Director  b) Re-appointment of Mr. Saurabh Shah (DIN – 02094645) as an Independent Director  c) Approval of Private Placement Offer Letter (PPOL) and Shelf Information Memorandum (S-IM) and Issuance of Debentures	Through video conference /audio visual mode at Mumbai, Maharashtra
September 23, 2021	3.00 pm	a) Re-appointment of Ms. Nina Nagpal (DIN – 00138918) as Managing Director  b) Approval of Private Placement Offer Letter (PPOL) and Shelf Information Memorandum (S-IM) and Issuance of Debentures and Other Borrowings	Through video conference /audio visual mode at Mumbai, Maharashtra
September 29, 2022		a) Approval for Issuance of Debentures	Through video conference /audio visual mode at Mumbai, Maharashtra

**(b) Extraordinary General Meeting (EGM)**

During the Financial Year 2022-23, EGM were held on June 10, 2022 and December 9, 2022.

**(c) Special resolution passed through postal ballot**

During the Financial Year 2022-23, no resolution was passed through postal ballot.

Further, none of the business proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot and accordingly the procedure for postal ballot is not required.

## (6) MEANS OF COMMUNICATION

Quarterly, half-yearly and annual financial results are published in the Free Press Journal and Navshakti (Indian National Press).

The Company's website, viz. [www.citicorpfinance.co.in](http://www.citicorpfinance.co.in), under the section of 'Investors', contains all important public domain information including financial results, various policies framed/approved by the Board, details of the contact persons, etc.

The aforesaid financial results are disseminated to the Stock Exchanges within thirty minutes from the close of the Board meetings at which these are considered and approved. Also, the Company does online filing with National Stock Exchange of India Ltd (NSE) through web based application: NEAPS (NSE Electronic Application Processing System. Presentation made to institutional investors, which includes highlights of financials, as and when required.

## (7) GENERAL SHAREHOLDER INFORMATION

### (a) Annual General Meeting for Financial Year 2022-23

<b>AGM: Date, time and venue / mode</b>	September 27, 2023 3 pm The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020/in person at Mumbai, Maharashtra.
<b>Financial Year:</b>	April 01, 2022 to March 31, 2023
<b>Dividend payment date</b>	The Management has not decided declaration of any proposed dividend yet.

### (b) Listing on Stock Exchanges

Debentures of the Company are listed on National Stock Exchange of India Limited (NSE).

Address:

National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex  
Bandra (East), Mumbai 400 051

The Company has paid the Annual Listing Fees for the year 2022-23 to NSE where the Company's debentures are listed.

### (c) Stock code:

Please refer **Annexure VII** for stock code.

### (d) Market price data- high, low during each month in last Financial Year

Not applicable as the equity shares of the Company are not listed in Stock Exchange.

### (d) Performance in comparison to broad-based indices such as BSE Sensex CRISIL Index etc.

Not applicable as the equity shares of the Company are not listed in stock exchange.

### (e) In case the securities are suspended from trading

As only debentures of the Company are listed on Stock Exchange. During the Financial Year 2022-23, the debentures of the Company were not suspended from trading.

**(f) Registrar to an issue and share transfer agents (RTA)**

Our RTA for the year under review was NSDL Database Management Limited having office at 4th Floor, Trade World, A Wing, Kamla Mills Compound, Lower Parel (W), Mumbai - 400013, Maharashtra, India

**(g) Share transfer system, dematerialization of Shares and Liquidity**

The Securities and Exchange Board of India, effective April 01, 2019, had barred physical transfer of shares of listed companies and mandated transfers only through demat. The Company has obtained International Securities Identification Number (ISIN) INE915D01015 on April 21, 2020. Shareholders can convert its shares into dematerialized form and transfer its shares through Depository Participant.

**(h) Distribution of shareholding as on March 31, 2023**

S. No	No. of shares held	No. of holders	Name of the holders	% of holders
1	1- 2,042,338,070	1	Associates Financial Services (Mauritius) LLC (“AFSM”)	52.94
2	2,042,338,071-3,857,727,026	1*	Citibank Overseas Investment Corporation (“COIC”)	47.06

\*Additionally, COIC holds shares together with 5 individual nominee shareholders.

**(i) Outstanding Global Depository Receipts (GDR) or American Depository Receipts (ADR) or warrants or any convertible instruments, conversion date and likely impact on equity**

Not applicable as the Company does not have GDR and ADR. Further, equity share of the Company are not listed on Stock Exchange.

**(j) Commodity price risk or foreign exchange risk and hedging activities**

Not applicable as the Company does not have any commodity exposure.

**(k) Plant locations**

The Company being a Non-Banking Financial hence disclosure with regard to plant location is not applicable.

**(l) Address for correspondence**

**- Head office**

First International Financial Centre,  
Plot No. C-54 & C-55, G-Block, Bandra-Kurla Complex, Bandra (East),  
Mumbai - 400 098, Maharashtra, India

**- Registered office**

B7, 5th Floor, Nirlon Knowledge Park, Goregaon (East), Mumbai – 400063,  
Maharashtra, India

**(j) Credit Ratings**

During the Financial Year 2022-23, below are the credit rating of the Company with ICRA and CRISIL.

CRISIL ratings on 13th March 2023	
Rs.700 Crore Total Bank Loan Facilities Rated	CRISIL AAA/Stable (Reaffirmed)



Rs.2000 Crore Non Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
Rs.10000 Crore Non Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
Rs.2000 Crore Short Term Deposit	CRISIL A1+ (Reaffirmed)
Rs.2000 Crore Short Term Deposit	CRISIL A1+ (Reaffirmed)
<b>CRISIL ratings on 23rd Dec 2022</b>	
Rs.700 Crore Total Bank Loan Facilities Rated	CRISIL AAA/Stable (Reaffirmed) /CRISIL A1+ (Reaffirmed)
Rs.2000 Crore Non Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
Rs.10000 Crore Non Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
Rs.2000 Crore Short Term Deposit	CRISIL A1+ (Reaffirmed)
Rs.2000 Crore Short Term Deposit	CRISIL A1+ (Reaffirmed)

<b>ICRA rating on 13<sup>th</sup> March 2023</b>			
<b>Instrument*</b>	<b>Previous Rated Amount (Rs. crore)</b>	<b>Current Rated Amount (Rs. crore)</b>	<b>Rating Action</b>
Long-term market linked debenture programme	1,241.68	1,241.68	PP-MLD[ICRA]AAA (Stable); outstanding
NCD programme	1,211.00	1,211.00	[ICRA]AAA (Stable); outstanding
Short-term debt (ICD)	2,000.00	2,000.00	[ICRA]A1+; outstanding
CP programme	4,000.00	4,000.00	[ICRA]A1+; outstanding
Long-term fund-based term loan	2,000.00	2,000.00	[ICRA]AAA (Stable); outstanding
<b>Total</b>	<b>10,452.68</b>	<b>10,452.68</b>	
<b>ICRA rating- 4th Jan 2023</b>			
<b>Instrument*</b>	<b>Previous Rated Amount (Rs. crore)</b>	<b>Current Rated Amount (Rs. crore)</b>	<b>Rating Action</b>
Long-term market linked debenture programme	1,217.68	1,217.68	PP-MLD[ICRA]AAA (Stable); reaffirmed
Long-term market linked debenture programme	535.44	-	PP-MLD[ICRA]AAA (Stable); reaffirmed & withdrawn^
Long-term market linked debenture programme	-	24	PP-MLD[ICRA]AAA (Stable); assigned
NCD programme	711	711	[ICRA]AAA (Stable); reaffirmed
NCD programme	-	500	[ICRA]AAA (Stable); assigned
NCD programme	700	-	[ICRA]AAA (Stable); reaffirmed & withdrawn^
Short-term debt (ICD)	2,000.00	2,000.00	[ICRA]A1+; reaffirmed
CP programme	4,000.00	4,000.00	[ICRA]A1+; reaffirmed
Long-term fund-based term loan	2,000.00	2,000.00	[ICRA]AAA (Stable); reaffirmed
<b>Total</b>	<b>11,164.12</b>	<b>10,452.68</b>	
<b>ICRA rating- 15th Sept'2022</b>			

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term market linked debenture programme	1,753.12	1,753.12	PP-MLD[ICRA]AAA (Stable); reaffirmed
Long-term market linked debenture programme^	153.5	-	PP-MLD[ICRA]AAA (Stable); reaffirmed & withdrawn
NCD programme	1,411.00	1,411.00	[ICRA]AAA (Stable); reaffirmed
NCD programme^	850	-	[ICRA]AAA (Stable); reaffirmed & withdrawn
Short-term debt (ICD)	2,000.00	2,000.00	[ICRA]A1+; reaffirmed
CP programme	4,000.00	4,000.00	[ICRA]A1+; reaffirmed
Long-term fund-based term loan	2,000.00	2,000.00	[ICRA]AAA (Stable); reaffirmed
<b>Total</b>	<b>12,167.62</b>	<b>11,164.12</b>	

## (8 ) OTHER DISCLOSURE

### (a) **Materially significant related party transactions having a potential conflict with the interest of the Company at large.**

Not applicable as there were no materially significant related party transactions that may have potential conflict with the interest of the Company at large.

### (b) **Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by Stock Exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years**

For details of non-compliance by the Company. penalties, strictures imposed on the listed entity by Stock Exchange(s) or the board or any statutory authority, please refer Annexure part of Secretarial Audit Report.

**Nil during the previous year ended 31 March 2022 and 2021**

### (c) **Vigil Mechanism/Whistle Blower Policy**

The Company has established a Vigil Mechanism/Whistle Blower Policy for directors and employees to report concerns about unethical behavior. During the Financial Year 2022-23, no personnel has been denied access to the Chairman of the Audit Committee. The said policy is hosted on the website at [www.citicorpfinance.co.in](http://www.citicorpfinance.co.in).

### (d) **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements**

As Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulations (fifth amendment), 2015 came into force effective September 07, 2021 and regulations are still under comply and explain regime till March 31, 2024. The Company has made best endeavour to comply with regulations (mandatory requirement and adoption of non-mandatory requirements) applicable to the Company.

### (e) **Material Subsidiary Policy**

Not applicable as the Company does not have any subsidiary.

### (f) **Web link for Related Party Transaction Policy**

The Policy on dealing with Related Party Transactions is available at Company's website at <https://www.online.citibank.co.in/CFIL/assets/pdf/CFIL-RPT-Policy.pdf>.

### (g) **Disclosure of Commodity Price Risks and Commodity Hedging activities**

Not applicable as the Company does not have any Commodity exposure

**(h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).**

As Equity shares of the Company are not listed in stock exchange hence Regulation 32 (7A) is not applicable.

**(i) Certification from Company Secretary in Practice**

VKMG & Associates, LLP, Practicing Company Secretaries, has issued a certificate as required under the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements), 2015, confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed with this section as **Annexure IV**.

**(j) Instances where the Board had not accepted any recommendation of any Committee of the Board**

During the Financial Year 2022-23, there was no instance where the Board had not accepted any recommendation of the Committee of the Board.

**(k) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.**

The total statutory fees paid to statutory auditors for the Financial Year 2022-23 are as follow:

<b>Particulars</b>	<b>FY2022-23</b>
Statutory Audit	0.35
Tax Audit	0.05
Limited Review	0.18
Reimbursement of Expenses	0.03
<b>Total</b>	<b>0.61</b>

**(l) Complaints pertaining to Sexual Harassment**

The Company is committed to provide a positive work environment free of discrimination and harassment. The Company's goal has always been to create an open and safe workplace for employees to feel empowered. In view of the same, the Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Work Place ("Policy") is made under the overall ambit of the Citi Code of Conduct and is in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Act"). The Policy defines the scope of Sexual Harassment towards women at workplace and articulates the approach of raising issues and the redressal mechanism in the event of occurrence of sexual harassment towards women being reported.

Under the said policy (also covering the requirement of the POSH Act), the Company has an Internal Committee (IC).

- a. number of complaints filed during the financial year: Nil
- b. number of complaints disposed of during the financial year: Nil
- c. number of complaints pending as on end of the financial year: Nil

**(m) Disclosure by Listed Entity and its Subsidiaries of 'Loans and Advances in the nature of loans to firms/companies in which directors are interested by name and amount**

Not applicable as during the Financial Year 2022-23, the Company has not provided any Loan and Advances.

## 9. DETAILS OF NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT

As Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulation (fifth amendment), 2015 came into force effective September 07, 2021 and regulations are under comply and explain regime till March 31, 2024. The Company has made best endeavour to comply regulations applicable to the Company.

Further, to the best of the knowledge of the Company there has been no instance of non-compliance of any requirement of the Corporate Governance Report.

## 10. COMPLIANCE OF MANDATORY AND DISCRETIONARY REQUIREMENTS

### (1) Mandatory Requirement

Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulation (fifth amendment), 2015 came into force effective September 07, 2021 and regulations are under comply and explain regime till March 31, 2024. The Board of Directors periodically reviews the compliance of revised Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulations, 2015.

The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clause (1) of regulation 62 shall be made in the section on corporate governance of the annual report.

<i>Sr. No.</i>	<i>Particulars</i>	<i>Regulations</i>	<i>Brief Descriptions of the Regulations</i>	<i>Compliance status as on March 31, 2023 (Yes/No/NA)</i>
1	Board of Directors	17(1), 17(1A), &	Composition of Board	Yes
		17(2)	Meeting of Board of Directors	Yes
		17(2A)	Quorum of Board Meeting	Yes
		17(3)	Review of Compliance Reports	Yes
		17(4)	Plans for orderly succession for appointments	Yes
		17(5)	Code of Conduct	Yes
		17(6)	Fees/Compensation to the Non-Executive Directors	Yes
		17(7)	Minimum Information to be placed before the Board	Yes
		17(8)	Compliance Certificate	Yes
		17(9)	Risk Assessment & Management	Yes
		17(10)	Performance Evaluation of Independent Directors	Yes
17(11)	Special Business at General Meetings to be recommended by Board of Directors	Yes		

		17A	Maximum number of Directorships	Yes
2	Audit Committee	18(1)	- Composition of Audit Committee - Presence of the Chairman of the Committee at the Annual General Meeting	-Yes - Mr. Deepak Ghaisas – chairman of Committee was unable to attend the last annual general meeting held in Sept 2022 due to personal exigency. Further, this requirement was not under mandatory compliance in September 2022.
		18(2)	Meeting of Audit Committee	Yes
		18(3)	Role of the Committee and Review of information by the Committee	Yes
3	Nomination & Remuneration Committee	19(1) & (2)	Composition of Nomination & Remuneration Committee	Yes
		19(2A)	Quorum of Nomination and Remuneration Committee Meeting	Yes
		19(3)	Presence of the Chairman of the Committee at the Annual General Meeting	Mr. Deepak Ghaisas – chairman of Committee was unable to attend the last annual general meeting held in Sept 2022 due to personal exigency. Further, this requirement was not under mandatory compliance in September 2022.
		19 (3A)	Meetings	Yes
		19(4)	Role of the Committee	Yes
4	Stakeholder Relationship Committee	20(1),(2) & (2A)	Composition of Stakeholder Relationship Committee	Yes
		20(3)	Presence of the Chairman of the Committee at the Annual General Meeting	Mr. Deepak Ghaisas – chairman of Committee was unable to attend the last annual general meeting held in Sept 2022 due to personal exigency. Further, this requirement was not under mandatory compliance in September 2022.
		20(3A)	Meeting	Yes
		20(4)	Role of the Committee	Yes
5	Risk Management Committee	21(1), (2) & (3)	Composition of Risk Management Committee	Yes
		21(3A), (B) &	Meeting	Yes
		21(4)	Role of the Committee	Yes

6	Vigil Mechanism	22	<ul style="list-style-type: none"> <li>- Vigil Mechanism and Whistle-Blower Policy for Directors and employees</li> <li>- Adequate safeguards against victimization</li> <li>- Direct access to the Chairman of Audit Committee</li> </ul>	Yes
7	Related Party Transactions	23(1)	Policy for Related Party Transaction	Yes
		23(2)	Prior approval of Audit Committee for all Related Party Transactions	Yes
		23(3)	Omnibus approval of Audit Committee for Related Party Transactions and review of transaction by the Committee	Yes
		23(4)	Approval for Material Related Party Transactions	N.A. Citicorp Finance (India) Limited is closely held public company whereby the shareholders fall under the definition of related parties. As provided under Reg. 23 related parties cannot vote on the resolution. Accordingly, considering the constraint, we treat this as not applicable.
		23(9)	Disclosure of related party transactions on consolidated basis	Yes
8	Corporate governance requirements with respect to Subsidiaries of the Company	24(1)	Composition of Board of Directors of Unlisted Material Subsidiary	NA
		24(2),(3),(4),(5) & (6)	Other Corporate Governance requirements with respect to Subsidiary including Material Subsidiary of Company	NA
9	Secretarial Audit	24A	Secretarial Audit of Company, Obtaining Annual Secretarial Compliance Report and Secretarial Audit Report Annexed with Annual Report	Yes
10	Obligations with respect to Independent	25(1)	No Alternate Director for Independent Directors	NA

	Directors	25(2) & (2A)	Maximum Directorship & Tenure and Appointment and Re-Appointment of Independent Director	Yes
		25(3)	Meeting of Independent Directors	Yes
		25(4)	Agenda for meeting of Independent Directors	Yes
		25(6)	Replacement of Independent Director upon Resignation/Removal.	NA
		25(7)	Familiarization of Independent Directors	Yes
		25(8) & (9)	Declaration of Independence by Independent Directors and Board to take note of such declaration.	Yes
		25(10)	D & O Insurance for Independent Directors	Yes
			25(11)	Appointment of Independent Director in compliance with regulation 25(11)
11	Obligations with respect to employees including senior management, key managerial persons, directors and promoters	26(1) & (2)	Memberships & Chairmanship in Committees	Yes
		26(3)	Affirmation with compliance to Code of Conduct from members of Board of Directors and Senior Management Personnel	Yes
		26(5)	Disclosures by Senior Management about potential conflicts of interest	Yes
		26(6)	No agreement with regard to compensation or profit sharing in connection with dealings in securities of the Company by Key Managerial Personnel, Director and Promoter.	Yes
12	Other Corporate Governance Requirements	27	<ul style="list-style-type: none"> <li>- Compliance with discretionary requirements.</li> <li>- Filing of quarterly, half-yearly and yearly compliance report on Corporate Governance</li> </ul>	Yes

13	Disclosures on Website of the Company	62(1)(a)	Details of its Business	Yes
		62(1)(aa)	Composition of the Board	Yes
		62(1)(b)(i)	Notice of meeting of the board of directors where financial results shall be discussed;	Yes
		62(1)(b)(ii)	Financial results, on the conclusion of the meeting of the board of directors where the financial results were approved;	Yes
		62(1)(b)(iii)	Complete copy of the annual report including balance sheet, profit and loss account, directors report, corporate governance report etc	Yes
		62(1)(c)	Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances	Yes
		62(1)(d)	Email address for grievance redressal and other relevant details	Yes
		62(1)(e)	Name of the debenture trustees with full contact details	Yes
		62(1)(f)	The information, report, notices, call letters, circulars, proceedings, etc concerning non-convertible redeemable preference shares or non convertible debt securities	Yes
		62(1)(g)	All information and reports including compliance reports filed by the listed entity	Yes
		62(1)(h)(i)	Default by issuer to pay interest or redemption amount	Yes
62(1)(h)(ii)	Failure to create a charge on the assets;	Yes		



	62(1)(i)	All credit ratings obtained by the entity for all its listed non-convertible	Yes
	62(1)(j)	Statements of deviation(s) or variation(s) as specified in Regulation 52 (7) and (7A)	Yes
	62(1)(k)	Annual return as provided under section 92 of the Companies Act, 2013	Yes
	62(1A)(a)	Composition of the various committees of the board of directors	Yes
	62(1A)(b)	Terms and conditions of appointment of independent directors	Yes
	62(1A)(c)	Code of Conduct of the board of directors and senior management personnel	Yes
	62(1A)(d)	Details of establishment of vigil mechanism/ whistle blower policy	Yes
	62(1A)(e)	Criteria of making payments to non-executive directors, if the same has not been disclosed in the annual report	Yes
	62(1A)(f)	Secretarial compliance report as per sub-regulation (2) of regulation 24A of these regulations	Yes
	62(1A)(g)	Policy on dealing with related party transactions	Yes
	62(1A)(h)	Policy for determining 'material' subsidiaries	Yes
	62(1A)(i)	Details of familiarization programmes imparted to independent directors	Yes

## (2) Discretionary Requirement

As **Part E of Schedule II** is discretionary in nature. The Company has made best endeavors to comply the requirement.

### (a) The Board

A Chairman's office has been made available for the non-executive Chairman post fifth amendment in Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulations, 2015. Further, non-executive chairperson has not drawn any remuneration from the Company during the year under review.

### (b) Shareholder Rights

As the requirement is not mandatory in nature, the Company will try to send a half-yearly declaration of financial performance including summary of significant events in the preceding six months to each shareholder. However, the Company sends Annual Report, which comprises the financial performance, to the Shareholders every year.

**(c) Modified opinion(s) in audit report**

The Company confirms that its financial statements are with unmodified audit opinion.

**(d) Separate posts of Chairperson and the Managing Director**

Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulation (fifth amendment), 2015 came into force effective September 07, 2021. Post that the Company is in compliance with this requirement, and we confirm that the positions of Chairperson and Managing Director are held by two different persons who are not related to each other.

**(e) Reporting of internal auditor**

The internal auditor is part of Citi's internal audit team and functionally reports to the audit committee.

We, Citicorp Finance (India) Limited, hereby confirm compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46.

**11. DECLARATION BY MANAGING DIRECTOR**

In accordance with Part D of Schedule V of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulations, 2015, a declaration from Managing Director of the Company has been received confirming that all the Directors and the Senior Management Personnel of the Company have complied to the Code of Conduct for the Financial Year ended March 31, 2022. Please refer **Annexure IX**. The said Code of Conduct is hosted on the website of the Company and can be accessed at web link: [www.citicorpfinance.co.in](http://www.citicorpfinance.co.in).

**12. CERTIFICATE FROM AUDITOR OR PRACTICING COMPANY SECRETARY ON CORPORATE GOVERNANCE**

As required under the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 a certificate issued by M/s. VKMG & Associates, Practicing Company Secretaries and Secretarial Auditor of the Company certifying that the Company has complied with the conditions of Corporate Governance as stipulated in the said Regulations is attached herewith as **Annexure IX**.

**13. COMPLIANCE CERTIFICATE**

The Managing Director and Chief Financial Officer have certified to the Board with regards to financial statements and other matters as required under Regulation 17 (8) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulations, 2015. Please refer **Annexure X**.

**14. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT**

Not applicable as the Company does not have any demat suspense account/ unclaimed suspense account.

**15. DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING LISTED ENTITIES**

**Not Applicable**



#### Annexure IV

### **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

[Pursuant to Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
The Members of  
CITICORP FINANCE (INDIA) LIMITED  
B7, 5th Floor, Nirlon Knowledge Park  
Goregaon (East), Mumbai - 400063

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of CITICORP FINANCE (INDIA) LIMITED having CIN U65910MH1997PLC253897 and having registered office at B7, 5th Floor, Nirlon Knowledge Park, Goregaon (East), Mumbai - 400063 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Schedule V Para-C clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended March 31, 2023, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

<b>Sr. No.</b>	<b>Name of Directors</b>	<b>DIN</b>	<b>Date of Appointment</b>
1.	Ms. Nina Nagpal	00138918	01.06.2018
2.	Ms. Anuradha Choudhury	01375718	01.11.2022
3.	Mr. Rajeev Mantri	09367771	15.03.2022
4.	Mr. Saurabh Surendra Shah	02094645	28.01.2015
5.	Mr. Deepak Keshav Ghaisas	00001811	28.01.2015

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For VKMG & Associates LLP Company Secretaries**  
**FRN: L2019MH005300**

**Sd/-**  
**Vijay Babaji Kondalkar**  
**Partner**  
**ACS-15697**  
**CP-4597**  
**PRN:1279/2021**

**Place: Mumbai**  
**Date: 03.08.2023**  
**UDIN: A015697E000730631**

## Annexure V

### Annual Report on Corporate Social Responsibility

The Ministry of Corporate Affairs has formalized certain obligations of the Indian Corporate Sector in the area of Corporate Social Responsibility (“CSR”) in the Companies Act, 2013. Various explanatory notifications have also since been issued operationalizing various aspects of the legislation.

Citicorp Finance (India) Limited has developed this Corporate Social Responsibility Policy in compliance with the provision of Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

In line with Citi’s [global mission and value proposition](#) of enabling growth and economic progress, and the Act, Citicorp Finance (India) Limited’s strategy is focused on strengthening communities, enabling progress and ensuring positive impact in the communities we work in. At Citi, CSR It is strongly connected with the principles of Sustainability; we believe that an organization should make decisions based not only on financial factors, but also on the social and environmental impact of such actions. Therefore, it is the core corporate responsibility of CFIL to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders.

2. Composition of CSR Committee: Company Secretary team to confirm the names of the directors, their respective designations, number of committee meetings held and the attendees to the meetings.

Sl. No.	Name of director	Designation/Nature of directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Nina Nagpal	Managing Director	1	1
2	Mr. Rajeev Mantri	Director	1	0
3	Mr. Saurabh Shah	Independent Director	1	1

\*Ms. Anuradha Choudhury was inducted as a CSR member w.e.f. November 11, 2022

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:- [www.citicorpfinance.co.in](http://www.citicorpfinance.co.in)

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):- NA

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:- Not applicable

Sl. No.	Financial year	Amount available for set-off from preceding financial years (In Rs)	Amount required to be set-off for the financial year, if any (In Rs)
1	FY 21-22	132,286	132,286
	TOTAL		

6. Average net profit of the company as per section 135(5):- 1,574,943,127.82

(a) Two percent of average net profit of the company as per section 135(5): Rs. 31,498,863/-

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. NIL

(c) Amount required to be set off for the financial year: Rs. 132,286/-

(d) Total CSR obligation for the financial year (7a+7b-7c): Rs 31,366,577/-

8. (a) CSR amount spent or unspent for the financial year:

Total amount spent for the FY 22-23	Amount Unspent (In Rs)				
	Total amount transferred to Unspent CSR Account as per Section 135 (6)		Amount transferred to any fund specified under Schedule VII as per second provision to Section 135 (5)		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
INR 31,940,780	N.A.	N.A.	-	-	-

(b) Details of CSR amount spent against **ongoing projects** for the financial year:

All projects below are ongoing multi-year initiatives – the duration included below is for the financial year.

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No	Name of project	Item from the list of activities in Schedule VII of the Act	Location area (Yes/No)	Location of project		Project duration	Amount allocated for the project (In Rs)	Amount spent in the current FY (In Rs)	Amount transferred to unspent CSR account for the project as per Section 135 (6) (In Rs)	Mode of implementation Direct (yes/no)	Mode of implementation through implementing agency	
				State	District						Name	CSR Registration No
1	Giving at Citi											
1.	Towards improv	(ii) Promo	Yes	Maharashtra	Pune	12 mont	11,000,000	11,000,000	NIL	No	Sampar k	CSR00000281

	g learning outcomes in government schools of Maharashtra (Pune), aimed at impacting 1.42 Lakh Children (institutional grant).	ting education				hs (ongoing)					Foundat ion	
1. 2	Midday meals to children attending Government schools (matching grant)	(i) Promotion of health care.	Yes	Maharashtra	Thane	12 months (ongoing)	23,280	23,280	NIL	No	The Akshaya Patra Foundation	CSR00000286
1. 3	Therapy sessions for differently abled young adults at ADAPT's Mumbai centres (matching grant)	(i) Promotion of health care.	Yes	Maharashtra	Mumbai	12 months (ongoing)	19,800	19,800	NIL	No	Able Disable All People Together (ADAPT)	CSR00001228
1. 4	Towards supporting medical checkup and treatments of elderly in Mumbai by supporting two Mobile Healthcare Units (MHU's) as well as creating awareness to increase engagem	(i) Promotion of health care.	Yes	Maharashtra	Mumbai	12 months (ongoing)	18,000	18,000	NIL	No	HelpAge India	CSR00000901

	ent across a wider audience on mutually acceptable platforms (matching grant)											
1.5	Project to support wishes of children (suffering from cancer) at St Jude India ChildCare Centres (matching grant)	(i) Promotion of health care.	-Yes	Maharashtra, Tamil Nadu, Delhi, Telangana and Rajasthan	Mumbai, Chennai, Delhi, Kolkata, Hyderabad, Vellore, and Jaipur	12 months (ongoing)	21,600	21,600	NIL	No	Make a Wish Foundation India	CSR00004619
1.6	Supporting nutritional and developmental needs of the children in Chennai (matching grant)	(i) Promotion of health care.	No	Tamil Nadu	Chennai	12 months (ongoing)	20,800	20,800	NIL	No	SOS Children's Villages of India	CSR00000692
1.7	Towards healthy meals and nutritional supplements for children battling cancer in Mumbai and Hyderabad and operational expense of the Citi supported center at Cotton Green (matching grant)	(i) Promotion of health care.	Yes	Maharashtra	Mumbai	12 months (ongoing)	28,800	28,800	NIL	No	St. Jude India ChildCare Centres	CSR00001026

2	Leadership for Tomorrow											
2.1	Towards ISDM's Centre of Data Sciences and Social Impact	(ii) Promoting education	Yes			12 months (ongoing)	20,808,500	20,808,500	NIL	No	Indian School of Development Management	CSR000 03361
	<b>TOTAL</b>						<b>Rs. 31,940,780</b>	<b>Rs. 31,940,780</b>				

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year: NA

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No	Name of project	Item from the list of activities in Schedule VII of the Act	Local area (Yes/No)	Location of project		Amount spent for the Project (In Rs)	Mode of implementation Direct (yes/no)	Mode of implementation through implementing agency	
				State	District			Name	CSR Registration No
	<b>TOTAL</b>								

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: Not applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 31,940,780

(g) Excess amount for set off, if any: Rs.574,203

S No	Particular	Amount (In Rs)
(i)	Two percent of average net profit of the company as per Section 135 (5)	
(ii)	Total amount spent for the financial year	31,940,780
(iii)	Excess amount spent for the financial year [(ii)-(i)]	574,203
(iv)	Surplus arising out of CSR Projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	574,203

\* Final CSR Obligation for FY 22-23 was INR 31,366,577 given amount required to be set-off of INR 132,286 from FY 21-22



9. (a) Details of Unspent CSR amount for the preceding three financial years: Not applicable

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR account under Section 135 (6) (In Rs)	Amount spent in the reporting financial year	Amount transferred to any fund specified under Schedule VII as per Section 135 (6), if any			Amount remaining to be spent in succeeding financial year (in Rs)
				Name of the fund	Amount (In Rs)	Date of transfer	
	TOTAL						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

NA

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of project	Financial Year in which the project was commenced.	Project duration	Total amount allocated for the project (In Rs)	Amount spent on the project in the reporting FY (In Rs)	Cumulative amount spent at the end of reporting Financial Year (in Rs)	Status of the project: Completed / Ongoing
	TOTAL							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):- Not applicable

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):- Not applicable

**For Citicorp Finance (India) Limited**

Sd/-  
Anuradha Choudhury  
Director  
DIN-01375718

Sd/-  
Mr. Saurabh Shah  
Independent Director  
DIN-02094645

Sd/-  
Ms. Nina Nagpal  
Managing Director  
DIN-00138918

Date: August 11, 2023  
Place: Mumbai

## Annexure –VI

### DETAILS IN TERMS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

#### PART A:

**1. The ratio of remuneration of each director to the median remuneration of the employees for the financial year**

Ms. Nina Nagpal – 5.80 ( all employees ) / 4.09 (continuing employees : employees who were present both at the start and end of FY)

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

**2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive officer, Company Secretary or Manager, if any, in the financial year**

The percentage increase in remuneration of the MD, Chief Financial Officer and Company Secretary is as follows:

Employee Name	% Increase
NINA NAGPAL as MD	0.00%
SAMEER VISHNUPRASAD UPADHYAY as Company Secretary	12.50%
RUCHIT JAIN as CFO	New joiner

**3. The percentage increase in the median remuneration of employees in the financial year**

The percentage increase in the median remuneration of the employees in the financial year is around 132.09%. This increase represent the % change of median remuneration from April'22 to March'23. For continuing employees, the percentage increase is 8.90%

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

Approx. 21 (as on March 31, 2023)

**5. Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**

Average percentile increase is not a valid data point and instead average percentage increase has been reported. The average percentage increase made in the salaries of continuing employees other than Key Managerial Personnel is 14.71% while the average increase in the remuneration of the Key Managerial Personnel is 4.42% (excluding Ruchit as he is a new joiner).

**6. The key parameters for any variable component availed by the directors**

The Company follows prudent remuneration practices created to discourage unnecessary or imprudent risk-taking, while promoting shareholder interests under the guidance of Personnel and Compensation Committee of Citigroup. Performance Goals, including a balance of both financial and non-financial metrics are established for the Managing Directors annually. At the end of the year, the performance of the Company as well the performance of the MD and CEO is assessed based on these goals. Based on the performance assessment, the variable component of remuneration for the MD & CEO is recommended. All variable compensation for the Company is approved by the Personnel and Compensation Committee. During the period under review the sitting fees paid to Independent Directors was Rs. 1,00,000/- per Board/Committee



meeting which are within the maximum permissible amount under the Companies Act, 2013 together with Rules thereunder.

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

**For Citicorp Finance (India) Limited**

**Date: August 11, 2023**  
**Place: Mumbai**

**Sd/-**  
**Nina Nagpal**  
**Managing Director**  
**DIN- 00138918**

**Sd/-**  
**Anuradha Choudhury**  
**Director**  
**DIN-01375718**

## Annexure VII

### Stock Code

The stock code of debentures outstanding as of March 31, 2023 are as follows:

S. No	Series No	ISIN Code
1	761 I	INCB05850A726V32
2	763 I	INCB05250A423V32
3	769 I	INCB04710A771V33
4	772 I	INCB04950A378V33
5	774 I	INCB04910A780V33
6	776 I	INCB04990A780V33
7	778 I	INCB04990A780V33
8	799 I	INCB05500A111V33
9	800 I	INCB07000A152V4
10	801 I	INCB06250A691V4
11	802 I	INCB06800A938V33
12	804 I	INCB07000A196V33
13	805 I	INCB06800A843V33
14	806 I	INCB06650A045V33
15	807 I	INCB07350A199V33
16	808 I	INCB08240A771V4
17	809 I	INCB06700A351V33



**Annexure VIII**

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR  
MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**  
[Pursuant to Regulation 26 (3) and Schedule V of Securities and Exchange Board of India (Listing  
Obligations and Disclosure Requirements) Regulation, 2015]

To,  
The Board of Directors  
Citicorp Finance (India) Limited  
B7, 5th Floor,  
Nirlon Knowledge Park Goregaon (East)  
Mumbai, MH 400063 IN

Dear Board Members,

This is to confirm that the Company has adopted a Code of Conduct for Board Members and Senior Management Personnel.

I confirm that the Company has received affirmation of compliance of Code of Conduct from Board Member and the Senior Management Personnel of the Company.

For the purpose of this declaration, Senior Management Personnel means Company Secretary, Chief Financial Officer, Compliance Officer, Chief Risk Officer, Chief Technology/Information Officer and Head of Operations as on March 31, 2023.

Place: Mumbai  
Date: August 11, 2023

Sd/-  
**Nina Nagpal**  
**Managing Director**  
DIN- 00138918



## Annexure IX

### Certificate from Practicing Company Secretary on Corporate Governance

To,  
The Members of  
Citicorp Finance (India) Limited

We have examined the compliance of conditions of Corporate Governance by Citicorp Finance (India) Limited (“the Company”) for the year ended March 31, 2023 as stipulated in Regulations 17 to 27, clauses of regulation 62 and Para C and D of Schedule V to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

The Compliance of conditions of Corporate Governance is the responsibility of the management, our examination was limited to procedures and implementation thereof, adopted by Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said Regulations. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us and representations made by the management, we certify that, the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the financial year ended on March 31, 2023.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For VKMG & Associates LLP  
Company Secretaries  
FRN: L2019MH005300**

**Sd/-  
Vijay Babaji Kondalkar  
Partner  
ACS-15697  
CP-4597  
PRN:1279/2021**

**Place: Mumbai  
Date: 11.08.2023  
UDIN: A015697E000878889**



## Annexure X

### **CEO and CFO Certification**

[Pursuant to Regulation 17 (8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015]

The Board of Directors  
**Citicorp Finance (India) Limited**  
B7, 5th Floor,  
Nirlon Knowledge Park Goregaon (East)  
Mumbai, MH 400063 IN

Dear Board Members,

We, Nina Nagpal, Managing Director, and Ruchit Jain, Chief Financial Officer of Citicorp Finance (India) Limited, to the best of our knowledge and belief, certify that:

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee:
- (1) significant changes in internal control over financial reporting during the year;
  - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Place: Mumbai  
Date: May 29, 2023

Sd/-  
**Nina Nagpal**  
**Managing Director**

Sd/-  
**Ruchit Jain**  
**Chief Financial Officer**

**Independent Auditor's Report  
To the Members of Citicorp Finance (India) Limited.**

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the Consolidated Financial Statements of Citicorp Finance (India) Limited (hereinafter referred to as "the Holding Company"), and its Associate company which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow statement for the year then ended, and notes to the Consolidated Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements of the Associate Company, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and gives a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of their consolidated state of affairs of the Holding Company and its Associate Company as at March 31, 2023, of their consolidated profit, consolidated changes in equity and their consolidated cash flows for the year then ended.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Statements section of our report. We are independent of the Holding Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained, along with consideration of audit reports of the Other Auditor referred to in sub-paragraph 1 of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated annual financial statements.

**Emphasis of Matter**

We draw attention to Note 36 to the Consolidated Financial Statements, regarding sale of Consumer Business comprising of Asset Backed Finance and Personal Loan portfolios to Axis



Bank Ltd. and related accounting adjustments for discontinued operations and other relevant disclosures under Ind AS 105.

Our opinion is not modified in respect of the statement in the above matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement and based on the consideration of reports of other auditors on separate financial statements of the associate audited by them, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

#### A. Key Audit Matters for the Holding Company

<b>Impairment of loans and advances and expected credit losses</b>	
<b>Key audit matter</b>	<b>How the matter was addressed in our audit</b>
<i>Refer to the accounting policies in Note 3.10.1 to the Financial Statements: Impairment of Financial Assets”, Note 8 to the Financial Statements: “Loans” and Note 32 to the Financial Statements: Financial Risk Management”</i>	
<p>Recognition and measurement of impairment relating to financial assets involves significant management judgement. With the applicability of Ind AS 109 "Financial Instruments", credit loss assessment is based on ECL model which is forward looking Expected Loss Approach.</p> <p>The Company’s impairment allowance is computed based on estimates including the historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors. The most significant areas are:</p> <ol style="list-style-type: none"> <li>Portfolio Segmentation</li> <li>Evaluation of borrower’s credit quality by assigning internal risk ratings (Obligor risk rating and facility risk rating).</li> <li>Asset staging criteria</li> <li>Calculation of probability of default/ Loss given default/ Credit conversion factor basis the portfolio segmentation</li> </ol>	<p>We have performed the following key audit procedures:</p> <ul style="list-style-type: none"> <li>Performed end to end process walkthroughs to identify the key systems, applications and controls used in the impairment loss allowance processes. We tested the relevant manual, general IT and application controls over key systems used in the impairment loss allowance process.</li> <li>Assessed the design and implementation of controls in respect of the Company’s impairment allowance process such as the timely recognition of impairment loss, the completeness and accuracy of reports used in the impairment allowance process and management review processes over the calculation of impairment allowance and the related</li> </ul>

<b>Impairment of loans and advances and expected credit losses</b>	
<b>Key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>e. Allocation of weights i.e., expected variability in losses basis different risk factors.</p> <p>f. Consideration of probability of forward looking macro-economic factors under three different scenarios – base, optimistic and pessimistic.</p> <p>The Company has a Board approved policy on ECL to ensure the compliance with Ind AS 109 requirements and the basis of all assumptions for underlying inputs to the ECL model.</p> <p>The Company has applied a three-stage approach to measure expected credit losses / Impairment loss allowance (ECL) on financial instruments accounted for at amortized cost and Fair Value through Other Comprehensive Income.</p> <p>We have identified measurement of ECL as a key audit matter in view of the significant judgement and assumptions involved.</p> <p>Disclosures:</p> <p>The disclosures regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL results.</p>	<p>disclosures on credit risk management.</p> <ul style="list-style-type: none"> <li>• Testing management's controls over authorization and calculation of post model adjustments and management overlays, if any.</li> <li>• Evaluated whether the methodology applied by the Company is compliant with the requirements of the relevant accounting standards and confirmed that the calculations are performed in accordance with the approved methodology.</li> <li>• Testing the governance framework for validation, implementation and model monitoring in line with the RBI guidance including the Board approved ECL policy.</li> <li>• Read minutes of Risk management committee regarding the company's quarterly assessment of macro-economic estimates fed into model and review of back testing of ECL model.</li> <li>• Assessed whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment loss allowance in the financial statements are appropriate and sufficient.</li> <li>• We have also obtained management representations wherever considered necessary.</li> </ul>

<b>Related Party Transactions and related disclosures</b>	
<b>Key audit matter</b>	<b>How the matter was addressed in our audit</b>
<i>Refer to the policy in place for related party transaction on the company's website, Note 35 to the Financial Statements: "Related party disclosures"</i>	
<p>The Company has undertaken substantial transactions with its related parties.</p> <p>Each related party operates under a different jurisdiction and applies its own pricing model to be compliant with the respective legal and tax framework of the respective jurisdiction.</p> <p>We identified related party transactions as a Key Audit Matter due to significance and volume of related party transactions, regulatory compliances and risk of such transactions remaining undisclosed in the financial statements including identification of related parties.</p>	<p>We have performed the following key audit procedures:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding and assessed the design, implementation and operating effectiveness of management's key internal financial controls in relation to identification and disclosure of related party transactions.</li> <li>• Obtained and read the company's policies, processes and procedures in respect of identifying related parties, obtaining approval, recording and disclosure of related party transactions including usage of automated information systems for capture of transactional data for related party transactions.</li> <li>• Read minutes of board meetings and audit committee meetings regarding Company's assessment of related party transactions being in the ordinary course of business at arm's length.</li> <li>• Tested on a sample basis related party transactions with the underlying contracts and other supporting documents and verified the related party information disclosed in the financial statements with the underlying supporting documents on a sample basis.</li> <li>• Obtained balance confirmations from significant related parties in respect of significant transactions.</li> </ul>

<b>Related Party Transactions and related disclosures</b>	
<b>Key audit matter</b>	<b>How the matter was addressed in our audit</b>
	<ul style="list-style-type: none"> <li>Assessed management evaluation of compliance with the provisions of Section 177 and Section 188 of the Companies Act 2013.</li> <li>Obtained management representations for accurate identification and completeness of the relevant disclosures in the financial statements.</li> </ul>

<b>Claims and exposures relating to direct and indirect taxation and litigation</b>	
<b>Key audit matter</b>	<b>How the matter was addressed in our audit</b>
<i>Refer to the Note 48 to the Financial Statements: "Off balance sheet items, contingent liabilities and capital commitments"</i>	
<p>The Company currently has a large number of tax related assessments and litigations which have been disclosed in the financial statements as contingent liabilities based on the facts and circumstances of each case.</p> <p>The Company has also assessed that there are no uncertain tax positions requiring provisioning in terms of the relevant Ind AS.</p> <p>Such exposures have been identified as a key audit matter due to the complexities involved in these matters, timescales involved for resolution and the potential financial impact of these on the financial statements, if the decisions of appellate authorities or the Courts were to go against the Company. Further, significant management judgement is involved in assessing the exposure of each case and thus a risk that such cases may not be adequately provided for or disclosed.</p>	<p>We have performed the following key audit procedures:</p> <ul style="list-style-type: none"> <li>Gained an understanding of the process of identification of claims, litigations and contingent liabilities and identified key controls in the process. For selected controls we have performed tests of controls.</li> <li>Obtained a summary of the ongoing tax litigation cases and critically assessed management's position through discussions with the operational management, on both the probability of success in significant cases, and the magnitude of any potential loss.</li> <li>Assessed the relevant disclosures made within the financial statements to address whether they appropriately reflect the facts and circumstances of the respective tax litigation cases and the requirements of the relevant Ind AS.</li> </ul>

<b>Claims and exposures relating to direct and indirect taxation and litigation</b>	
<b>Key audit matter</b>	<b>How the matter was addressed in our audit</b>
	<ul style="list-style-type: none"> <li>We have also obtained management representation wherever considered necessary.</li> </ul>

<b>Recoverability of unutilized Minimum Alternate Tax (MAT) credits included under deferred tax assets</b>	
<b>Key audit matter</b>	<b>How the matter was addressed in our audit</b>
<i>Refer to the accounting policies in Note 3.4 to the Financial Statements: "Minimum alternate tax (MAT)", Note 30 to the Financial Statements: "Income tax"</i>	
<p>Deferred tax assets as at March 31, 2023 includes MAT credits of Rs. 11,545 lakhs which is available for utilization against future tax liabilities.</p> <p>The analysis of the recoverability of such deferred tax assets has been identified as a key audit matter because the assessment process involves significant management judgement regarding the future profitability and likelihood of the realization of these assets, in particular whether there will be taxable profits in future periods that support the recognition of these assets. This requires assumptions regarding future profitability, which is inherently uncertain and therefore a key audit matter.</p>	<p>We have performed the following key audit procedures:</p> <ul style="list-style-type: none"> <li>Obtained and analyzed the future budgeted financial parameters estimated by management termed as the "Legal Vehicle Plan FY 23-24" assessing the key assumptions used. We further obtained evidence of the approval of the budgeted financial parameters included in the projections, and the reasonableness of the future cash flow projections resulting in future profitability necessary for recoverability of MAT credit.</li> <li>We also reviewed the Company's projections regarding the profitability from the continuing operations after considering the conclusion of sale of Consumer Business to Axis Bank Ltd. and assessed whether the same seemed appropriate given the circumstances.</li> <li>We have also obtained management representations wherever considered necessary.</li> </ul>

<b>Valuation and Disclosure of Market-Linked Debentures</b>	
<b>Key audit matter</b>	<b>How the matter was addressed in our audit</b>
<i>Refer to the accounting policies in Note 3.10.3 to the Financial Statements: "Derivatives", Note 13 to the Financial Statements: "Debt securities"</i>	
<p>Market-linked debentures ("MLDs") are hybrid financial instruments (Ind AS 109) whose returns are linked to the performance of an underlying, which adds complexity to their fair valuation and disclosure.</p> <p>The management has designated these instruments as hybrid instruments measured at fair value through profit and loss as per Ind AS 109.</p> <p>The fair valuation of MLDs is a complex process involving assessing the fair value of the underlying asset and applying relevant pricing models and assumptions including an assessment of the embedded features of these instruments. Disclosures also depend on such assumptions and valuation techniques and are required to be made in accordance with the relevant Ind AS.</p> <p>We have identified the valuation and disclosures of MLDs as a key audit matter due to their complexity, significance to the financial statements, and the significance of management judgment.</p>	<p>We have performed the following key audit procedures:</p> <ul style="list-style-type: none"> <li>Assessed the appropriateness of the company's accounting policies disclosures related to MLDs in the financial statements, in accordance with the applicable financial reporting framework.</li> <li>Assessed the appropriateness of the valuation models used. This includes understanding the model's conceptual basis, evaluating the reasonableness of assumptions, and considering whether the model aligns with industry best practices.</li> <li>Evaluated the design and effectiveness of key controls over valuation and disclosure of MLDs.</li> <li>Obtained MLD valuation published by ICRA Ltd., being the third-party valuation agency, for the hybrid instruments issued by the Company to validate the reasonableness of management's valuation on comparable grounds.</li> <li>We have also obtained and relied on management representation wherever considered necessary.</li> </ul>

**B. Key Audit Matters for the Associate Company (as reported by the auditors of the Associate Company)**

Key audit matter	How the audit addressed the Key Audit Matter
<p><b>Impairment of financial instruments (expected credit losses)</b></p> <p>Ind AS 109 requires the Company to provide for impairment of its loan receivables (financial instruments) using the expected credit losses (ECL) approach. ECL involves an estimation of probability weighted loss on financial various instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In the process, a significant degree of judgement has been applied by the management for:</p> <p>a. Defining qualitative/ quantitative thresholds for 'significant increase in credit risk' ("SICR") and 'default'.</p> <p>b. Determining effect of less frequent past events on future probability of default.</p>	<ul style="list-style-type: none"> <li>• Our audit procedures included considering the Company's accounting policies for impairment of loan receivables and assessing compliance with the policies in terms of Ind AS 109.</li> <li>• Tested the assumptions used by the Company for staging of loan portfolio into categories and default buckets for determining the PD and LGD rates.</li> <li>• Tested the operating effectiveness of the controls for staging of loans based on their past-due status. Tested samples of performing (stage 1) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3.</li> <li>• Tested the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records.</li> <li>• Performed inquiries with the Company's management and its risk management function to assess the impact on covid-19 on business activity of the company and its loan and investment portfolio.</li> <li>• Tested the arithmetical accuracy of computation of ECL provision performed by the Company.</li> <li>• Read and assessed the disclosures included in the Ind AS financial statements in respect of expected credit losses with the requirements of Ind AS 107 and 109.</li> </ul>

Key audit matter	How the audit addressed the Key Audit Matter
	<ul style="list-style-type: none"> <li>• Read and assessed the specific disclosures made in the Ind AS financial statements with regards to managements evaluation of the uncertainties arising from Covid-19 and its impact on ECL. This significant matter is fundamental to the understanding of the user of the financial statements.</li> </ul>

### **Information Other than the Consolidated Financial Statements and Auditor’s Report Thereon**

The Holding Company’s management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Holding Company’s Director’s report but does not include the Consolidated Financial Statements and our auditor’s report thereon. The Director’s report is expected to be made available to us after the date of this auditor’s report. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

### **Management’s Responsibilities for the Consolidated Financial Statements**

The Holding Company’s management and Board of Directors are responsible for the matters stated in sub-section (5) of Section 134 of the Act with respect to the preparation and presentation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, total comprehensive income, changes in equity and consolidated cash flows of the holding company and its Associate in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the Consolidated Financial Statements, the respective management and Board of Directors of the holding company and its associate are responsible for assessing the ability of the holding company and its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the holding company and its Associate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the holding company and its Associate are responsible for overseeing the financial reporting process of the holding company and its Associate.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

As part of an audit in accordance with Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- i. Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under the section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the holding company and its associate to continue as a going concern. If we conclude that a material

uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the holding company and its associate to cease to continue as a going concern.

- v. Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- vi. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the holding company and its associate to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the holding company included in the Consolidated Financial Statements of which we are the independent auditors. For the associate company included in the Consolidated Financial Statements, which have been audited by other auditor, such other auditor remains responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding company included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matters**

1. The consolidated financial statements includes audited financial statement of One (1) Associate, whose share of net profit after tax of Rs. 3,575.36 lakhs for the year ended March 31, 2023, as considered in the consolidated financial statements, whose financial statements have been audited by its independent auditor. The independent auditors' report on the financial statements of this entity has been furnished to us by management of the Holding

Company, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this entity, is based solely on the report of such auditor and the procedures performed by us as stated in paragraph above.

2. Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we report the following in respect of clause 3(xxi) of the Order -

In our opinion and according to the information and explanations given to us, the Holding company and its associate incorporated in India and included in the consolidated financial statements, has no unfavourable remarks, qualifications or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO).

2. As required by Section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;
  - b. in our opinion proper books of account as required by law have been kept by the Holding Company so far as appears from our examination of those books and the reports of the other auditors;
  - c. the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
  - d. in our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act;
  - e. on the basis of written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its associate company, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act;

- f. with respect to the adequacy of the internal financial controls over financial reporting of the holding company and its associate and the operating effectiveness of such controls, refer to our separate report in Annexure A;
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the holding company and its associate - Refer Note 48 to the Consolidated Financial Statements.
  - ii. the Holding company and its associate did not have any long term contracts including derivative contracts as at March 31,2023, for which there were any material foreseeable losses.
  - iii. there were no amounts required to be transferred to the Investor, Education and Protection Fund by the Holding Company and its associate company.
  - iv. in respect of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014,
    - a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement

- v. the dividend declared and paid during the year by the Holding Company is in compliance with Section 123 of the Companies Act, 2013
  - vi. In respect of Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, since proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable for the holding company only w.e.f. April 01, 2023, reporting under this clause is not applicable.
3. As required by Section 197(16) of the Act, in our opinion and based on the consideration of reports of other statutory auditors of the associate, the managerial remuneration for the year ended March 31, 2023, has been paid/provided by the Holding company and its associate to their directors in accordance with the provisions of Section 197 of the Act.

For Gokhale & Sathe  
Chartered Accountants  
Firm Regn. No.103264W

Sd/-

Rahul Joglekar  
Partner  
Membership No.: 129389  
UDIN: 23129389BGUYFQ3789

Place: Mumbai  
Date: May 29,2023

## **Annexure A to Independent Auditor's Report**

**(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Citicorp Finance (India) Limited of even date)**

**Report on the internal financial controls with reference to the aforesaid consolidated 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 over financial reporting of **Citicorp Finance (India) Limited** (hereinafter referred to as "the Holding Company") and its associate as of March 31, 2023 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The respective Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. 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, 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under sub-section (10) of Section 143 of the Act, to the extent applicable to the audit of internal financial controls with reference to Consolidated Financial Statements. 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 reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness

of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to these Consolidated Financial Statements.

### **Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements**

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

### **Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to these Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to these Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to these Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its Associate Company, which are companies incorporated in India, have, in all material respects, internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to consolidated financial statements criteria established by the respective companies

considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**Other matter**

Our report under clause (i) of sub-section 3 of Section 143 of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial reporting, these consolidated financial statements, in so far as it relates to the Associate company, is based on the corresponding reports of the auditors of such Associate company.

Our opinion is not modified in respect of this matter.

For Gokhale & Sathe  
Chartered Accountants  
Firm Regn. No.103264W

Sd/-

Rahul Joglekar  
Partner  
Membership No.: 129389  
UDIN: 23129389BGUYFQ3789

Place: Mumbai  
Date: May 29, 2023



**CITICORP FINANCE (INDIA) LIMITED**  
**Consolidated financial statements**  
For the year ended 31 March 2023

**Citicorp Finance (India) Limited**

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

**Consolidated Balance sheet**

Particulars	Note	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	4	7,886	49,499
Bank balance other than cash and cash equivalents above	5	2,960	2,593
Derivative financial assets	6	-	4,474
Receivables			
(i) Trade receivables	7	242	7,498
(ii) Other receivables	7	4,716	600
Loans	8	326,235	339,895
Investments	9	408,082	188,880
Other financial assets	10	1,678	237
<b>Total financial assets</b>		<b>751,799</b>	<b>593,676</b>
<b>Non-financial assets</b>			
Current tax assets (Net)	30	22,253	22,905
Deferred tax assets (Net)	30	17,099	13,986
Property, plant and equipment	11	354	910
Capital work-in-progress	11	-	-
Other non-financial assets	12	828	956
<b>Total non-financial assets</b>		<b>40,534</b>	<b>38,757</b>
<b>Assets classified as held for sale</b>	36	-	<b>359,494</b>
<b>TOTAL ASSETS</b>		<b>792,333</b>	<b>991,927</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
Derivative financial liabilities	6	-	244
Payables			
Trade payables			
(i) total outstanding dues of micro and small enterprises	47	7	-
(ii) total outstanding dues of creditors other than micro and small enterprises	47	4,094	11,294
Debt securities	13	129,083	398,532
Borrowings (other than debt securities)	14	250,871	158,274
Other financial liabilities	15	432	6,386
<b>Total financial liabilities</b>		<b>384,487</b>	<b>574,730</b>
<b>Non-financial liabilities</b>			
Current tax liabilities (Net)			
Provisions	16	153	68
Other non-financial liabilities	17	594	1,497
<b>Total non-financial liabilities</b>		<b>747</b>	<b>1,565</b>
<b>Liabilities associated with assets classified as held for sale</b>	36	-	<b>9,237</b>
<b>EQUITY</b>			
Equity share capital	18	289,330	289,330
Other equity		117,769	117,065
<b>Total equity</b>		<b>407,099</b>	<b>406,395</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>792,333</b>	<b>991,927</b>

Significant accounting policies

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

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As per our report of even date attached

For **Gokhale & Sathe**

Chartered Accountants

Firm's Registration No:103264W

For and on behalf of the Board of Directors

**Citicorp Finance (India) Limited**

sd/-

**Rahul Joglekar**

Partner

Membership No: 129389

sd/-

**Nina Nagpal**

Managing Director

DIN: 00138918

sd/-

**Anuradha Choudhury**

Director

DIN: 01375718

sd/-

**Ruchit Jain**

Chief Financial Officer

sd/-

**Sameer Upadhyay**

Company Secretary

Place: Mumbai

Date: 29 May 2023

**Citicorp Finance (India) Limited**

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

**Consolidated Statement of profit and loss**

Particulars	Note	Year ended 31 March 2023 (Audited)	Year ended 31 March 2022 (Audited)
<b>Revenue from operations</b>			
Interest income	19	36,895	27,446
Dividend income	20	125	101
Fees and commission income	21	423	372
Net gain/(loss) on fair value changes	22	673	(562)
Other revenue from operations	23	0	(1)
<b>Total revenue from operations</b>		<b>38,116</b>	<b>27,356</b>
Other income	24	352	646
<b>Total income</b>		<b>38,468</b>	<b>28,002</b>
<b>Expenses</b>			
Finance costs	25	16,463	10,362
Fees and commission expense	26	2,744	3,825
Impairment on financial instruments	27	(138)	1,003
Employee benefits expenses	28	74	771
Depreciation and amortisation	11	177	140
Others expenses	29	2,380	2,621
<b>Total expenses</b>		<b>21,699</b>	<b>18,722</b>
<b>Profit before tax from continuing operations</b>		<b>16,769</b>	<b>9,280</b>
<b>Tax expense:</b>			
Current tax	30	-	(1,444)
Deferred tax	30	5,858	5,795
<b>Total tax expense</b>		<b>5,858</b>	<b>4,351</b>
<b>Share in profit of associate</b>	-	<b>3,575</b>	<b>3,119</b>
<b>Profit for the year from continuing operations (A)</b>		<b>14,486</b>	<b>8,048</b>
<b>Profit before tax from discontinued operations</b>	36	<b>1,928</b>	<b>7,628</b>
<b>Tax expense:</b>			
Current tax	36	646	(1,156)
Deferred tax	36	-	-
<b>Total tax expense</b>		<b>646</b>	<b>(1,156)</b>
<b>Profit for the year from discontinued operations (B)</b>		<b>1,282</b>	<b>8,784</b>
<b>Profit for the year (A+B)</b>		<b>15,768</b>	<b>16,832</b>
<b>Other comprehensive income/(expense)</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of defined benefit obligation		56	(129)
Share in other comprehensive income of associate		(0)	3
Tax relating to above		(20)	45
<b>Subtotal (A)</b>		<b>36</b>	<b>(81)</b>
<i>Items that may be reclassified to profit or loss</i>			
Changes in fair value of loans classified as FVOCI		(15,544)	11,118
Gain on assignment of FVOCI Instrument		-	-
Changes in fair value of Government Securities classified as		(168)	4
Tax relating to above		5,613	(3,886)
<b>Subtotal (B)</b>		<b>(10,099)</b>	<b>7,236</b>
<b>Other comprehensive income (A+B)</b>		<b>(10,063)</b>	<b>7,155</b>
<b>Total comprehensive income for the year</b>		<b>5,705</b>	<b>23,987</b>
<b>Earnings per equity share</b>	38		
Basic and diluted earnings per share			
(Face value of Rs. 7.50 each)			
Continuing operations		0.38	0.21
Discontinued operations		0.03	0.23

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

4 - 50

As per our report of even date attached

For **Gokhale & Sathe**  
Chartered Accountants  
Firm's Registration No:103264W

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

sd/-  
**Rahul Joglekar**  
Partner  
Membership No: 129389

sd/-  
**Nina Nagpal**  
Managing Director  
DIN: 00138918

sd/-  
**Anuradha Choudhury**  
Director  
DIN: 01375718

Place: Mumbai  
Date: 29 May 2023

sd/-  
**Ruchit Jain**  
Chief Financial Officer

sd/-  
**Sameer Upadhyay**  
Company Secretary

**Citicorp Finance (India) Limited**

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

**Consolidated Statement of changes in equity****A. Equity share capital**

Particulars	Number of equity shares	Amount
As at 01 April 2021	3,857,727,031	289,330
As at 31 March 2022	3,857,727,031	289,330
As at 31 March 2023	3,857,727,031	289,330

**B. Other equity**

Particulars	Reserves and surplus			Other reserves		Total other equity
	Statutory reserve	Retained earnings	Share based payment reserve	Investments through other comprehensive income	Debt instruments through other comprehensive income	
<b>As at 31 March 2021</b>	<b>69,047</b>	<b>71,128</b>	-	-	<b>2,902</b>	143,077
Profit for the period	-	16,833	-	-	-	16,833
Other comprehensive income	-	(81)	-	3	7,233	7,155
<b>Total comprehensive income for the period</b>	-	<b>16,752</b>	-	<b>3</b>	<b>7,233</b>	<b>23,988</b>
Transfer from Retained Earnings	3,367	(3,367)	-	-	-	-
Transfer to Retained Earnings	-	-	-	-	-	-
Dividend payout (including DDT)	-	(50,000)	-	-	-	(50,000)
<b>As at 31 March 2022</b>	<b>72,414</b>	<b>34,513</b>	-	<b>3</b>	<b>10,135</b>	<b>117,065</b>
Profit for the period	-	15,768	-	-	-	15,768
Other comprehensive income	-	36	-	(108)	(9,992)	(10,064)
<b>Total comprehensive income for the period</b>	-	<b>15,804</b>	-	<b>(108)</b>	<b>(9,992)</b>	<b>5,704</b>
Transfer from Retained Earnings	3,154	(3,154)	-	-	-	-
Dividend payout (including WHT)	-	(5,000)	-	-	-	(5,000)
<b>As at 31 March 2023</b>	<b>75,567</b>	<b>42,164</b>	-	<b>(105)</b>	<b>143</b>	<b>117,769</b>

**Notes**

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

The above statement of changes in equity should be read in conjunction with the accompanying notes. 4 - 50

As per our report of even date attached

For **Gokhale & Sathe**  
Chartered Accountants  
Firm's Registration No:103264W

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

sd/-  
**Rahul Joglekar**  
Partner  
Membership No: 129389

sd/- sd/-  
**Nina Nagpal Anuradha Choudhury**  
Managing Director Director  
DIN: 00138918 DIN: 01375718

Place: Mumbai  
Date: 29 May 2023

sd/- sd/-  
**Ruchit Jain Sameer Upadhyay**  
Chief Financial Officer Company Secretary

**Citicorp Finance (India) Limited**

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

**Consolidated Statement of cashflow**

Particulars	Year ended March 31 2023	Year ended March 31 2022
<b>Cash flow from operating activities :</b>		
Profit before tax	22,272	20,027
<b>Adjustment:</b>		
<b>Adjustment for Non-Cash Item:</b>		
Depreciation and amortisation	177	328
Share in income of associate	(3,575)	(3,119)
Unrealised (gain)/ loss on fair value changes	5,137	(20,787)
Provisions/(reversal of provisions)	-	121
Unwinding of discount on security deposit	(6)	(6)
Impairment of financial instruments	(752)	(2,310)
Net (gain)/ loss on derecognition of property, plant and equipment	4	(2)
<b>Adjustment for Financing/Investing activity:</b>		
Interest income from investments	(9,849)	(7,509)
Dividend income	(125)	(101)
Finance Charges	31,613	27,239
Realised (gain)/loss on fair value changes	(754)	3,628
Loss/ (gain) on sale of investment	1,146	(942)
<b>Operating profit before working capital changes</b>	<b>45,288</b>	<b>16,567</b>
<b>Working Capital changes:</b>		
(Increase)/decrease in receivables	3,997	(5,627)
(Increase)/decrease in loans	353,916	67,477
(Increase)/decrease in other financial assets and others	927	12,620
(Increase)/decrease in other non-financial assets	135	33
Increase/(decrease) in trade payables	(7,579)	1,114
Increase/(decrease) in other financial liabilities	(13,402)	5,363
Increase/(decrease) in other non-financial liabilities and provisions	(2,220)	(791)
Interest paid on debt securities	(33,578)	(28,156)
Interest paid on borrowings	(10,084)	(8,872)
Interest received on investments	7,432	9,034
<b>Net cash used in operating activities before taxes</b>	<b>344,832</b>	<b>68,762</b>
Less : Income taxes paid (net of refunds)	(7)	1,263
<b>Net cash inflow / (outflow) from operating activities (A)</b>	<b>344,839</b>	<b>67,499</b>
<b>Cash flow from investing activities :</b>		
Purchase of investments	(427,016)	(435,844)
Proceeds from sale of investments	208,468	370,519
Purchase of Property, Plant and Equipment	(1,580)	-
Dividend Income	377	353
<b>Net cash inflow / (outflow) from investing activities (B)</b>	<b>(219,750)</b>	<b>(64,972)</b>
<b>Cash flow from financing activities :</b>		
Receipts from issuance of debt securities	110,750	687,020
Payments on redemption of debt securities	(362,358)	(631,420)
Payment of dividend and tax thereon	(4,515)	(50,000)
Receipts from borrowing products	674,476	543,921
Repayments of borrowing	(585,054)	(645,280)
<b>Net cash inflow / (outflow) from financing activities (C)</b>	<b>(166,702)</b>	<b>(95,759)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(41,613)</b>	<b>(93,232)</b>
<b>Add : Cash and cash equivalents at beginning of the year</b>	<b>49,499</b>	<b>142,731</b>
<b>Cash and cash equivalents at end of the period</b>	<b>7,886</b>	<b>49,499</b>

The above statement of cash flows should be read in conjunction with the accompanying notes. 4 - 50

As per our report of even date attached

For **Gokhale & Sathe**  
Chartered Accountants  
Firm's Registration No:103264W

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

sd/-  
**Rahul Joglekar**  
Partner  
Membership No: 129389

sd/- sd/-  
**Nina Nagpal Anuradha Choudhury**  
Managing Director Director  
DIN: 00138918 DIN: 01375718

Place: Mumbai  
Date: 29 May 2023

sd/- sd/-  
**Ruchit Jain Sameer Upadhyay**  
Chief Financial Officer Company Secretary

# **Citicorp Finance (India) Limited**

## **Notes to the consolidated financial statements**

*for the year ended 31 March 2023*

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

### **1 Background**

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

Associates Financial Services (Mauritius) LLC, a Company incorporated in Mauritius holds 52.94% in the Company and remaining 47.06% is held by Citibank Overseas Investment Corporation, a company incorporated in Delaware, U.S.A.

The Company is engaged in a range of financial service activities, which include:

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

### **2 Basis of preparation**

#### **2.1 Accounting Standard Compliance**

The consolidated financial statements of the Company and its associate have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015] as amended from time to time. Any directions issued by the RBI or other regulators are implemented as and when they become applicable.

The consolidated financial statements have been prepared on the accrual and going concern basis. The Ind AS accounting assumptions and treatments are applied consistently to all the periods presented in these consolidated financial statements.

These consolidated financial statements are prepared under the historical cost convention except for the application of fair value measurements where required or allowed by the relevant Ind AS.

The consolidated financial statements have been approved by the Board of Directors in its meeting held on 29 May 2023.

#### **2.2 Presentation of consolidated financial statements**

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

#### **2.3 Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its associate. An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

## Citicorp Finance (India) Limited

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

for the year ended 31 March 2023

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

Investment made by the Company in an associate company is accounted under the equity method, in accordance with Ind AS 28 Investment in Associates and Joint Ventures. Under the equity method, investments in an associate is carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Company's share of the net assets of the associate, less any impairment in the value of the investments. Associates are accounted for from the date on which the Company starts exercising significant influence over the associate.

The associate company considered in the consolidated financial statements is as below:

Investment in Associate	Country of Incorporation	Proportion of ownership interest	
		As at 31 March 2023	As at 31 March 2022
India Infradebt Limited	India	10.02%	10.02%

As per the shareholder's agreement, there have been no changes in the rights of the Company from previous year, which includes one seat on the Board of Directors of the associate company. Consequently, the Company continues to have power to participate in the financial and operating policy decisions of the associate company.

#### 2.4 Functional and presentation currency

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

#### 2.5 Significant accounting judgments, estimates and assumptions

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

#### Judgments

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

- **Fair value measurement of financial instruments**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques.

The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/judgments about these factors could affect the reported fair value of financial instruments. For further details about determination of fair value refer note 31.

## **Citicorp Finance (India) Limited**

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

for the year ended 31 March 2023

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

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

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

- **Business model assessment**

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

- **Income taxes**

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

- **Provisions and Contingencies**

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

### **Assumptions and Estimates**

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

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

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

Future salary increases are based on expected future inflation rates for India. The attrition rate represents the Company's expected experience of employee turnover. The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes.



# **Citicorp Finance (India) Limited**

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

for the year ended 31 March 2023

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

Discount rate is based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities.

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

- **Effective Interest Rate**

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

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

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

### **3 Summary of significant accounting policies**

#### **3.1 Foreign currency**

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

#### **3.2 Fair value measurement**

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

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

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

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

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

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

## **Citicorp Finance (India) Limited**

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

for the year ended 31 March 2023

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

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

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

#### **3.3 Revenue recognition**

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

##### **Interest income**

For all financial instruments, interest income is recorded using the effective interest rate (EIR). Refer note 3.10. Interest income on income tax refund is recorded on cash basis.

##### **Dividend income**

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

##### **Fees and commission income**

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

##### **Incentives from dealers/manufacturers**

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

##### **Income on finance leases**

Income on finance leases, are recognized by applying the rate of return implicit in the underlying contracts, on the diminishing balance of the financed amount over the period of the agreement so as to provide a constant periodic rate of return on the net investment outstanding on these contracts.

#### **3.4 Income tax:**

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

##### **Current income tax**

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

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

##### **Deferred tax**

Deferred income tax asset and liabilities are recognised for all temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the consolidated financial statement except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

## **Citicorp Finance (India) Limited**

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

*for the year ended 31 March 2023*

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

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer reasonably certain that related tax benefit will be realized.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

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

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

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

The Company reviews the MAT credit entitlement asset at each reporting date and writes down the asset to the extent the Company does not have reasonable evidence that it will be able to recoup / set off of MAT credit against the income tax liability during the specified period.

#### **3.5 Property, plant and equipment**

Property, plant and equipment are stated at historical cost inclusive of all incidental expenses incurred for acquisition of such assets, less depreciation and impairment. In respect of additions / deletions, depreciation is provided for the period for which the asset is available for use. Depreciation on property, plant and equipment is provided on a straight-line basis over the useful lives of assets.

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

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

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

## Citicorp Finance (India) Limited

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

for the year ended 31 March 2023

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

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

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

The present value of the expected cost for asset retirement obligation (ARO) related to the asset after its use is included in the cost of the respective leased asset if the recognition criteria are met. The Company records a provision for decommissioning costs to restore lease premises (Asset retirement obligation) to its original condition. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost.

The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

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

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

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

### 3.6 Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used.

## **Citicorp Finance (India) Limited**

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

for the year ended 31 March 2023

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

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

#### **The Company as lessor**

Assets given out on financial leases are shown as finance lease receivables. The rentals received on such leases are apportioned between the financial charge using the implicit rate of return, which is recognized as income; and against principal outstanding, which is reduced from the finance lease receivables.

#### **3.7 Provisions and contingencies**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

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

#### **3.8 Employee benefits**

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

#### **Gratuity**

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

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

## **Citicorp Finance (India) Limited**

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

for the year ended 31 March 2023

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

Remeasurements, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding charge or credit to other comprehensive income in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

Past service costs are recognised in the statement of profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

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

- Service costs comprising current service costs; and
- Net interest expense or income

#### **Provident fund**

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

#### **Superannuation fund**

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

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

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

#### **Short term employee benefits**

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits and are measured at the amounts expected to be paid when the liabilities are settled. Benefits include salaries, wages, bonus and ex gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee service is recognized as an expense as the related service is rendered by employee. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

#### **Termination benefits**

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

#### **Compensated absences**

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

# **Citicorp Finance (India) Limited**

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

for the year ended 31 March 2023

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

### **3.9 Share - based payments**

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

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

### **3.10 Financial instruments**

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

#### **Initial recognition and measurement**

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

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

#### **3.10.1 Financial assets**

##### **Classification and subsequent measurement**

Financial assets are classified into three categories:

- fair value through profit or loss (FVTPL);
- fair value through other comprehensive income (FVOCI); or
- amortised cost.

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

For debt instruments, classification will depend on the business model in which the debt is held.

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

The classification requirements of financial assets are described below:

# **Citicorp Finance (India) Limited**

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

for the year ended 31 March 2023

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

### **Investment in Debt instruments**

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

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

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

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

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

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

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

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

### **Interest income**

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

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



## **Citicorp Finance (India) Limited**

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

for the year ended 31 March 2023

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

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

#### **Equity instruments**

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

#### **Impairment of financial assets**

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

The measurement of ECL reflects:

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

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

#### **Write-off policy**

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery.

For retail clients, the Company writes off financial assets prudentially, basis the duration of delinquency.

#### **Derecognition of financial assets**

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

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

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

# **Citicorp Finance (India) Limited**

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

for the year ended 31 March 2023

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

### **Loan commitments**

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

### **3.10.2 Financial liabilities**

#### **Classification and subsequent measurement**

Financial liabilities are classified at amortised cost, except for:

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

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

#### **Derecognition of financial liabilities**

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

#### **Reclassification of financial instrument**

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

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

#### **Offsetting of financial instruments**

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

### **3.10.3 Derivatives**

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

#### **Embedded derivatives**

The embedded derivatives are treated as separate derivatives when:

- their economic characteristics and risks are not closely related to those of the host contract;
- a separate instrument with the same terms would meet the definition of a derivative; and

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

## **Citicorp Finance (India) Limited**

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

for the year ended 31 March 2023

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

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

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

#### **3.11 Loan assignment**

The Company undertakes sale of loans by way of assignment.

In most cases, post assignment, the Company continues to service the loans transferred to the assignee in the capacity of a servicing agent on negotiated commercial terms. The Company does not provide credit enhancement on such assignment.

The Company recognizes entire gain/loss upon derecognition of a loan in accordance with applicable Ind AS.

Classification of financial instruments sold by way of loan assignment is applicable to the business segment as a whole, including loans retained by the Company to comply with minimum retention requirements in accordance with Master Direction RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 dated 24 September 2021.

#### **3.12 Cash and cash equivalents**

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

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

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

#### **3.14 Statement of cash flows**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

#### **3.15 Segment reporting**

segments are reported based on the client segment of the Company which is aligned to internal reporting matrix provided to the Chief Operating Decision Maker (CODM).

Company has identified two operating segments

- Institutional Client Group
- Global Consumer Banking

## **Citicorp Finance (India) Limited**

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

for the year ended 31 March 2023

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

The accounting policies consistently used in the preparation of the financial statements are also applied to item of revenue and expenditure in individual segments. Revenue and expenses have been identified to a segment based on relationship to operating activities of the segment and include certain internal allocations including internal transfer pricing.

Revenue and expenses which relate to enterprises as a whole and are not allocable to a segment on a reasonable basis have been disclosed as 'Unallocated'. Segment assets and segment liabilities represent assets and liabilities in respective segments.

Tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as 'Unallocated'.

#### **3.16 Assets classified as held for sale**

Non-current assets or disposal group are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset or disposal group and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. As at each balance sheet date, the management reviews the appropriateness of such classification.

Non-current assets or disposal group classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The group treats sale/ distribution of the asset or disposal group to be highly probable when:

- the appropriate level of management is committed to a plan to sell the asset (or disposal group),
- an active programme to locate a buyer and complete the plan has been initiated (if applicable),
- the asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- the sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

A disposal Group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

## Citicorp Finance (India) Limited

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

for the year to date ended 31 March 2023

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

#### Note 4 - Cash and cash equivalents

Particulars	As at	As at
	31 March 2023	31 March 2022
Cash on hand	-	-
Balance with banks		
- In current accounts	626	10,848
- In fixed deposits (with original maturity of less than 3 months)	7,260	38,599
Cheques on hand	-	52
<b>Total</b>	<b>7,886</b>	<b>49,499</b>

Refer note 35 for balances with related parties.

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

Particulars	As at	As at
	31 March 2023	31 March 2022
Continuing operations	7,886	49,499
Discontinued operations	-	-
<b>Total</b>	<b>7,886</b>	<b>49,499</b>

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

Particulars	As at	As at
	31 March 2023	31 March 2022
Margin money deposit	2,866	2,456
Fixed Deposit	94	2,741
<b>Total</b>	<b>2,960</b>	<b>5,197</b>

1. Fixed deposit includes Nil lien marked deposits (31 March 2022: INR 2,604) for securitization transactions executed in prior years.

2. Refer note 35 for fixed deposits with related parties.

Particulars	As at	As at
	31 March 2023	31 March 2022
Continuing operations	2,960	2,593
Discontinued operations	-	2,604
<b>Total</b>	<b>2,960</b>	<b>5,197</b>

#### Note 6 - Derivative financial assets and liabilities

Particulars	As at	As at
	31 March 2023	31 March 2022
<b>Derivative financial assets</b>		
Equity linked derivatives (futures and options)	-	4,474
<b>Total</b>	<b>-</b>	<b>4,474</b>

Particulars	As at	As at
	31 March 2023	31 March 2022
Continuing operations	-	4,474
Discontinued operations	-	-
<b>Total</b>	<b>-</b>	<b>4,474</b>

#### Derivative financial liabilities

Equity linked derivatives (futures and options)	-	244
<b>Total</b>	<b>-</b>	<b>244</b>

Particulars	As at	As at
	31 March 2023	31 March 2022
Continuing operations	-	244
Discontinued operations	-	-
<b>Total</b>	<b>-</b>	<b>244</b>

**Citicorp Finance (India) Limited****Notes to the consolidated financial statements (continued)**

for the year to date ended 31 March 2023

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

<b>Notional amount</b>	<b>4,253</b>	<b>48,436</b>
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**Note 7 - Receivables**

<b>Particulars</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
<b>Trade receivables</b>		
Receivables considered good - Secured	-	-
Receivables considered good - Unsecured	242	7,498
Less: Expected credit loss	-	-
<b>Subtotal</b>	<b>242</b>	<b>7,498</b>
<b>Other receivables</b>		
Receivables from group companies	284	56
Receivables considered good - Secured	-	-
Receivables considered good - Unsecured	4,432	1,404
Less: Expected credit loss	-	-
<b>Subtotal</b>	<b>4,716</b>	<b>1,460</b>
<b>Total</b>	<b>4,958</b>	<b>8,958</b>

1. No amount of trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person.

2. Refer note 35 for receivables from related parties.

3. Refer note 46 for trade receivables ageing schedule.

<b>Particulars</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
Continuing operations	4,958	8,098
Discontinued operations	-	860
<b>Total</b>	<b>4,958</b>	<b>8,958</b>

**Citicorp Finance (India) Limited**

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

for the year ended 31 March 2023

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

**Note 8 - Loans**

Particulars	As at 31 March 2023			As at 31 March 2022		
	Amortised cost	Fair value through OCI	Total	Amortised cost	Fair value through OCI	Total
<b>Loans</b>						
Loans repayable on demand*	90,667	-	90,667	146,943	-	146,943
Term loans	218,552	18,201	236,753	241,474	314,387	555,861
Deposits	32	-	32	86	-	86
<b>Total (Gross)</b>	<b>309,251</b>	<b>18,201</b>	<b>327,452</b>	<b>388,503</b>	<b>314,387</b>	<b>702,890</b>
Less: Expected credit loss	(1,035)	(182)	(1,217)	(3,805)	(3,390)	(7,195)
<b>Total (Net)</b>	<b>308,216</b>	<b>18,019</b>	<b>326,235</b>	<b>384,698</b>	<b>310,997</b>	<b>695,695</b>
Secured by tangible assets*	197,207	18,201	215,408	223,327	314,387	537,714
Unsecured	112,044	-	112,044	165,176	-	165,176
<b>Total (Gross)</b>	<b>309,251</b>	<b>18,201</b>	<b>327,452</b>	<b>388,503</b>	<b>314,387</b>	<b>702,890</b>
Less: Expected credit loss	(1,035)	(182)	(1,217)	(3,805)	(3,390)	(7,195)
<b>Total (Net)</b>	<b>308,216</b>	<b>18,019</b>	<b>326,235</b>	<b>384,698</b>	<b>310,997</b>	<b>695,695</b>
<b>Advances in India</b>						
Public sector*	128,470	-	128,470	-	-	-
Other than public sector	180,781	18,201	198,982	388,503	314,387	702,890
<b>Total (Gross)</b>	<b>309,251</b>	<b>18,201</b>	<b>327,452</b>	<b>388,503</b>	<b>314,387</b>	<b>702,890</b>
Less: Expected credit loss	(1,035)	(182)	(1,217)	(3,805)	(3,390)	(7,195)
<b>Total (Net)</b>	<b>308,216</b>	<b>18,019</b>	<b>326,235</b>	<b>384,698</b>	<b>310,997</b>	<b>695,695</b>
<b>Particulars</b>	<b>As at 31 March 2023</b>		<b>As at 31 March 2022</b>			
Continuing operations			326,235		339,895	
Discontinued operations			-		355,800	
<b>Total</b>			<b>326,235</b>		<b>695,695</b>	

\*Includes Reverse Repurchase transaction (Reverse repo) and accrued interest thereon amounting to INR 50,545 (31 March 2022: Nil)

**Citicorp Finance (India) Limited****Notes to the consolidated financial statements (continued)**

for the year to date ended 31 March 2023

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

**Note 9 - Investments**

Particulars	As at	As at
	31 March 2023	31 March 2022
<b>In India</b>		
<b>Accounted under equity method</b>		
Equity shares of associate	27,227	23,904
<b>At fair value through profit or loss</b>		
Corporate bonds (quoted)	182,094	131,034
Commercial papers (quoted)	-	-
Equity shares (unquoted)	7,052	6,357
Equity shares (quoted)	-	-
Debentures (unquoted)	-	-
<b>At fair value through other comprehensive income</b>		
Government securities	191,709	27,584
Less: Expected credit loss	-	-
<b>Total</b>	<b>408,082</b>	<b>188,880</b>

Refer note 35 for investments in related parties.

Particulars	As at	As at
	31 March 2023	31 March 2022
Continuing operations	408,082	188,880
Discontinued operations	-	-
<b>Total</b>	<b>408,082</b>	<b>188,880</b>

**Note 10 - Other financial assets**

Particulars	As at	As at
	31 March 2023	31 March 2022
Margin money	1,650	210
Other deposits	28	27
<b>Total</b>	<b>1,678</b>	<b>237</b>

Refer note 35 for margin placed with related parties.

Particulars	As at	As at
	31 March 2023	31 March 2022
Continuing operations	1,678	237
Discontinued operations	-	-
<b>Total</b>	<b>1,678</b>	<b>237</b>



**Citicorp Finance (India) Limited**

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

for the year ended 31 March 2023

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

**Note 11 - Property, plant and equipment**

Particulars	Gross block				Accumulated depreciation				Net block	
	As at 01 April 2022	Additions	Deletions <sup>^</sup>	As at 31 March 2023	As at 01 April 2022	For the year	Deductions <sup>^</sup>	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
<b>Owned assets</b>										
Property, Plant and Equipment										
<b>Building</b>	54	-	-	54	25	1	-	26	28	29
Freehold land	2	-	-	2	-	-	-	-	2	2
Furniture and fixtures	64	-	14	50	43	6	11	38	11	21
Office equipments	148	4	77	75	108	12	73	47	27	40
Electrical installations	476	6	280	202	337	49	234	152	50	139
Computer equipments	253	9	130	132	185	32	134	83	48	69
Asset retirement obligation	7	7	14	(0)	7	7	14	(0)	-	-
<b>Subtotal</b>	<b>1,004</b>	<b>26</b>	<b>515</b>	<b>515</b>	<b>705</b>	<b>106</b>	<b>466</b>	<b>346</b>	<b>167</b>	<b>300</b>
<b>Leased assets</b>										
Leasehold Premise*	1,553	-	1,092	461	713	71	509	275	186	840
Vehicles taken on lease	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,557</b>	<b>26</b>	<b>1,607</b>	<b>976</b>	<b>1,418</b>	<b>177</b>	<b>975</b>	<b>621</b>	<b>354</b>	<b>1,140</b>
<b>Capital work-in-progress</b>	-	-	-	-	-	-	-	-	-	-

Particulars	Gross block				Accumulated depreciation				Net block	
	As at 01 April 2021	Additions	Deletions	As at 31 March 2022	As at 01 April 2021	For the year	Deductions	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
<b>Property, Plant and Equipment</b>										
Building	54	-	-	54	23	2	-	25	29	31
Freehold land	2	-	-	2	-	-	-	-	2	2
Furniture and fixtures	64	-	-	64	36	7	-	43	21	28
Office equipments	136	16	4	148	101	12	5	108	40	35
Electrical installations	475	1	-	476	286	51	-	337	139	189
Computer equipments	210	44	1	253	158	28	1	185	69	52
Asset retirement obligation	6	1	-	7	6	1	-	7	-	-
<b>Sub-Total</b>	<b>947</b>	<b>62</b>	<b>5</b>	<b>1,004</b>	<b>610</b>	<b>101</b>	<b>6</b>	<b>705</b>	<b>300</b>	<b>337</b>
<b>Leased assets</b>										
Leasehold Premises*	1,528	25	-	1,553	486	227	-	713	840	1,042
Vehicles taken on lease	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,475</b>	<b>87</b>	<b>5</b>	<b>2,557</b>	<b>1,096</b>	<b>328</b>	<b>6</b>	<b>1,418</b>	<b>1,140</b>	<b>1,379</b>
<b>Capital work-in-progress</b>	16	-	16	-	-	-	-	-	-	16

Particulars	Net Block as at March 31, 2023	Depreciation for the year ended March 2023	Net Block as at March 31, 2022	Depreciation for the year ended March 2022
Continuing operations	354	177	910	140
Discontinued operations	-	-	230	188
<b>Total</b>	<b>354</b>	<b>177</b>	<b>1,140</b>	<b>328</b>

<sup>^</sup>Deletions / Deductions include assets that were transferred to Axis Bank Limited as part of consumer business divestiture as given in Note 36.

\*Refer Note no. 37

**Citicorp Finance (India) Limited**

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

for the year to date ended 31 March 2023

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

**Note 12 - Other non-financial assets**

Particulars	As at	As at
	31 March 2023	31 March 2022
Deposits with statutory authorities	377	367
Prepaid expenses	137	318
Net input tax credit (refer note below)	311	270
Receivable from staff	3	1
<b>Total</b>	<b>828</b>	<b>956</b>

Input tax credit	12,117	11,677
Provision for input tax credit	(11,806)	(11,407)
<b>Net input tax credit</b>	<b>311</b>	<b>270</b>

Particulars	As at	As at
	31 March 2023	31 March 2022
Continuing operations	828	956
Discontinued operations	-	-
<b>Total</b>	<b>828</b>	<b>956</b>

**Note 13 - Debt securities**

Particulars	As at	As at
	31 March 2023	31 March 2022
<b>In India</b>		
<b>At amortised cost</b>		
Non convertible debentures	97,325	316,956
<b>At fair value through profit or loss</b>		
Market linked non convertible debentures	31,758	81,576
<b>Total</b>	<b>129,083</b>	<b>398,532</b>

Refer note 44 for details of debt securities.

Particulars	As at	As at
	31 March 2023	31 March 2022
Continuing operations	129,083	398,532
Discontinued operations	-	-
<b>Total</b>	<b>129,083</b>	<b>398,532</b>

**Note 14 - Borrowings (other than debt securities)**

Particulars	As at	As at
	31 March 2023	31 March 2022
<b>In India</b>		
<b>At amortised cost</b>		
<b>Secured</b>		
<b>Unsecured</b>		
Inter corporate borrowings	200,539	149,655
Term loans	50,332	8,619
Loans repayable on demand from banks	-	-
<b>Total</b>	<b>250,871</b>	<b>158,274</b>

Refer note 43 for details of borrowings.

Refer note 35 for borrowings from related parties.

Particulars	As at	As at
	31 March 2023	31 March 2022
Continuing operations	250,871	158,274
Discontinued operations	-	-
<b>Total</b>	<b>250,871</b>	<b>158,274</b>

**Note 15 - Other financial liabilities**

Particulars	As at	As at
	31 March 2023	31 March 2022
Dealer held disbursal and other liabilities	432	8,573
Collection payables on servicing portfolio	-	5,261
<b>Total</b>	<b>432</b>	<b>13,834</b>

Refer note 35 for payables to related parties.

Particulars	As at	As at
	31 March 2023	31 March 2022
Continuing operations	432	6,386
Discontinued operations	-	7,448
<b>Total</b>	<b>432</b>	<b>13,834</b>

## Citicorp Finance (India) Limited

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

for the year to date ended 31 March 2023

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

#### Note 16 - Provisions

Particulars	As at	As at
	31 March 2023	31 March 2022
Provision for employee benefits:		
Gratuity (refer note 41)	(27)	411
Employee benefits	1	28
Bonus	49	156
Others	-	-
Provision for others:		
Securitization	-	11
Value added tax	5	9
Legal and regulatory	117	600
Asset retirement obligations	-	47
Expected credit loss on loan commitments	-	47
Expected credit loss on other Assets	8	-
<b>Total</b>	<b>153</b>	<b>1,309</b>

Particulars	As at	As at
	31 March 2023	31 March 2022
Continuing operations	153	68
Discontinued operations	-	1,241
<b>Total</b>	<b>153</b>	<b>1,309</b>

#### Note 17 - Other non-financial liabilities

Particulars	As at	As at
	31 March 2023	31 March 2022
Statutory dues payable	107	332
Others	487	1,326
<b>Total</b>	<b>594</b>	<b>1,658</b>

Particulars	As at	As at
	31 March 2023	31 March 2022
Continuing operations	594	1,497
Discontinued operations	-	161
<b>Total</b>	<b>594</b>	<b>1,658</b>

#### Note 18 - Equity share capital

Particulars	As at	As at
	31 March 2023	31 March 2022
<b>Authorised share capital</b>		
5,269,333,333 (31 March 2022: 5,269,333,333) Equity shares of Face Value INR 7.50 each	395,200	395,200
<b>Issued, subscribed and paid up</b>		
3,857,727,031 (31 March 2022: 3,857,727,031) Equity shares of Face Value INR 7.50 each	289,330	289,330
<b>Total</b>	<b>289,330</b>	<b>289,330</b>

#### Reconciliation of number of shares

Particulars	As at	As at
	31 March 2023	31 March 2022
<b>At the beginning of the year</b>	<b>3,857,727,031</b>	<b>3,857,727,031</b>
Changes during the year	-	-
<b>At the end of the year</b>	<b>3,857,727,031</b>	<b>3,857,727,031</b>

#### Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Face Value INR 7.50 per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### Shares of the Company held by the holding companies/Enterprises which exercise control

Particulars	As at	As at
	31 March 2023	31 March 2022
Associates Financial Services (Mauritius) LLC	52.94%	52.94%
Citibank Overseas Investment Corporation	47.06%	47.06%

**Citicorp Finance (India) Limited**

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

for the year to date ended 31 March 2023

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

**Details of shareholding more than 5% shares in the Company**

Particulars	As at	As at
	31 March 2023	31 March 2022
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

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

## **Citicorp Finance (India) Limited**

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

for the year to date ended 31 March 2023

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

#### **Note 19 - Interest income**

<b>Particulars</b>	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
<b>Interest on financial instruments measured at amortised cost</b>		
Loans	26,929	33,194
Deposits with banks	1,730	996
<b>Interest on financial instruments measured at FVOCI</b>		
Loans	22,177	14,076
<b>Interest on financial instruments measured at FVTPL</b>		
Investments	9,849	7,509
<b>Total</b>	<b>60,685</b>	<b>55,775</b>

<b>Particulars</b>	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
Continuing operations	36,895	27,446
Discontinued operations	23,790	28,329
<b>Total</b>	<b>60,685</b>	<b>55,775</b>

#### **Note 20 - Dividend income**

<b>Particulars</b>	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
Associates	-	-
Others	125	101
<b>Total</b>	<b>125</b>	<b>101</b>

<b>Particulars</b>	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
Continuing operations	125	101
Discontinued operations	-	-
<b>Total</b>	<b>125</b>	<b>101</b>

#### **Note 21 - Fees and commission income**

<b>Particulars</b>	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
Collection and sourcing fees	2,451	3,002
Other fees	73	372
<b>Total</b>	<b>2,524</b>	<b>3,374</b>

<b>Particulars</b>	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
Continuing operations	423	372
Discontinued operations	2,101	3,002
<b>Total</b>	<b>2,524</b>	<b>3,374</b>

## Citicorp Finance (India) Limited

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

for the year to date ended 31 March 2023

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

#### Note 22 - Net gain/(loss) on fair value changes

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>on financial instruments designated at fair value through profit and loss</b>		
Gain/(loss) on fair value of market linked non convertible debentures	980	1,635
Gain/(loss) on derivatives (net)	1,244	(2,409)
Gain/(loss) on fair value of investments classified as FVTPL	(1,551)	212
<b>Total</b>	<b>673</b>	<b>(562)</b>
<b>Fair Value changes:</b>		
Unrealised gain/(loss)	(6,008)	20,787
Realised (loss)/gain	6,681	(21,349)
<b>Total</b>	<b>673</b>	<b>(562)</b>

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Continuing operations	673	(562)
Discontinued operations	-	-
<b>Total</b>	<b>673</b>	<b>(562)</b>

#### Note 23 - Other revenue from operations

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Gain on assignment	1,321	3,595
Other revenue	25	25
<b>Total</b>	<b>1,346</b>	<b>3,620</b>

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Continuing operations	-	(1)
Discontinued operations	1,346	3,621
<b>Total</b>	<b>1,346</b>	<b>3,620</b>

#### Note 24 - Other income

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Miscellaneous income	508	1,021
Reversal of provision for litigation (net)	-	287
Interest on income tax refund	158	-
Interest on lease deposits	6	6
<b>Total</b>	<b>672</b>	<b>1,314</b>

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Continuing operations	352	646
Discontinued operations	320	668
<b>Total</b>	<b>672</b>	<b>1,314</b>

## Citicorp Finance (India) Limited

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

for the year to date ended 31 March 2023

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

#### Note 25 - Finance costs

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>Interest on financial liabilities measured at amortised cost</b>		
Non convertible debentures	15,816	12,105
Inter corporate borrowings	10,421	6,829
Commercial paper	240	648
Borrowings from banks	2,109	5
Finance lease	-	-
Others	501	1,134
<b>Interest on financial liabilities designated at FVTPL</b>		
Market linked non convertible debentures	2,526	6,518
<b>Total</b>	<b>31,613</b>	<b>27,239</b>

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Continuing operations	16,463	10,362
Discontinued operations	15,150	16,877
<b>Total</b>	<b>31,613</b>	<b>27,239</b>

#### Note 26 - Fees and commission expense

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Transfer pricing fees (refer note - Note 42H)	2,182	4,115
Fees and commission expense	902	1,275
Distribution and placement fees	345	171
Brokerage	81	184
<b>Total</b>	<b>3,510</b>	<b>5,745</b>

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Continuing operations	2,744	3,825
Discontinued operations	766	1,920
<b>Total</b>	<b>3,510</b>	<b>5,745</b>

#### Note 27 - Impairment on financial instruments

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>Financial instruments measured at amortised cost</b>		
Write offs (net of recoveries)	9	2,254
Expected credit loss on loans	(1,938)	(2,718)
Expected credit loss on other assets	3	3
<b>Financial instruments measured at FVOCI</b>		
Expected credit loss on loans	1,183	405
Write offs (net of recoveries)	632	823
<b>Total</b>	<b>(111)</b>	<b>767</b>

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Continuing operations	(138)	1,003
Discontinued operations	27	(236)
<b>Total</b>	<b>(111)</b>	<b>767</b>

## Citicorp Finance (India) Limited

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

for the year to date ended 31 March 2023

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

#### Note 28 - Employee benefits expenses

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Salaries, wages and bonus	4,574	3,815
Contribution to provident fund and other funds	258	269
Gratuity (Refer note 41)	101	83
Other expenses	53	33
<b>Total</b>	<b>4,986</b>	<b>4,200</b>

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Continuing operations	74	771
Discontinued operations	4,912	3,429
<b>Total</b>	<b>4,986</b>	<b>4,200</b>

#### Note 29 - Other expenses

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Rent	566	634
Premises maintenance costs	294	388
Provision for litigations	-	121
Bank charges	29	63
Net loss/(gain) on derecognition of property, plant and equipment	4	-
Credit rating and surveillance fees	110	131
Service bureau expenses	1,433	1,770
Technology and software expenses	886	838
Stamping / franking charges	252	318
Travelling and conveyance expenses	363	260
Telephone expenses	93	117
Professional and legal expenses	552	395
Collection expenses	1,229	1,681
HR processing charges	61	52
Payments to the auditors		
(a) Statutory Audit	35	35
(b) Tax audit	5	5
(c) Limited Review	18	17
(d) Reimbursement of expenses	3	3
Corporate social responsibility expenses (refer note 39)	319	502
Miscellaneous expenses	901	1,106
<b>Total</b>	<b>7,153</b>	<b>8,435</b>

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Continuing operations	2,380	2,621
Discontinued operations	4,773	5,814
<b>Total</b>	<b>7,153</b>	<b>8,435</b>



## Citicorp Finance (India) Limited

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

for the year ended 31 March 2023

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

#### Note 30 - Income tax

##### a) The components of income tax expense are:

Particulars	Year ended 31	Year ended 31
	March 2023	March 2022
<b>Current tax</b>		
Current tax on profits for the year	646	(2,600)
Adjustments for current tax of prior periods	-	-
<b>Total current tax expense</b>	<b>646</b>	<b>(2,600)</b>
Current tax on profits for the year ended 31 March 2023 represents tax on gain on sale of business to Axis Bank Limited as part of consumer business divestiture as given in Note 36.		
<b>Deferred tax</b>		
Decrease/(Increase) in deferred tax assets	6,710	1,823
(Decrease)/ Increase in deferred tax liabilities	(852)	3,971
<b>Total deferred tax expense</b>	<b>5,858</b>	<b>5,795</b>
<b>Total tax expense</b>	<b>6,504</b>	<b>3,194</b>

##### b) Tax charge recognised directly to other comprehensive income

Particulars	Year ended 31	Year ended 31
	March 2023	March 2022
Deferred tax expense/(benefit)	5,593	(3,841)
<b>Total tax charge/(benefit) recognized directly in other comprehensive income</b>	<b>5,593</b>	<b>(3,841)</b>

##### c) Reconciliation of the total tax charge

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

Particulars	Year ended 31	Year ended 31
	March 2023	March 2022
Accounting profit before tax	18,697	16,908
Add: Dividend reversed under equity method of accounting	252	252
Accounting profit before tax	18,949	17,160
<b>Tax at India's statutory income tax rate of 34.944% (31 March 2021 34.944%)</b>	<b>6,622</b>	<b>5,997</b>
Tax effect of the amount which are not taxable in calculating taxable income :		
- CSR expenses (net of benefit of deduction)	112	502
- Other	(230)	(487)
<b>Income tax expense</b>	<b>6,504</b>	<b>6,012</b>
<b>Effective tax rate</b>	<b>34.32%</b>	<b>35.03%</b>

##### d) Current tax assets

Particulars	Year ended 31	Year ended 31
	March 2023	March 2022
Advance income tax (net of provision for tax)	22,253	22,905
<b>Total</b>	<b>22,253</b>	<b>22,905</b>

**Citicorp Finance (India) Limited**

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

for the year ended 31 March 2023

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

**e) Deferred tax assets/liabilities**

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

Particulars	As at 31 March 2022	(Charged)/ credited to profit and loss	(Charged)/ credited to OCI	As at 31 March 2023
<b><u>Deferred tax liability :</u></b>				
Fair value of derivatives and Investments	(2,671)	852	-	(1,819)
Lease rental receivable	-	-	-	-
Changes in fair value of FVOCI debt instruments	(5,631)	-	5,613	(18)
	<b>(8,302)</b>	<b>852</b>	<b>5,613</b>	<b>(1,837)</b>
<b><u>Deferred tax asset :</u></b>				
Provisions on financial assets	2,532	(2,106)	-	426
Property, plant and equipment	2,190	162	-	2,352
Disallowance of expenses	164	(193)	-	(29)
Interest accrued on debentures	4,048	(3,742)	-	306
Remeasurement of defined benefit obligation at FVOCI	114	-	(20)	94
Others	5,073	(833)	-	4,240
	<b>14,120</b>	<b>(6,712)</b>	<b>(20)</b>	<b>7,390</b>
MAT Credit available	8,167	3,378	-	11,545
<b>Net deferred tax asset/(liability)</b>	<b>13,986</b>	<b>(2,481)</b>	<b>5,593</b>	<b>17,099</b>

Particulars	As at 31 March 2021	(Charged)/ credited to profit and loss	(Charged)/ credited to OCI	As at 31 March 2022
<b><u>Deferred tax liability :</u></b>				
Fair value of derivatives	1,302	(3,973)	-	(2,671)
Lease rental receivable	-	-	-	-
Changes in fair value of FVOCI debt instruments	(1,745)	-	(3,886)	(5,631)
	<b>(443)</b>	<b>(3,973)</b>	<b>(3,886)</b>	<b>(8,302)</b>
<b><u>Deferred tax asset :</u></b>				
Provisions on financial assets	2,707	(176)	-	2,532
Property, plant and equipment	2,539	(349)	-	2,190
Disallowance of expenses	107	57	-	164
Interest accrued on debentures	5,252	(1,204)	-	4,048
Remeasurement of defined benefit obligation at FVOCI	68	-	45	114
Others	5,233	(160)	-	5,073
	<b>15,906</b>	<b>(1,831)</b>	<b>45</b>	<b>14,120</b>
Less: Utilisation of MAT credit towards provision for tax	<b>5,567</b>	<b>2,600</b>		<b>8,167</b>
<b>Net deferred tax asset/(liability)</b>	<b>21,029</b>	<b>(3,205)</b>	<b>(3,841)</b>	<b>13,986</b>

## **Citicorp Finance (India) Limited**

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

for the year ended 31 March 2023

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

#### **Note 31 - Fair value measurements**

##### **a) Fair value measurement**

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

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

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

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

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

##### **b) Valuation techniques**

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

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

- Commercial real estate loans measured at fair value through other comprehensive income are valued using income approach wherein, the future cash inflows are discounted using appropriate benchmark + margin (agreed on such loans). These benchmark rates are obtained from the market sources as appropriate for pricing of similar loans. Use of quoted prices for similar financial assets is classified as Level 2 in the fair value hierarchy.

- Investment in equity shares consist of unlisted equity shares. For unlisted equity shares, fair value is determined through valuation techniques, such as multiples of earnings. A liquidity discount is applied when few or no transactions exist to support the valuations. In case of unlisted equity shares, significant inputs being unobservable, they are classified as Level 3 in the fair value hierarchy.

- Investment in debt securities are valued basis rates provided by Fixed Income Money Market and Derivatives Association of India (FIMMDA). Use of FIMMDA rate is classified as Level 2 in the fair value hierarchy.

- Market linked non convertible debentures are fair valued based on fair valuation of the underlying embedded derivative and the host principal.

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

##### **c) Valuation Control framework**

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

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for the year ended 31 March 2023

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

**d) Financial instruments by category**

Particulars	As at 31 March 2023				As at 31 March 2022			
	FVTPL	FVOCI	At Amortised Cost	Total	FVTPL	FVOCI	At Amortised Cost	Total*
<b>Financial Assets</b>								
Cash and cash equivalents	-	-	7,886	7,886	-	-	49,499	49,499
Bank balance other than cash and cash equivalents above	-	-	2,960	2,960	-	-	5,197	5,197
Derivative financial assets	-	-	-	-	4,474	-	-	4,474
Trade receivables	-	-	242	242	-	-	7,498	7,498
Other receivables	-	-	4,716	4,716	-	-	1,460	1,460
Loans	-	18,019	308,216	326,235	-	310,997	384,698	695,695
Investments	189,146	191,709	-	380,855	137,391	27,584	-	164,976
Other financial assets	-	-	1,678	1,678	-	-	237	237
<b>Total financial assets</b>	<b>189,146</b>	<b>209,728</b>	<b>325,698</b>	<b>724,572</b>	<b>141,865</b>	<b>338,581</b>	<b>448,589</b>	<b>929,036</b>
<b>Financial Liabilities</b>								
Derivative financial liabilities	-	-	-	-	244	-	-	244
Trade Payables	-	-	4,101	4,101	-	-	11,681	11,681
Debt securities	31,758	-	97,325	129,083	81,576	-	316,956	398,532
Borrowings (other than debt securities)	-	-	250,871	250,871	-	-	158,274	158,274
Other financial liabilities	-	-	432	432	-	-	13,835	13,835
<b>Total financial liabilities</b>	<b>31,758</b>	<b>-</b>	<b>352,729</b>	<b>384,487</b>	<b>81,820</b>	<b>-</b>	<b>500,746</b>	<b>582,566</b>

Note: Investment in associate amounting to INR 27,227 (31 March 2022: INR 23,904) is accounted under equity method and does not form part of the above.

\*Total includes balances of discontinued operations.

**e) Fair value hierarchy**

Financial asset and liabilities measured at fair value - recurring fair value measurements	As at 31 March 2023			As at 31 March 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets measured at - Fair value through profit and loss</b>						
Derivative financial assets	-	-	-	-	4,474	-
Investments	-	182,094	7,052	-	131,034	6,357
<b>Fair value through other comprehensive income</b>						
Investments	-	191,709	-	-	27,584	-
Loans	-	18,019	-	-	310,997	-
<b>Total</b>	<b>-</b>	<b>391,822</b>	<b>7,052</b>	<b>-</b>	<b>474,090</b>	<b>6,357</b>
<b>Financial liabilities measured fair value through profit and loss</b>						
Derivative financial instruments	-	-	-	-	244	-
Debt securities	-	31,758	-	-	81,576	-
<b>Total</b>	<b>-</b>	<b>31,758</b>	<b>-</b>	<b>-</b>	<b>81,820</b>	<b>-</b>

Financial assets and liabilities measured at amortised cost for which fair value is disclosed	Fair value hierarchy	As at 31 March 2023		As at 31 March 2022	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>					
Loans	Level 3	308,216	308,634	384,698	397,621
<b>Financial liabilities</b>					
Debt securities	Level 3	97,325	98,795	316,956	318,493
Inter-corporate borrowing	Level 3	200,539	200,493	149,655	144,496

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

**f) Fair value measurements using significant unobservable inputs (level 3)**

The following table presents the changes in level 3 items for the periods ended 31 March 2023 and 31 March 2022:

	As at	As at
	31 March 2023	31 March 2022
<b>As at beginning of the year</b>	<b>6,357</b>	<b>6,244</b>
Transfer between Levels	-	-
Gains / (losses) recognised in profit and loss*	695	113
<b>As at end of the year</b>	<b>7,052</b>	<b>6,357</b>

\*This represents unrealised gain on fair valuation of equity investment and is disclosed under 'net gain/(loss) on fair value changes' (refer Note 22).

**g) Valuation inputs and relationships to fair value**

Particulars	Valuation technique	Significant unobservable inputs	Change in input	As at 31 March 2023	As at 31 March 2022
Investments in unquoted equity shares	P/E multiples	Earnings growth rate Liquidity discounts	± 1.5% ± 10%	108/(108) (829)/829	92/(92) (851)/851

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

**Note 32 - Financial Risk Management**

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

Risk type	Nature of risk	Risk arising from	Risk management process
Credit risk	Credit risk is the risk of loss resulting from the decline in credit quality (or downgrade risk) or failure of a borrower, counterparty, third party or issuer to honor its financial or contractual obligations.	Credit risk arises principally from lending and investment.	Credit risk is: - measured as the amount that could be lost if a customer or counterparty fails to make repayments. The Company considers the amount of principal outstanding and interest due as credit exposure from its borrowers;  - monitored using various internal risk management measures and within limits approved by individuals within a framework of delegated authorities; and  - managed through a robust risk control framework and governance process, which outlines clear and consistent policies, principles and guidance for risk managers for credit sanctioning, lending and risk monitoring.
Liquidity risk	Liquidity risk is the risk that the Company does not have sufficiently stable and diverse sources of funding. Also the risk of insufficient financial resources to meet our commitments as they fall due.	Liquidity risk arises from mismatches in the timing of cash flows.	Liquidity risk is: - planned as per annual plan process and balance sheet forecast supplemented by periodic ALCO Balance Sheet monitoring, keeping in mind the prevailing market conditions is conducted. Periodical monitoring includes monthly reporting of ALM, LCR and LLSR reports.  - measured under two stress scenarios (Market and Idiosyncratic) - maintaining a contingency funding plan detailing actions and strategies available in stressed conditions. - measured as per LCR requirement as guided by "Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies" RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 04 November 2019  - The liquidity plan for CFIL assumes following stress scenarios: • Local Liquidity Stress Report (LLSR)– Market: The LLSR – Market scenario is a Highly Stressed Market Disruption scenario and assumes no access to unsecured wholesale market as well to debt issuance market. The stress scenario covers a 12M horizon. • Local Liquidity Stress Report (LLSR)– Idiosyncratic: The LLSR Idiosyncratic scenario cover the Institution specific crisis. The stress scenario covers a 30D horizon. The scenario assumes a rating downgrade both in long term as well as Short term debt at the parent level.
Market risk	Market risk is the risk of loss arising from changes in the value of the Company's assets and liabilities resulting from changes in market variables (for eg.interest rates, corporate spreads).	Structured notes, Investments held for trading, loans carried at fair value through other comprehensive income.	Market risk is: - measured using sensitivities and stress testing using factor sensitivities for market movements and scenarios;  - managed by Market Risk Management (MRM) - reports and monitors the trading risk exposures against approved limits and triggers on a daily basis.

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

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

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

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

for the year ended 31 March 2023

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

**Note 32 - Financial Risk Management (Continued)**

**A. Credit risk**

Credit risk is the risk of loss resulting from the decline in credit quality or the failure of a borrower, counterparty, third party or issuer to honor its financial or contractual obligations. Credit risk mainly arises from the Company's lending business activity which can be classified as below:

- a) Loans and advances to corporate customers and HNIs i.e. High networth individuals
- b) Loans and advances to other retail customers (other retail loans)

Credit risk also arises from concentration of exposure within a specific client, industry, region or other category.

**i) Credit quality analysis and credit exposure**

The Company assesses and manages credit risk based on assessment of obligor risk using obligor risk rating (ORR) for loans and advances to corporate customers and HNIs.

Asset backed Finance business is made up of smaller exposures with homogeneous credit risk characteristics, where the underwriting process is rules-based, rather than judgmental, and where collection activities and write-offs are primarily driven by the number of days past due. The Company assesses and manages credit risk based on assessment of obligor risk using the defined Risk Acceptance Criteria (RAC) for extending loans to procure Commercial Vehicles and Construction Equipment. The RACs broadly include Assessment of KYC and Management, Review of Credit Bureau Checks etc.

Personal Loan business is made up of individual loans, where the underwriting process is rules-based, rather than judgmental. The Company assesses and manages credit risk based on the defined Risk Acceptance Criteria (RAC) for extending loans to Individuals for personal use only. The RACs broadly includes review of Credit Bureau, Income and customers' ability to Pay. PIL underwriting is completely based on validated income. Each PIL application passes through the robust custom Application Scorecard. This scorecard is the best Risk differentiator for underwriting."

For Corporate customers and HNIs the Credit risk team assesses and maintains the internal risk rating system. Obligor risk rating assessment is done for each obligor availing credit facilities. The Company assigns ORRs to each obligor based on assumptions, inputs and factors specific to the obligor. The credit quality classification can be mapped to the obligor risk rating grade equivalent for loans and advances to corporate customers and HNIs. The ORR grades are mapped to the external ratings grade issued by Credit Rating Agencies.

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

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

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

Internal rating grades (ORR)	Credit risk category	Stage 1	Stage 2	Stage 3	Total
<b>As at 31 Mar 2023</b>					
Grades: 1 to 4-	Low	116,308	-	-	116,308
Grades: 5+ to 5-	Medium	156,872	-	-	156,872
Grades: 6+ to 6-	High	-	-	-	-
Grades: 7+ to 7-	Watchlist	-	-	-	-
Grades: 8 to 10	Default	-	-	-	-
<b>Principal outstanding</b>		<b>273,181</b>	-	-	<b>273,181</b>
Interest accrued but not collected		3,671	-	-	3,671
<b>Total exposure</b>		<b>276,852</b>	-	-	<b>276,852</b>
Less: expected credit losses on total exposure		(1,217)	-	-	(1,217)
<b>Net carrying amount</b>		<b>275,635</b>	-	-	<b>275,635</b>
<b>As at 31 March 2022</b>					
Grades: 1 to 4-	Low	115,141	-	-	115,141
Grades: 5+ to 5-	Medium	220,844	-	-	220,844
Grades: 6+ to 6-	High	-	-	-	-
Grades: 7+ to 7-	Watchlist	-	-	-	-
Grades: 8 to 10	Default	-	-	-	-
<b>Principal outstanding</b>		<b>335,985</b>	-	-	<b>335,985</b>
Interest accrued but not collected		3,165	-	-	3,165
<b>Total exposure</b>		<b>339,150</b>	-	-	<b>339,150</b>
Less: expected credit losses on total exposure		(1,357)	-	-	(1,357)
<b>Net carrying amount</b>		<b>337,794</b>	-	-	<b>337,794</b>

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

for the year ended 31 March 2023

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

Particulars	Loans carried at amortised cost	Loans carried at FVOCI	Committed lines of credit
<b>As at 31 Mar 2023</b>			
Stage 1	-	-	-
Stage 2	-	-	-
Stage 3	-	-	-
<b>Total exposure</b>	-	-	-
Less: expected credit losses on total exposure	-	-	-
<b>Net carrying amount</b>	-	-	-
<b>As at 31 March 2022</b>			
Stage 1	46,467	292,668	6,984
Stage 2	425	3,024	-
Stage 3	359	1,001	-
<b>Total exposure</b>	<b>47,251</b>	<b>296,693</b>	<b>6,984</b>
Less: expected credit losses on total exposure	(2,448)	(3,390)	(47)
<b>Net carrying amount</b>	<b>44,803</b>	<b>293,303</b>	<b>6,937</b>

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

Particulars	As at 30 March 2023	As at 31 March 2022
Rated AA and above	182,094	131,034
Rated A- to A+	-	-
<b>Total</b>	<b>182,094</b>	<b>131,034</b>

#### Cash and cash equivalents and other bank balances

The Company holds cash and cash equivalents of INR 7,886 and other bank balances of INR 2,960 as at 31 March 2023 (31 March 2022: INR 49,449 and INR 5,197). The Company maintains its Cash and cash equivalents and Bank deposits with banks having low credit risk as per the internal obligor risk rating and also reviews the credit-worthiness of the banks on an on-going basis. The Company has provided for expected credit losses on its exposure on margin money held for derivatives and fixed deposits.

#### ii) Collateral held

The Company generally accepts bank deposits, financial assets, marketable securities, inventories and real estate as collaterals in the case of secured loans. As of 31 March 2023, 66.00% of the aggregate principal amount of the Company's loans were secured by collateral (31 March 2022: 76.31%). 34.00% of the Company's loans were unsecured as at 31 March 2023 (31 March 2022: 23.69%).

At March 31, 2023, the net carrying amount of credit-impaired loans and advances amounted to Nil (31 March 2022: INR 713) and the value of identifiable collateral held against those loans and advances amounted to Nil (31 March 2022: INR 829).

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

Instrument type	Percentage of exposure that is subject to collateral requirements		Principal type of collateral held
	As at 30 March 2023	As at 31 March 2022	
<b>Loans and advances to corporate customers and HNIs</b>			
Corporate loans	46%	60%	Book debts, inventories and financial assets
Margin and securities backed finance	NA	NA	Financial assets
Strategic Equity Solutions	100%	100%	Financial assets
<b>Loans and advances to other retail customers</b>			
Personal loans	NA	0%	Unsecured
Asset backed finance	NA	100%	Commercial vehicles and construction equipments

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

#### Margin lending loans

LTV ratio	Loans and advances to retail customers		Loans and advances to corporate customers and HNIs	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Less than 51%	0.00%	0.00%	100.00%	100.00%
51-70%	0.00%	0.00%	0.00%	0.00%
71-90%	0.00%	0.00%	0.00%	0.00%
91-100%	0.00%	0.00%	0.00%	0.00%
More than 100%	0.00%	0.00%	0.00%	0.00%
<b>Total</b>	<b>0.00%</b>	<b>0.00%</b>	<b>100.00%</b>	<b>100.00%</b>

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As at 31 March 2023, the fair value of financial assets accepted as collateral that the Company is permitted to sell or repledge in the absence of default for loans and advances to corporate customers/ HNIs is INR 171,284 for 31st March 23 respectively (31 March 2022: INR 140,138).

#### iii) Inputs, assumptions, techniques used for estimating impairment

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

**Stage 1:** 12- months ECL: For exposures where there is no significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12- months is recognized.

**Stage 2:** Lifetime ECL, not credit-impaired: For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognized.

**Stage 3:** Lifetime ECL, credit-impaired: Financial assets are assessed as credit impaired upon occurrence of one or more events that have a detrimental impact on the estimated future cash flows of that asset. For financial assets that have become credit-impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the net carrying amount of loans.

The key inputs into the measurement of ECL are the term structure of the following variables:

- Probability of defaults (PDs) - Obligor level PD derived from PD and rating migration model. Model will use point in time PD values which will vary based on Macro economic variable forecasts.

- Loss given default (LGD) - LGD for different product and geographic segments are captured in the LGD estimates. The model is calibrated to loss data over time for different macroeconomic scenarios and collateral types.

- Exposure at default (EAD) i.e. the total expected exposure in the event of a default. The Company calculates expected credit losses on interest earned but not collected at portfolio level.

#### Loans and advances to corporate customers and HNIs

The company have an internal risk rating system that accurately and reliably differentiates between degrees of credit risk for classifiable managed exposures. To differentiate among degrees of credit risk and make meaningful and consistent distinctions among degrees of credit risk, the Company reviews its credit exposure along two dimensions – Default Risk and loss severity in the event of default.

In case of Classifiable managed obligors, company assigns

- Rating grades that appropriately reflect likelihood of default and

- Loss severity rating grade (or Loss Given Default estimates) that approximately reflect the loss severity expected in the event of default during economic downturn conditions.

The Obligor Risk Rating (ORR) represents the probability that an obligor will default within a one year time horizon. Risk ratings for obligors are assigned on a scale of 1 to 10, with sub- grades, where "1" is the best quality risk and "7-" is the worst for obligors that are not in default. ORRs of "9+", "9" and "10" are assigned to obligors meeting the definition of default under Basel when either or both of the following have occurred

- When the obligor is past due more than 90 days on any material credit obligation.

- When the company considers that the obligor is unlikely to pay its credit obligations in full, without recourse by Citi to actions such as realizing security (if held), collecting against a guarantee or other form of support, or filing a claim against the insurer.

The Facility Risk Rating (FRR) represents an expected loss rate, or "Loss Norm", for each facility, and is the product of two components:

The one-year Probability of Default (PD) of the Obligor, and The Loss Given Default (LGD) of a facility.

FRRs are assigned on a scale of 1 to 10, with sub-grades, where '1' is the best quality risk and '7-' is the worst for performing facilities. FRRs of 8, 9, and 10 are assigned to non- performing facilities.

At each reporting date, the Company assesses whether there has been a significant increase in credit risk of its financial assets since initial recognition by comparing the risk of default occurring over the expected life of the asset. In determining whether credit risk has increased significantly since initial recognition, the Company uses information that is relevant and available without undue cost or effort. This includes the Company's internal credit rating grading system, external risk ratings and forward-looking information to assess deterioration in credit quality of a financial asset.

The Company considers probability of default upon initial recognition of asset and whether there has been any significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Following indicators are incorporated:

- Internal credit rating

- changes in external credit rating (as far as available)

- actual or expected significant adverse changes in business, financial or economic condition that are expected to cause a significant change to borrower's ability to meet its obligations.

- significant increase in credit risk on other financial instruments of same borrower

- significant changes in value of the collateral supporting the obligation or in the quality of third party guarantees or credit support.

- significant changes in expected performance and behavior of the borrower including changes in payment status of borrowers and changes in operating results.

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



## Citicorp Finance (India) Limited

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

for the year ended 31 March 2023

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

#### Loans and advances to other retail customers

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

Quantitative based staging criteria are as follows:

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

In addition to quantitative factors as mentioned above, loans / exposures are also assessed for qualitative factors for staging. These include:

- a) material adverse changes in business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its debt obligations to the Company.
- b) significant adverse change in the regulatory, economic, or technological environment of the borrower that results in a significant change in the borrower's ability to meet its debt obligations to the Company
- c) significant changes in the value of the collateral
- d) significant changes in the loan documentation / arrangement

#### LGD is the magnitude of the likely loss if there is a default

For the corporate portfolio, the Company estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset.

For retail portfolio, the Company segments its portfolios into smaller homogenous portfolios, based on the key characteristics that are relevant to the estimation of future cash flows. The applied data is based on historically collected loss data and involves a wider set of transaction characteristics as well as borrower characteristics.

A scenario analysis on macroeconomic indicators is done. Following are the key variables considered in the ECL model factoring Baseline, Optimistic and pessimistic scenarios and the expected probabilities :

- Unemployment rate
- Interest rate swaps for the tenure ranging from 1 year to 10 years
- Interest rate on sovereign bonds for the tenure ranging from 15 months to 5 years
- GDP rate

Particulars	Total exposure				Expected credit loss (ECL)				Net carrying amount
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	
<b>Loans and advances carried at amortised cost</b>									
- Loans and advances to corporate customers	258,674	-	-	<b>258,674</b>	(1,035)	-	-	<b>(1,035)</b>	<b>257,639</b>
- Loans and advances to retail customers	-	-	-	-	-	-	-	-	-
<b>Loans and advances carried at FVOCI</b>									
- Loans and advances to corporate customers	18,178	-	-	<b>18,178</b>	(182)	-	-	<b>(182)</b>	<b>17,996</b>
- Loan commitments	-	-	-	-	-	-	-	-	-
<b>Other financial assets measured at amortised cost</b>	68,058	-	-	<b>68,058</b>	(8)	-	-	<b>(8)</b>	<b>68,050</b>
<b>As at 31 March 2023</b>	<b>344,910</b>	<b>-</b>	<b>-</b>	<b>344,910</b>	<b>(1,226)</b>	<b>-</b>	<b>-</b>	<b>(1,226)</b>	<b>343,685</b>
<b>Loans and advances carried at amortised cost</b>									
- Loans and advances to corporate customers	339,150	-	-	<b>339,150</b>	(1,357)	-	-	<b>(1,357)</b>	<b>337,794</b>
- Loans and advances to retail customers	46,467	425	359	<b>47,251</b>	(1,879)	(319)	(250)	<b>(2,448)</b>	<b>44,804</b>
<b>Loans and advances carried at FVOCI</b>									
- Loans and advances to retail customers	292,668	3,024	1,001	<b>296,693</b>	(2,171)	(823)	(396)	<b>(3,390)</b>	<b>293,303</b>
- Loan commitments	6,984	-	-	<b>6,984</b>	(47)	-	-	<b>(47)</b>	<b>6,937</b>
<b>Other financial assets measured at amortised cost</b>	63,977	-	-	<b>63,977</b>	(5)	-	-	<b>(5)</b>	<b>63,972</b>
<b>As at 31 March 2022</b>	<b>749,246</b>	<b>3,449</b>	<b>1,360</b>	<b>754,055</b>	<b>(5,459)</b>	<b>(1,142)</b>	<b>(646)</b>	<b>(7,247)</b>	<b>746,809</b>

## Citicorp Finance (India) Limited

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for the year ended 31 March 2023

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#### iv) Reconciliation of loss allowance provision

Reconciliation of loss allowance	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected	
		Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets for which credit risk has increased significantly and credit-impaired
<b>Loss allowance on 31 March 2023</b>	<b>1,217</b>	<b>0</b>	<b>0</b>
Changes in loss allowances due to:			
Assets originated or purchased	3,964	298	48
Write – offs	(4,940)	(327)	(331)
Recoveries/ repayments*	(3,334)	(1,631)	(658)
Changes in risk parameters	-	-	-
Change in measurement from 12-month to life-time expected losses or vice-versa	73	518	296
<b>Loss allowance on 31 March 2022</b>	<b>5,455</b>	<b>1,142</b>	<b>646</b>
Changes in loss allowances due to:			
Assets originated or purchased	2,750	95	17
Write – offs	(175)	(1,227)	(127)
Recoveries/ repayments	(4,320)	(441)	(7)
Changes in risk parameters	-	-	-
Change in measurement from 12-month to life-time expected losses or vice-versa	(21)	585	608
<b>Loss allowance on 31 March 2021</b>	<b>7,221</b>	<b>2,130</b>	<b>155</b>

\*Recoveries/repayments include amount transferred to Axis Bank Limited as given in Note 36

#### Sensitivity analysis of expected credit loss

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

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

#### Write-offs still under enforcement

In the case of assets that are assessed collectively for impairment, the Company writes-off such secured and unsecured assets at 180 days and 120 days past due respectively unless there is empirical evidence to the contrary. The contractual amount outstanding on financial assets written-off and still subject to enforcement activity was Nil as at 31 March 2023 (31 March 2022: INR 17,166).

#### Loans with renegotiated terms

A loan that is renegotiated is derecognised if the existing agreement is cancelled and a new agreement is made on substantially different terms or if the terms of the existing agreement are modified such that the renegotiated loan is a substantially different instrument.

Where the renegotiation of such loans are not derecognised, impairment continues to be assessed for significant increases in credit risk compared to the initial origination credit risk rating.

#### v) Concentration of credit risk

Portfolio concentration is measured with the aim of optimizing the benefits associated with diversification and reducing the potential adverse impact of concentration of exposures to a particular borrower, sector or industry. Credit concentration shall be tracked and performed at:

1. Counterparty level (Single borrower limit / Group borrower limit)
2. Portfolio level -Sector

#### Counterparty exposure limits

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

In compliance with RBI directions, the Company has set Single Borrower & Group borrower limits (SBL/GBL) as it is strictly adhered.

- a) Lend to (i) any single borrower exceeding 15% of its owned fund; and (ii) any single group of borrowers exceeding 25% of its owned fund;
- b) Invest in (i) the shares of another company exceeding 15% of its owned fund; and (ii) the shares of a single group of companies exceeding 25% of its owned fund;
- c) Lend and invest (loans/investments taken together) exceeding (i) 25% of its owned fund to a single party; and (ii) 40% of its owned fund to a single group of parties.

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

From 1st Oct 2022, when Scale based regulations for NBFCs became applicable, the extant credit concentration limits prescribed for NBFCs separately for lending and investments shall be merged into a single exposure limit of 25% for single borrower/ party and 40% for single group of borrowers/ parties. Further, the concentration limits shall be determined with reference to the NBFC's Tier 1 capital instead of their Owned Fund.

The Company monitors the above regulatory limits, and ensures that the exposure to any borrower/group is not in breach. This is tracked at the time of sanction itself to avoid sanction of any facility which is in excess of counterparty exposure norms. During the year ended 31 March 2023 and 31 March 2022, the Company's credit exposure to single borrowers and group borrowers were within the limits.

## Citicorp Finance (India) Limited

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

for the year ended 31 March 2023

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

#### Portfolio exposure limits

Industry wise concentration limits are monitored for loans and advances given to corporate customers.

CFIL has fixed internal exposure limits to specific sectors, so that exposures are evenly spread across various sectors

The following exposure limits for the sectors have been fixed:

1. Limit of 30% of Total exposure to Other Financial Institutions
2. Limit of 20% of Total exposure for the following industries-
  - a. Engineering
  - b. Information Technology
  - c. Automobiles
  - d. Petroleum & Petroleum Products
  - e. Banking Industry
3. A limit of 15% of Total Exposure for all remaining Industries excluding Real Estate.
4. Real Estate Limit has been set as lower of 20% of Total Exposure or INR 1000 Crs.

Any breach in Industry limits to be approved by at least 2 board members. An analysis of concentrations of credit risk is shown below:

Sector	As at 31 March 2023	As at 31 March 2022
Chemicals	0.11%	7.66%
Pharma & Healthcare	9.15%	7.38%
Bank	0.00%	0.00%
Metals	0.34%	0.33%
Autos	0.00%	0.27%
Agriculture & Food Preparation	0.00%	0.00%
Other Financial Institutions	1.86%	4.49%
Commercial Real Estate	6.59%	0.00%
Other sectors(*)	56.33%	22.10%
<b>Concentration of loans to corporate customers</b>	<b>74.38%</b>	<b>42.22%</b>
<b>Margin lending</b>	<b>25.62%</b>	<b>7.38%</b>
<b>Other loans and advances to retail customers</b>	<b>0.00%</b>	<b>50.40%</b>
<b>Total loans and advances outstanding</b>	<b>100.00%</b>	<b>100.00%</b>

(\*) Other sectors majorly include Company's exposure to Infrastructure Industry, Transport Equipment industry, Software industry, Non-operating financial holding companies (Investment Companies) etc.

#### vi) Offsetting financial assets and financial liabilities

The company does not have any financial instruments with offsetting rights.

#### vii) Restructured Loans:

Disclosure in compliance with Reserve Bank of India Circular DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020 pertaining to resolution framework for COVID-19 related stress read with RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021 pursuant to Resolution Framework 2.0 - Resolution of COVID-19 related stress Micro, Small and Medium Enterprises (MSMEs).

#### Format-B for Resolution Framework

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position	Of (A), aggregate debt that slipped into NPA during the period	Of (A) amount written off during the period	Of (A) amount paid by the borrowers during the period*	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the year.
<b>Personal Loans</b>	-	-	-	-	-
Corporate persons*	-	-	-	-	-
Of which MSMEs	906	24	-	906	-
Others	-	-	-	-	-
<b>Total</b>	<b>906</b>	<b>24</b>	<b>-</b>	<b>906</b>	<b>-</b>

\*Amount of INR 906 lakhs comprises of INR 715 lakhs that was transferred to Axis Bank Limited as part of consumer business divestiture as given in Note 36.

## Citicorp Finance (India) Limited

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

for the year ended 31 March 2023

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#### Note 32 - Financial Risk Management (Continued)

##### B. Liquidity risk

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

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

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

The following factors add to comfort on management of balance sheet liquidity:

- Well capitalized balance sheet, with capital adequacy of 69.12% as of 31 March 2023 (40.36% as of 31st March 2022).
- Market issuances carrying the highest credit rating for short term as well as long term issuances.
- Loan portfolio across multiple Corporate product segments.

##### Financing arrangements

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

Particulars	As at	As at
	31 March 2023	31 March 2022
Committed undrawn facility	183,200	183,200

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

Particulars	Carrying amount	Contractual cash flows					
		Gross nominal inflow/ (outflow)	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year
<b>As at 31 March 2023</b>							
<b>Non-derivative financial liabilities</b>							
Trade payables	4,101	(4,101)	(4,101)	-	-	-	-
Debt securities	129,083	(140,522)	(4,394)	(32,212)	(68,936)	(34,980)	-
Borrowings (other than debt securities)	250,871	(258,627)	(236,570)	(7,492)	(5,400)	(9,158)	(7)
Other financial liabilities	432	(432)	(432)	-	-	-	-
<b>Total</b>	<b>384,487</b>	<b>(403,682)</b>	<b>(245,497)</b>	<b>(39,705)</b>	<b>(74,336)</b>	<b>(44,138)</b>	<b>(7)</b>
<b>Non-derivative financial assets</b>							
Cash and cash equivalents	7,886	7,886	7,886	-	-	-	-
Bank balance other than cash and cash equivalents above	2,960	2,960	2,866	-	94	-	-
Receivables	4,958	4,958	148	4,810	-	-	-
Loans	326,235	344,092	148,444	4,004	169,091	23,715	(1,162)
Investments	408,082	450,494	191,500	-	20,116	82,081	156,797
Other financial assets	1,678	1,677	1,650	-	-	-	27
<b>Total</b>	<b>751,799</b>	<b>812,067</b>	<b>352,494</b>	<b>8,814</b>	<b>189,302</b>	<b>105,795</b>	<b>155,663</b>

**Citicorp Finance (India) Limited**

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

for the year ended 31 March 2023

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

Particulars	Carrying amount*	Contractual cash flows					
		Gross nominal inflow/ (outflow)	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year
<b>As at 31 March 2022</b>							
<b>Non-derivative financial liabilities</b>							
Trade payables	11,680	(11,680)	(11,680)	-	-	-	-
Debt securities	398,532	(425,110)	(43,041)	(109,070)	(245,279)	(26,856)	(864)
Borrowings (other than debt securities)	158,274	(159,628)	(143,401)	(10,256)	(792)	(5,118)	(61)
Other financial liabilities	13,834	(13,834)	(12,341)	(203)	(1,290)	-	-
<b>Total</b>	<b>582,320</b>	<b>(610,252)</b>	<b>(210,463)</b>	<b>(119,530)</b>	<b>(247,360)</b>	<b>(31,975)</b>	<b>(924)</b>
<b>Non-derivative financial assets</b>							
Cash and cash equivalents	49,499	49,499	49,499	-	-	-	-
Bank balance other than cash and cash equivalents above	5,197	5,209	2,505	90	-	2	2,610
Receivables	8,958	8,958	8,958	-	-	-	-
Loans	695,695	764,222	47,564	44,512	260,487	350,815	60,844
Investments	188,880	211,634	30,038	464	47,500	56,957	76,674
Other financial assets	237	237	210	-	-	-	27
<b>Total</b>	<b>948,466</b>	<b>1,039,759</b>	<b>138,774</b>	<b>45,067</b>	<b>307,987</b>	<b>407,775</b>	<b>140,156</b>

\*Carrying amount includes balances of discontinued operations.

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

Particulars	Carrying amount	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year
<b>Derivative financial assets</b>						
As at 31 March 2023	-	-	-	-	-	-
As at 31 March 2022	4,474	-	-	4,474	-	-
<b>Derivative financial liabilities</b>						
As at 31 March 2023	-	-	-	-	-	-
As at 31 March 2022	244	-	-	(244)	-	-

## Citicorp Finance (India) Limited

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

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#### Note 32 - Financial Risk Management (Continued)

##### C. Market risk

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

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

Market risk associated with derivatives can only be managed by exchange traded future and option contracts linked to the underlying. Hence, the Company ensures that risk is managed prudently by taking positions in exchange traded derivatives on a tranche.

##### i) Price risk

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

Nature of product	Measurement basis	Sensitivity	Impact on the profit and loss account	
			Year ended 31 March 2023	Year ended 31 March 2022
Market linked debentures (net off hedged derivatives)	FVTPL	±100 basis points in interest rates	(89)/89	167/(167)
Investments in commercial papers and corporate bonds	FVTPL	±100 basis points in interest rates	(5,092)/5,092	(2,786)/2,786
Investments in government securities and treasury bills	FVOCI	±100 basis points in interest rates	(127)/127	(227)/227
Investments in unquoted equity shares	FVTPL	± 1.5% in earnings growth rate	108/(108)	92/(92)
		± 10% in liquidity adjustment factor	(829)/829	(851)/851

##### ii) Interest rate risk

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

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

Nature of product	Measurement basis	Sensitivity	Impact on the profit and loss account	
			Year ended 31 March 2023	Year ended 31 March 2022
Market linked debentures	FVTPL	±100 basis points in yield	(683)/683	(2,285)/2,285

Nature of product	Measurement basis	Sensitivity	Impact on other comprehensive income	
			Year ended 31 March 2023	Year ended 31 March 2022
Loans measured at FVOCI	FVOCI	±50 basis points in interest rates	(225)/228	(2,478)/2,518

**Citicorp Finance (India) Limited**

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

for the year ended 31 March 2023

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**Note 32 - Financial Risk Management (Continued)**

**C. Market risk (continued)**

The following is a summary of the Company's interest rate gap position of Assets and Liabilities:

Particulars	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year	Non-sensitive	Total
<b>As at 31 March 2023</b>							
<b>Assets</b>							
Cash and cash equivalents	7,260	-	-	-	-	626	7,886
Bank balance other than cash and cash equivalents above	-	-	94	-	-	2,866	2,960
Derivative financial assets	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	4,958	4,958
Loans	142,504	1,967	159,661	19,585	-	2,518	326,235
Investments	191,500	-	19,000	62,000	100,000	35,582	408,082
Other financial assets	-	-	-	-	-	1,678	1,678
Current tax assets (Net)	-	-	-	-	-	22,253	22,253
Deferred tax Assets (Net)	-	-	-	-	-	17,099	17,099
Property, plant and equipment	-	-	-	-	-	354	354
Other non-financial assets	-	-	-	-	-	828	828
<b>Total Inflow</b>	<b>341,264</b>	<b>1,967</b>	<b>178,755</b>	<b>81,585</b>	<b>100,000</b>	<b>88,762</b>	<b>792,333</b>
<b>Equity &amp; liabilities</b>							
Derivative financial liabilities	-	-	-	-	-	-	-
Trade payables	-	-	-	-	-	(4,101)	(4,101)
Debt securities	(2,112)	(26,359)	(62,618)	(32,087)	-	(5,907)	(129,083)
Borrowings (other than debt securities)	(232,200)	(7,300)	(5,400)	(2,000)	-	(3,971)	(250,871)
Other financial liabilities	-	-	-	-	-	(432)	(432)
Provisions	-	-	-	-	-	(153)	(153)
Other non-financial liabilities	-	-	-	-	-	(594)	(594)
Equity share capital	-	-	-	-	-	(289,330)	(289,330)
Other equity	-	-	-	-	-	(117,769)	(117,769)
<b>Total (outflow)</b>	<b>(234,312)</b>	<b>(33,659)</b>	<b>(68,018)</b>	<b>(34,087)</b>	<b>-</b>	<b>(422,257)</b>	<b>(792,333)</b>

Particulars	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year	Non-sensitive	Total
<b>As at 31 March 2022</b>							
<b>Assets</b>							
Cash and cash equivalents	38,600	-	-	-	-	10,899	49,499
Bank balance other than cash and cash equivalents above	2,502	89	-	2	-	2,604	5,197
Derivative financial assets	-	-	4,474	-	-	-	4,474
Receivables	-	-	-	-	-	8,958	8,958
Loans	35,305	35,495	238,610	323,115	43,575	19,595	695,695
Investments	29,500	-	41,000	46,000	36,500	35,880	188,880
Other financial assets	-	-	-	-	-	237	237
Current tax assets (Net)	-	-	-	-	-	22,905	22,905
Deferred tax Assets (Net)	-	-	-	-	-	13,986	13,986
Property, plant and equipment	-	-	-	-	-	1,140	1,140
Capital work-in-progress	-	-	-	-	-	-	-
Other non-financial assets	-	-	-	-	-	956	956
<b>Total inflow</b>	<b>105,907</b>	<b>35,584</b>	<b>284,084</b>	<b>369,117</b>	<b>80,075</b>	<b>117,161</b>	<b>991,927</b>
<b>Equity &amp; liabilities</b>							
Derivative financial liabilities	-	-	(244)	-	-	-	(244)
Trade payables	-	-	-	-	-	(11,680)	(11,680)
Debt securities	(30,879)	(80,646)	(239,889)	(24,372)	-	(22,746)	(398,532)
Borrowings (other than debt securities)	(137,700)	(10,000)	(700)	(5,000)	-	(4,874)	(158,274)
Other financial liabilities	-	-	-	-	-	(13,834)	(13,834)
Provisions	-	-	-	-	-	(1,309)	(1,309)
Other non-financial liabilities	-	-	-	-	-	(1,658)	(1,658)
Equity share capital	-	-	-	-	-	(289,330)	(289,330)
Other equity	-	-	-	-	-	(117,065)	(117,065)
<b>Total (outflow)</b>	<b>(168,579)</b>	<b>(90,646)</b>	<b>(240,833)</b>	<b>(29,372)</b>	<b>-</b>	<b>(462,497)</b>	<b>(991,927)</b>

**Citicorp Finance (India) Limited**

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

for the year ended 31 March 2023

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

**Maturity analysis**

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

Particulars	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year	Total
<b>As at 31 March 2023</b>						
<b>Assets</b>						
Cash and cash equivalents	7,886	-	-	-	-	7,886
Bank balance other than cash and cash equivalents above	2,866	-	94	-	-	2,960
Derivative financial assets	-	-	-	-	-	-
Receivables	148	4,810	-	-	-	4,958
Loans	145,401	1,967	160,444	19,585	(1,162)	326,235
Investments	191,906	-	18,738	63,452	133,987	408,082
Other financial assets	1,650	-	-	-	28	1,678
Current tax assets (Net)	-	-	-	-	22,253	22,253
Deferred tax Assets (Net)	-	-	-	-	17,099	17,099
Property, plant and equipment	-	-	-	-	354	354
Other non-financial assets	-	-	-	-	828	828
<b>Total inflow</b>	<b>349,857</b>	<b>6,777</b>	<b>179,276</b>	<b>83,037</b>	<b>173,387</b>	<b>792,333</b>
<b>Equity &amp; liabilities</b>						
Derivative financial liabilities	-	-	-	-	-	-
Trade payables	(4,101)	-	-	-	-	(4,101)
Debt securities	(2,193)	(27,922)	(63,537)	(35,431)	-	(129,083)
Borrowings (other than debt securities)	(234,800)	(7,388)	(5,400)	(3,275)	(8)	(250,871)
Other financial liabilities	(432)	-	-	-	-	(432)
Provisions	(5)	-	(50)	(117)	19	(153)
Other non-financial liabilities	(594)	-	-	-	-	(594)
Equity share capital	-	-	-	-	(289,330)	(289,330)
Other equity	-	-	-	-	(117,769)	(117,769)
<b>Total (outflow)</b>	<b>(242,125)</b>	<b>(35,310)</b>	<b>(68,987)</b>	<b>(38,823)</b>	<b>(407,090)</b>	<b>(792,333)</b>
<b>As at 31 March 2022</b>						
<b>Assets</b>						
Cash and cash equivalents	49,499	-	-	-	-	49,499
Bank balance other than cash and cash equivalents above	2,502	89	-	2	2,604	5,197
Derivative financial assets	-	-	4,474	-	-	4,474
Receivables	8,958	-	-	-	-	8,958
Loans	37,511	35,817	239,593	325,334	57,440	695,695
Investments	31,478	270	41,796	46,002	69,334	188,880
Other financial assets	210	-	-	-	27	237
Current tax assets (Net)	-	-	-	-	22,905	22,905
Deferred tax Assets (Net)	-	-	-	-	13,986	13,986
Property, plant and equipment	-	-	-	-	1,140	1,140
Other non-financial assets	-	-	-	-	956	956
<b>Total inflow</b>	<b>130,159</b>	<b>36,176</b>	<b>285,863</b>	<b>371,338</b>	<b>168,392</b>	<b>991,927</b>
<b>Equity &amp; liabilities</b>						
Derivative financial liabilities	-	-	(244)	-	-	(244)
Trade payables	(11,680)	-	-	-	-	(11,680)
Debt securities	(32,963)	(95,158)	(242,690)	(26,856)	(865)	(398,532)
Borrowings (other than debt securities)	(142,477)	(10,084)	(706)	(5,000)	(8)	(158,274)
Other financial liabilities	(12,341)	(203)	(1,290)	-	-	(13,834)
Provisions	(9)	-	(184)	(600)	(516)	(1,309)
Other non-financial liabilities	(1,658)	-	-	-	-	(1,658)
Equity share capital	-	-	-	-	(289,330)	(289,330)
Other equity	-	-	-	-	(117,065)	(117,065)
<b>Total (outflow)</b>	<b>(201,128)</b>	<b>(105,445)</b>	<b>(245,114)</b>	<b>(32,456)</b>	<b>(407,784)</b>	<b>(991,927)</b>



## **Citicorp Finance (India) Limited**

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

*for the year ended 31 March 2023*

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

#### **Note 33 - Capital Risk Management**

Capital risk is defined as the risk that the entity has a sub-optimal quantity or quality of capital available to meet the regulatory requirements or cover risk exposures. A capital risk exposure arises when the Company has insufficient capital resources to support its strategic objectives and business plans as well as meet external stakeholder requirements. This could materialize due to a depletion of the entity's capital resources as a result of the crystallization of any of the risks to which it is exposed.

As per RBI regulations, the company is required to maintain a minimum capital to risk-weighted assets ratio (CRAR) of 15%. Additionally, the capital base also drives prudential exposure limits for single and group borrowers and is a major factor to support a strong credit rating and capital metrics.

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

In an extreme scenario precipitating the risk of CRAR potentially dropping below the mandated minimum level, the company can additionally also consider the following contingency measures, as required:

- Curtail loan growth to be able to avoid further buildup in RWA and facilitate reduction through scheduled loan maturities
- Consider selective portfolio sales to de-risk the asset portfolio and improve capital adequacy

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

## Citicorp Finance (India) Limited

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

for the year ended 31 March 2023

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

#### Note 34 - Segment information

The segment disclosure is based on the client segment of the company which is aligned to internal reporting matrix. Secondary segmentation based on geography has not been presented as the Company operates only in India and the Company perceives that there is no significant difference in its risks and returns in operating from different geographies in India. Accordingly, the company has identified two segments : Institutional Client Group (ICG) and Global Consumer Banking (GCB) as reportable segments.

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

GCB - This segment provides loans to retail customers. Loan products offered by this segment are loans for purchase of commercial vehicles, construction equipment and agricultural assets and personal loans. Segment income mainly comprises of interest on loans and collection fees and income from assignment. There was an exceptional event in the current financial year whereby this segment was transferred to Axis Bank as part of consumer business divestiture. This has been disclosed in Note 36.

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

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

#### Segment revenue

Particulars	Year ended 31 March 2023				Year ended 31 March 2022*			
	ICG	GCB	Unallocated	Total	ICG	GCB	Unallocated	Total
Interest income	36,895	23,790	-	60,685	35,489	20,286	-	55,775
Other income	1,573	3,767	-	5,340	808	7,291	101	8,200
Share in profit of associate	3,575	-	-	3,575	-	-	3,119	3,119
<b>Total income from external customers</b>	<b>42,043</b>	<b>27,557</b>	<b>-</b>	<b>69,600</b>	<b>36,297</b>	<b>27,577</b>	<b>3,220</b>	<b>67,094</b>
Interest expense	16,463	15,150	-	31,613	15,104	12,134	-	27,239
Other Expenses	5,236	10,479	-	15,715	8,507	9,269	1,699	19,475
<b>Segment Results</b>	<b>20,345</b>	<b>1,927</b>	<b>-</b>	<b>22,272</b>	<b>12,686</b>	<b>6,174</b>	<b>1,521</b>	<b>20,380</b>
Tax expense	5,858	646	-	6,504	-	-	-	3,195
<b>Profit after tax</b>				<b>15,768</b>				<b>17,185</b>
<b>Other Information</b>								
Depreciation	177	-	-	177	-	-	328	328

#### Segment assets and liabilities

Particulars	Year ended 31 March 2023				As at 31 March 2022*			
	ICG	GCB <sup>^</sup>	Unallocated	Total	ICG	GCB	Unallocated	Total
Segment assets	792,333	-	-	792,333	574,976	361,774	55,177	991,927
Segment liabilities	(385,234)	-	-	(385,234)	(563,631)	(18,120)	(3,781)	(585,532)
<b>Net segment assets/ (liabilities)</b>	<b>407,099</b>	<b>-</b>	<b>-</b>	<b>407,099</b>	<b>11,345</b>	<b>343,654</b>	<b>51,396</b>	<b>406,395</b>

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

<sup>^</sup>As at 31 March 2023, the Company has transferred the GCB business to Axis Bank Limited as given in Note 36.

## **Citicorp Finance (India) Limited**

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

for the year ended 31 March 2023

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

#### **Note 35 - Related party disclosures**

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

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

##### **A. Holding Companies**

Associates Financial Services (Mauritius) LLC

Enterprises which exercise control:

Citibank Overseas Investment Corporation (COIC)

Citibank N.A. and its branches

Citigroup Inc. (the ultimate Holding Company)

##### **B. Fellow subsidiaries**

Citicorp Services India Pvt Ltd

Citicorp Investment Bank (Singapore) Ltd

Citigroup Global Markets Singapore PTE Limited

Citibank Europe PLC Belgium

Citibank Europe PLC France

Citibank Europe PLC Germany

Citibank Europe PLC Sweden

Citibank Korea Inc.

Citibank (China) Co. Ltd

Citigroup Global Markets Asia Limited

Citigroup Global Markets Hong Kong Ltd

Citigroup Global Markets India Pvt Ltd

Citigroup Global Markets Limited

Citigroup Technology Infrastructure (Hong Kong) Limited

Orbitech Private limited

Citigroup Technology Inc.

##### **C. Key Management Personnel**

Nina Nagpal (Managing Director)

Rajeev Mantri (Director)

Anuradha Choudhury (Director) (appointed w.e.f. Nov 01, 2022)

Deepak Ghaisas (Independent Director)

Saurabh Shah (Independent Director)

Neeraj Kumar (Director) (resigned w.e.f Oct 31, 2023)

Rohit Ranjan (Director) (resigned w.e.f Mar 01, 2023)

Ruchit Jain (Chief Financial Officer) (appointed w.e.f Feb 10, 2023)

Ankit Goyal (Chief Financial Officer) (resigned w.e.f Sep 07, 2022)

Sameer V. Upadhyay (Company Secretary)

**Citicorp Finance (India) Limited**

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

for the year ended 31 March 2023

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

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

Nature of Related party transaction	Holding Companies and companies exercising control		Fellow Subsidiaries			
	Associates Financial Services (Mauritius) LLC, Citibank Overseas Investment Corporation (COIC) and Citibank N.A. and its branches		Citicorp Services India Pvt Ltd		Other Fellow Subsidiaries	
	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
Lease rentals	-	-	-	-	-	-
Fixed deposits and reverse repo placed	1,562,264	2,315,899	-	-	-	-
Fixed deposits and reverse repo liquidated	1,596,144	2,383,393	-	-	-	-
Loans taken	-	-	-	-	-	-
Loans repaid	-	-	-	-	-	-
Loan portfolio purchase - Personal loan	-	-	-	-	-	-
Loan portfolio purchase - Domestic trade finance	-	-	-	-	-	-
Loan portfolio sale - Asset Backed Finance	146,760	104,522	-	-	-	-
Margin deposit placed	-	-	-	-	1,650	-
Distribution and Placement Fees paid	332	271	-	-	-	-
Rent paid	484	518	14	13	-	-
Net movement in bank accounts	(6,682)	(31,090)	-	-	-	-
Interest paid on borrowings and overdraft	-	-	5,405	4,231	-	-
Bank Charges paid	483	1,075	-	-	-	-
Interest received on fixed deposits and reverse repo	1,680	825	-	-	-	-
Sourcing and Collection Fees earned	2,421	2,994	-	-	-	-
Fees and Commission paid	1,176	3,255	62	169	932	809
Secondment charges earned	69	235	6	11	4	13
Secondment charges incurred	823	1,176	-	-	-	-
Transfer of software	-	-	-	-	-	-
Inter Corporate borrowings taken	-	-	215,000	185,000	-	-
Inter Corporate borrowings repaid	-	-	237,500	247,500	-	-
Other expenses	726	592	-	-	52	62
Remuneration paid	-	-	-	-	-	-
Equity Dividend Received	-	-	-	-	-	-
Equity Dividend Paid	5,000	50,000	-	-	-	-

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

Nature of Related party outstanding balances	Holding Companies and companies exercising control		Fellow Subsidiaries			
	Citibank N.A. and its branches		Citicorp Services India Pvt Ltd		Other Fellow Subsidiaries	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
<b>Assets</b>						
Trade receivables	242	1,810	24	20	87	26
Other receivables	215	406	-	-	-	-
Fixed deposits	-	2,651	-	-	-	-
Fixed deposits (with original maturity of less than 3 months)	7,260	38,599	-	-	-	-
Bank Balances	290	10,587	-	-	-	-
Margin deposit	-	-	-	-	1,650	-
<b>Liabilities</b>						
Inter Corporate Borrowings	-	-	89,240	108,519	-	-
Trade payables	2,500	8,506	40	146	752	796
Collection payables on servicing portfolio	-	5,243	-	-	-	-
Loans repayable on demand from banks (overdraft)	-	3,614	-	-	-	-

## Citicorp Finance (India) Limited

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

for the year ended 31 March 2023

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

#### Note 36 - Discontinued Operations

On 30th March 2022, the Company had entered into a Business Transfer Agreement (BTA) with Axis Bank Limited for sale of its Global Consumer Banking (GCB) Business as a going concern on slump sale basis.

On completion of conditions stipulated in the said BTA as amended from time to time; and on receipt of requisite statutory and other approvals, the Company has divested on a going concern basis the business assets and business liabilities of its GCB Business to Axis Bank Limited, effective beginning of day 1 March, 2023 (referred to as Legal Day One or LD1) on slump sale basis.

In accordance with the BTA, the Company has received a consideration of INR 6,000 Lacs on LD1 which has been disclosed under "Other Income" in the Profit and Loss account for the financial year net of estimated adjustments (emanating from principles/policies as agreed in BTA) and one-time direct transaction costs amounting to INR 5,866 lacs.

Summary of the Gain on Sale included under Other Income:

Particulars	Amount
Consideration for sale of business	6,000
Estimated adjustments (emanating from principles/policies as agreed in BTA) and one-time direct transaction costs	(5,866)
<b>Gain on Sale</b>	<b>134</b>

Results of Global Consumer Business portfolio for the year are presented below:

Particulars	Amount in INR Lakhs	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>Revenue</b>		
Interest income	19	23,790
Fees and commission income	21	2,101
Other revenue from operations	23	1,346
<b>Total revenue</b>	<b>27,237</b>	<b>34,952</b>
Other income	24	320
<b>Total income</b>	<b>27,557</b>	<b>35,620</b>
<b>Expenses</b>		
Finance costs	25	15,150
Fees and commission expense	26	766
Impairment on financial instruments	27	27
Employee benefits expenses	28	4,912
Depreciation and amortisation	11	-
Others expenses	29	4,773
<b>Total expenses</b>	<b>25,629</b>	<b>27,992</b>
<b>Profit before tax</b>	<b>1,928</b>	<b>7,628</b>
<b>Total tax expense</b>	<b>30</b>	<b>646</b>
<b>Profit for the year</b>	<b>1,282</b>	<b>8,784</b>
Total Other Comprehensive Income/(Expense)	<b>(10,247)</b>	<b>7,155</b>
<b>Total Comprehensive Income/(Expense)</b>	<b>(8,965)</b>	<b>15,939</b>

**Citicorp Finance (India) Limited****Notes to the consolidated financial statements (continued)**

for the year ended 31 March 2023

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

**Major classes of Assets and Liabilities of Global Consumer Business portfolio classified as held for sale are as follows:**

Particulars		For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>ASSETS</b>			
<b>Financial assets</b>			
Bank balance other than cash and cash equivalents above	5	-	2,604
Receivables			
(i) Trade receivables	7	-	-
(ii) Other receivables	7	-	860
Loans	8	-	355,800
<b>Total financial assets</b>		-	<b>359,264</b>
<b>Non-financial assets</b>			
Property, plant and equipment	11	-	230
<b>Total non-financial assets</b>		-	<b>230</b>
<b>TOTAL ASSETS</b>		-	<b>359,494</b>
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
Trade payables			
(i) total outstanding dues of micro and small enterprises	47	-	24
(ii) total outstanding dues of creditors other than micro and small enterprises	47	-	362
Other financial liabilities	15	-	7,448
<b>Total financial liabilities</b>		-	<b>7,834</b>
<b>Non-financial liabilities</b>			
Current tax liabilities (Net)			
Provisions	16	-	1,241
Other non-financial liabilities	17	-	162
<b>Total non-financial liabilities</b>		-	<b>1,403</b>
<b>TOTAL LIABILITIES</b>		-	<b>9,237</b>
<b>Net Assets directly associated with Discontinued Operations</b>		-	<b>350,257</b>

## Citicorp Finance (India) Limited

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

for the year ended 31 March 2023

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

#### Note 37 - Leases

Lease disclosures under Ind-AS 116

The Company has taken premises on lease for a period of 5 years beginning October 01, 2020.

Right-of-use assets have been disclosed under 'property, plant and equipment' (refer Note 11) and lease liabilities have been disclosed under 'Other non financial liability' (refer Note 17).

##### (ia) Changes in the carrying value of Right-of-use Assets

Particulars	As at	As at
	31 March 2023	31 March 2022
Opening balance	840	1,042
Additions	-	25
Deletion/transferred as part of divestiture*	583	-
Depreciation	71	227
Closing balance	186	840

##### (ib) Changes in the Lease liabilities

Particulars	As at	As at
	31 March 2023	31 March 2022
Opening balance	878	1,066
Additions	-	-
Deletion/transferred as part of divestiture*	480	-
Finance cost accrued	37	51
Lease Payments	238	239
Closing balance	197	878

\*This amount includes balance transferred to Axis Bank Limited as part of consumer business divstiture as given in Note 36

##### (ii) Break-up of current and non-current lease liabilities

Particulars	As at	As at
	31 March 2023	31 March 2022
Current Lease Liabilities	72	215
Non-current Lease Liabilities	125	663

##### (iii) Maturity analysis of lease liabilities

Particulars	As at	As at
	31 March 2023	31 March 2022
Less than one year	72	215
One to five years	125	558
More than five years	-	105
Total	197	878

##### (iv) Amounts recognised in statement of Profit and Loss account

Particulars	As at	As at
	31 March 2023	31 March 2022
Interest on Lease Liabilities	37	51
Variable lease payments (not included in the measurement of lease liabilities)	-	-
Low-value leases expensed.	-	-
Short-term leases expensed	-	-
Total	37	51

##### (v) Amounts recognised in statement of Cash Flows

Particulars	As at	As at
	31 March 2023	31 March 2022
Total Cash outflow for leases	238	239

## Citicorp Finance (India) Limited

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

for the year ended 31 March 2023

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

#### Note 38 - Earnings per share (EPS)

##### EPS - Continuing operations

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

Particulars	Year ended 31	Year ended 31
	March 2023	March 2022
Net profit after tax from continuing operations available for equity shareholders	14,486	8,048
Weighted average number of equity shares	3,857,727,031	3,857,727,031
<b>Basic / Diluted earnings per share (Rs.)</b>	<b>0.38</b>	<b>0.21</b>

##### EPS - Discontinued operations

Particulars	Year ended 31	Year ended 31
	March 2023	March 2022
Net profit after tax from discontinued operations available for equity shareholders	1,282	8,784
Weighted average number of equity shares	3,857,727,031	3,857,727,031
<b>Basic / Diluted earnings per share (Rs.)</b>	<b>0.03</b>	<b>0.23</b>

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

Particulars	Year ended 31	Year ended 31
	March 2023	March 2022
Weighted average number of shares for computation of Basic EPS	3,857,727,031	3,857,727,031
No of shares having dilutive potential	-	-
Weighted average number of shares for computation of Diluted EPS	3,857,727,031	3,857,727,031

#### Note 39 - Corporate social responsibility expenses

Particulars	Year ended 31	Year ended 31
	March 2023	March 2022
Gross amount required to be spent during the year	315	502
Amount spent during the year		
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above		
In cash	319	502
Yet to be paid in cash	-	-
<b>Total</b>	<b>319</b>	<b>502</b>

#### Note 40 - Micro, Small and Medium Enterprises

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

Particulars	31 March 2023	31 March 2022
Principal amount remaining unpaid to any supplier as at the year end	7	24
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	25	95
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	1	2
Amount of interest accrued and remaining unpaid at the end of the accounting year	1	2



**Citicorp Finance (India) Limited**

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

for the year to date ended 31 March 2023

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

**Note 41 - Employee benefit obligations**

**a) Gratuity**

The Company pays gratuity to employees who retire or resign after serving for the stipulated period mentioned under 'The Payment of Gratuity Act, 1972'. The Company's contributions to gratuity fund (defined benefit scheme) in respect of its employees are managed by a trust, which invests the fund with Life Insurance Corporation of India ('LIC'), a Government of India Undertaking. The plan assets under the fund are invested in schemes of Insurance - conventional products.

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

Particulars	Year ended 31 March 2023			Year ended 31 March 2022		
	Present value of obligation*	Fair value of plan assets*	Net amount	Present value of obligation*	Fair value of plan assets*	Net amount
<b>At the beginning of the year</b>	(1,163)	752	(411)	(905)	622	(283)
Current service cost	(135)	-	(135)	(83)	-	(83)
Past service cost	-	-	-	-	-	-
Settlement cost	46	-	46	-	-	-
Interest (expense) / income	(70)	58	(12)	(55)	41	(14)
<b>Total amount recognised in profit or loss</b>	<b>(159)</b>	<b>58</b>	<b>(101)</b>	<b>(138)</b>	<b>41</b>	<b>(97)</b>
Remeasurements	-	-	-	-	-	-
Divestiture credit/ (cost)	1,037	(1,033)	4	-	-	-
Return on plan assets greater/(lesser) than discount rate	-	0	0	-	4	4
Gain / (loss) from change in demographic assumptions	-	-	-	(139)	-	(139)
Gain / (loss) from change in financial assumptions	2	-	2	28	-	28
Experience gains/(losses)	54	-	54	(21)	-	(21)
<b>Total amount recognised in other comprehensive income</b>	<b>1,092</b>	<b>(1,032)</b>	<b>60</b>	<b>(133)</b>	<b>4</b>	<b>(129)</b>
Employer contributions	-	479	479	-	99	99
Benefit payments	116	(116)	-	13	(13)	-
<b>At the end of the year</b>	<b>(113)</b>	<b>140</b>	<b>27</b>	<b>(1,163)</b>	<b>752</b>	<b>(411)</b>

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

Particulars	As at 31	As at 31
	March 2023	March 2022
Present value of funded obligations	(113)	(1,163)
Fair value of plan assets	140	752
<b>Net liability</b>	<b>27</b>	<b>(411)</b>

\*Bifurcation of present value of obligation and fair value of plan assets between continuing and discontinued operations is as stated below:

For the year ended 31 March 2023:

Particulars	Continuing Operations	Discontinued Operations	Total
Present value of obligation	113	-	113
Fair value of plan assets	140	-	140

For the year ended 31 March 2022:

Particulars	Continuing Operations	Discontinued Operations	Total
Present value of obligation	72	1,091	1,163
Fair value of plan assets	47	705	752

**iii. The significant actuarial assumptions were as follows:**

Particulars	As at 31	As at 31
	March 2023	March 2022
<b>Financial Assumptions</b>		
Discount rate	7.20%	6.90%
Salary escalation rate (taking into account the inflation, seniority, promotions and other relevant factors)	12% for first 2 years, 10% thereafter	12% for first 3 years, 10% thereafter
<b>Demographic Assumptions</b>		
Mortality Rate	Indian Assured Lives Mortality (2006-08)Ult.	Indian Assured Lives Mortality (2006-08)Ult.
Withdrawal Rate	15% for service less than 6 years, 7% otherwise	15% for service less than 6 years, 7% otherwise

**Citicorp Finance (India) Limited**

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

for the year to date ended 31 March 2023

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

**iv. Sensitivity of actuarial assumptions:**

Particulars	Change in assumption	Impact on defined benefit obligation			
		Year ended 31 March 2023		Year ended 31 March 2022	
		Increase	Decrease	Increase	Decrease
Discount Rate	1%	(6)	7	(97)	111
Salary Escalation rate	1%	7	(6)	107	(95)
Withdrawal rate	5%	(6)	10	(83)	137

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

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

**v. Expected payment for future years:**

The defined benefit obligations shall mature after year end as follows:

Particulars	As at 31	As at 31
	March 2023	March 2022
Within 1 year	5	69
1-2 year	25	91
2-3 year	4	106
3-4 year	5	92
4-5 year	6	100
5-10 year	56	745
<b>Total expected payments</b>	<b>102</b>	<b>1,204</b>

The Company expects to contribute Nil (31 March 2022: INR 178) to the fund in the next financial year. The weighted average duration of the defined benefit obligation as at 31 March 2023 is 8 years (31 March 2022: 9 years)

**b) Provident and Superannuation fund**

The Company contributes to employee provident fund for all employees and superannuation fund for eligible employees which are defined contribution plans. These contributions are charged to the statement of profit and loss during the period in which the employee renders the related services. The expense recognised during the year is INR 258 (31 March 2022: INR 269).

**c) Long term service awards**

The Company provides for long term service liability for eligible employees, based on length of service, based on actuarial valuation performed by an

Particulars	As at March 2023	As at March 2022
Present value of defined obligation at period end*	1.41	28
*includes present value of defined obligation for the year ended 31 March 2022 from discontinued operations amounting to INR 27 lakhs.		
Rate of Discounting	7.20%	6.90%
Mortality Rate	Indian Assured Lives Mortality (2006-08)Ult.	Indian Assured Lives Mortality (2006-08)Ult.
Withdrawal Rate	15% for service less than 6 years, 7% otherwise	15% for service less than 6 years, 7% otherwise

## Citicorp Finance (India) Limited

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

for the year ended 31 March 2023

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

#### Note 42 - Other disclosures

##### A. Loan assignment deals

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

Particulars	31 March 2023	31 March 2022
Total number of loan assets assigned during the year (Nos)	7,675	6,269
Total amount of exposures retained by the Company to comply with MRR	16,073	10,711
Total book value of loan assets assigned	144,654	100,258
Sale consideration received for the assigned assets	146,760	104,521
Gain on account of assigned assets	1,321	3,595
Gains amortized during the year as per the RBI guidelines*	Refer note given below	

\*Gain on assignment of loans is recognized in the profit and loss account in the year of assignment as per Ind AS. Refer note 3.11.

##### B. Movement of provision

Particulars	As at 01 April 2022	Created during the year	Utilized/ released during the year*	As at 31 March 2023
Provision on securitization of asset portfolio	11		11	-
Provision for Input tax credit	11,407	455	56	11,806
Provision for Value Added Tax (VAT)	9		4	5
Provision for litigation	600	341	825	116
Provision for Asset Retirement Obligation	47	7	54	0
Provision for expected credit loss on loan commitments	47	-	47	-
<b>Total</b>	<b>12,121</b>	<b>803</b>	<b>997</b>	<b>11,927</b>

\*Includes provisions transferred to Axis Bank Limited as part of consumer business divestiture as given in Note 36.

Particulars	As at 01 April 2021	Created during the year	Utilized/ released during the year	As at 31 March 2022
Provision on securitization of asset portfolio	96		85	11
Provision for Input tax credit	11,198	209		11,407
Provision for Value Added Tax (VAT)	24		15	9
Provision for litigation	923	36	359	600
Provision for Asset Retirement Obligation	46	1		47
Provision for expected credit loss on loan commitments	49	-	2	47
<b>Total</b>	<b>12,336</b>	<b>246</b>	<b>461</b>	<b>12,121</b>

##### C. Net debt reconciliation

Particulars	As at 01 April 2022	Cash flow	Interest Expense	Fair Value changes	As at 31 March 2023
Debt securities	398,532	(285,185)	18,342	(2,605)	129,083
Borrowings	158,274	79,338	13,259	-	250,871

Particulars	As at 01 April 2021	Cash flow	Interest Expense	Fair Value changes	As at 31 March 2022
Debt securities	369,287	27,444	18,623	(16,822)	398,532
Borrowings	259,900	(110,228)	8,604	-	158,274

D. In accordance with the RBI notification No. RBI/DNBS/2016-17/49 Master Direction DNBS.PPD.01/66.15.001/2016-17 dated September 29, 2016, INR Nil of fraud was detected and reported during the financial year ended 31 March 2023 (31 March 2022: INR Nil).

## Citicorp Finance (India) Limited

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

for the year ended 31 March 2023

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

#### Note 42 - Other disclosures (continued)

E. In accordance with Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 1, 2016 – Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, the Company did not enter into any credit default swaps during the year ended 31 March 2023 (31 March 2022: Nil).

F. In accordance with Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 1, 2016 – Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, the Company has not lent against gold jewellery during the year ended 31 March 2023 (31 March 2022: Nil).

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

H. Fees and commission expense includes transfer pricing fees amounting to INR 1,941 (31 March 2022: INR 3,834) paid/ accrued to affiliates. These fees are based on refinements in the transfer pricing model which is aimed at simplifying and standardizing country and intercompany reporting while properly recognizing and rewarding components of the value chain through net revenue allocation for respective country locations and legal entities.

I. The Company has proposed and declared an interim dividend of INR 0.129561 per equity share on 30 August 2022 amounting to INR 5,000 (inclusive of withholding tax) out of surplus in profit and loss account of prior years and it was paid on 23 September 2022.

#### Note 43 - Details of borrowings (other than debt securities)

##### A. Secured borrowings

###### i. Workings capital demand loan from banks

Particulars	As at 31 March 2023	As at 31 March 2022
Residual tenure	NA	NA
Rate Range	NA	NA

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

##### B. Unsecured Borrowings

###### i. Cash Credit Facility from Banks\*

Particulars	As at 31 March 2023	As at 31 March 2022
Residual tenure	NA	NA
Rate Range	NA	NA

###### ii. Commercial papers

Particulars	As at 31 March 2023	As at 31 March 2022
Residual tenure	NA	NA
Discount Rate (Range)	NA	NA

###### iii. Intercompany borrowings\*

Particulars	As at 31 March 2023	As at 31 March 2022
Residual tenure	Maturing within 1 year	Maturing within 1 year
Rate Range	4.00% to 7.05%	4.00% to 4.65%

\*Refer note 35 for borrowings from related parties

###### iv. Term Loan

Particulars	As at 31 March 2023	As at 31 March 2022
Residual tenure	Maturing within 15 months to 18 months	Maturing within 15 months
Rate Range	7.87% to 8.11%	4.75%

## Citicorp Finance (India) Limited

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

for the year ended 31 March 2023

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

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

The Company has issued secured non-convertible debentures under various series on different terms and conditions, which have been secured by a pari passu charge on the Company's immovable property and movable financial assets.

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

Series No	Maturity / Call Date	As at 31 March 2023	As at 31 March 2022
722 II	30-May-22	-	4,510
723 II	30-May-22	-	550
725 II	30-May-22	-	900
722 III	1-Aug-22	-	3,865
723 III	1-Aug-22	-	3,645
725 III	1-Aug-22	-	4,085
764 I	25-Aug-22	-	2,005
727 I	12-Sep-22	-	220
727 III	12-Sep-22	-	3,850
728 III	12-Sep-22	-	1,500
730 II	12-Sep-22	-	1,100
730 I	28-Sep-22	-	2,306
731 I	28-Sep-22	-	2,090
732 I	28-Sep-22	-	2,340
733 I	28-Sep-22	-	700
736 I	28-Sep-22	-	1,105
739 III	30-Nov-22	-	2,490
774 I	26-May-23	1,636	3,846
776 I	26-May-23	510	510
761 I	29-Sep-23	1,420	5,625
763 I	30-Nov-23	1,690	3,185
769 I	29-Mar-24	1,110	1,410
799 I	28-Jun-24	4,520	4,520
772 I	29-Jul-24	3,095	4,360
778 I	30-Sep-24	2,584	3,234
806 I	28-Nov-24	5,590	-
809 I	30-Jan-25	900	-
802 I	12-Feb-26	6,050	-
805 I	26-Feb-26	2,710	-
<b>Total</b>		<b>31,815</b>	<b>63,951</b>

## Citicorp Finance (India) Limited

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

for the year ended 31 March 2023

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

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

Series No	Interest rate	Maturity / Call Date	As at 31 March 2023	As at 31 March 2022
800 I	7.00%	17-Aug-23	25,000	-
801 I	6.25%	16-Sep-24	5,000	-
804 I	7.00%	31-Oct-24	3,000	-
807 I	7.35%	29-Nov-24	2,500	-
<b>Total</b>			<b>35,500</b>	<b>-</b>

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

Series No	Interest rate	Maturity / Call Date	As at 31 March 2023	As at 31 March 2022
797 I	4.95%	16-Jun-22	-	25,000
789 I	5.30%	19-Jul-22	-	25,000
795 I	4.70%	27-Jul-22	-	20,000
792 I	5.40%	9-Aug-22	-	7,500
785 I	5.10%	2-Nov-22	-	15,000
790 I	5.64%	20-Jan-23	-	45,000
791 I	5.48%	10-Feb-23	-	30,000
793 I	5.60%	13-Feb-23	-	20,000
794 I	5.47%	14-Mar-23	-	50,000
796 I	5.75%	29-Mar-23	-	25,000
798 I	5.67%	31-Mar-23	-	52,500
808 I	8.24%	1-Mar-24	60,000	-
<b>Total</b>			<b>60,000</b>	<b>315,000</b>

**Citicorp Finance (India) Limited**

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

for the year ended 31 March 2023

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

**Note 45 - Details of Loan Assets subjected to Restructuring as at 31 March 2023**

Sr. No	Type of Restructuring	Asset Classification	Others				
	Details		Standard	Sub Standard	Doubtful	Loss	Total
1	Restructured Accounts as on 01 April of the FY (opening figures)	No.of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
2	Fresh restructuring during the year	No.of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
3	Upgradations to restructured standard category during the FY	No.of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No.of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
6	Write-offs (includes recovery) of restructured accounts during the FY	No. of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
7	Restructured Accounts as on 31 March of the FY (closing figures)	No. of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-

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

**Loan Assets subjected to Restructuring as at 31 March 2022 - NIL**

**Citicorp Finance (India) Limited**

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

for the year ended 31 March 2023

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

**Note 46 - Trade receivable ageing schedule**

Sr.no	Particulars	As at 31 March 2023					Total
		Less than 6 months	months 6 months -1 year	1-2 years	2-3 years	More than 3 years	
1.	Undisputed Trade receivables – considered good	242	-	-	-	-	242
2.	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
3.	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
4.	Disputed Trade Receivables–considered good	-	-	-	-	-	-
5.	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
6.	Disputed Trade Receivables – credit impaire	-	-	-	-	-	-

Sr.no	Particulars	As at 31 March 2022					Total
		Less than 6 months	months 6 months -1 year	1-2 years	2-3 years	More than 3 years	
1.	Undisputed Trade receivables – considered good	7,498	-	-	-	-	7,498
2.	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
3.	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
4.	Disputed Trade Receivables–considered good	-	-	-	-	-	-
5.	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
6.	Disputed Trade Receivables – credit impaire	-	-	-	-	-	-

**Note 47 - Trade payable ageing schedule**

Sr.no	Particulars	As at 31 March 2023				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
1.	MSME	7	-	-	-	7
2.	Others	4,051	43	-	-	4,094
3.	Disputed dues – MSME	-	-	-	-	-
4.	Disputed dues - Others	-	-	-	-	-

Sr.no	Particulars	As at 31 March 2022				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
1.	MSME	24	-	-	-	24
2.	Others	5,368	6,217	-	71	11,656
3.	Disputed dues – MSME	-	-	-	-	-
4.	Disputed dues - Others	-	-	-	-	-



## **Citicorp Finance (India) Limited**

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

for the year ended 31 March 2023

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

#### **Note 48 - Off balance sheet items, contingent liabilities and capital commitments**

<b>Particulars</b>	<b>As at</b>	<b>As at</b>
	<b>31 March 2023</b>	<b>31 March 2022</b>
Tax assessments	6,475	6,402
Customer litigations	223	333
Estimated amount of contracts remaining to be executed on capital account	-	-
Undrawn committed credit lines	-	6,984

A description of the nature of contingent liabilities is set out below:

The Company has been assessed under Income tax Act, 1961, as a result of which the total demand, primarily on account of certain disallowances in the course of assessment for various years, outstanding against the Company is INR 1,200 (31 March 2022: INR 1,173).

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 3,546 Lakhs. These matters were heard before the Karnataka Appellate Tribunal and were remanded back to the Assessing Authority. There were in all 6 years i.e. FY 2005-06 to FY 2020-11. For FYs 2005-06, 06-07, 07-08 and 2010-11, the Assessing Officer has passed a clean order. For FY 2008-09 and FY 2009-10, the Assessing Officer passed the order along with a demand. Against the same, writ was filed with the Karnataka High Court. The Karnataka High Court quashed the order and instructed the Assessing officer to undertake fresh assessment. After calling for all the documents, the Assessing Officer again passed a negative order raising a demand of INR 3,546 lakhs. Company has currently filed an appeal against the second order. The appeal is yet to be adjudicated. Company has under this issue made a pre deposit of INR 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 INR. 316 lakhs out of this we had made a pre deposit of INR. 50 lakhs in the previous years.

The VAT assessment by Mumbai office for FY 2016-17 got concluded in the previous year where a demand of Rs 44 lakhs was raised on account of disallowance of input tax credit. Out of the total demand INR 2 lakhs is paid as prepayment during the previous year.

The VAT assessment by Mumbai office for FY 2013-14 got concluded where a demand of Rs 22 lakhs was raised on account of disallowance of input tax credit. Out of the total demand Rs 1 lakhs is paid as prepayment.

The VAT assessment by Karnataka office for FY 2016-17 got concluded where a demand of Rs 24 lakhs was raised on account of disallowance of input tax credit. Out of the total demand Rs 7 lakhs is paid as prepayment.

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 INR 1,322 lakhs out of this we had made a pre deposit of INR 250 lakhs in the previous year.

In the above cases, the Company has partly paid the aforesaid demand under protest and is in the process of appeal against the same with the appropriate tax authorities. The Company has sought legal opinion in the aforesaid demands and is of the opinion that the disallowances / demands are not tenable and highly unlikely to be retained by appellate authorities. Accordingly, the Company is not carrying any provision in its books for the above.

Further, there are few customers who have initiated legal proceedings against the Company for a total compensation demand of INR 223 (31 March 2022: INR 333). The Company believes that such demands are not tenable and are highly unlikely to be confirmed by higher authorities.

**Citicorp Finance (India) Limited****Notes to the consolidated financial statements (continued)**

for the year ended 31 March 2023

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

**Note 49 - Additional information as required under Schedule III of Companies Act 2013**

Name of the entity	Net Assets i.e total assets		Share in profit or loss		Share in other		Share in total	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
<b>Associates (Investment as per equity method)</b>								
Indian								
<b>India Infradebt Limited</b>								
As at 31 March 2023	6.69%	27,227	22.67%	3,575	0.00%	-	62.66%	3,575
As at 31 March 2022	5.88%	23,904	15.63%	3,119	0.05%	3	13.02%	3,122

**Note 50** - Figures for the previous year have been re-grouped wherever necessary, to confirm to current year's classification.

**For Gokhale & Sathe**

Chartered Accountants

Firm's Registration No:103264W

For and on behalf of the Board of Directors

**Citicorp Finance (India) Limited**

sd/-

**Rahul Joglekar**

Partner

Membership No: 129389

sd/-

**Nina Nagpal**

Managing Director

DIN: 00138918

sd/-

**Anuradha Choudhury**

Director

DIN: 01375718

Place: Mumbai

Date: 29 May 2023

sd/-

**Ruchit Jain**

Chief Financial Officer

sd/-

**Sameer Upadhyay**

Company Secretary

**Independent Auditor's Report  
To the Members of Citicorp Finance (India) Limited.**

**Report on the Audit of Standalone Ind AS Financial Statements**

**Opinion**

We have audited the standalone Ind AS financial statements of Citicorp Finance (India) Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information ("the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Emphasis of Matter**

We draw attention to Note 36 to the financial statements regarding the sale of Consumer Business represented by Asset Backed Finance and Personal Loan portfolios to Axis Bank Ltd. and related accounting adjustments for discontinued operations and relevant disclosures under Ind AS 105.

Our opinion is not modified in respect of the statement in the above matter.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period due to their significance to the financial statements, the risk of material misstatement, and the degree of management judgment involved. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Description of Key Audit Matters

Impairment of loans and advances and expected credit losses	
Key audit matter	How the matter was addressed in our audit
<p><i>Refer to the accounting policies in Note 3.10.1 to the Financial Statements: "Impairment of Financial Assets", Note 8 to the Financial Statements: "Loans" and Note 32 to the Financial Statements: "Financial Risk Management"</i></p>	
<p>Recognition and measurement of impairment relating to financial assets involves significant management judgement. With the applicability of Ind AS 109 "Financial Instruments", credit loss assessment is based on ECL model which is forward looking Expected Loss Approach.</p> <p>The Company's impairment allowance is computed based on estimates including the historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors. The most significant areas are:</p> <ol style="list-style-type: none"> <li>Portfolio Segmentation</li> <li>Evaluation of borrower's credit quality by assigning internal risk ratings (Obligor risk rating and facility risk rating).</li> <li>Asset staging criteria</li> <li>Calculation of probability of default/ Loss given default/ Credit conversion factor basis the portfolio segmentation</li> <li>Allocation of weights i.e., expected variability in losses basis different risk factors.</li> <li>Consideration of probability of forward looking macro-economic factors under three</li> </ol>	<p>We have performed the following key audit procedures:</p> <ul style="list-style-type: none"> <li>Performed end to end process walkthroughs to identify the key systems, applications and controls used in the impairment loss allowance processes. We tested the relevant manual, general IT and application controls over key systems used in the impairment loss allowance process.</li> <li>Assessed the design and implementation of controls in respect of the Company's impairment allowance process such as the timely recognition of impairment loss, the completeness and accuracy of reports used in the impairment allowance process and management review processes over the calculation of impairment allowance and the related disclosures on credit risk management.</li> <li>Testing management's controls over authorization and calculation of post</li> </ul>

<b>Impairment of loans and advances and expected credit losses</b>	
<b>Key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>different scenarios – base, optimistic and pessimistic.</p> <p>The Company has a Board approved policy on ECL to ensure the compliance with Ind AS 109 requirements and the basis of all assumptions for underlying inputs to the ECL model.</p> <p>The Company has applied a three-stage approach to measure expected credit losses / Impairment loss allowance (ECL) on financial instruments accounted for at amortized cost and Fair Value through Other Comprehensive Income.</p> <p>We have identified measurement of ECL as a key audit matter in view of the significant judgements and assumptions involved.</p> <p>Disclosures:</p> <p>The disclosures regarding the Company’s application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL results.</p>	<p>model adjustments and management overlays, if any.</p> <ul style="list-style-type: none"> <li>• Evaluated whether the methodology applied by the Company is compliant with the requirements of the relevant accounting standards and confirmed that the calculations are performed in accordance with the approved methodology.</li> <li>• Testing the governance framework for validation, implementation and model monitoring in line with the RBI guidance including the Board approved ECL policy.</li> <li>• Read minutes of Risk management committee regarding the company’s quarterly assessment of macro-economic estimates fed into the model and review of back testing of ECL model.</li> <li>• Assessed whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment loss allowance in the financial statements are appropriate and sufficient.</li> <li>• We have also obtained management representations wherever considered necessary.</li> </ul>

<b>Related Party Transactions and related disclosures</b>	
<b>Key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p><i>Refer to the policy in place for related party transaction on the company’s website, Note 35 to the Financial Statements: “Related party disclosures”</i></p>	

<b>Related Party Transactions and related disclosures</b>	
<b>Key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>The Company has undertaken substantial transactions with its related parties.</p> <p>Each related party operates under different jurisdiction and applies its own pricing model to be compliant with the respective legal and tax framework of the respective jurisdiction.</p> <p>We identified related party transactions as a Key Audit Matter due to significance and volume of related party transactions, regulatory compliances and risk of such transactions remaining undisclosed in the financial statements including identification of related parties.</p>	<p>We have performed the following key audit procedures:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding and assessed the design, implementation and operating effectiveness of management's key internal financial controls in relation to identification and disclosure of related party transactions.</li> <li>• Obtained and read the company's policies, processes and procedures in respect of identifying related parties, obtaining approval, recording and disclosure of related party transactions including usage of automated information systems for capture of transactional data for related party transactions.</li> <li>• Read minutes of board meetings and audit committee meetings regarding Company's assessment of related party transactions being in the ordinary course of business at arm's length.</li> <li>• Tested on a sample basis related party transactions with the underlying contracts and other supporting documents and verified the related party information disclosed in the financial statements with the underlying supporting documents on a sample basis.</li> <li>• Obtained balance confirmations from significant related parties in respect of significant transactions.</li> <li>• Assessed management evaluation of</li> </ul>

<b>Related Party Transactions and related disclosures</b>	
<b>Key audit matter</b>	<b>How the matter was addressed in our audit</b>
	<p>compliance with the provisions of Section 177 and Section 188 of the Companies Act 2013.</p> <ul style="list-style-type: none"> <li>• Obtained management representations for accurate identification of related parties and completeness of the relevant disclosures in the financial statements.</li> </ul>

<b>Claims and exposures relating to direct and indirect taxation and litigation</b>	
<b>Key audit matter</b>	<b>How the matter was addressed in our audit</b>
<i>Refer to the Note 50 to the Financial Statements: "Off balance sheet items, contingent liabilities and capital commitments"</i>	
<p>The Company currently has a large number of tax related assessments and litigations which have been disclosed in the financial statements as contingent liabilities based on the facts and circumstances of each case.</p> <p>The Company has also assessed that there are no uncertain tax positions requiring provisioning in terms of the relevant Ind AS.</p> <p>Such exposures have been identified as a key audit matter due to the complexities involved in these matters, timescales involved for resolution and the potential financial impact of these on the financial statements, if the decisions of appellate authorities or the Courts were to go against the Company. Further, significant management judgement is involved in assessing the exposure of each case and thus a risk that such cases may not be adequately provided for or disclosed.</p>	<p>We have performed the following key audit procedures:</p> <ul style="list-style-type: none"> <li>• Gained an understanding of the process of identification of claims, litigations and contingent liabilities and identified key controls in the process. For selected controls we have performed tests of controls.</li> <li>• Obtained a summary of the ongoing tax litigation cases and critically assessed management's position through discussions with the operational management, on both the probability of success in significant cases, and the magnitude of any potential loss.</li> <li>• Assessed the relevant disclosures made within the financial statements to address whether they appropriately reflect the facts and circumstances of the respective tax litigation cases and the requirements of the relevant Ind</li> </ul>

<b>Claims and exposures relating to direct and indirect taxation and litigation</b>	
<b>Key audit matter</b>	<b>How the matter was addressed in our audit</b>
	<p>AS.</p> <ul style="list-style-type: none"> <li>We have also obtained management representation wherever considered necessary.</li> </ul>

<b>Recoverability of unutilized Minimum Alternate Tax (MAT) credits included under deferred tax assets</b>	
<b>Key audit matter</b>	<b>How the matter was addressed in our audit</b>
<i>Refer to the accounting policies in Note 3.4 to the Financial Statements: "Minimum alternate tax (MAT)", Note 30 to the Financial Statements: "Income tax"</i>	
<p>Deferred tax assets as at March 31, 2023 includes MAT credits of Rs. 11,545 lakhs which is available for utilization against future tax liabilities.</p> <p>The analysis of the recoverability of such deferred tax assets has been identified as a key audit matter because the assessment process involves significant management judgement regarding the future profitability and likelihood of the realization of these assets, in particular whether there will be taxable profits in future periods that support the recognition of these assets. This requires assumptions regarding future profitability, which is inherently uncertain and therefore a key audit matter.</p>	<p>We have performed the following key audit procedures:</p> <ul style="list-style-type: none"> <li>Obtained and analyzed the future budgeted financial parameters estimated by management termed as the "Legal Vehicle Plan FY 23-24", assessing the key assumptions used. We further obtained evidence of the approval of the budgeted financial parameters included in the projections, and the reasonableness of the future cash flow projections resulting in future profitability necessary for recoverability of MAT credit.</li> <li>We also reviewed the Company's projections regarding the profitability from the continuing operations after considering the conclusion of sale of Consumer Business to Axis Bank Ltd. and assessed whether the same seemed appropriate given the circumstances.</li> <li>We have also obtained and relied on</li> </ul>



<b>Recoverability of unutilized Minimum Alternate Tax (MAT) credits included under deferred tax assets</b>	
<b>Key audit matter</b>	<b>How the matter was addressed in our audit</b>
	management representation wherever considered necessary.

<b>Valuation and Disclosure of Market-Linked Debentures</b>	
<b>Key audit matter</b>	<b>How the matter was addressed in our audit</b>
<i>Refer to the accounting policies in Note 3.10.3 to the Financial Statements: "Derivatives", Note 13 to the Financial Statements: "Debt securities"</i>	
<p>Market-linked debentures ("MLDs") are hybrid financial instruments (Ind AS 109) whose returns are linked to the performance of an underlying, which adds complexity to their fair valuation and disclosure.</p> <p>The management has designated these instruments as hybrid instruments measured at fair value through profit and loss as per Ind AS 109.</p> <p>The fair valuation of MLDs is a complex process involving assessing the fair value of the underlying asset and applying relevant pricing models and assumptions including an assessment of the embedded features of these instruments. Disclosures also depend on such assumptions and valuation techniques and are required to be made in accordance with the relevant Ind AS.</p> <p>We have identified the valuation and disclosures of MLDs as a key audit matter due to their complexity, significance to the financial statements, and the significance of management judgment.</p>	<p>We have performed the following key audit procedures:</p> <ul style="list-style-type: none"> <li>Assessed the appropriateness of the company's accounting policies disclosures related to MLDs in the financial statements, in accordance with the applicable financial reporting framework.</li> <li>Assessed the appropriateness of the valuation models used. This includes understanding the model's conceptual basis, evaluating the reasonableness of assumptions, and considering whether the model aligns with industry best practices.</li> <li>Evaluated the design and effectiveness of key controls over valuation and disclosure of MLDs.</li> <li>Obtained MLD valuation published by ICRA Ltd., being the third-party valuation agency, for the hybrid instruments issued by the Company to validate the reasonableness of management's valuation on comparable grounds.</li> </ul>

<b>Valuation and Disclosure of Market-Linked Debentures</b>	
<b>Key audit matter</b>	<b>How the matter was addressed in our audit</b>
	<ul style="list-style-type: none"> <li>We have also obtained and relied on management representation wherever considered necessary.</li> </ul>

### **Information Other than Standalone Ind AS Financial Statements and Auditor's Report thereon**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the financial statements and our auditors' report thereon. The Director's report is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's and Board of Directors' Responsibility for the Standalone Ind AS Financial Statements.**

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit /loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the

Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

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

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

- i. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.
- iv. Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;

- e. on the basis of written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023, 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 B";
- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 50 to the Financial Statements.
  - ii. the Company did not have any long term contracts including derivative contracts as at March 31, 2023, for which there were any material foreseeable losses.
  - iii. there were no amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year.
  - iv. In respect of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014,
    - a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused

us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Companies Act, 2013.
  - vi. In respect of Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, since proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable for the company only w.e.f. April 01, 2023, reporting under this clause is not applicable.
3. As required by Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For Gokhale & Sathe  
Chartered Accountants  
Firm Regn. No.103264W

sd/-

Rahul Joglekar  
Partner  
Membership No.:129389  
UDIN: 23129389BGUYFP1417

Place: Mumbai  
Date: May 29, 2023

**Annexure A to Independent Auditor's Report  
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements'  
section of our report to the Members of Citicorp Finance (India) Limited of even date)**

To the best of our knowledge and according to the information and explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit,

we state that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant and Equipment. The Company does not maintain any intangible assets. Hence provisions of clause 3(i)(a)(B) of the Order is not applicable to the company.
- (b) The Company has a programme of physical verification of Property, Plant and Equipment under which property, plant and equipment are verified in a phased manner once in every three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification during the year.
- (c) The title deeds (comprising of registered sale deeds/ transfer deeds /conveyance deeds) of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) reviewed by us, are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Company's business does not require it to hold any inventories and hence reporting under paragraph 3(ii)(a) of the order is not applicable to the Company.
- (b) The Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks and financial institutions on the basis of security of current assets and hence reporting under paragraph 3(ii)(b) of the order is not applicable to the Company.
- (iii) (a) The principal business of the Company is to give loans. Hence reporting under paragraph 3(iii)(a) of the order is not applicable to the Company.

- (b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
  - (c) in respect of loans and advances in the nature of loans (together referred to as "loan assets"), the schedule of repayment of principal and payment of interest has been stipulated. Note 3.10.1 to the financial statements explains the Company's accounting policy relating to impairment of financial assets which include loans assets. In accordance with that policy, no loan assets as at the year-end were categorized as credit impaired ("Stage 3") and none were categorized as those where the credit risk has increased significantly since initial recognition ("Stage 2"). Additionally, out of loans and advances in the nature of loans with balances as at the year-end aggregating Rs. 2,76,851.77 lakhs, where credit risk has not significantly increased since initial recognition (categorized as "Stage 1"), delinquencies in the repayment of interest and/or principal aggregating Rs. 49.80 lakhs were also identified, albeit of less than 30 days. In all other cases, the repayment of principal and interest is regular.
  - (d) As on March 31, 2023; no amount stands overdue for more than 90 days hence reporting under paragraph 3(iii)(d) of the order is not applicable to the Company.
  - (e) The principal business of the Company is to give loans. Hence reporting under paragraph 3(iii)(e) of the order is not applicable to the Company.
  - (f) The Company has granted loans or advances in the nature of loans repayable on demand during the year. There have not been any instances where such loans have been granted to the promoters as defined under clause (69) of section 2 of the Act as well as to the related parties as defined in clause (76) of section 2 of the Act. Accordingly reporting under paragraph 3(iii)(f) of the Order is not applicable to the Company.
- (iv) There are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Act are attracted. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
  - (v) The Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and Rules framed thereunder are applicable. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
  - (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any activities conducted/services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.



- (vii) (a) In our opinion, The Company is regular in depositing with the appropriate authorities undisputed statutory dues. On an internal reassessment of GST Liability certain shortfall was observed pertaining to earlier years amounting to Rs.98.07 lakhs which has been paid during the year. No unpaid liability is outstanding as on March 31, 2023. The provisions of Employee State Insurance Act, 1948 are not applicable to the Company.

According to information and explanations given to us, no undisputed amounts payable were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31 March 2023 on account of disputes are given below:

Name of the statute	Nature of the dues	Amt Rs. in Lakhs	Period to which the amount relates	Forum where dispute is pending
Income Tax Act,1961	Income Tax Demands	8.35	AY 1999-2000	Commissioner of Income Tax (Appeals)
Income Tax Act,1961	Income Tax Demands	5.86	AY 2001-02	Assessing Officer
Income Tax Act,1961	Income Tax Demands	33.71	AY 2002-03	High Court
Income Tax Act,1961	Income Tax Demands	1.35	AY 2002-03	Assessing Officer
Income Tax Act,1961	Income Tax Demands	356.52	AY 2005-06	Assessing Officer
Income Tax Act,1961	Income Tax Demands	28.93	AY 2006-07	Income Tax Appellate Tribunal
Income Tax Act,1961	Income Tax Demands	578.63	AY 2011-12	Assistant Commissioner of Income Tax (Appeals)
Income Tax Act,1961	Income Tax Demands	27.52	AY 2011-12	Commissioner of Income Tax (Appeals)
Income Tax Act,1961	Income Tax Demands	159.30	AY 2012-13	Commissioner of Income Tax (Appeals)
Maharashtra VAT Act, 2002	VAT Demands	266.23	FY 2010-11	Joint Commissioner of Sales Tax (Appeals IV)

Maharashtra VAT Act, 2002	VAT Demands	42.37	FY 2016-17	Joint Commissioner of Sales Tax
Maharashtra VAT Act, 2002	VAT Demands	20.37	FY 2013-14	Joint Commissioner of Sales Tax
Karnataka VAT, 2003	VAT Demands	16.70	FY 2016-17	Joint Commissioner of Sales Tax
Finance Act, 1994	Service Tax Demands	1,073.08	FY 2006-07 to 2008-09	Customs, Excise and Service Tax Appellate Tribunal
Karnataka Value Added Tax Act, 2003	Vat Demands	3,276.00	FY 2005-06 to FY 2010-11	Reassessment proceedings with Assessing Officer

- (viii) There were no transactions not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the reporting under Clause 3(viii) of the order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
- (c) The Company has utilized the money raised by way of term loans during the year for the purpose for which they were raised.
- (d) On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associate. The Company does not have any subsidiaries and joint ventures during the year.
- (f) The Company has not raised loans during the year on the pledge of securities held in its associate company. Further, the Company does not have any subsidiaries and joint ventures. Accordingly, the reporting under clause 3(ix)(f) of the Order is not applicable.

- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our 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 not come across any instance of material fraud by or on the Company, noticed or reported during the year, nor have we been informed of any such case by management.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
- (xii) The Company is not a Nidhi Company and hence, reporting under paragraph 3 (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under section 133 of the Act.
- (xiv) (a) We note that the defined scope of internal audit is commensurate with size and nature of its business. The internal audit reports for the quarter ended March 31, 2023 have not been received till date owing to certain data not being available to the internal audit team. We recommend that going forward, internal audit should be closed and reports should be available for review well before the closure of Statutory Audit.
- (b) We have considered the internal audit reports to the extent available.

- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company. Hence reporting under Clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The Company is required to be registered under Section 45- IA of the Reserve Bank of India Act, 1934 (2 of 1934) and the said registration has been obtained.
- (b) The Company conducts non-banking financial activities and it holds a valid Certificate of Registration (CoR) issued by the Reserve Bank of India as per the provisions of the Reserve Bank of India Act, 1934.
- (c) In our opinion, the Company is not a Core Investment Company ("CIC") and there & is no other CIC within the Group (as defined in the Core Investment Companies (d) (Reserve Bank of India Directions, 2016) and hence reporting under clause 3(xvi)(c) and (d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) During the year, there has been no resignation of the statutory auditors.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and it should not be construed as a guarantee or assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act 2013 in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) There are no unspent amounts under sub-section (5) of section 135 of the Act, pursuant to any ongoing project requiring transfer to special account in compliance with the provision of sub-section (6) of section 135 of the Act. Hence, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

- (xxi) The Company is required to prepare Consolidated Financial Statements, and, in our opinion, there have been no qualifications or adverse remarks made by the auditors in the Companies Auditor's Report Order report of the associate company included in the consolidated financial statements.

For Gokhale & Sathe  
Chartered Accountants  
Firm Regn. No.103264W

sd/-

Rahul Joglekar  
Partner  
Membership No.:129389  
UDIN: 23129389BGUYFP1417

Place: Mumbai  
Date: May 29,2023

**Annexure B to the Independent Auditors' report on the financial statements of Citicorp Finance (India) Limited for the year ended 31 March 2023.**

**Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013.**

**Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date.**

### **Opinion**

We have audited the internal financial controls with reference to financial statements of Citicorp Finance (India) Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### **Management's Responsibility for Internal Financial Controls**

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in 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 Companies Act, 2013 (hereinafter referred to as "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, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements.

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 were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

### **Meaning of Internal Financial Controls with reference to Standalone Ind AS Financial Statements**

A company's internal financial controls 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 controls with reference to financial statements include 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.

**Inherent Limitations of Internal Financial controls with reference to Standalone Ind AS 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 controls 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.

For Gokhale & Sathe  
Chartered Accountants  
Firm Regn. No.103264W

Sd/-

Rahul Joglekar  
Partner  
Membership No.:129389  
UDIN: 23129389BGUYFP1417

Place: Mumbai  
Date: May 29,2023



**Independent Auditor's Report on compliance with Chapter II of the Master Direction Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016.**

To  
The Board of Directors  
Citicorp Finance (India) Limited

**1. Introduction**

This report is issued in terms of our audit engagement with Citicorp Finance (India) Limited ("the Company") in our capacity as the Statutory Auditors. Pursuant to the Chapter II of the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 ("RBI Directions"), we have examined the matters specified in Paragraph 3 and 4 of these Directions in respect of the Company for the year ended March 31, 2023.

**2. Management's Responsibility**

The Management of the Company is responsible for compliance with Chapter II of the RBI Directions on an ongoing basis and reporting non-compliances, if any, to the regulatory authorities, Board of Directors, and its Audit Committee. This responsibility also includes -

- a. creation and maintenance of proper accounting and other records on the basis of guidelines issued by the Reserve Bank of India ("RBI");
- b. design, implementation and maintenance of adequate internal control relevant to the preparation and presentation of the records and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.
- c. ensuring that the records provided to us for our examination are correct and complete.

**3. Our Responsibility**

Our responsibility is to express reasonable assurance in the form of an opinion based on our examination of the books of accounts and other records maintained by the Company for the year ended March 31, 2023 in respect of the matters specified in Paragraph 3 of the RBI Directions.

For this Report, we have planned and performed the following procedures:

- i. Verified the Certificate of Registration granted by the RBI;
- ii. Checked the computation for management's compliance with Principal Business Criteria as laid down vide the Bank's press release dated April 08, 1999 and directions issued by DNBR;

- iii. Verified that the Company is in compliance with the Net Owned Fund requirement as laid down in Master Direction – Non-Banking Financial Company – Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
- iv. Obtained the unaudited DNBS-03 (erstwhile NBS-7) return as on March 31, 2023 prepared by the management and filed by the Company with RBI and verified whether the same has been prepared by the management based on the extant provisions of the Master Direction – Non-Banking Financial Company – Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (“the Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by ICAI.

#### **4. Opinion**

Based on our examination of the audited financial statements as at and for the year ended March 31, 2023, books of accounts and records of the Company as produced for our examination and our procedures performed as mentioned above, information and explanations given to us and representations received from the management, we report that:

- i. The Company is engaged in the business of lending and investments and has obtained the Certificate of Registration (CoR) dated October 10, 2014 under Section 45-IA of the Reserve Bank of India Act, 1934, to carry on the business of a Non-Banking Financial Company (NBFC) as a Loan and Investment Company.
- ii. The company is entitled to continue to hold CoR in terms of its Principal Business Criteria (Financial asset/income pattern) as on March 31, 2023 as laid down vide the RBI’s press release dated April 08, 1999 and directions issued by DNBR, RBI.
- iii. The Company has complied with the Net Owned Fund requirements as on March 31, 2023.
- iv. The Board of Directors has passed a resolution in the Board of Directors meeting dated May 30, 2022 for non-acceptance of Public Deposits.
- v. The Company has not accepted any Public Deposits during the year ended March 31, 2023.

- vi. With effect from 01 April 2018, as per the roadmap issued by the Ministry of Corporate Affairs for Non-Banking Finance Companies vide notification no. G.S.R 365(E) dated 30 March 2016, for financial reporting purposes, the Company has followed the Accounting Standards issued by the ICAI specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 (Ind AS). In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the income recognition, accounting standards, asset classification, provisioning requirements and disclosure in balance sheet as per Ind AS and RBI Master Direction in the preparation of the financial statements for the year ended March 31, 2023.
- vii. The Capital Adequacy Ratio as disclosed in DNBS-03 (erstwhile NBS-7) (unaudited) return for the year ended March 31, 2023, submitted to the RBI has been correctly arrived at and such ratio is in compliance with the minimum capital to risk weighted asset ratio ("CRAR") prescribed.
- viii. The Company has furnished to the RBI within the stipulated period the annual statement of capital funds, risk assets/exposures and risk asset ratio, DNBS-03 (erstwhile NBS-7) (unaudited) as specified in the Non-Banking Financial Company – Systemically Important Non Deposit taking and Deposit taking Company (Reserve Bank) Directions 2016.

## 5. Restriction on Use

This report is addressed to and provided to the Board of Directors solely in connection with the above-mentioned purpose and should not be used by any other person or for any other purpose. Accordingly, our report should not be quoted or referred to in any other document or made available to any other person or persons without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Gokhale & Sathe  
Chartered Accountants  
Firm Regn. No. 103264W

sd/-

Rahul Joglekar  
Partner  
Membership No.: 129389  
UDIN: 23129389BGUYHT9457

Place: Mumbai  
Date: June 27, 2023

**CITICORP FINANCE (INDIA) LIMITED**  
**Standalone financial statements**  
For the year ended 31 March 2023

**Citicorp Finance (India) Limited**

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

**Standalone Balance sheet**

Particulars	Note	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	4	7,886	49,499
Bank balance other than cash and cash equivalents above	5	2,960	2,593
Derivative financial assets	6	-	4,474
Receivables			
(i) Trade receivables	7	242	7,498
(ii) Other receivables	7	4,716	600
Loans	8	326,235	339,895
Investments	9	389,555	173,676
Other financial assets	10	1,677	237
<b>Total financial assets</b>		<b>733,271</b>	<b>578,472</b>
<b>Non-financial assets</b>			
Current tax assets (Net)	30	22,253	22,905
Deferred tax assets (Net)	30	17,099	13,986
Property, plant and equipment	11	354	910
Capital work-in-progress	11	-	-
Other non-financial assets	12	828	956
<b>Total non-financial assets</b>		<b>40,534</b>	<b>38,757</b>
<b>Assets classified as held for sale</b>	36	-	<b>359,494</b>
<b>TOTAL ASSETS</b>		<b>773,805</b>	<b>976,723</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
Derivative financial liabilities	6	-	244
Payables			
Trade payables			
(i) total outstanding dues of micro and small enterprises	49	7	-
(ii) total outstanding dues of creditors other than micro and small enterprises	49	4,094	11,295
Debt securities	13	129,083	398,532
Borrowings (other than debt securities)	14	250,871	158,274
Other financial liabilities	15	432	6,386
<b>Total financial liabilities</b>		<b>384,487</b>	<b>574,731</b>
<b>Non-financial liabilities</b>			
Provisions	16	153	68
Other non-financial liabilities	17	594	1,497
<b>Total non-financial liabilities</b>		<b>747</b>	<b>1,565</b>
<b>Liabilities associated with assets classified as held for sale</b>	36	-	<b>9,237</b>
<b>EQUITY</b>			
Equity share capital	18	289,330	289,330
Other equity		99,241	101,860
<b>Total equity</b>		<b>388,571</b>	<b>391,190</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>773,805</b>	<b>976,723</b>

Significant accounting policies

3

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

4 - 51

As per our report of even date attached

For **Gokhale & Sathe**  
Chartered Accountants  
Firm's Registration No:103264W

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

sd/-  
**Rahul Joglekar**  
Partner  
Membership No: 129389

sd/-  
**Nina Nagpal**  
Managing Director  
DIN: 00138918

sd/-  
**Anuradha Choudhury**  
Director  
DIN: 01375718

Place: Mumbai  
Date: 29 May 2023

sd/-  
**Ruchit Jain**  
Chief Financial Officer

sd/-  
**Sameer Upadhyay**  
Company Secretary

**Citicorp Finance (India) Limited**

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

**Standalone Statement of profit and loss**

Particulars	Note	Year ended	Year ended
		31 March 2023	31 March 2022
		(Audited)	(Audited)
<b>Revenue from operations</b>			
Interest income	19	36,895	27,446
Dividend income	20	377	353
Fees and commission income	21	423	372
Net gain/(loss) on fair value changes	22	673	(562)
Other revenue from operations	23	0	(1)
<b>Total revenue from operations</b>		<b>38,368</b>	<b>27,608</b>
Other income	24	352	646
<b>Total income</b>		<b>38,720</b>	<b>28,254</b>
<b>Expenses</b>			
Finance costs	25	16,463	10,362
Fees and commission expense	26	2,744	3,825
Impairment on financial instruments	27	(138)	1,003
Employee benefits expenses	28	74	771
Depreciation and amortisation	11	177	140
Others expenses	29	2,380	2,621
<b>Total expenses</b>		<b>21,699</b>	<b>18,722</b>
<b>Profit before tax from continuing operations</b>		<b>17,021</b>	<b>9,532</b>
<b>Tax expense:</b>			
Current tax	30	-	(1,444)
Deferred tax	30	5,858	5,795
<b>Total tax expense</b>		<b>5,858</b>	<b>4,351</b>
<b>Profit for the year from continuing operations (A)</b>		<b>11,163</b>	<b>5,181</b>
<b>Profit before tax from discontinued operations</b>	36	<b>1,928</b>	<b>7,628</b>
<b>Tax expense:</b>			
Current tax	36	<b>646</b>	<b>(1,156)</b>
Deferred tax	36	-	-
<b>Total tax expense</b>		<b>646</b>	<b>(1,156)</b>
<b>Profit for the year from discontinued operations (B)</b>		<b>1,282</b>	<b>8,784</b>
<b>Profit for the year (A+B)</b>		<b>12,445</b>	<b>13,965</b>
<b>Other comprehensive income/(expense)</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of defined benefit obligation		56	(129)
Tax relating to above		(20)	45
<b>Subtotal (A)</b>		<b>36</b>	<b>(84)</b>
<i>Items that may be reclassified to profit or loss</i>			
Changes in fair value of loans classified as FVOCI		(15,544)	11,118
Gain on assignment of FVOCI Instrument		-	-
Changes in fair value of Government Securities classified as		(168)	4
Tax relating to above		5,613	(3,886)
<b>Subtotal (B)</b>		<b>(10,099)</b>	<b>7,236</b>
<b>Other comprehensive income (A+B)</b>		<b>(10,063)</b>	<b>7,152</b>
<b>Total comprehensive income for the year</b>		<b>2,382</b>	<b>21,117</b>
<b>Earnings per equity share</b>	38		
Basic and diluted earnings per share			
(Face value of Rs. 7.50 each)			
Continuing operations		0.29	0.13
Discontinued operations		0.03	0.23

The above statement of profit and loss should be read in conjunction with the accompanying notes. 4 - 51

As per our report of even date attached

For **Gokhale & Sathe**  
Chartered Accountants  
Firm's Registration No:103264W

sd/-  
**Rahul Joglekar**  
Partner  
Membership No: 129389

Place: Mumbai  
Date: 29 May 2023

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

sd/-  
**Nina Nagpal**  
Managing Director  
DIN: 00138918

sd/-  
**Anuradha Choudhury**  
Director  
DIN: 01375718

sd/-  
**Ruchit Jain**  
Chief Financial Officer

sd/-  
**Sameer Upadhyay**  
Company Secretary

**Citicorp Finance (India) Limited**

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

**Standalone Statement of changes in equity****A. Equity share capital**

Particulars	Number of equity shares	Amount
As at 01 April 2021	3,857,727,031	289,330
As at 31 March 2022	3,857,727,031	289,330
As at 31 March 2023	3,857,727,031	289,330

**B. Other equity**

Particulars	Reserves and surplus			Other reserves		Total other equity
	Statutory reserve	Retained earnings	Share based payment reserve	Investments through other comprehensive income	Debt instruments through other comprehensive income	
<b>As at 31 March 2021</b>	<b>69,097</b>	<b>58,744</b>	-	-	<b>2,902</b>	130,743
Profit for the period	-	13,965	-	-	-	13,965
Other comprehensive income	-	(84)	-	3	7,233	7,152
<b>Total comprehensive income for the period</b>	-	<b>13,881</b>	-	<b>3</b>	<b>7,233</b>	<b>21,117</b>
Transfer from Retained Earnings	2,793	(2,793)	-	-	-	-
Transfer to Retained Earnings	-	-	-	-	-	-
Dividend payout (including DDT)	-	(50,000)	-	-	-	(50,000)
<b>As at 31 March 2022</b>	<b>71,890</b>	<b>19,832</b>	-	<b>3</b>	<b>10,135</b>	<b>101,860</b>
Profit for the period	-	12,445	-	-	-	12,445
Other comprehensive income	-	36	-	(108)	(9,992)	(10,064)
<b>Total comprehensive income for the period</b>	-	<b>12,481</b>	-	<b>(108)</b>	<b>(9,992)</b>	<b>2,381</b>
Transfer from Retained Earnings	2,489	(2,489)	-	-	-	-
Dividend payout (including WHT)	-	(5,000)	-	-	-	(5,000)
<b>As at 31 March 2023</b>	<b>74,379</b>	<b>24,824</b>	-	<b>(105)</b>	<b>143</b>	<b>99,241</b>

**Notes**

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

The above statement of changes in equity should be read in conjunction with the accompanying notes. 4 - 51

As per our report of even date attached

For **Gokhale & Sathe**  
Chartered Accountants  
Firm's Registration No:103264W

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

sd/-  
**Rahul Joglekar**  
Partner  
Membership No: 129389

sd/- sd/-  
**Nina Nagpal** **Anuradha Choudhury**  
Managing Director Director  
DIN: 00138918 DIN: 01375718

Place: Mumbai  
Date: 29 May 2023

sd/- sd/-  
**Ruchit Jain** **Sameer Upadhyay**  
Chief Financial Officer Company Secretary

**Citicorp Finance (India) Limited**

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

**Standalone Statement of cashflow**

(Currency: Indian Rupees in Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>Cash flow from operating activities :</b>		
Profit before tax	18,949	17,160
<b>Adjustment:</b>		
<b>Adjustment for Non-Cash Item:</b>		
Depreciation and amortisation	177	328
Unrealised (gain)/ loss on fair value changes	5,137	(20,787)
Provisions/(reversal of provisions)	-	121
Unwinding of discount on security deposit	(6)	(6)
Impairment of financial instruments	(752)	(2,310)
Net (gain)/ loss on derecognition of property, plant and equipment	4	(2)
<b>Adjustment for Financing/Investing activity:</b>		
Interest income from investments	(9,849)	(7,509)
Dividend income	(377)	(353)
Finance Charges	31,613	27,239
Realised (gain)/loss on fair value changes	(754)	3,628
Loss/ (gain) on sale of investment	1,146	(942)
<b>Operating profit before working capital changes</b>	<b>45,288</b>	<b>16,567</b>
<b>Working Capital changes:</b>		
(Increase)/decrease in receivables	3,998	(5,627)
(Increase)/decrease in loans	353,916	67,477
(Increase)/decrease in other financial assets and others	928	12,620
(Increase)/decrease in other non-financial assets	134	33
Increase/(decrease) in trade payables	(7,580)	1,116
Increase/(decrease) in other financial liabilities	(13,402)	5,360
Increase/(decrease) in other non-financial liabilities and provisions	(2,220)	(791)
Interest paid on debt securities	(33,578)	(28,156)
Interest paid on borrowings	(10,084)	(8,872)
Interest received on investments	7,432	9,034
<b>Net cash used in operating activities before taxes</b>	<b>344,832</b>	<b>68,761</b>
Less : Income taxes paid (net of refunds)	(6)	1,263
<b>Net cash inflow / (outflow) from operating activities (A)</b>	<b>344,838</b>	<b>67,498</b>
<b>Cash flow from investing activities :</b>		
Purchase of investments	(427,016)	(435,844)
Proceeds from sale of investments	208,468	370,519
Purchase of Property, Plant and Equipment	(1,580)	-
Dividend Income	377	353
<b>Net cash inflow / (outflow) from investing activities (B)</b>	<b>(219,750)</b>	<b>(64,971)</b>
<b>Cash flow from financing activities :</b>		
Receipts from issuance of debt securities	110,750	687,020
Payments on redemption of debt securities	(362,358)	(631,420)
Payment of dividend and tax thereon	(4,515)	(50,000)
Receipts from borrowing products	674,476	543,921
Repayments of borrowing	(585,054)	(645,280)
<b>Net cash inflow / (outflow) from financing activities (C)</b>	<b>(166,702)</b>	<b>(95,759)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(41,614)</b>	<b>(93,232)</b>
<b>Add : Cash and cash equivalents at beginning of the year</b>	<b>49,499</b>	<b>142,731</b>
<b>Cash and cash equivalents at end of the period</b>	<b>7,885</b>	<b>49,499</b>

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

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As per our report of even date attached

For **Gokhale & Sathe**  
Chartered Accountants  
Firm's Registration No:103264W

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

sd/-  
**Rahul Joglekar**  
Partner  
Membership No: 129389

sd/-  
**Nina Nagpal**  
Managing Director  
DIN: 00138918

sd/-  
**Anuradha Choudhury**  
Director  
DIN: 01375718

Place: Mumbai  
Date: 29 May 2023

sd/-  
**Ruchit Jain**  
Chief Financial Officer

sd/-  
**Sameer Upadhyay**  
Company Secretary



# **Citicorp Finance (India) Limited**

## **Notes to the standalone financial statements**

*for the year ended 31 March 2023*

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

### **1 Background**

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

Associates Financial Services (Mauritius) LLC, a Company incorporated in Mauritius holds 52.94% in the Company and remaining 47.06% is held by Citibank Overseas Investment Corporation, a company incorporated in Delaware, U.S.A.

The Company is engaged in a range of financial service activities, which include:

- a. Loans against securities
- b. Corporate loans
- c. Commercial Real Estate loans
- d. Personal loans
- e. Loans for purchase of commercial vehicles, construction equipment and agricultural assets, leasing, assignment and origination services of the aforesaid loans
- f. Investment in shares and securities

### **2 Basis of preparation**

#### **2.1 Accounting Standard Compliance**

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015] as amended from time to time. Any directions issued by the RBI or other regulators are implemented as and when they become applicable.

The financial statements have been prepared on the accrual and going concern basis. The Ind AS accounting assumptions and treatments are applied consistently to all the periods presented in these financial statements.

These financial statements are prepared under the historical cost convention except for the application of fair value measurements where required or allowed by the relevant Ind AS.

The standalone financial statements have been approved by the Board of Directors in its meeting held on 29 May 2023.

#### **2.2 Presentation of financial statements**

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

#### **2.3 Functional and presentation currency**

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

#### **2.4 Significant accounting judgments, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, the accompanying disclosures including the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and

## **Citicorp Finance (India) Limited**

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

for the year ended 31 March 2023

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

various other factors that are believed to be reasonable under the circumstances existing when the financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

#### **Judgments**

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

- **Fair value measurement of financial instruments**

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

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

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

- **Business model assessment**

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

- **Income taxes**

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

- **Provisions and Contingencies**

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

# **Citicorp Finance (India) Limited**

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

for the year ended 31 March 2023

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

### **Assumptions and Estimates**

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

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

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

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

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

#### **• Effective Interest Rate**

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

#### **• Provisioning for Asset retirement obligation (ARO)**

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

### **3 Summary of significant accounting policies**

#### **3.1 Foreign currency**

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

#### **3.2 Fair value measurement**

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

## **Citicorp Finance (India) Limited**

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

for the year ended 31 March 2023

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

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

### **3.3 Revenue recognition**

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

#### **Interest income**

For all financial instruments, interest income is recorded using the effective interest rate (EIR). Refer note 3.10. Interest income on income tax refund is recorded on cash basis.

#### **Dividend income**

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

#### **Fees and commission income**

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

#### **Incentives from dealers/manufacturers**

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

## **Citicorp Finance (India) Limited**

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

for the year ended 31 March 2023

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

#### **Income on finance leases**

Income on finance leases, are recognized by applying the rate of return implicit in the underlying contracts, on the diminishing balance of the financed amount over the period of the agreement so as to provide a constant periodic rate of return on the net investment outstanding on these contracts.

#### **3.4 Income tax**

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

##### **Current income tax**

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

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

##### **Deferred tax**

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

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

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

The Company recognizes MAT credit available as an asset only to the extent that the Company, based on reasonable evidence, will be able to recoup / set off MAT credit against income tax liability during the specified period i.e. the period for which MAT credit set off is allowed. The Company reviews the MAT credit entitlement asset at each reporting date and writes down the asset to the extent the Company does not have reasonable evidence that it will be able to recoup / set off of MAT credit against the income tax liability during the specified period.

#### **3.5 Property, plant and equipment**

Property, plant and equipment are stated at historical cost inclusive of all incidental expenses incurred for acquisition of such assets, less depreciation and impairment. In respect of additions / deletions, depreciation is provided for the period for which the asset is available for use. Depreciation on property, plant and equipment is provided on a straight-line basis over the useful lives of assets.

## **Citicorp Finance (India) Limited**

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

for the year ended 31 March 2023

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

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

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

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

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

<b>Class of property, plant and equipment</b>	<b>Estimated useful life</b>
Office buildings	50 years
Computer equipment	3 years / 4 years
Furniture and fixtures – in leased premises	6 years
Electrical installations and office equipment– in leased premises	6 years / 10 years
Vehicles- Lease	4 years

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

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

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

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

### **3.6 Leases**

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

## **Citicorp Finance (India) Limited**

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

*for the year ended 31 March 2023*

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

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

#### **The Company as lessor**

Assets given out on financial leases are shown as finance lease receivables. The rentals received on such leases are apportioned between the financial charge using the implicit rate of return, which is recognized as income; and against principal outstanding, which is reduced from the finance lease receivables.

#### **3.7 Provisions and contingencies**

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

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

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

#### **3.8 Employee benefits**

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

## **Citicorp Finance (India) Limited**

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

for the year ended 31 March 2023

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

#### **Gratuity**

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

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

Remeasurements, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding charge or credit to other comprehensive income in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

Past service costs are recognised in the statement of profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

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

- Service costs comprising current service costs; and
- Net interest expense or income

#### **Provident fund**

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

#### **Superannuation fund**

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

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

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

#### **Short term employee benefits**

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits and are measured at the amounts expected to be paid when the liabilities are settled. Benefits include salaries, wages, bonus and ex gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee service is recognized as an expense as the related service is rendered by employee. The liabilities are presented as current employee benefit obligations in the Balance Sheet.



## **Citicorp Finance (India) Limited**

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

for the year ended 31 March 2023

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

#### **Termination benefits**

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

#### **Compensated absences**

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

### **3.9 Share - based payments**

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

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

### **3.10 Financial instruments**

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

#### **Initial recognition and measurement**

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

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

#### **3.10.1 Financial assets**

##### **Classification and subsequent measurement**

Financial assets are classified into three categories:

- fair value through profit or loss (FVTPL);
- fair value through other comprehensive income (FVOCI); or
- amortised cost.

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

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

## **Citicorp Finance (India) Limited**

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

for the year ended 31 March 2023

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

The classification requirements of financial assets are described below:

#### **Investment in debt instruments**

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

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

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

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

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

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

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

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

#### **Interest income**

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

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e., its amortised cost before any impairment allowance) or to the amortised cost of a financial liability.

## **Citicorp Finance (India) Limited**

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

for the year ended 31 March 2023

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

The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees paid or received that are integral to the effective interest rate, such as origination fees.

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

#### **Equity instruments**

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

#### **Impairment of financial assets**

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

The measurement of ECL reflects:

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

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

#### **Write-off policy**

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery.

For retail clients, the Company writes off financial assets prudentially, basis the duration of delinquency.

#### **Derecognition of financial assets**

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

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

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

## **Citicorp Finance (India) Limited**

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

for the year ended 31 March 2023

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

#### **Loan commitments**

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

#### **3.10.2 Financial liabilities**

##### **Classification and subsequent measurement**

Financial liabilities are classified at amortised cost, except for:

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

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

##### **Derecognition of financial liabilities**

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

##### **Reclassification of financial instrument**

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

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

##### **Offsetting of financial instruments**

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

#### **3.10.3 Derivatives**

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

##### **Embedded derivatives**

The embedded derivatives are treated as separate derivatives when:

- their economic characteristics and risks are not closely related to those of the host contract.
- a separate instrument with the same terms would meet the definition of a derivative; and

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

## **Citicorp Finance (India) Limited**

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

for the year ended 31 March 2023

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

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

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

#### **3.11 Loan assignment**

The Company undertakes sale of loans by way of assignment.

In most cases, post assignment, the Company continues to service the loans transferred to the assignee in the capacity of a servicing agent on negotiated commercial terms. The Company does not provide credit enhancement on such assignment.

The Company recognizes entire gain/loss upon derecognition of a loan in accordance with applicable Ind AS

Classification of financial instruments sold by way of loan assignment is applicable to the business segment as a whole, including loans retained by the Company to comply with minimum retention requirements in accordance with Master Direction RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 dated 24 September 2021 and subsequent amendments thereto.

#### **3.12 Cash and cash equivalents**

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

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

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

#### **3.14 Statement of cash flows**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

#### **3.15 Segment reporting**

Segments are reported based on the client segment of the Company which is aligned to internal reporting matrix provided to the Chief Operating Decision Maker (CODM).

Company has identified two operating segments

- Institutional Client Group
- Global Consumer Banking

## **Citicorp Finance (India) Limited**

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

*for the year ended 31 March 2023*

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

The accounting policies consistently used in the preparation of the financial statements are also applied to item of revenue and expenditure in individual segments. Revenue and expenses have been identified to a segment based on relationship to operating activities of the segment and include certain internal allocations including internal transfer pricing

Revenue and expenses which relate to enterprises as a whole and are not allocable to a segment on a reasonable basis have been disclosed as 'Unallocated'. Segment assets and segment liabilities represent assets and liabilities in respective segments.

Tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as 'Unallocated'.

#### **3.16 Assets classified as held for sale**

Non-current assets or disposal group are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset or disposal group and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. As at each balance sheet date, the management reviews the appropriateness of such classification.

Non-current assets or disposal group classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The group treats sale/ distribution of the asset or disposal group to be highly probable when:

- the appropriate level of management is committed to a plan to sell the asset (or disposal group),
- an active programme to locate a buyer and complete the plan has been initiated (if applicable),
- the asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- the sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

A disposal Group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

**Citicorp Finance (India) Limited**

**Notes to the standalone financial statements (continued)**

for the year to date ended 31 March 2023

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

**Note 4 - Cash and cash equivalents**

Particulars	As at	As at
	31 March 2023	31 March 2022
Cash on hand	-	-
Balance with banks		
- In current accounts	626	10,848
- In fixed deposits (with original maturity of less than 3 months)	7,260	38,599
Cheques on hand	-	52
<b>Total</b>	<b>7,886</b>	<b>49,499</b>

Refer note 35 for balances with related parties.

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

Particulars	As at	As at
	31 March 2023	31 March 2022
Continuing operations	7,886	49,499
Discontinued operations	-	-
<b>Total</b>	<b>7,886</b>	<b>49,499</b>

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

Particulars	As at	As at
	31 March 2023	31 March 2022
Margin money deposit	2,866	2,456
Fixed Deposit	94	2,741
<b>Total</b>	<b>2,960</b>	<b>5,197</b>

1. Fixed deposit includes Nil lien marked deposits (31 March 2022: INR 2,604) for securitization transactions executed in prior years.

2. Refer note 35 for fixed deposits with related parties.

Particulars	As at	As at
	31 March 2023	31 March 2022
Continuing operations	2,960	2,593
Discontinued operations	-	2,604
<b>Total</b>	<b>2,960</b>	<b>5,197</b>

**Note 6 - Derivative financial assets and liabilities**

Particulars	As at	As at
	31 March 2023	31 March 2022
<b>Derivative financial assets</b>		
Equity linked derivatives (futures and options)	-	4,474
<b>Total</b>	<b>0.00</b>	<b>4,474</b>

Particulars	As at	As at
	31 March 2023	31 March 2022
Continuing operations	-	4,474
Discontinued operations	-	-
<b>Total</b>	<b>-</b>	<b>4,474</b>

<b>Derivative financial liabilities</b>		
Equity linked derivatives (futures and options)	-	244
<b>Total</b>	<b>-</b>	<b>244</b>

Particulars	As at	As at
	31 March 2023	31 March 2022
Continuing operations	-	244
Discontinued operations	-	-
<b>Total</b>	<b>-</b>	<b>244</b>

<b>Notional amount</b>	<b>4,253</b>	<b>48,436</b>
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**Citicorp Finance (India) Limited****Notes to the standalone financial statements (continued)**

for the year to date ended 31 March 2023

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

**Note 7 - Receivables**

Particulars	As at	As at
	31 March 2023	31 March 2022
<b>Trade receivables</b>		
Receivables considered good - Secured	-	-
Receivables considered good - Unsecured	242	7,498
Less: Expected credit loss	-	-
<b>Subtotal</b>	<b>242</b>	<b>7,498</b>
<b>Other receivables</b>		
Receivables from group companies	284	56
Receivables considered good - Secured	-	-
Receivables considered good - Unsecured	4,432	1,404
Less: Expected credit loss	-	-
<b>Subtotal</b>	<b>4,716</b>	<b>1,460</b>
<b>Total</b>	<b>4,958</b>	<b>8,958</b>

1. No amount of trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person.

2. Refer note 35 for receivables from related parties.

3. Refer note 48 for trade receivables ageing schedule.

Particulars	As at	As at
	31 March 2023	31 March 2022
Continuing operations	4,958	8,098
Discontinued operations	-	860
<b>Total</b>	<b>4,958</b>	<b>8,958</b>



**Citicorp Finance (India) Limited**

**Notes to the standalone financial statements (continued)**

for the year ended 31 March 2023

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

**Note 8 - Loans**

Particulars	As at 31 March 2023			As at 31 March 2022		
	Amortised cost	Fair value through OCI	Total	Amortised cost	Fair value through OCI	Total
<b>Loans</b>						
Loans repayable on demand*	90,667	-	90,667	146,943	-	146,943
Term loans	218,552	18,201	236,753	241,474	314,387	555,861
Deposits	32	-	32	86	-	86
<b>Total (Gross)</b>	<b>309,251</b>	<b>18,201</b>	<b>327,452</b>	<b>388,503</b>	<b>314,387</b>	<b>702,890</b>
Less: Expected credit loss	(1,035)	(182)	(1,217)	(3,805)	(3,390)	(7,195)
<b>Total (Net)</b>	<b>308,216</b>	<b>18,019</b>	<b>326,235</b>	<b>384,698</b>	<b>310,997</b>	<b>695,695</b>
Secured by tangible assets*	197,207	18,201	215,408	223,327	314,387	537,714
Unsecured	112,044	-	112,044	165,176	-	165,176
<b>Total (Gross)</b>	<b>309,251</b>	<b>18,201</b>	<b>327,452</b>	<b>388,503</b>	<b>314,387</b>	<b>702,890</b>
Less: Expected credit loss	(1,035)	(182)	(1,217)	(3,805)	(3,390)	(7,195)
<b>Total (Net)</b>	<b>308,216</b>	<b>18,019</b>	<b>326,235</b>	<b>384,698</b>	<b>310,997</b>	<b>695,695</b>
<b>Advances in India</b>						
Public sector*	128,470	-	128,470	-	-	-
Other than public sector	180,781	18,201	198,982	388,503	314,387	702,890
<b>Total (Gross)</b>	<b>309,251</b>	<b>18,201</b>	<b>327,452</b>	<b>388,503</b>	<b>314,387</b>	<b>702,890</b>
Less: Expected credit loss	(1,035)	(182)	(1,217)	(3,805)	(3,390)	(7,195)
<b>Total (Net)</b>	<b>308,216</b>	<b>18,019</b>	<b>326,235</b>	<b>384,698</b>	<b>310,997</b>	<b>695,695</b>
<b>Particulars</b>	<b>As at 31 March 2023</b>			<b>As at 31 March 2022</b>		
Continuing operations			326,235			339,895
Discontinued operations			-			355,800
<b>Total</b>			<b>326,235</b>			<b>695,695</b>

\*Includes Reverse Repurchase transaction (Reverse repo) and accrued interest thereon amounting to INR 50,545 (31 March 2022: Nil)

**Citicorp Finance (India) Limited****Notes to the standalone financial statements (continued)**

for the year to date ended 31 March 2023

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

**Note 9 - Investments**

<b>Particulars</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
<b>In India</b>		
<b>At cost</b>		
Equity shares of associate	8,700	8,700
<b>At fair value through profit or loss</b>		
Corporate bonds (quoted)	182,094	131,034
Equity shares (unquoted)	7,052	6,357
<b>At fair value through other comprehensive income</b>		
Government securities	191,709	27,584
Less: Expected credit loss	-	-
<b>Total</b>	<b>389,555</b>	<b>173,676</b>

Refer note 35 for investments in related parties.

<b>Particulars</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
Continuing operations	389,555	173,676
Discontinued operations	-	-
<b>Total</b>	<b>389,555</b>	<b>173,676</b>

**Note 10 - Other financial assets**

<b>Particulars</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
Margin money	1,650	210
Other deposits	27	27
<b>Total</b>	<b>1,677</b>	<b>237</b>

Refer note 35 for margin placed with related parties.

<b>Particulars</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
Continuing operations	1,677	237
Discontinued operations	-	-
<b>Total</b>	<b>1,677</b>	<b>237</b>

**Citicorp Finance (India) Limited**

**Notes to the standalone financial statements (continued)**

for the year ended 31 March 2023

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

**Note 11 - Property, plant and equipment**

Particulars	Gross block				Accumulated depreciation				Net block	
	As at 01 April 2022	Additions	Deletions <sup>^</sup>	As at 31 March 2023	As at 01 April 2022	For the year	Deductions <sup>^</sup>	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
<b>Owned assets</b>										
Property, Plant and Equipment										
<b>Building</b>	54	-	-	54	25	1	-	26	28	29
Freehold land	2	-	-	2	-	-	-	-	2	2
Furniture and fixtures	64	-	14	50	43	6	11	38	11	21
Office equipments	148	4	77	75	108	12	73	47	27	40
Electrical installations	476	6	280	202	337	49	234	152	50	139
Computer equipments	253	9	130	132	185	32	134	83	48	69
Asset retirement obligation	7	7	14	-	7	7	14	-	-	-
<b>Subtotal</b>	<b>1,004</b>	<b>26</b>	<b>515</b>	<b>515</b>	<b>705</b>	<b>106</b>	<b>466</b>	<b>346</b>	<b>167</b>	<b>300</b>
<b>Leased assets</b>										
Leasehold Premise*	1,553	-	1,092	461	713	71	509	275	186	840
Vehicles taken on lease	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,557</b>	<b>26</b>	<b>1,607</b>	<b>976</b>	<b>1,418</b>	<b>177</b>	<b>975</b>	<b>621</b>	<b>354</b>	<b>1,140</b>
<b>Capital work-in-progress</b>	-	-	-	-	-	-	-	-	-	-

Particulars	Gross block				Accumulated depreciation				Net block	
	As at 01 April 2021	Additions	Deletions	As at 31 March 2022	As at 01 April 2021	For the year	Deductions	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
<b>Property, Plant and Equipment</b>										
Building	54	-	-	54	23	2	-	25	29	31
Freehold land	2	-	-	2	-	-	-	-	2	2
Furniture and fixtures	64	-	-	64	36	7	-	43	21	28
Office equipments	136	16	4	148	101	12	5	108	40	35
Electrical installations	475	1	-	476	286	51	-	337	139	189
Computer equipments	210	44	1	253	158	28	1	185	69	52
Asset retirement obligation	6	1	-	7	6	1	-	7	-	-
<b>Sub-Total</b>	<b>947</b>	<b>62</b>	<b>5</b>	<b>1,004</b>	<b>610</b>	<b>101</b>	<b>6</b>	<b>705</b>	<b>300</b>	<b>337</b>
<b>Leased assets</b>										
Leasehold Premises*	1,528	25	-	1,553	486	227	-	713	840	1,042
Vehicles taken on lease	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,475</b>	<b>87</b>	<b>5</b>	<b>2,557</b>	<b>1,096</b>	<b>328</b>	<b>6</b>	<b>1,418</b>	<b>1,140</b>	<b>1,379</b>
<b>Capital work-in-progress</b>	16	-	16	-	-	-	-	-	-	16

Particulars	Net Block as at March 31, 2023	Depreciation for the year ended March 2023	Net Block as at March 31, 2022	Depreciation for the year ended March 2022
Continuing operations	354	177	910	140
Discontinued operations	-	-	230	188
<b>Total</b>	<b>354</b>	<b>177</b>	<b>1,140</b>	<b>328</b>

<sup>^</sup>Deletions / Deductions include assets that were transferred to Axis Bank Limited as part of consumer business divestiture as given in Note 36.

\*Refer Note no. 37

**Citicorp Finance (India) Limited****Notes to the standalone financial statements (continued)**

for the year to date ended 31 March 2023

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

**Note 12 - Other non-financial assets**

Particulars	As at	As at
	31 March 2023	31 March 2022
Deposits with statutory authorities	377	367
Prepaid expenses	137	318
Net input tax credit (refer note below)	311	270
Receivable from staff	3	1
<b>Total</b>	<b>828</b>	<b>956</b>

Input tax credit	12,117	11,677
Provision for input tax credit	(11,806)	(11,407)
<b>Net input tax credit</b>	<b>311</b>	<b>270</b>

Particulars	As at	As at
	31 March 2023	31 March 2022
Continuing operations	828	956
Discontinued operations	-	-
<b>Total</b>	<b>828</b>	<b>956</b>

**Note 13 - Debt securities**

Particulars	As at	As at
	31 March 2023	31 March 2022
<b>In India</b>		
<b>At amortised cost</b>		
Non convertible debentures	97,325	316,956
<b>At fair value through profit or loss</b>		
Market linked non convertible debentures	31,758	81,576
<b>Total</b>	<b>129,083</b>	<b>398,532</b>

Refer note 44 for details of debt securities.

Particulars	As at	As at
	31 March 2023	31 March 2022
Continuing operations	129,083	398,532
Discontinued operations	-	-
<b>Total</b>	<b>129,083</b>	<b>398,532</b>

**Note 14 - Borrowings (other than debt securities)**

Particulars	As at	As at
	31 March 2023	31 March 2022
<b>In India</b>		
<b>At amortised cost</b>		
<b>Secured</b>		
<b>Unsecured</b>		
Inter corporate borrowings	200,539	149,655
Term loans	50,332	8,619
Loans repayable on demand from banks	-	-
<b>Total</b>	<b>250,871</b>	<b>158,274</b>

Refer note 43 for details of borrowings.

Refer note 35 for borrowings from related parties.

Particulars	As at	As at
	31 March 2023	31 March 2022
Continuing operations	250,871	158,274
Discontinued operations	-	-
<b>Total</b>	<b>250,871</b>	<b>158,274</b>

**Citicorp Finance (India) Limited****Notes to the standalone financial statements (continued)**

for the year to date ended 31 March 2023

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

**Note 15 - Other financial liabilities**

Particulars	As at	As at
	31 March 2023	31 March 2022
Dealer held disbursal and other liabilities	432	8,573
Collection payables on servicing portfolio	-	5,261
<b>Total</b>	<b>432</b>	<b>13,834</b>

Refer note 35 for payables to related parties.

Particulars	As at	As at
	31 March 2023	31 March 2022
Continuing operations	432	6,386
Discontinued operations	-	7,448
<b>Total</b>	<b>432</b>	<b>13,834</b>

**Note 16 - Provisions**

Particulars	As at	As at
	31 March 2023	31 March 2022
Provision for employee benefits:		
Gratuity (refer note 41)	(27)	411
Employee benefits	1	28
Bonus	49	156
Others	-	-
Provision for others:		
Securitization	-	11
Value added tax	5	9
Legal and regulatory	117	600
Asset retirement obligations	-	47
Expected credit loss on loan commitments	-	47
Expected credit loss on other Assets	8	-
<b>Total</b>	<b>153</b>	<b>1,309</b>

Particulars	As at	As at
	31 March 2023	31 March 2022
Continuing operations	153	68
Discontinued operations	-	1,241
<b>Total</b>	<b>153</b>	<b>1,309</b>

**Note 17 - Other non-financial liabilities**

Particulars	As at	As at
	31 March 2023	31 March 2022
Statutory dues payable	107	332
Others	487	1,326
<b>Total</b>	<b>594</b>	<b>1,658</b>

Particulars	As at	As at
	31 March 2023	31 March 2022
Continuing operations	594	1,497
Discontinued operations	-	161
<b>Total</b>	<b>594</b>	<b>1,658</b>

**Citicorp Finance (India) Limited****Notes to the standalone financial statements (continued)**

for the year to date ended 31 March 2023

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

**Note 18 - Equity share capital**

Particulars	As at	As at
	31 March 2023	31 March 2022
<b>Authorised share capital</b>		
5,269,333,333 (31 March 2022: 5,269,333,333) Equity shares of Face Value INR 7.50 each	395,200	395,200
<b>Issued, subscribed and paid up</b>		
3,857,727,031 (31 March 2022: 3,857,727,031) Equity shares of Face Value INR 7.50 each	289,330	289,330
<b>Total</b>	<b>289,330</b>	<b>289,330</b>

**Reconciliation of number of shares**

Particulars	As at	As at
	31 March 2023	31 March 2022
At the beginning of the year	3,857,727,031	3,857,727,031
Changes during the year	-	-
At the end of the year	3,857,727,031	3,857,727,031

**Terms and rights attached to equity shares**

The Company has only one class of equity shares having a par value of Face Value INR 7.50 per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**Shares of the Company held by the holding companies/Enterprises which exercise control**

Particulars	As at	As at
	31 March 2023	31 March 2022
Associates Financial Services (Mauritius) LLC	52.94%	52.94%
Citibank Overseas Investment Corporation	47.06%	47.06%

**Details of shareholding more than 5% shares in the Company**

Particulars	As at	As at
	31 March 2023	31 March 2022
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

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

## Citicorp Finance (India) Limited

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

for the year to date ended 31 March 2023

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

#### Note 19 - Interest income

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>Interest on financial instruments measured at amortised cost</b>		
Loans	26,929	33,194
Deposits with banks	1,730	996
<b>Interest on financial instruments measured at FVOCI</b>		
Loans	22,177	14,076
<b>Interest on financial instruments measured at FVTPL</b>		
Investments	9,849	7,509
<b>Total</b>	<b>60,685</b>	<b>55,775</b>

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Continuing operations	36,895	27,446
Discontinued operations	23,790	28,329
<b>Total</b>	<b>60,685</b>	<b>55,775</b>

#### Note 20 - Dividend income

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Associates	252	252
Others	125	101
<b>Total</b>	<b>377</b>	<b>353</b>

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Continuing operations	377	353
Discontinued operations	-	-
<b>Total</b>	<b>377</b>	<b>353</b>

#### Note 21 - Fees and commission income

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Collection and sourcing fees	2,451	3,002
Other fees	73	372
<b>Total</b>	<b>2,524</b>	<b>3,374</b>

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Continuing operations	423	372
Discontinued operations	2,101	3,002
<b>Total</b>	<b>2,524</b>	<b>3,374</b>

**Citicorp Finance (India) Limited****Notes to the standalone financial statements (continued)**

for the year to date ended 31 March 2023

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

**Note 22 - Net gain/(loss) on fair value changes**

<b>Particulars</b>	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
<b>Net gain/(loss) on financial instruments designated at fair value through profit and loss</b>		
Gain/(loss) on fair value of market linked non convertible debentures	980	1,635
Gain/(loss) on derivatives (net)	1,244	(2,409)
Gain/(loss) on fair value of investments classified as FVTPL	(1,551)	212
<b>Total</b>	<b>673</b>	<b>(562)</b>
<b>Fair Value changes:</b>		
Unrealised gain/(loss)	(6,008)	20,787
Realised (loss)/gain	6,681	(21,349)
<b>Total</b>	<b>673</b>	<b>(562)</b>
<b>Particulars</b>		
	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
Continuing operations	673	(562)
Discontinued operations	-	-
<b>Total</b>	<b>673</b>	<b>(562)</b>

**Note 23 - Other revenue from operations**

<b>Particulars</b>	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
Gain on assignment	1,321	3,595
Other revenue	25	25
<b>Total</b>	<b>1,346</b>	<b>3,620</b>
<b>Particulars</b>		
	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
Continuing operations	-	(1)
Discontinued operations	1,346	3,621
<b>Total</b>	<b>1,346</b>	<b>3,620</b>

**Note 24 - Other income**

<b>Particulars</b>	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
Miscellaneous income	508	1,021
Reversal of provision for litigation (net)	-	287
Interest on income tax refund	158	-
Interest on lease deposits	6	6
<b>Total</b>	<b>672</b>	<b>1,314</b>
<b>Particulars</b>		
	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
Continuing operations	352	646
Discontinued operations	320	668
<b>Total</b>	<b>672</b>	<b>1,314</b>



## Citicorp Finance (India) Limited

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

for the year to date ended 31 March 2023

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

#### Note 25 - Finance costs

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>Interest on financial liabilities measured at amortised cost</b>		
Non convertible debentures	15,816	12,105
Inter corporate borrowings	10,421	6,829
Commercial paper	240	648
Borrowings from banks	2,109	5
Finance lease	-	-
Others	501	1,134
<b>Interest on financial liabilities designated at FVTPL</b>		
Market linked non convertible debentures	2,526	6,518
<b>Total</b>	<b>31,613</b>	<b>27,239</b>

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Continuing operations	16,463	10,362
Discontinued operations	15,150	16,877
<b>Total</b>	<b>31,613</b>	<b>27,239</b>

#### Note 26 - Fees and commission expense

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Transfer pricing fees (refer note - Note 42H)	2,182	4,115
Fees and commission expense	902	1,275
Distribution and placement fees	345	171
Brokerage	81	184
<b>Total</b>	<b>3,510</b>	<b>5,745</b>

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Continuing operations	2,744	3,825
Discontinued operations	766	1,920
<b>Total</b>	<b>3,510</b>	<b>5,745</b>

#### Note 27 - Impairment on financial instruments

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>Financial instruments measured at amortised cost</b>		
Write offs (net of recoveries)	9	2,254
Expected credit loss on loans	(1,938)	(2,718)
Expected credit loss on other assets	3	3
<b>Financial instruments measured at FVOCI</b>		
Expected credit loss on loans	1,183	405
Write offs (net of recoveries)	632	823
<b>Total</b>	<b>(111)</b>	<b>767</b>

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Continuing operations	(138)	1,003
Discontinued operations	27	(236)
<b>Total</b>	<b>(111)</b>	<b>767</b>

**Citicorp Finance (India) Limited****Notes to the standalone financial statements (continued)**

for the year to date ended 31 March 2023

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

**Note 28 - Employee benefits expenses**

<b>Particulars</b>	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
Salaries, wages and bonus	4,574	3,815
Contribution to provident fund and other funds	258	269
Gratuity (Refer note 41)	101	83
Other expenses	53	33
<b>Total</b>	<b>4,986</b>	<b>4,200</b>

<b>Particulars</b>	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
Continuing operations	74	771
Discontinued operations	4,912	3,429
<b>Total</b>	<b>4,986</b>	<b>4,200</b>

**Note 29 - Other expenses**

<b>Particulars</b>	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
Rent	566	634
Premises maintenance costs	294	388
Provision for litigations	-	121
Bank charges	29	63
Net loss/(gain) on derecognition of property, plant and equipment	4	-
Credit rating and surveillance fees	110	131
Service bureau expenses	1,433	1,770
Technology and software expenses	886	838
Stamping / franking charges	252	318
Travelling and conveyance expenses	363	260
Telephone expenses	93	117
Professional and legal expenses	552	395
Collection expenses	1,229	1,681
HR processing charges	61	52
Payments to the auditors		
(a) Statutory Audit	35	35
(b) Tax audit	5	5
(c) Limited Review	18	17
(d) Reimbursement of expenses	3	3
Corporate social responsibility expenses (refer note 39)	319	502
Miscellaneous expenses	901	1,106
<b>Total</b>	<b>7,153</b>	<b>8,435</b>

<b>Particulars</b>	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
Continuing operations	2,380	2,621
Discontinued operations	4,773	5,814
<b>Total</b>	<b>7,153</b>	<b>8,435</b>

## Citicorp Finance (India) Limited

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

for the year ended 31 March 2023

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

#### Note 30 - Income tax

##### a) The components of income tax expense are:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>Current tax</b>		
Current tax on profits for the year	646	(2,600)
Adjustments for current tax of prior periods	-	-
<b>Total current tax expense</b>	<b>646</b>	<b>(2,600)</b>
Current tax on profits for the year ended 31 March 2023 represents tax on gain on sale of business to Axis Bank Limited as part of consumer business divestiture as given in Note 36.		
<b>Deferred tax</b>		
Decrease/(Increase) in deferred tax assets	6,710	1,823
(Decrease)/ Increase in deferred tax liabilities	(852)	3,971
<b>Total deferred tax expense</b>	<b>5,858</b>	<b>5,795</b>
<b>Total tax expense</b>	<b>6,504</b>	<b>3,194</b>

##### b) Tax charge recognised directly to other comprehensive income

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Deferred tax expense/(benefit)	5,593	(3,841)
<b>Total tax charge/(benefit) recognized directly in other comprehensive income</b>	<b>5,593</b>	<b>(3,841)</b>

##### c) Reconciliation of the total tax charge

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Accounting profit before tax	18,949	17,160
<b>Tax at India's statutory income tax rate of 34.944% (31 March 2021 34.944%)</b>	<b>6,622</b>	<b>5,997</b>
Tax effect of the amount which are not taxable in calculating taxable income :		
- CSR expenses (net of benefit of deduction)	112	502
- Education cess	-	-
- Other	(230)	(487)
<b>Income tax expense</b>	<b>6,504</b>	<b>6,012</b>
<b>Effective tax rate</b>	<b>34.32%</b>	<b>35.03%</b>

##### d) Current tax assets

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Advance income tax (net of provision for tax)	22,253	22,905
<b>Total</b>	<b>22,253</b>	<b>22,905</b>

**Citicorp Finance (India) Limited**

**Notes to the standalone financial statements (continued)**

for the year ended 31 March 2023

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

**e) Deferred tax assets/liabilities**

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

Particulars	As at 31 March 2022	(Charged)/ credited to profit and loss	(Charged)/ credited to OCI	As at 31 March 2023
<b>Deferred tax liability :</b>				
Fair value of derivatives and Investments	(2,671)	852	-	(1,819)
Lease rental receivable	-	-	-	-
Changes in fair value of FVOCI debt instruments	(5,631)	-	5,613	(18)
	<b>(8,302)</b>	<b>852</b>	<b>5,613</b>	<b>(1,837)</b>
<b>Deferred tax asset :</b>				
Provisions on financial assets	2,532	(2,106)	-	426
Property, plant and equipment	2,190	162	-	2,352
Disallowance of expenses	164	(193)	-	(29)
Interest accrued on debentures	4,048	(3,742)	-	306
Remeasurement of defined benefit obligation at FVOCI	114	-	(20)	94
Others	5,073	(833)	-	4,240
	<b>14,120</b>	<b>(6,712)</b>	<b>(20)</b>	<b>7,390</b>
MAT Credit available	8,167	3,378	-	11,545
<b>Net deferred tax asset/(liability)</b>	<b>13,986</b>	<b>(2,481)</b>	<b>5,593</b>	<b>17,099</b>

Particulars	As at 31 March 2021	(Charged)/ credited to profit and loss	(Charged)/ credited to OCI	As at 31 March 2022
<b>Deferred tax liability :</b>				
Fair value of derivatives	1,302	(3,973)	-	(2,671)
Lease rental receivable	-	-	-	-
Changes in fair value of FVOCI debt instruments	(1,745)	-	(3,886)	(5,631)
	<b>(443)</b>	<b>(3,973)</b>	<b>(3,886)</b>	<b>(8,302)</b>
<b>Deferred tax asset :</b>				
Provisions on financial assets	2,708	(176)	-	2,532
Property, plant and equipment	2,539	(349)	-	2,190
Disallowance of expenses	107	57	-	164
Interest accrued on debentures	5,252	(1,204)	-	4,048
Remeasurement of defined benefit obligation at FVOCI	68	-	45	114
Others	5,233	(160)	-	5,073
	<b>15,906</b>	<b>(1,831)</b>	<b>45</b>	<b>14,120</b>
Less: Utilisation of MAT credit towards provision for tax	<b>5,567</b>	<b>2,600</b>		<b>8,167</b>
<b>Net deferred tax asset/(liability)</b>	<b>21,029</b>	<b>(3,205)</b>	<b>(3,841)</b>	<b>13,986</b>

## **Citicorp Finance (India) Limited**

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

for the year ended 31 March 2023

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

#### **Note 31 - Fair value measurements**

##### **a) Fair value measurement**

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

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

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

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

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

##### **b) Valuation techniques**

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

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

- Commercial real estate loans measured at fair value through other comprehensive income are valued using income approach wherein, the future cash inflows are discounted using appropriate benchmark + margin (agreed on such loans). These benchmark rates are obtained from the market sources as appropriate for pricing of similar loans. Use of quoted prices for similar financial assets is classified as Level 2 in the fair value hierarchy.

- Investment in equity shares consist of unlisted equity shares. For unlisted equity shares, fair value is determined through valuation techniques, such as multiples of earnings. A liquidity discount is applied when few or no transactions exist to support the valuations. In case of unlisted equity shares, significant inputs being unobservable, they are classified as Level 3 in the fair value hierarchy.

- Investment in debt securities are valued basis rates provided by Fixed Income Money Market and Derivatives Association of India (FIMMDA). Use of FIMMDA rate is classified as Level 2 in the fair value hierarchy.

- Market linked non convertible debentures are fair valued based on fair valuation of the underlying embedded derivative and the host principal.

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

##### **c) Valuation Control framework**

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

**Citicorp Finance (India) Limited**

**Notes to the standalone financial statements (continued)**

for the year ended 31 March 2023

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**d) Financial instruments by category**

Particulars	As at 31 March 2023				As at 31 March 2022			
	FVTPL	FVOCI	At Amortised Cost	Total	FVTPL	FVOCI	At Amortised Cost	Total*
<b>Financial Assets</b>								
Cash and cash equivalents	-	-	7,886	7,886	-	-	49,499	49,499
Bank balance other than cash and cash equivalents above	-	-	2,960	2,960	-	-	5,197	5,197
Derivative financial assets	-	-	-	-	4,474	-	-	4,474
Trade receivables	-	-	242	242	-	-	7,498	7,498
Other receivables	-	-	4,716	4,716	-	-	1,460	1,460
Loans	-	18,019	308,216	326,235	-	310,997	384,698	695,695
Investments	189,146	191,709	-	380,855	137,391	27,584	-	164,976
Other financial assets	-	-	1,677	1,677	-	-	237	237
<b>Total financial assets</b>	<b>189,146</b>	<b>209,728</b>	<b>325,697</b>	<b>724,571</b>	<b>141,865</b>	<b>338,581</b>	<b>448,589</b>	<b>929,036</b>
<b>Financial Liabilities</b>								
Derivative financial liabilities	-	-	-	-	244	-	-	244
Trade Payables	-	-	4,101	4,101	-	-	11,681	11,681
Debt securities	31,758	-	97,325	129,083	81,576	-	316,956	398,532
Borrowings (other than debt securities)	-	-	250,871	250,871	-	-	158,274	158,274
Other financial liabilities	-	-	432	432	-	-	13,834	13,834
<b>Total financial liabilities</b>	<b>31,758</b>	<b>-</b>	<b>352,729</b>	<b>384,487</b>	<b>81,820</b>	<b>-</b>	<b>500,745</b>	<b>582,565</b>

Note: Investment in associate amounting to INR 8,700 (31 March 2022: INR 8,700) is carried at cost in accordance with Ind AS 27 and does not form part of the above.

\*Total includes balances of discontinued operations.

**e) Fair value hierarchy**

Financial asset and liabilities measured at fair value - recurring fair value measurements	As at 31 March 2023			As at 31 March 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets measured at - Fair value through profit and loss</b>						
Derivative financial assets	-	-	-	-	4,474	-
Investments	-	182,094	7,052	-	131,034	6,357
<b>Fair value through other comprehensive income</b>						
Investments	-	191,709	-	-	27,584	-
Loans	-	18,019	-	-	310,997	-
<b>Total</b>	<b>-</b>	<b>391,822</b>	<b>7,052</b>	<b>-</b>	<b>474,090</b>	<b>6,357</b>
<b>Financial liabilities measured fair value through profit and loss</b>						
Derivative financial instruments	-	-	-	-	244	-
Debt securities	-	31,758	-	-	81,576	-
<b>Total</b>	<b>-</b>	<b>31,758</b>	<b>-</b>	<b>-</b>	<b>81,820</b>	<b>-</b>

Financial assets and liabilities measured at amortised cost for which fair value is disclosed	Fair value hierarchy	As at 31 March 2023		As at 31 March 2022	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>					
Loans	Level 3	308,216	308,634	384,698	397,621
<b>Financial liabilities</b>					
Debt securities	Level 3	97,325	98,795	316,956	318,493
Inter-corporate borrowing	Level 3	200,539	200,493	149,655	144,496

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

**f) Fair value measurements using significant unobservable inputs (level 3)**

The following table presents the changes in level 3 items for the periods ended 31 March 2023 and 31 March 2022:

	As at	As at
	31 March 2023	31 March 2022
<b>As at beginning of the year</b>	<b>6,357</b>	<b>6,244</b>
Transfer between Levels	-	-
Gains / (losses) recognised in profit and loss*	695	113
<b>As at end of the year</b>	<b>7,052</b>	<b>6,357</b>

\*This represents unrealised gain on fair valuation of equity investment and is disclosed under 'net gain/(loss) on fair value changes' (refer Note 22).

**g) Valuation inputs and relationships to fair value**

Particulars	Valuation technique	Significant unobservable inputs	Change in input	As at 31 March 2023	As at 31 March 2022
Investments in unquoted equity shares	P/E multiples	Earnings growth rate Liquidity discounts	± 1.5% ± 10%	108/(108) (829)/829	92/(92) (851)/851

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

**Note 32 - Financial Risk Management**

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

Risk type	Nature of risk	Risk arising from	Risk management process
Credit risk	Credit risk is the risk of loss resulting from the decline in credit quality (or downgrade risk) or failure of a borrower, counterparty, third party or issuer to honor its financial or contractual obligations.	Credit risk arises principally from lending and investment.	Credit risk is: - measured as the amount that could be lost if a customer or counterparty fails to make repayments. The Company considers the amount of principal outstanding and interest due as credit exposure from its borrowers;  - monitored using various internal risk management measures and within limits approved by individuals within a framework of delegated authorities; and  - managed through a robust risk control framework and governance process, which outlines clear and consistent policies, principles and guidance for risk managers for credit sanctioning, lending and risk monitoring.
Liquidity risk	Liquidity risk is the risk that the Company does not have sufficiently stable and diverse sources of funding. Also the risk of insufficient financial resources to meet our commitments as they fall due.	Liquidity risk arises from mismatches in the timing of cash flows.	Liquidity risk is: - planned as per annual plan process and balance sheet forecast supplemented by periodic ALCO Balance Sheet monitoring, keeping in mind the prevailing market conditions is conducted. Periodical monitoring includes monthly reporting of ALM, LCR and LLSR reports.  - measured under two stress scenarios (Market and Idiosyncratic) - maintaining a contingency funding plan detailing actions and strategies available in stressed conditions. - measured as per LCR requirement as guided by "Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies" RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 04 November 2019  - The liquidity plan for CFIL assumes following stress scenarios: • Local Liquidity Stress Report (LLSR)– Market: The LLSR – Market scenario is a Highly Stressed Market Disruption scenario and assumes no access to unsecured wholesale market as well to debt issuance market. The stress scenario covers a 12M horizon. • Local Liquidity Stress Report (LLSR)– Idiosyncratic: The LLSR Idiosyncratic scenario cover the Institution specific crisis. The stress scenario covers a 30D horizon. The scenario assumes a rating downgrade both in long term as well as Short term debt at the parent level.
Market risk	Market risk is the risk of loss arising from changes in the value of the Company's assets and liabilities resulting from changes in market variables (for eg.interest rates, corporate spreads).	Structured notes, Investments held for trading, loans carried at fair value through other comprehensive income.	Market risk is: - measured using sensitivities and stress testing using factor sensitivities for market movements and scenarios;  - managed by Market Risk Management (MRM) - reports and monitors the trading risk exposures against approved limits and triggers on a daily basis.

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

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

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

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

for the year ended 31 March 2023

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

#### Note 32 - Financial Risk Management (Continued)

##### A. Credit risk

Credit risk is the risk of loss resulting from the decline in credit quality or the failure of a borrower, counterparty, third party or issuer to honor its financial or contractual obligations. Credit risk mainly arises from the Company's lending business activity which can be classified as below:

- Loans and advances to corporate customers and HNIs i.e. High networth individuals
- Loans and advances to other retail customers (other retail loans)

Credit risk also arises from concentration of exposure within a specific client, industry, region or other category.

##### i) Credit quality analysis and credit exposure

The Company assesses and manages credit risk based on assessment of obligor risk using obligor risk rating (ORR) for loans and advances to corporate customers and HNIs.

Asset backed Finance business is made up of smaller exposures with homogeneous credit risk characteristics, where the underwriting process is rules-based, rather than judgmental, and where collection activities and write-offs are primarily driven by the number of days past due. The Company assesses and manages credit risk based on assessment of obligor risk using the defined Risk Acceptance Criteria (RAC) for extending loans to procure Commercial Vehicles and Construction Equipment. The RACs broadly include Assessment of KYC and Management, Review of Credit Bureau Checks etc.

Personal Loan business is made up of individual loans, where the underwriting process is rules-based, rather than judgmental. The Company assesses and manages credit risk based on the defined Risk Acceptance Criteria (RAC) for extending loans to Individuals for personal use only. The RACs broadly includes review of Credit Bureau, Income and customers' ability to Pay. PIL underwriting is completely based on validated income. Each PIL application passes through the robust custom Application Scorecard. This scorecard is the best Risk differentiator for underwriting."

For Corporate customers and HNIs the Credit risk team assesses and maintains the internal risk rating system. Obligor risk rating assessment is done for each obligor availing credit facilities. The Company assigns ORRs to each obligor based on assumptions, inputs and factors specific to the obligor. The credit quality classification can be mapped to the obligor risk rating grade equivalent for loans and advances to corporate customers and HNIs. The ORR grades are mapped to the external ratings grade issued by Credit Rating Agencies.

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

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

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

Internal rating grades (ORR)	Credit risk category	Stage 1	Stage 2	Stage 3	Total
<b>As at 31 Mar 2023</b>					
Grades: 1 to 4-	Low	116,308	-	-	116,308
Grades: 5+ to 5-	Medium	156,872	-	-	156,872
Grades: 6+ to 6-	High	-	-	-	-
Grades: 7+ to 7-	Watchlist	-	-	-	-
Grades: 8 to 10	Default	-	-	-	-
<b>Principal outstanding</b>		<b>273,181</b>	-	-	<b>273,181</b>
Interest accrued but not collected		3,671	-	-	3,671
<b>Total exposure</b>		<b>276,852</b>	-	-	<b>276,852</b>
Less: expected credit losses on total exposure		(1,217)	-	-	(1,217)
<b>Net carrying amount</b>		<b>275,635</b>	-	-	<b>275,635</b>

<b>As at 31 March 2022</b>					
Grades: 1 to 4-	Low	115,141	-	-	115,141
Grades: 5+ to 5-	Medium	220,844	-	-	220,844
Grades: 6+ to 6-	High	-	-	-	-
Grades: 7+ to 7-	Watchlist	-	-	-	-
Grades: 8 to 10	Default	-	-	-	-
<b>Principal outstanding</b>		<b>335,985</b>	-	-	<b>335,985</b>
Interest accrued but not collected		3,165	-	-	3,165
<b>Total exposure</b>		<b>339,150</b>	-	-	<b>339,150</b>
Less: expected credit losses on total exposure		(1,357)	-	-	(1,357)
<b>Net carrying amount</b>		<b>337,794</b>	-	-	<b>337,794</b>



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for the year ended 31 March 2023

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

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

Particulars	Loans carried at amortised cost	Loans carried at FVOCI	Committed lines of credit
<b>As at 31 Mar 2023</b>			
Stage 1	-	-	-
Stage 2	-	-	-
Stage 3	-	-	-
<b>Total exposure</b>	-	-	-
Less: expected credit losses on total exposure	-	-	-
<b>Net carrying amount</b>	-	-	-
<b>As at 31 March 2022</b>			
Stage 1	46,467	292,668	6,984
Stage 2	425	3,024	-
Stage 3	359	1,001	-
<b>Total exposure</b>	<b>47,251</b>	<b>296,693</b>	<b>6,984</b>
Less: expected credit losses on total exposure	(2,448)	(3,390)	(47)
<b>Net carrying amount</b>	<b>44,804</b>	<b>293,303</b>	<b>6,937</b>

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

Particulars	As at 30 March 2023	As at 31 March 2022
Rated AA and above	182,094	131,034
Rated A- to A+	-	-
<b>Total</b>	<b>182,094</b>	<b>131,034</b>

**Cash and cash equivalents and other bank balances**

The Company holds cash and cash equivalents of INR 7,886 and other bank balances of INR 2,960 as at 31 March 2023 (31 March 2022: INR 49,499 and INR 5,197). The Company maintains its Cash and cash equivalents and Bank deposits with banks having low credit risk as per the internal obligor risk rating and also reviews the credit-worthiness of the banks on an on-going basis. The Company has provided for expected credit losses on its exposure on margin money held for derivatives and fixed deposits.

**ii) Collateral held**

The Company generally accepts bank deposits, financial assets, marketable securities, inventories and real estate as collaterals in the case of secured loans. As of 31 March 2023, 66.00% of the aggregate principal amount of the Company's loans were secured by collateral (31 March 2022: 76.31%). 34.00% of the Company's loans were unsecured as at 31 March 2023 (31 March 2022: 23.69%).

At March 31, 2023, the net carrying amount of credit-impaired loans and advances amounted to Nil (31 March 2022: INR 713) and the value of identifiable collateral held against those loans and advances amounted to Nil (31 March 2022: INR 829).

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

Instrument type	Percentage of exposure that is subject to collateral requirements		Principal type of collateral held
	As at 30 March 2023	As at 31 March 2022	
<b>Loans and advances to corporate customers and HNIs</b>			
Corporate loans	46%	60%	Book debts, inventories and financial assets
Margin and securities backed finance	NA	NA	Financial assets
Strategic Equity Solutions	100%	100%	Financial assets
<b>Loans and advances to other retail customers</b>			
Personal loans	NA	0%	Unsecured
Asset backed finance	NA	100%	Commercial vehicles and construction equipments

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

**Margin lending loans**

LTV ratio	Loans and advances to retail customers		Loans and advances to corporate customers and HNIs	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Less than 51%	0.00%	0.00%	100.00%	100.00%
51-70%	0.00%	0.00%	0.00%	0.00%
71-90%	0.00%	0.00%	0.00%	0.00%
91-100%	0.00%	0.00%	0.00%	0.00%
More than 100%	0.00%	0.00%	0.00%	0.00%
<b>Total</b>	<b>0.00%</b>	<b>0.00%</b>	<b>100.00%</b>	<b>100.00%</b>

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As at 31 March 2023, the fair value of financial assets accepted as collateral that the Company is permitted to sell or repledge in the absence of default for loans and advances to corporate customers/ HNIs is INR 171,284 for 31st March 23 respectively (31 March 2022: INR 140,138).

#### iii) Inputs, assumptions, techniques used for estimating impairment

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

**Stage 1:** 12- months ECL: For exposures where there is no significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12- months is recognized.

**Stage 2:** Lifetime ECL, not credit-impaired: For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognized.

**Stage 3:** Lifetime ECL, credit-impaired: Financial assets are assessed as credit impaired upon occurrence of one or more events that have a detrimental impact on the estimated future cash flows of that asset. For financial assets that have become credit-impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the net carrying amount of loans.

The key inputs into the measurement of ECL are the term structure of the following variables:

- Probability of defaults (PDs) - Obligor level PD derived from PD and rating migration model. Model will use point in time PD values which will vary based on Macro economic variable forecasts.

- Loss given default (LGD) - LGD for different product and geographic segments are captured in the LGD estimates. The model is calibrated to loss data over time for different macroeconomic scenarios and collateral types.

- Exposure at default (EAD) i.e. the total expected exposure in the event of a default. The Company calculates expected credit losses on interest earned but not collected at portfolio level.

#### Loans and advances to corporate customers and HNIs

The company have an internal risk rating system that accurately and reliably differentiates between degrees of credit risk for classifiable managed exposures. To differentiate among degrees of credit risk and make meaningful and consistent distinctions among degrees of credit risk, the Company reviews its credit exposure along two dimensions – Default Risk and loss severity in the event of default.

In case of Classifiable managed obligors, company assigns

- Rating grades that appropriately reflect likelihood of default and

- Loss severity rating grade (or Loss Given Default estimates) that approximately reflect the loss severity expected in the event of default during economic downturn conditions.

The Obligor Risk Rating (ORR) represents the probability that an obligor will default within a one year time horizon. Risk ratings for obligors are assigned on a scale of 1 to 10, with sub-grades, where "1" is the best quality risk and "7-" is the worst for obligors that are not in default. ORRs of "9+", "9" and "10" are assigned to obligors meeting the definition of default under Basel when either or both of the following have occurred

- When the obligor is past due more than 90 days on any material credit obligation.

- When the company considers that the obligor is unlikely to pay its credit obligations in full, without recourse by Citi to actions such as realizing security (if held), collecting against a guarantee or other form of support, or filing a claim against the insurer.

The Facility Risk Rating (FRR) represents an expected loss rate, or "Loss Norm", for each facility, and is the product of two components:

The one-year Probability of Default (PD) of the Obligor, and The Loss Given Default (LGD) of a facility.

FRRs are assigned on a scale of 1 to 10, with sub-grades, where '1' is the best quality risk and '7-' is the worst for performing facilities. FRRs of 8, 9, and 10 are assigned to non- performing facilities.

At each reporting date, the Company assesses whether there has been a significant increase in credit risk of its financial assets since initial recognition by comparing the risk of default occurring over the expected life of the asset. In determining whether credit risk has increased significantly since initial recognition, the Company uses information that is relevant and available without undue cost or effort. This includes the Company's internal credit rating grading system, external risk ratings and forward-looking information to assess deterioration in credit quality of a financial asset.

The Company considers probability of default upon initial recognition of asset and whether there has been any significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Following indicators are incorporated:

- Internal credit rating

- changes in external credit rating (as far as available)

- actual or expected significant adverse changes in business, financial or economic condition that are expected to cause a significant change to borrower's ability to meet its obligations.

- significant increase in credit risk on other financial instruments of same borrower

- significant changes in value of the collateral supporting the obligation or in the quality of third party guarantees or credit support.

- significant changes in expected performance and behavior of the borrower including changes in payment status of borrowers and changes in operating results.

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

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**Loans and advances to other retail customers**

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

Quantitative based staging criteria are as follows:

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

In addition to quantitative factors as mentioned above, loans / exposures are also assessed for qualitative factors for staging. These include:

- a) material adverse changes in business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its debt obligations to the Company.
- b) significant adverse change in the regulatory, economic, or technological environment of the borrower that results in a significant change in the borrower's ability to meet its debt obligations to the Company
- c) significant changes in the value of the collateral
- d) significant changes in the loan documentation / arrangement

**LGD is the magnitude of the likely loss if there is a default**

For the corporate portfolio, the Company estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset.

For retail portfolio, the Company segments its portfolios into smaller homogenous portfolios, based on the key characteristics that are relevant to the estimation of future cash flows. The applied data is based on historically collected loss data and involves a wider set of transaction characteristics as well as borrower characteristics.

A scenario analysis on macroeconomic indicators is done. Following are the key variables considered in the ECL model factoring Baseline, Optimistic and pessimistic scenarios and the expected probabilities :

- Unemployment rate
- Interest rate swaps for the tenure ranging from 1 year to 10 years
- Interest rate on sovereign bonds for the tenure ranging from 15 months to 5 years
- GDP rate

Particulars	Total exposure				Expected credit loss (ECL)				Net carrying amount
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	
<b>Loans and advances carried at amortised cost</b>									
- Loans and advances to corporate customers	258,674	-	-	<b>258,674</b>	(1,035)	-	-	<b>(1,035)</b>	<b>257,639</b>
- Loans and advances to retail customers	-	-	-	-	-	-	-	-	-
<b>Loans and advances carried at FVOCI</b>									
- Loans and advances to corporate customers	18,178	-	-	<b>18,178</b>	(182)	-	-	<b>(182)</b>	<b>17,996</b>
- Loan commitments	-	-	-	-	-	-	-	-	-
<b>Other financial assets measured at amortised cost</b>	68,058	-	-	<b>68,058</b>	(8)	-	-	<b>(8)</b>	<b>68,050</b>
<b>As at 31 March 2023</b>	<b>344,910</b>	<b>-</b>	<b>-</b>	<b>344,910</b>	<b>(1,226)</b>	<b>-</b>	<b>-</b>	<b>(1,225)</b>	<b>343,685</b>
<b>Loans and advances carried at amortised cost</b>									
- Loans and advances to corporate customers	339,150	-	-	<b>339,150</b>	(1,357)	-	-	<b>(1,357)</b>	<b>337,794</b>
- Loans and advances to retail customers	46,467	425	359	<b>47,251</b>	(1,879)	(319)	(250)	<b>(2,448)</b>	<b>44,804</b>
<b>Loans and advances carried at FVOCI</b>									
- Loans and advances to retail customers	292,668	3,024	1,001	<b>296,693</b>	(2,171)	(823)	(396)	<b>(3,390)</b>	<b>293,303</b>
- Loan commitments	6,984	-	-	<b>6,984</b>	(47)	-	-	<b>(47)</b>	<b>6,937</b>
<b>Other financial assets measured at amortised cost</b>	63,977	-	-	<b>63,977</b>	(5)	-	-	<b>(5)</b>	<b>63,972</b>
<b>As at 31 March 2022</b>	<b>749,246</b>	<b>3,449</b>	<b>1,360</b>	<b>754,055</b>	<b>(5,459)</b>	<b>(1,142)</b>	<b>(646)</b>	<b>(7,246)</b>	<b>746,810</b>

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#### iv) Reconciliation of loss allowance provision

Reconciliation of loss allowance	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected	
		Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets for which credit risk has increased significantly and credit-impaired
<b>Loss allowance on 31 March 2023</b>	<b>1,217</b>	<b>0</b>	<b>0</b>
Changes in loss allowances due to:			
Assets originated or purchased	3,964	298	48
Write – offs	(4,940)	(327)	(331)
Recoveries/ repayments*	(3,334)	(1,631)	(658)
Changes in risk parameters	-	-	-
Change in measurement from 12-month to life-time expected losses or vice-versa	73	518	296
<b>Loss allowance on 31 March 2022</b>	<b>5,455</b>	<b>1,142</b>	<b>646</b>
Changes in loss allowances due to:			
Assets originated or purchased	2,750	95	17
Write – offs	(175)	(1,227)	(127)
Recoveries/ repayments	(4,320)	(441)	(7)
Changes in risk parameters	-	-	-
Change in measurement from 12-month to life-time expected losses or vice-versa	(21)	585	608
<b>Loss allowance on 31 March 2021</b>	<b>7,221</b>	<b>2,130</b>	<b>155</b>

\*Recoveries/repayments include amount transferred to Axis Bank Limited as given in Note 36

#### Sensitivity analysis of expected credit loss

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

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

#### Write-offs still under enforcement

In the case of assets that are assessed collectively for impairment, the Company writes-off such secured and unsecured assets at 180 days and 120 days past due respectively unless there is empirical evidence to the contrary. The contractual amount outstanding on financial assets written-off and still subject to enforcement activity was Nil as at 31 March 2023 (31 March 2022: INR 17,166).

#### Loans with renegotiated terms

A loan that is renegotiated is derecognised if the existing agreement is cancelled and a new agreement is made on substantially different terms or if the terms of the existing agreement are modified such that the renegotiated loan is a substantially different instrument.

Where the renegotiation of such loans are not derecognised, impairment continues to be assessed for significant increases in credit risk compared to the initial origination credit risk rating.

#### v) Concentration of credit risk

Portfolio concentration is measured with the aim of optimizing the benefits associated with diversification and reducing the potential adverse impact of concentration of exposures to a particular borrower, sector or industry. Credit concentration shall be tracked and performed at:

- Counterparty level (Single borrower limit / Group borrower limit)
- Portfolio level -Sector

#### Counterparty exposure limits

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

In compliance with RBI directions, the Company has set Single Borrower & Group borrower limits (SBL/GBL) as it is strictly adhered.

- Lend to (i) any single borrower exceeding 15% of its owned fund; and (ii) any single group of borrowers exceeding 25% of its owned fund;
- Invest in (i) the shares of another company exceeding 15% of its owned fund; and (ii) the shares of a single group of companies exceeding 25% of its owned fund;
- Lend and invest (loans/investments taken together) exceeding (i) 25% of its owned fund to a single party; and (ii) 40% of its owned fund to a single group of parties.

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

From 1st Oct 2022, when Scale based regulations for NBFCs became applicable, the extant credit concentration limits prescribed for NBFCs separately for lending and investments shall be merged into a single exposure limit of 25% for single borrower/ party and 40% for single group of borrowers/ parties. Further, the concentration limits shall be determined with reference to the NBFC's Tier 1 capital instead of their Owned Fund.

The Company monitors the above regulatory limits, and ensures that the exposure to any borrower/group is not in breach. This is tracked at the time of sanction itself to avoid sanction of any facility which is in excess of counterparty exposure norms. During the year ended 31 March 2023 and 31 March 2022, the Company's credit exposure to single borrowers and group borrowers were within the limits.

## Citicorp Finance (India) Limited

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

for the year ended 31 March 2023

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

#### Portfolio exposure limits

Industry wise concentration limits are monitored for loans and advances given to corporate customers.

CFIL has fixed internal exposure limits to specific sectors, so that exposures are evenly spread across various sectors

The following exposure limits for the sectors have been fixed:

1. Limit of 30% of Total exposure to Other Financial Institutions
2. Limit of 20% of Total exposure for the following industries-
  - a. Engineering
  - b. Information Technology
  - c. Automobiles
  - d. Petroleum & Petroleum Products
  - e. Banking Industry
3. A limit of 15% of Total Exposure for all remaining Industries excluding Real Estate.
4. Real Estate Limit has been set as lower of 20% of Total Exposure or INR 1000 Crs.

Any breach in Industry limits to be approved by at least 2 board members. An analysis of concentrations of credit risk is shown below:

Sector	As at 31 March 2023	As at 31 March 2022
Chemicals	0.11%	7.66%
Pharma & Healthcare	9.15%	7.38%
Bank	0.00%	0.00%
Metals	0.34%	0.33%
Autos	0.00%	0.27%
Agriculture & Food Preparation	0.00%	0.00%
Other Financial Institutions	1.86%	4.49%
Commercial Real Estate	6.59%	0.00%
Other sectors(*)	56.33%	22.10%
<b>Concentration of loans to corporate customers</b>	<b>74.38%</b>	<b>42.22%</b>
<b>Margin lending</b>	<b>25.62%</b>	<b>7.38%</b>
<b>Other loans and advances to retail customers</b>	<b>0.00%</b>	<b>50.40%</b>
<b>Total loans and advances outstanding</b>	<b>100.00%</b>	<b>100.00%</b>

(\*) Other sectors majorly include Company's exposure to Infrastructure Industry, Transport Equipment industry, Software industry, Non-operating financial holding companies (Investment Companies) etc.

#### vi) Offsetting financial assets and financial liabilities

The company does not have any financial instruments with offsetting rights.

#### vii) Restructured Loans:

Disclosure in compliance with Reserve Bank of India Circular DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020 pertaining to resolution framework for COVID-19 related stress read with RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021 pursuant to Resolution Framework 2.0 - Resolution of COVID-19 related stress Micro, Small and Medium Enterprises (MSMEs).

#### Format-B for Resolution Framework

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position	Of (A), aggregate debt that slipped into NPA during the period	Of (A) amount written off during the period	Of (A) amount paid by the borrowers during the period*	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the year.
<b>Personal Loans</b>	-	-	-	-	-
Corporate persons*	-	-	-	-	-
Of which MSMEs	906	24	-	906	-
Others	-	-	-	-	-
<b>Total</b>	<b>906</b>	<b>24</b>	<b>-</b>	<b>906</b>	<b>-</b>

\*Amount of INR 906.23 lakhs comprises of INR 715.01 lakhs that was transferred to Axis Bank Limited as part of consumer business divestiture as given in Note 36.

## Citicorp Finance (India) Limited

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

for the year ended 31 March 2023

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

#### Note 32 - Financial Risk Management (Continued)

##### B. Liquidity risk

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

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

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

The following factors add to comfort on management of balance sheet liquidity:

- Well capitalized balance sheet, with capital adequacy of 69.12% as of 31 March 2023 (40.36% as of 31st March 2022).
- Market issuances carrying the highest credit rating for short term as well as long term issuances.
- Loan portfolio across multiple Corporate product segments.

##### Financing arrangements

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

Particulars	As at	As at
	31 March 2023	31 March 2022
Committed undrawn facility	183,200	183,200

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

Particulars	Carrying amount	Contractual cash flows					
		Gross nominal inflow/ (outflow)	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year
<b>As at 31 March 2023</b>							
<b>Non-derivative financial liabilities</b>							
Trade payables	4,101	(4,101)	(4,101)	-	-	-	-
Debt securities	129,083	(140,522)	(4,394)	(32,212)	(68,936)	(34,980)	-
Borrowings (other than debt securities)	250,871	(258,627)	(236,570)	(7,492)	(5,400)	(9,158)	(7)
Other financial liabilities	432	(432)	(432)	-	-	-	-
<b>Total</b>	<b>384,487</b>	<b>(403,682)</b>	<b>(245,497)</b>	<b>(39,705)</b>	<b>(74,336)</b>	<b>(44,138)</b>	<b>(7)</b>
<b>Non-derivative financial assets</b>							
Cash and cash equivalents	7,886	7,886	7,886	-	-	-	-
Bank balance other than cash and cash equivalents above	2,960	2,960	2,866	-	94	-	-
Receivables	4,958	4,958	148	4,810	-	-	-
Loans	326,235	344,092	148,444	4,004	169,091	23,715	(1,162)
Investments	389,555	431,967	191,500	-	20,116	82,081	138,270
Other financial assets	1,677	1,677	1,650	-	-	-	27
<b>Total</b>	<b>733,271</b>	<b>793,540</b>	<b>352,494</b>	<b>8,814</b>	<b>189,302</b>	<b>105,795</b>	<b>137,136</b>

## Citicorp Finance (India) Limited

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

for the year ended 31 March 2023

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

Particulars	Carrying amount*	Contractual cash flows					
		Gross nominal inflow/ (outflow)	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year
<b>As at 31 March 2022</b>							
<b>Non-derivative financial liabilities</b>							
Trade payables	11,680	(11,680)	(11,680)	-	-	-	-
Debt securities	398,532	(425,110)	(43,041)	(109,070)	(245,279)	(26,856)	(864)
Borrowings (other than debt securities)	158,274	(159,628)	(143,401)	(10,256)	(792)	(5,118)	(61)
Other financial liabilities	13,834	(13,834)	(12,341)	(203)	(1,290)	-	-
<b>Total</b>	<b>582,320</b>	<b>(610,252)</b>	<b>(210,463)</b>	<b>(119,530)</b>	<b>(247,360)</b>	<b>(31,975)</b>	<b>(924)</b>
<b>Non-derivative financial assets</b>							
Cash and cash equivalents	49,499	49,499	49,499	-	-	-	-
Bank balance other than cash and cash equivalents above	5,197	5,209	2,505	90	-	2	2,610
Receivables	8,958	8,958	8,958	-	-	-	-
Loans	695,695	764,222	47,564	44,512	260,487	350,815	60,844
Investments	173,676	196,430	30,038	464	47,500	56,957	61,470
Other financial assets	237	237	210	-	-	-	27
<b>Total</b>	<b>933,262</b>	<b>1,024,554</b>	<b>138,774</b>	<b>45,067</b>	<b>307,987</b>	<b>407,775</b>	<b>124,951</b>

\*Carrying amount includes balances of discontinued operations.

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

Particulars	Carrying amount	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year
<b>Derivative financial assets</b>						
As at 31 March 2023	-	-	-	-	-	-
As at 31 March 2022	4,474	-	-	4,474	-	-
<b>Derivative financial liabilities</b>						
As at 31 March 2023	-	-	-	-	-	-
As at 31 March 2022	244	-	-	(244)	-	-

## Citicorp Finance (India) Limited

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

for the year ended 31 March 2023

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

#### Note 32 - Financial Risk Management (Continued)

##### C. Market risk

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

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

Market risk associated with derivatives can only be managed by exchange traded future and option contracts linked to the underlying. Hence, the Company ensures that risk is managed prudently by taking positions in exchange traded derivatives on a tranche.

##### i) Price risk

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

Nature of product	Measurement basis	Sensitivity	Impact on the profit and loss account	
			Year ended 31 March 2023	Year ended 31 March 2022
Market linked debentures (net off hedged derivatives)	FVTPL	±100 basis points in interest rates	(89)/89	167/(167)
Investments in commercial papers and corporate bonds	FVTPL	±100 basis points in interest rates	(5,092)/5,092	(2,786)/2,786
Investments in government securities and treasury bills	FVOCI	±100 basis points in interest rates	(127)/127	(227)/227
Investments in unquoted equity shares	FVTPL	± 1.5% in earnings growth rate	108/(108)	92/(92)
		± 10% in liquidity adjustment factor	(829)/829	(851)/851

##### ii) Interest rate risk

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

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

Nature of product	Measurement basis	Sensitivity	Impact on the profit and loss account	
			Year ended 31 March 2023	Year ended 31 March 2022
Market linked debentures	FVTPL	±100 basis points in yield	(683)/683	(2,285)/2,285

Nature of product	Measurement basis	Sensitivity	Impact on other comprehensive income	
			Year ended 31 March 2023	Year ended 31 March 2022
Loans measured at FVOCI	FVOCI	±50 basis points in interest rates	(225)/228	(2,478)/2,518



**Citicorp Finance (India) Limited**

**Notes to the standalone financial statements (continued)**

for the year ended 31 March 2023

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

**Note 32 - Financial Risk Management (Continued)**

**C. Market risk (continued)**

The following is a summary of the Company's interest rate gap position of Assets and Liabilities :

Particulars	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year	Non- sensitive	Total
<b>As at 31 March 2023</b>							
<b>Assets</b>							
Cash and cash equivalents	7,260					626	7,886
Bank balance other than cash and cash equivalents above	-	-	94	-		2,866	2,960
Derivative financial assets	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	4,958	4,958
Loans	142,504	1,967	159,661	19,585	-	2,518	326,235
Investments	191,500	-	19,000	62,000	100,000	17,055	389,555
Other financial assets	-	-	-	-	-	1,677	1,677
Current tax assets (Net)	-	-	-	-	-	22,253	22,253
Deferred tax Assets (Net)	-	-	-	-	-	17,099	17,099
Property, plant and equipment	-	-	-	-	-	354	354
Other non-financial assets	-	-	-	-	-	828	828
<b>Total Inflow</b>	<b>341,264</b>	<b>1,967</b>	<b>178,755</b>	<b>81,585</b>	<b>100,000</b>	<b>70,234</b>	<b>773,805</b>

**Equity & liabilities**

Derivative financial liabilities	-	-	-	-	-	-	-
Trade payables	-	-	-	-	-	(4,101)	(4,101)
Debt securities	(2,112)	(26,359)	(62,618)	(32,087)	-	(5,907)	(129,083)
Borrowings (other than debt securities)	(232,200)	(7,300)	(5,400)	(2,000)	-	(3,971)	(250,871)
Other financial liabilities	-	-	-	-	-	(432)	(432)
Provisions	-	-	-	-	-	(153)	(153)
Other non-financial liabilities	-	-	-	-	-	(594)	(594)
Equity share capital	-	-	-	-	-	(289,330)	(289,330)
Other equity	-	-	-	-	-	(99,241)	(99,241)
<b>Total (outflow)</b>	<b>(234,312)</b>	<b>(33,659)</b>	<b>(68,018)</b>	<b>(34,087)</b>	<b>-</b>	<b>(403,729)</b>	<b>(773,805)</b>

Particulars	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year	Non- sensitive	Total
<b>As at 31 March 2022</b>							
<b>Assets</b>							
Cash and cash equivalents	38,600					10,899	49,499
Bank balance other than cash and cash equivalents above	2,502	89	-	2		2,604	5,197
Derivative financial assets	-	-	4,474	-	-	-	4,474
Receivables	-	-	-	-	-	8,958	8,958
Loans	35,305	35,495	238,610	323,115	43,575	19,595	695,695
Investments	29,500	-	41,000	46,000	36,500	20,676	173,676
Other financial assets	-	-	-	-	-	237	237
Current tax assets (Net)	-	-	-	-	-	22,905	22,905
Deferred tax Assets (Net)	-	-	-	-	-	13,986	13,986
Property, plant and equipment	-	-	-	-	-	1,140	1,140
Capital work-in-progress	-	-	-	-	-	-	-
Other non-financial assets	-	-	-	-	-	956	956
<b>Total inflow</b>	<b>105,907</b>	<b>35,584</b>	<b>284,084</b>	<b>369,117</b>	<b>80,075</b>	<b>101,956</b>	<b>976,723</b>

**Equity & liabilities**

Derivative financial liabilities	-	-	(244)	-	-	-	(244)
Trade payables	-	-	-	-	-	(11,674)	(11,674)
Debt securities	(30,879)	(80,646)	(239,889)	(24,372)	-	(22,746)	(398,532)
Borrowings (other than debt securities)	(137,700)	(10,000)	(700)	(5,000)	-	(4,874)	(158,274)
Other financial liabilities	-	-	-	-	-	(13,841)	(13,841)
Provisions	-	-	-	-	-	(1,309)	(1,309)
Other non-financial liabilities	-	-	-	-	-	(1,658)	(1,658)
Equity share capital	-	-	-	-	-	(289,330)	(289,330)
Other equity	-	-	-	-	-	(101,860)	(101,860)
<b>Total (outflow)</b>	<b>(168,579)</b>	<b>(90,646)</b>	<b>(240,833)</b>	<b>(29,372)</b>	<b>-</b>	<b>(447,293)</b>	<b>(976,723)</b>

**Citicorp Finance (India) Limited**

**Notes to the standalone financial statements (continued)**

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

**Maturity analysis**

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

Particulars	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year	Total
<b>As at 31 March 2023</b>						
<b>Assets</b>						
Cash and cash equivalents	7,886	-	-	-	-	7,886
Bank balance other than cash and cash equivalents above	2,866	-	94	-	-	2,960
Derivative financial assets	-	-	-	-	-	-
Receivables	148	4,810	-	-	-	4,958
Loans	145,401	1,967	160,444	19,585	(1,162)	326,235
Investments	191,906	-	18,738	63,452	115,459	389,555
Other financial assets	1,650	-	-	-	27	1,677
Current tax assets (Net)	-	-	-	-	22,253	22,253
Deferred tax Assets (Net)	-	-	-	-	17,099	17,099
Property, plant and equipment	-	-	-	-	354	354
Other non-financial assets	-	-	-	-	828	828
<b>Total inflow</b>	<b>349,857</b>	<b>6,777</b>	<b>179,276</b>	<b>83,037</b>	<b>154,858</b>	<b>773,805</b>
<b>Equity &amp; liabilities</b>						
Derivative financial liabilities	-	-	-	-	-	-
Trade payables	(4,101)	-	-	-	-	(4,101)
Debt securities	(2,193)	(27,922)	(63,537)	(35,431)	-	(129,083)
Borrowings (other than debt securities)	(235,936)	(7,445)	(5,468)	(2,014)	(7)	(250,871)
Other financial liabilities	(432)	-	-	-	-	(432)
Provisions	(5)	-	(50)	(116)	19	(153)
Other non-financial liabilities	(594)	-	-	-	-	(594)
Equity share capital	-	-	-	-	(289,330)	(289,330)
Other equity	-	-	-	-	(99,241)	(99,241)
<b>Total (outflow)</b>	<b>(243,261)</b>	<b>(35,367)</b>	<b>(69,055)</b>	<b>(37,561)</b>	<b>(388,561)</b>	<b>(773,805)</b>
<b>As at 31 March 2022</b>						
<b>Assets</b>						
Cash and cash equivalents	49,499	-	-	-	-	49,499
Bank balance other than cash and cash equivalents above	2,502	89	-	2	2,604	5,197
Derivative financial assets	-	-	4,474	-	-	4,474
Receivables	8,958	-	-	-	-	8,958
Loans	37,511	35,817	239,593	325,334	57,440	695,695
Investments	31,478	270	41,796	46,002	54,130	173,676
Other financial assets	210	-	-	-	27	237
Current tax assets (Net)	-	-	-	-	22,905	22,905
Deferred tax Assets (Net)	-	-	-	-	13,986	13,986
Property, plant and equipment	-	-	-	-	1,140	1,140
Other non-financial assets	-	-	-	-	956	956
<b>Total inflow</b>	<b>130,159</b>	<b>36,176</b>	<b>285,863</b>	<b>371,338</b>	<b>153,188</b>	<b>976,723</b>
<b>Equity &amp; liabilities</b>						
Derivative financial liabilities	-	-	(244)	-	-	(244)
Trade payables	(11,680)	-	-	-	-	(11,680)
Debt securities	(32,963)	(95,158)	(242,690)	(26,856)	(865)	(398,532)
Borrowings (other than debt securities)	(142,477)	(10,084)	(706)	(5,000)	(8)	(158,274)
Other financial liabilities	(12,341)	(203)	(1,290)	-	-	(13,834)
Provisions	(9)	-	(184)	(600)	(516)	(1,309)
Other non-financial liabilities	(1,658)	-	-	-	-	(1,658)
Equity share capital	-	-	-	-	(289,330)	(289,330)
Other equity	-	-	-	-	(101,860)	(101,860)
<b>Total (outflow)</b>	<b>(201,128)</b>	<b>(105,445)</b>	<b>(245,114)</b>	<b>(32,456)</b>	<b>(392,579)</b>	<b>(976,723)</b>

## Citicorp Finance (India) Limited

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

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#### Note 33 - Capital Risk Management

Capital risk is defined as the risk that the entity has a sub-optimal quantity or quality of capital available to meet the regulatory requirements or cover risk exposures. A capital risk exposure arises when the Company has insufficient capital resources to support its strategic objectives and business plans as well as meet external stakeholder requirements. This could materialize due to a depletion of the entity's capital resources as a result of the crystallization of any of the risks to which it is exposed.

As per RBI regulations, the company is required to maintain a minimum capital to risk-weighted assets ratio (CRAR) of 15%. Additionally, the capital base also drives prudential exposure limits for single and group borrowers and is a major factor to support a strong credit rating and capital metrics.

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

In an extreme scenario precipitating the risk of CRAR potentially dropping below the mandated minimum level, the company can additionally also consider the following contingency measures, as required:

- Curtail loan growth to be able to avoid further buildup in RWA and facilitate reduction through scheduled loan maturities
- Consider selective portfolio sales to de-risk the asset portfolio and improve capital adequacy

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

#### Regulatory Capital

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

Capital to risk assets ratio (CRAR):	As at	As at
	31 March 2023	31 March 2022
Tier I capital	371,453	345,486
Tier II capital	1,216	4,152
<b>Total capital</b>	<b>372,669</b>	<b>349,638</b>
Risk weighted assets	539,193	866,204
CRAR (%)	69.12%	40.36%
CRAR - Tier I capital (%)	68.89%	39.89%
CRAR - Tier II capital (%)	0.23%	0.48%

## Citicorp Finance (India) Limited

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

for the year ended 31 March 2023

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

#### Note 34 - Segment information

The segment disclosure is based on the client segment of the company which is aligned to internal reporting matrix. Secondary segmentation based on geography has not been presented as the Company operates only in India and the Company perceives that there is no significant difference in its risks and returns in operating from different geographies in India. Accordingly, the company has identified two segments : Institutional Client Group (ICG) and Global Consumer Banking (GCB) as reportable segments.

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

GCB - This segment provides loans to retail customers. Loan products offered by this segment are loans for purchase of commercial vehicles, construction equipment and agricultural assets and personal loans. Segment income mainly comprises of interest on loans and collection fees and income from assignment. There was an exceptional event in the current financial year whereby this segment was transferred to Axis Bank as part of consumer business divestiture. This has been disclosed in Note 36.

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

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

#### Segment revenue

Particulars	Year ended 31 March 2023				Year ended 31 March 2022*			
	ICG	GCB	Unallocated	Total	ICG	GCB	Unallocated	Total
Interest income	36,895	23,790	-	60,685	35,489	20,286	-	55,775
Other income	1,825	3,767	-	5,592	808	7,291	-	8,099
<b>Total income from external customers</b>	<b>38,720</b>	<b>27,557</b>	<b>-</b>	<b>66,277</b>	<b>36,297</b>	<b>27,577</b>	<b>-</b>	<b>63,874</b>
Interest expense	16,463	15,150	-	31,613	15,104	12,134	-	27,239
Other Expenses	5,236	10,479	-	15,715	8,507	9,269	1,699	19,475
<b>Segment Results</b>	<b>17,022</b>	<b>1,927</b>	<b>-</b>	<b>18,949</b>	<b>12,687</b>	<b>6,173</b>	<b>(1,699)</b>	<b>17,160</b>
Tax expense	5,858	646	-	6,504	-	-	-	3,195
<b>Profit after tax</b>				<b>12,445</b>				<b>13,965</b>
<b>Other Information</b>								
Depreciation	177	-	-	177	-	-	328	328

#### Segment assets and liabilities

Particulars	Year ended 31 March 2023				As at 31 March 2022*			
	ICG	GCB <sup>^</sup>	Unallocated	Total	ICG	GCB	Unallocated	Total
Segment assets	773,805	-	-	773,805	574,976	361,774	39,973	976,723
Segment liabilities	(385,234)	-	-	(385,234)	(563,631)	(18,120)	(3,781)	(585,533)
<b>Net segment assets/ (liabilities)</b>	<b>388,571</b>	<b>-</b>	<b>-</b>	<b>388,571</b>	<b>11,345</b>	<b>343,654</b>	<b>36,192</b>	<b>391,190</b>

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

<sup>^</sup>As at 31 March 2023, the Company has transferred the GCB business to Axis Bank Limited as given in Note 36.

## **Citicorp Finance (India) Limited**

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

for the year ended 31 March 2023

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

#### **Note 35 - Related party disclosures**

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

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

##### **A. Holding Companies**

Associates Financial Services (Mauritius) LLC

Enterprises which exercise control:

Citibank Overseas Investment Corporation (COIC)

Citibank N.A. and its branches

Citigroup Inc. (the ultimate Holding Company)

##### **B. Fellow subsidiaries**

Citicorp Services India Pvt Ltd

Citicorp Investment Bank (Singapore) Ltd

Citigroup Global Markets Singapore PTE Limited

Citibank Europe PLC Belgium

Citibank Europe PLC France

Citibank Europe PLC Germany

Citibank Europe PLC Sweden

Citibank Korea Inc.

Citibank (China) Co. Ltd

Citigroup Global Markets Asia Limited

Citigroup Global Markets Hong Kong Ltd

Citigroup Global Markets India Pvt Ltd

Citigroup Global Markets Limited

Citigroup Technology Infrastructure (Hong Kong) Limited

Orbitech Private limited

Citigroup Technology Inc.

##### **C. Associates**

India Infradebt Limited

##### **D. Key Management Personnel**

Nina Nagpal (Managing Director)

Rajeev Mantri (Director)

Anuradha Choudhury (Director) (appointed w.e.f. Nov 01, 2022)

Deepak Ghaisas (Independent Director)

Saurabh Shah (Independent Director)

Neeraj Kumar (Director) (resigned w.e.f Oct 31, 2023)

Rohit Ranjan (Director) (resigned w.e.f Mar 01, 2023)

Ruchit Jain (Chief Financial Officer) (appointed w.e.f Feb 10, 2023)

Ankit Goyal (Chief Financial Officer) (resigned w.e.f Sep 07, 2022)

Sameer V. Upadhyay (Company Secretary)

**Citicorp Finance (India) Limited**

**Notes to the standalone financial statements (continued)**

for the year ended 31 March 2023

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

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			
	Associates Financial Services (Mauritius) LLC, Citibank Overseas Investment Corporation (COIC) and Citibank N.A. and its branches		India Infradebt Limited		Citicorp Services India Pvt Ltd		Other Fellow Subsidiaries	
	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
Lease rentals	-	-	-	-	-	-	-	-
Fixed deposits and reverse repo placed	1,562,264	2,315,899	-	-	-	-	-	-
Fixed deposits and reverse repo liquidated	1,596,144	2,383,393	-	-	-	-	-	-
Loans taken	-	-	-	-	-	-	-	-
Loans repaid	-	-	-	-	-	-	-	-
Loan portfolio purchase - Personal loan	-	-	-	-	-	-	-	-
Loan portfolio purchase - Domestic trade finance	-	-	-	-	-	-	-	-
Loan portfolio sale - Asset Backed Finance	146,760	104,522	-	-	-	-	-	-
Margin deposit placed	-	-	-	-	-	-	1,650	-
Distribution and Placement Fees paid	332	271	-	-	-	-	-	-
Rent paid	484	518	-	-	14	13	-	-
Net movement in bank accounts	(6,682)	(31,090)	-	-	-	-	-	-
Interest paid on borrowings and overdraft	-	-	-	-	5,405	4,231	-	-
Bank Charges paid	483	1,075	-	-	-	-	-	-
Interest received on fixed deposits and reverse repo	1,680	825	-	-	-	-	-	-
Sourcing and Collection Fees earned	2,421	2,994	-	-	-	-	-	-
Fees and Commission paid	1,176	3,255	-	-	62	169	932	809
Secondment charges earned	69	235	-	-	6	11	4	13
Secondment charges incurred	823	1,176	-	-	-	-	-	-
Transfer of software	-	-	-	-	-	-	-	-
Inter Corporate borrowings taken	-	-	-	-	215,000	185,000	-	-
Inter Corporate borrowings repaid	-	-	-	-	237,500	247,500	-	-
Other expenses	726	592	-	-	-	-	52	62
Remuneration paid	-	-	-	-	-	-	-	-
Equity Dividend Received	-	-	252	252	-	-	-	-
Equity Dividend Paid	5,000	50,000	-	-	-	-	-	-

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

Nature of Related party outstanding balances	Holding Companies and companies exercising control		Fellow Subsidiaries			
	Citibank N.A. and its branches		Citicorp Services India Pvt Ltd		Other Fellow Subsidiaries	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
<b>Assets</b>						
Trade receivables	242	1,810	24	20	87	26
Other receivables	215	406	-	-	-	-
Fixed deposits	-	2,651	-	-	-	-
Fixed deposits (with original maturity of less than 3 months)	7,260	38,599	-	-	-	-
Bank Balances	290	10,587	-	-	-	-
Margin deposit	-	-	-	-	1,650	-
<b>Liabilities</b>						
Inter Corporate Borrowings	-	-	89,240	108,519	-	-
Trade payables	2,500	8,506	40	146	752	796
Collection payables on servicing portfolio	-	5,243	-	-	-	-
Loans repayable on demand from banks (overdraft)	-	3,614	-	-	-	-

## Citicorp Finance (India) Limited

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

for the year ended 31 March 2023

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

#### Note 36 - Discontinued Operations

On 30th March 2022, the Company had entered into a Business Transfer Agreement (BTA) with Axis Bank Limited for sale of its Global Consumer Banking (GCB) Business as a going concern on slump sale basis.

On completion of conditions stipulated in the said BTA as amended from time to time; and on receipt of requisite statutory and other approvals, the Company has divested on a going concern basis the business assets and business liabilities of its GCB Business to Axis Bank Limited, effective beginning of day 1 March, 2023 (referred to as Legal Day One or LD1) on slump sale basis.

In accordance with the BTA, the Company has received a consideration of INR 6,000 Lacs on LD1 which has been disclosed under "Other Income" in the Profit and Loss account for the financial year net of estimated adjustments (emanating from principles/policies as agreed in BTA) and one-time direct transaction costs amounting to INR 5,866 lacs.

Summary of the Gain on Sale included under Other Income:

Particulars	Amount
Consideration for sale of business	6,000
Estimated adjustments (emanating from principles/policies as agreed in BTA) and one-time direct transaction costs	(5,866)
<b>Gain on Sale</b>	<b>134</b>

Results of Global Consumer Business portfolio for the year are presented below:

Particulars	Amount in INR Lakhs	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>Revenue</b>		
Interest income	19	23,790
Fees and commission income	21	2,101
Other revenue from operations	23	1,346
<b>Total revenue</b>	<b>27,237</b>	<b>34,952</b>
Other income	24	320
<b>Total income</b>	<b>27,557</b>	<b>35,620</b>
<b>Expenses</b>		
Finance costs	25	15,150
Fees and commission expense	26	766
Impairment on financial instruments	27	27
Employee benefits expenses	28	4,912
Depreciation and amortisation	11	-
Others expenses	29	4,773
<b>Total expenses</b>	<b>25,629</b>	<b>27,992</b>
<b>Profit before tax</b>	<b>1,928</b>	<b>7,628</b>
<b>Total tax expense</b>	<b>30</b>	<b>646</b>
<b>Profit for the year</b>	<b>1,282</b>	<b>8,784</b>
Total Other Comprehensive Income/(Expense)	<b>(10,247)</b>	<b>7,152</b>
<b>Total Comprehensive Income/(Expense)</b>	<b>(8,965)</b>	<b>15,936</b>

**Citicorp Finance (India) Limited****Notes to the standalone financial statements (continued)**

for the year ended 31 March 2023

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

**Major classes of Assets and Liabilities of Global Consumer Business portfolio classified as held for sale are as follows:**

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>ASSETS</b>		
<b>Financial assets</b>		
Bank balance other than cash and cash equivalents above	5	-
Receivables		2,604
(i) Trade receivables	7	-
(ii) Other receivables	7	860
Loans	8	-
<b>Total financial assets</b>	-	<b>359,264</b>
<b>Non-financial assets</b>		
Property, plant and equipment	11	-
<b>Total non-financial assets</b>	-	<b>230</b>
<b>TOTAL ASSETS</b>	-	<b>359,494</b>
<b>LIABILITIES</b>		
<b>Financial liabilities</b>		
Trade payables		
(i) total outstanding dues of micro and small enterprises	49	-
(ii) total outstanding dues of creditors other than micro and small enterprises	49	-
Other financial liabilities	15	-
<b>Total financial liabilities</b>	-	<b>7,834</b>
<b>Non-financial liabilities</b>		
Current tax liabilities (Net)		
Provisions	16	-
Other non-financial liabilities	17	-
<b>Total non-financial liabilities</b>	-	<b>1,403</b>
<b>TOTAL LIABILITIES</b>	-	<b>9,237</b>
<b>Net Assets directly associated with Discontinued Operations</b>	-	<b>350,257</b>



**Citicorp Finance (India) Limited****Notes to the standalone financial statements (continued)**

for the year ended 31 March 2023

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

**Note 37 - Leases**

Lease disclosures under Ind-AS 116

The Company has taken premises on lease for a period of 5 years beginning October 01, 2020.

Right-of-use assets have been disclosed under 'property, plant and equipment' (refer Note 11) and lease liabilities have been disclosed under 'Other non financial liability' (refer Note 17).

## (ia) Changes in the carrying value of Right-of-use Assets

Particulars	As at	As at
	31 March 2023	31 March 2022
Opening balance	840	1,042
Additions	-	25
Deletion/transferred as part of divestiture*	583	-
Depreciation	71	227
Closing balance	186	840

## (ib) Changes in the Lease liabilities

Particulars	As at	As at
	31 March 2023	31 March 2022
Opening balance	878	1,066
Additions	-	-
Deletion/transferred as part of divestiture*	480	-
Finance cost accrued	37	51
Lease Payments	238	239
Closing balance	197	878

\*This amount includes balance transferred to Axis Bank Limited as part of consumer business divstiture as given in Note 36

## (ii) Break-up of current and non-current lease liabilities

Particulars	As at	As at
	31 March 2023	31 March 2022
Current Lease Liabilities	72	215
Non-current Lease Liabilities	125	663

## (iii) Maturity analysis of lease liabilities

Particulars	As at	As at
	31 March 2023	31 March 2022
Less than one year	72	215
One to five years	125	558
More than five years	-	105
Total	197	878

## (iv) Amounts recognised in statement of Profit and Loss account

Particulars	As at	As at
	31 March 2023	31 March 2022
Interest on Lease Liabilities	37	51
Variable lease payments (not included in the measurement of lease liabilities)	-	-
Low-value leases expensed.	-	-
Short-term leases expensed	-	-
Total	37	51

## (v) Amounts recognised in statement of Cash Flows

Particulars	As at	As at
	31 March 2023	31 March 2022
Total Cash outflow for leases	238	239

## Citicorp Finance (India) Limited

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

for the year ended 31 March 2023

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

#### Note 38 - Earnings per share (EPS)

##### EPS - Continuing operations

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

Particulars	Year ended 31	Year ended 31
	March 2023	March 2022
Net profit after tax from continuing operations available for equity shareholders	11,163	5,181
Weighted average number of equity shares	3,857,727,031	3,857,727,031
<b>Basic / Diluted earnings per share (Rs.)</b>	<b>0.29</b>	<b>0.13</b>

##### EPS - Discontinued operations

Particulars	Year ended 31	Year ended 31
	March 2023	March 2022
Net profit after tax from discontinued operations available for equity shareholders	1,282	8,784
Weighted average number of equity shares	3,857,727,031	3,857,727,031
<b>Basic / Diluted earnings per share (Rs.)</b>	<b>0.03</b>	<b>0.23</b>

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

Particulars	Year ended 31	Year ended 31
	March 2023	March 2022
Weighted average number of shares for computation of Basic EPS	3,857,727,031	3,857,727,031
No of shares having dilutive potential	-	-
Weighted average number of shares for computation of Diluted EPS	3,857,727,031	3,857,727,031

#### Note 39 - Corporate social responsibility expenses

Particulars	Year ended 31	Year ended 31
	March 2023	March 2022
Gross amount required to be spent during the year	315	502
Amount spent during the year		
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above		
In cash	319	502
Yet to be paid in cash	-	-
<b>Total</b>	<b>319</b>	<b>502</b>

#### Note 40 - Micro, Small and Medium Enterprises

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

Particulars	31 March 2023	31 March 2022
Principal amount remaining unpaid to any supplier as at the year end	7	24
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	25	95
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	1	2
Amount of interest accrued and remaining unpaid at the end of the accounting year	1	2

**Citicorp Finance (India) Limited**

**Notes to the standalone financial statements (continued)**

for the year to date ended 31 March 2023

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

**Note 41 - Employee benefit obligations**

**a) Gratuity**

The Company pays gratuity to employees who retire or resign after serving for the stipulated period mentioned under 'The Payment of Gratuity Act, 1972'. The Company's contributions to gratuity fund (defined benefit scheme) in respect of its employees are managed by a trust, which invests the fund with Life Insurance Corporation of India ('LIC'), a Government of India Undertaking. The plan assets under the fund are invested in schemes of Insurance - conventional products.

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

Particulars	Year ended 31 March 2023			Year ended 31 March 2022		
	Present value of obligation*	Fair value of plan assets*	Net amount	Present value of obligation*	Fair value of plan assets*	Net amount
<b>At the beginning of the year</b>	(1,163)	752	(411)	(905)	622	(283)
Current service cost	(135)	-	(135)	(83)	-	(83)
Past service cost	-	-	-	-	-	-
Settlement cost	46	-	46	-	-	-
Interest (expense) / income	(70)	58	(12)	(55)	41	(14)
<b>Total amount recognised in profit or loss</b>	<b>(159)</b>	<b>58</b>	<b>(101)</b>	<b>(138)</b>	<b>41</b>	<b>(97)</b>
Remeasurements	-	-	-	-	-	-
Divestiture credit/ (cost)	1,037	(1,033)	4	-	-	-
Return on plan assets greater/(lesser) than discount rate	-	0	0	-	4	4
Gain / (loss) from change in demographic assumptions	-	-	-	(139)	-	(139)
Gain / (loss) from change in financial assumptions	2	-	2	28	-	28
Experience gains/(losses)	54	-	54	(21)	-	(21)
<b>Total amount recognised in other comprehensive income</b>	<b>1,092</b>	<b>(1,032)</b>	<b>60</b>	<b>(133)</b>	<b>4</b>	<b>(129)</b>
Employer contributions	-	479	479	-	99	99
Benefit payments	116	(116)	-	13	(13)	-
<b>At the end of the year</b>	<b>(113)</b>	<b>140</b>	<b>27</b>	<b>(1,163)</b>	<b>752</b>	<b>(411)</b>

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

Particulars	As at 31	As at 31
	March 2023	March 2022
Present value of funded obligations	(113)	(1,163)
Fair value of plan assets	140	752
<b>Net liability</b>	<b>27</b>	<b>(411)</b>

\*Bifurcation of present value of obligation and fair value of plan assets between continuing and discontinued operations is as stated below:

For the year ended 31 March 2023:

Particulars	Continuing Operations	Discontinued Operations	Total
Present value of obligation	113	-	113
Fair value of plan assets	140	-	140

For the year ended 31 March 2022:

Particulars	Continuing Operations	Discontinued Operations	Total
Present value of obligation	72	1,091	1,163
Fair value of plan assets	47	705	752

**iii. The significant actuarial assumptions were as follows:**

Particulars	As at 31	As at 31
	March 2023	March 2022
<b>Financial Assumptions</b>		
Discount rate	7.20%	6.90%
Salary escalation rate (taking into account the inflation, seniority, promotions and other relevant factors)	12% for first 2 years, 10% thereafter	12% for first 3 years, 10% thereafter
<b>Demographic Assumptions</b>		
Mortality Rate	Indian Assured Lives Mortality (2006-08)Ult.	Indian Assured Lives Mortality (2006-08)Ult.
Withdrawal Rate	15% for service less than 6 years, 7% otherwise	15% for service less than 6 years, 7% otherwise

**Citicorp Finance (India) Limited**

**Notes to the standalone financial statements (continued)**

for the year to date ended 31 March 2023

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

**iv. Sensitivity of actuarial assumptions:**

Particulars	Change in assumption	Impact on defined benefit obligation			
		Year ended 31 March 2023		Year ended 31 March 2022	
		Increase	Decrease	Increase	Decrease
Discount Rate	1%	(6)	7	(97)	111
Salary Escalation rate	1%	7	(6)	107	(95)
Withdrawal rate	5%	(6)	10	(83)	137

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

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

**v. Expected payment for future years:**

The defined benefit obligations shall mature after year end as follows:

Particulars	As at 31	As at 31
	March 2023	March 2022
Within 1 year	5	69
1-2 year	25	91
2-3 year	4	106
3-4 year	5	92
4-5 year	6	100
5-10 year	56	745
<b>Total expected payments</b>	<b>102</b>	<b>1,204</b>

The Company expects to contribute Nil (31 March 2022: INR 178) to the fund in the next financial year. The weighted average duration of the defined benefit obligation as at 31 March 2023 is 8 years (31 March 2022: 9 years)

**b) Provident and Superannuation fund**

The Company contributes to employee provident fund for all employees and superannuation fund for eligible employees which are defined contribution plans. These contributions are charged to the statement of profit and loss during the period in which the employee renders the related services. The expense recognised during the year is INR 258 (31 March 2022: INR 269).

**c) Long term service awards**

The Company provides for long term service liability for eligible employees, based on length of service, based on actuarial valuation performed by

Particulars	As at March 2023	As at March 2022
Present value of defined obligation at period end*	1.41	28
*includes present value of defined obligation for the year ended 31 March 2022 from discontinued operations amounting to INR 27 lakhs.		
Rate of Discounting	7.20%	6.90%
Mortality Rate	Indian Assured Lives Mortality (2006-08)Ult.	Indian Assured Lives Mortality (2006-08)Ult.
Withdrawal Rate	15% for service less than 6 years, 7% otherwise	15% for service less than 6 years, 7% otherwise

## Citicorp Finance (India) Limited

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

for the year ended 31 March 2023

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

#### Note 42 - Other disclosures

##### A. Loan assignment deals

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

Particulars	31 March 2023	31 March 2022
Total number of loan assets assigned during the year (Nos)	7,675	6,269
Total amount of exposures retained by the Company to comply with MRR	16,073	10,711
Total book value of loan assets assigned	144,654	100,258
Sale consideration received for the assigned assets	146,760	104,521
Gain on account of assigned assets	1,321	3,595
Gains amortized during the year as per the RBI guidelines*	Refer note given below	

\*Gain on assignment of loans is recognized in the profit and loss account in the year of assignment as per Ind AS. Refer note 3.11.

##### B. Movement of provision

Particulars	As at 01 April 2022	Created during the year	Utilized/ released during the year*	As at 31 March 2023
Provision on securitization of asset portfolio	11	-	11	-
Provision for Input tax credit	11,407	455	56	11,806
Provision for Value Added Tax (VAT)	9	-	4	5
Provision for litigation	600	341	825	116
Provision for Asset Retirement Obligation	47	7	54	0
Provision for expected credit loss on loan commitments	47	-	47	-
<b>Total</b>	<b>12,121</b>	<b>803</b>	<b>997</b>	<b>11,927</b>

\*Includes provisions transferred to Axis Bank Limited as part of consumer business divestiture as given in Note 36.

Particulars	As at 01 April 2021	Created during the year	Utilized/ released during the year	As at 31 March 2022
Provision on securitization of asset portfolio	96	-	85	11
Provision for Input tax credit	11,198	209	-	11,407
Provision for Value Added Tax (VAT)	24	-	15	9
Provision for litigation	923	36	359	600
Provision for Asset Retirement Obligation	46	1	-	47
Provision for expected credit loss on loan commitments	49	-	2	47
<b>Total</b>	<b>12,336</b>	<b>246</b>	<b>461</b>	<b>12,121</b>

##### C. Net debt reconciliation

Particulars	As at 01 April 2022	Cash flow	Interest Expense	Fair Value changes	As at 31 March 2023
Debt securities	398,532	(285,185)	18,342	(2,605)	129,083
Borrowings	158,274	79,338	13,259	-	250,871

Particulars	As at 01 April 2021	Cash flow	Interest Expense	Fair Value changes	As at 31 March 2022
Debt securities	369,287	27,444	18,623	(16,822)	398,532
Borrowings	259,900	(110,228)	8,604	-	158,274

D. In accordance with the RBI notification No. RBI/DNBS/2016-17/49 Master Direction DNBS.PPD.01/66.15.001/2016-17 dated September 29, 2016, INR Nil of fraud was detected and reported during the financial year ended 31 March 2023 (31 March 2022: INR Nil).

## Citicorp Finance (India) Limited

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

for the year ended 31 March 2023

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

#### Note 42 - Other disclosures (continued)

E. In accordance with Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 1, 2016 – Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, the Company did not enter into any credit default swaps during the year ended 31 March 2023 (31 March 2022: Nil).

F. In accordance with Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 1, 2016 – Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, the Company has not lent against gold jewellery during the year ended 31 March 2023 (31 March 2022: Nil).

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

H. Fees and commission expense includes transfer pricing fees amounting to INR 1,941 (31 March 2022: INR 3,834) paid/ accrued to affiliates. These fees are based on refinements in the transfer pricing model which is aimed at simplifying and standardizing country and intercompany reporting while properly recognizing and rewarding components of the value chain through net revenue allocation for respective country locations and legal entities.

I. The Company has proposed and declared an interim dividend of INR 0.129561 per equity share on 30 August 2022 amounting to INR 5,000 (inclusive of withholding tax) out of surplus in profit and loss account of prior years and it was paid on 23 September 2022.

#### Note 43 - Details of borrowings (other than debt securities)

##### A. Secured borrowings

###### i. Workings capital demand loan from banks

Particulars	As at 31 March 2023	As at 31 March 2022
Residual tenure	NA	NA
Rate Range	NA	NA

##### B. Unsecured Borrowings

###### i. Cash Credit Facility from Banks

Particulars	As at 31 March 2023	As at 31 March 2022
Residual tenure	NA	NA
Rate Range	NA	NA

###### ii. Commercial papers

Particulars	As at 31 March 2023	As at 31 March 2022
Residual tenure	NA	NA
Discount Rate (Range)	NA	NA

###### iii. Intercompany borrowings\*

Particulars	As at 31 March 2023	As at 31 March 2022
Residual tenure	Maturing within 1 year	Maturing within 1 year
Rate Range	4.00% to 7.05%	4.00% to 4.65%

\*Refer note 35 for borrowings from related parties

Particulars	As at 31 March 2023	As at 31 March 2022
Residual tenure	Maturing within 15 months to 18 months	Maturing within 15 months
Rate Range	7.87% to 8.11%	4.75%

## Citicorp Finance (India) Limited

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

for the year ended 31 March 2023

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

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

The Company has issued secured non-convertible debentures under various series on different terms and conditions, which have been secured by a pari passu charge on the Company's immovable property and movable financial assets.

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

Series No	Maturity / Call Date	As at 31 March 2023	As at 31 March 2022
722 II	30-May-22	-	4,510
723 II	30-May-22	-	550
725 II	30-May-22	-	900
722 III	1-Aug-22	-	3,865
723 III	1-Aug-22	-	3,645
725 III	1-Aug-22	-	4,085
764 I	25-Aug-22	-	2,005
727 I	12-Sep-22	-	220
727 III	12-Sep-22	-	3,850
728 III	12-Sep-22	-	1,500
730 II	12-Sep-22	-	1,100
730 I	28-Sep-22	-	2,306
731 I	28-Sep-22	-	2,090
732 I	28-Sep-22	-	2,340
733 I	28-Sep-22	-	700
736 I	28-Sep-22	-	1,105
739 III	30-Nov-22	-	2,490
774 I	26-May-23	1,636	3,846
776 I	26-May-23	510	510
761 I	29-Sep-23	1,420	5,625
763 I	30-Nov-23	1,690	3,185
769 I	29-Mar-24	1,110	1,410
799 I	28-Jun-24	4,520	4,520
772 I	29-Jul-24	3,095	4,360
778 I	30-Sep-24	2,584	3,234
806 I	28-Nov-24	5,590	-
809 I	30-Jan-25	900	-
802 I	12-Feb-26	6,050	-
805 I	26-Feb-26	2,710	-
<b>Total</b>		<b>31,815</b>	<b>63,951</b>

## Citicorp Finance (India) Limited

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

for the year ended 31 March 2023

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

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

Series No	Interest rate	Maturity / Call Date	As at 31 March 2023	As at 31 March 2022
800 I	7.00%	17-Aug-23	25,000	-
801 I	6.25%	16-Sep-24	5,000	-
804 I	7.00%	31-Oct-24	3,000	-
807 I	7.35%	29-Nov-24	2,500	-
<b>Total</b>			<b>35,500</b>	<b>-</b>

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

Series No	Interest rate	Maturity / Call Date	As at 31 March 2023	As at 31 March 2022
797 I	4.95%	16-Jun-22	-	25,000
789 I	5.30%	19-Jul-22	-	25,000
795 I	4.70%	27-Jul-22	-	20,000
792 I	5.40%	9-Aug-22	-	7,500
785 I	5.10%	2-Nov-22	-	15,000
790 I	5.64%	20-Jan-23	-	45,000
791 I	5.48%	10-Feb-23	-	30,000
793 I	5.60%	13-Feb-23	-	20,000
794 I	5.47%	14-Mar-23	-	50,000
796 I	5.75%	29-Mar-23	-	25,000
798 I	5.67%	31-Mar-23	-	52,500
808 I	8.24%	1-Mar-24	60,000	-
<b>Total</b>			<b>60,000</b>	<b>315,000</b>



## Citicorp Finance (India) Limited

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

for the year ended 31 March 2023

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

#### Note 45 - Details of Loan Assets subjected to Restructuring as at 31 March 2023

Sr. No	Type of Restructuring	Asset Classification	Others				
	Details		Standard	Sub Standard	Doubtful	Loss	Total
1	Restructured Accounts as on 01 April of the FY (opening figures)	No.of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
2	Fresh restructuring during the year	No.of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
3	Upgradations to restructured standard category during the FY	No.of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No.of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
6	Write-offs (includes recovery) of restructured accounts during the FY	No. of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
7	Restructured Accounts as on 31 March of the FY (closing figures)	No. of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-

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

**Loan Assets subjected to Restructuring as at 31 March 2022 - NIL**

**Citicorp Finance (India) Limited**

**Notes to the standalone financial statements (continued)**

for the year ended 31 March 2023

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

**Note 46 - RBI Disclosures**

Accompanying financial statements have been prepared basis Ind AS and accordingly, below disclosures are also prepared basis Ind AS.

a) As required in terms of paragraph 19 of RBI/DNBR/2016-17/45 - Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 1, 2016 – Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

Particulars	As at 31 March 2023		As at 31 March 2022	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
<b>Liabilities side:</b>				
<b>1. Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:</b>				
(a) Debentures: Secured	68,664	-	81,576	-
Unsecured	60,419	-	316,956	-
(other than falling within the meaning of public deposits (see note 1 below))				
(b) Deferred credits	-	-	-	-
(c) Term loans	50,332	-	5,000	-
(d) Inter-corporate loans and borrowings	200,539	-	149,655	-
(e) Commercial Paper	-	-	-	-
(f) Other Loans – WCDL	-	-	-	-
(g) Other Loans – Overdraft	-	-	3,619	-
(h) Other Loans – Finance lease obligation	-	-	-	-

Particulars	As at 31 March 2023		As at 31 March 2022	
	Amount outstanding		Amount outstanding	
<b>2. Break-up of loans and advances including bills receivables [other than those included in (3) below]: refer note 4 below</b>				
(a) Secured		215,408		223,327
(b) Unsecured		112,044		165,176

Particulars	As at 31 March 2023		As at 31 March 2022	
	Amount outstanding		Amount outstanding	
<b>3. Break up of leased assets and stock on hire and hypothecation loans counting towards AFC activities:</b>				
(i) Lease assets including lease rentals under sundry debtors :				
(a) Finance lease		-		-
(b) Operating lease		-		-
(ii) Stock on hire including hire charges under sundry debtors:				
(a) Assets on hire		-		-
(b) Repossessed Assets		-		-
(iii) Other loans counting towards AFC activities				
(a) Loans where assets have been repossessed		-		112
(b) Loans other than (a) above		-		314,275

Particulars	As at 31 March 2023		As at 31 March 2022	
	Amount outstanding		Amount outstanding	
<b>Assets side :</b>				
<b>4. Break-up of Investments :</b>				
<b>Current Investments :</b>				
1. Quoted :				
(i) Shares:				
(a) Equity		-		-
(b) Preference		-		-
(ii) Debentures and Bonds		182,094		131,034
(iii) Units of mutual funds		-		-
(iv) Government Securities		191,709		27,584
(v) Others – Commercial Paper		-		-
2. Unquoted :				
(i) Shares:				
(a) Equity		-		-
(b) Preference		-		-
(ii) Debentures and Bonds		-		-
(iii) Units of mutual funds		-		-
(iv) Government Securities		-		-
(v) Others – Commercial paper		-		-
<b>Long Term Investments :</b>				
1. Quoted :				
(i) Shares:				
(a) Equity		-		-
(b) Preference		-		-
(ii) Debentures and Bonds		-		-
(iii) Units of mutual funds		-		-
(iv) Government Securities		-		-
(v) Others		-		-
2. Unquoted :				
(i) Shares:				
(a) Equity		15,752		15,057
(b) Preference		-		-
(ii) Debentures and Bonds		-		-
(iii) Units of mutual funds		-		-
(iv) Government Securities		-		-
(v) Others		-		-

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

Category	As at 31 March 2023			As at 31 March 2022		
	Amounts net of provision			Amounts net of provision		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	215,408	112,044	327,452	537,714	165,176	702,890
<b>Total</b>	<b>215,408</b>	<b>112,044</b>	<b>327,452</b>	<b>537,714</b>	<b>165,176</b>	<b>702,890</b>

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

Category	As at 31 March 2023		As at 31 March 2022	
	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	-	-	-	-
(b) Companies in the same group	27,226	8,700	24,360	8,700
(c) Other related parties	-	-	-	-
2. Other than related parties	380,855	380,855	164,976	164,976
<b>Total</b>	<b>408,081</b>	<b>389,555</b>	<b>189,336</b>	<b>173,676</b>

**Citicorp Finance (India) Limited**

**Notes to the standalone financial statements (continued)**

for the year ended 31 March 2023

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

\*\* As per Ind AS 24 - Please see Note 3

**7. Other information**

Particulars	As at 31 March 2023	As at 31 March 2022
(i) Gross Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	-	1,360
(ii) Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	-	714
(iii) Assets acquired in satisfaction of debt	-	-

**Notes:**

1 As defined in point xix of paragraph 3 of Chapter -2 of Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

2 Stage 3 ECL provision is considered as NPA provision for the purpose of these disclosures.

3 All Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Amendments Rules 2016 issued by the Central Government, are applicable including for valuation of investments and other assets and including assets acquired in satisfaction of debt. However, break up/fair value/NAV in respect of unquoted investments are disclosed irrespective of whether they are classified as long term or current in column (4) above.

4 Loans and advances are reported at gross carrying amount.

**7 i. CRAR**

Items	As at 31 March 2023	As at 31 March 2022
(i) CRAR (%)	69.12%	40.36%
(ii) CRAR - Tier I capital (%)	68.89%	39.89%
(iii) CRAR - Tier II Capital (%)	0.23%	0.48%
(iv) Amount of subordinated debt raised as Tier-II capital	-	-
(v) Amount raised by issue of Perpetual Debt Instruments	-	-

**7 ii. Exposures**

**Exposure to real estate sector**

Category	As at 31 March 2023	As at 31 March 2022
<b>a) Direct exposure</b>		
<b>i. Residential Mortgages</b>		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	-	-
<b>ii. Commercial Real Estate</b>		
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;	18,000	-
<b>iii. Investments in Mortgage Backed Securities (MBS) and other securitized exposures -</b>		
a. Residential	-	-
b. Commercial Real Estate	-	-
<b>b) Indirect Exposure</b>		
i. Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	34,000	-
ii. Any other	-	-
<b>Total exposure to real estate sector</b>	<b>52,000</b>	<b>-</b>

**Exposure to capital markets**

Particulars	As at 31 March 2023	As at 31 March 2022
(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;	15,752	15,057
(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;	-	-
(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;	70,000	50,000
(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;	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(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;	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or	-	-
(ix) Financing to stockbrokers for margin trading	-	-
(x) All exposures to Alternative Investment Funds:		
(a) Category I	-	-
(b) Category II	-	-
(c) Category III	-	-
(viii) all exposures to Venture Capital Funds (both registered and unregistered)	-	-
<b>Total Exposure to Capital Market</b>	<b>85,752</b>	<b>65,057</b>

**7 iii. Maturity pattern of certain items of assets and liabilities**

As at 31 March 2023	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & upto 5 years	Over 5 years	Total
<b>Liabilities</b>											
Debt securities	(151)	-	-	2,343	-	27,922	63,538	35,431	-	-	129,083
Borrowings	3,332	19,800	40,082	96,533	75,054	7,388	5,400	3,276	-	6	250,871
Foreign Currency Liabilities	-	-	-	-	901	-	-	-	-	-	901
<b>Assets</b>											
Advances	50,772	5,236	5,566	40,929	40,677	1,967	162,661	19,588	-	(1,161)	326,235
Investments*	191,500	-	197	234	(2)	-	18,738	63,428	52,594	62,866	389,555
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

As at 31 March 2022	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & upto 5 years	Over 5 years	Total
<b>Liabilities</b>											
Debt securities	(17)	-	-	7,906	25,075	95,158	242,690	26,856	-	864	398,532
Borrowings	3,619	5,022	66,190	32,812	34,835	10,084	706	5,000	-	7	158,274

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**Notes to the standalone financial statements (continued)**

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

Foreign Currency Liabilities	-	-	-	-	944	-	-	-	-	-	944
<b>Assets</b>											
Advances	3,264	1,772	8,384	12,705	11,386	35,817	239,593	325,334	43,395	14,044	695,695
Investments	27,000	484	-	1,350	2,644	270	41,796	46,002	14,279	39,851	173,676
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

\* Investments are bucketed as per contractual maturity

**7 iv. Investments**

Particulars	As at 31 March 2023	As at 31 March 2022
1 Value of Investments		
(i) Gross Value of Investments	390,977	175,098
(a) In India	390,977	175,098
(b) Outside India,	-	-
(ii) Provisions for Depreciation	1,422	1,422
(a) In India	1,422	1,422
(b) Outside India,	-	-
(iii) Net Value of Investments	389,555	173,676
(a) In India	389,555	173,676
(b) Outside India,	-	-
2 Movement of provisions held towards depreciation on investments.	-	-
(i) Opening balance	-	-
(ii) Add : Provisions made during the year	-	-
(iii) Less: Write-off / write-back of excess provisions during the year	-	-
(iv) Closing balance	-	-

**7 v. Details of Non-performing Financial Assets sold / purchased - Nil**

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

During the year ended 31 March 2023 and 31 March 2022, the Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI.

**7 vii. Unsecured advances - There are no unsecured advances against intangible assets as at 31 March 2023 (previous year: Nil)**

**7 viii. Disclosure of penalties imposed by the RBI and other regulators – Details of penalty for the year ended 31 March 2023 is as below:**

FY 2022-23	Name of Regulator	Date of correspondence	Date Received	Description	Penalty Amount (Rs.)	Date of payment/show cause notice/personal hearing	Payment Details
Q2	NSE	Letter-NSE/LIST-SOP/DEBT/FINE/0136 dated September 27, 2022	9/27/2022	Notice for non-compliance with Regulation 50(1) of SEBI(LODR) Regulations, 2015("Listing Regulations")	8,260	10/3/2022	Penalty of INR 99120 were credited to NSE a/c. vide UTR no CITIN22346326956 on 3rd October 2022 All 3 penalties breakup are as follows:- 1. Fine amount Rs. 8260. 2. Fine amount Rs. 79060 3. Fine amount Rs. 11800
Q2	NSE	Letter-NSE/LIST-SOP/DEBT/FINE/0136 dated September 27, 2022	9/27/2022	Notice for non-compliance with Regulation 57(1) of SEBI(LODR) Regulations, 2015("Listing Regulations")	79,060	10/3/2022	Penalty of INR 99120 were credited to NSE a/c. vide UTR no CITIN22346326956 on 3rd October 2022 NSE all 3 penalties breakup are as follows:- 1. Fine amount Rs. 8260. 2. Fine amount Rs. 79060. 3. Fine amount Rs. 11800.
Q2	NSE	Letter-NSE/LIST-SOP/DEBT/FINE/0136 dated September 27, 2022	9/27/2022	Notice for non-compliance with Regulation 60(2) of SEBI(LODR) Regulations, 2015("Listing Regulations")	11,800	10/3/2022	Penalty of INR 99,120 were credited to NSE a/c. vide UTR no CITIN22346326956 on 3rd October 2022 All 3 penalties breakup are as follows:- 1. Fine amount Rs. 8260. 2. Fine amount Rs. 79060 3. Fine amount Rs. 11800
Q3	NSE	Letter-NSE/LIST-SOP/DEBT/FINE/0185 dated December 14, 2022	12/14/2022	Notice for non-compliance with Regulation 50(1) of SEBI(LODR) Regulations, 2015("Listing Regulations") for the quarter ended Sept 30, 2022 for delay in communication regarding board meeting date	5,900	12/23/2022	Penalty of INR 5,900 was credited to NSE a/c. vide UTR no CITIN22384533560 on December 23, 2022

Nil during the previous year ended 31 March 2022

**7 ix. Draw down from Reserve - Nil during the year ended 31 March 2023 (previous year: Nil)**

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

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

**7 xi. Sectoral exposure**

Sr.no	Particulars (Sectors)	As at 31 March 2023	
		Total Exposure (includes on balance sheet and off-balance sheet exposures)**	Percentage of Gross NPAs to total exposure
			Gross NPA*
1	Agriculture and Allied Activities	-	-
2	Industry	177,840	-
	Of which		
1	Telecommunications	50,000	-
ii	Others	127,840	-
3	Services	49,110	-
	Of which		
1	Others	49,110	-
4	Personal Loans	-	-
5	Other non-food credit	51,231	-
	<b>Total exposure</b>	<b>278,181</b>	<b>-</b>

Sr.no	Particulars (Sectors)	As at 31 March 2022
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**Citicorp Finance (India) Limited**

**Notes to the standalone financial statements (continued)**

for the year ended 31 March 2023

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

	Total Exposure (includes on balance sheet and off-balance sheet exposures)**	Gross NPA*	Percentage of Gross NPAs to total exposure
1 Agriculture and Allied Activities	86,651	812	0.94%
2 Industry	275,914	0	0.00%
Of which			
i Chemicals & chemical products	51,000	0	0.00%
ii Others	224,914	0	0.00%
3 Services	220,490	185	0.08%
Of which			
i Transport operators	137,185	179	0.13%
ii Others	83,305	7	0.01%
4 Personal Loans	46,350	334	0.72%
5 Other non-food credit	54,912	0	0.00%
<b>Total exposure</b>	<b>873,580</b>	<b>520</b>	<b>0.06%</b>

\*Stage 3 loans have been considered as NPA for the purpose of this disclosure.

\*\*Exposure more than 10 per cent of Tier I Capital to a specific sub-sector/industry has been disclosed separately. Exposure less than 10 per cent of Tier I Capital to a specific sub-sector/industry has been clubbed as 'Others'. Further, it represents credit exposure as prescribed in master circular on exposure norms RBI/2015-16/70 DBR.No.Dir.BC.12/13.03.00/2015-16 dated July 1, 2015.

**7 xii. Intra-Group Exposure**

S No.	Particulars	As at 31 March 2023	As at 31 March 2022
i	Total amount of intra-group exposures	Nil	Nil
ii	Total amount of top 20 intra-group exposures	Nil	Nil
iii	Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	NA	NA

**7 xiii. Unhedged Foreign Currency Exposure**

Foreign exchange risk arises when asset / liability is not in reporting currency of the company. It is impacted by the variation in exchange rate between the Company's local currency and the currency used for foreign transaction. The impact on profit & loss account on account of foreign exchange fluctuation is insignificant compared to overall operations of the company. The amount of unhedged foreign currency exposure is INR 901 lakhs as at March 31, 2023. (previous year: INR 944 lakhs)

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

Particulars	As at 31 March 2023	As at 31 March 2022
Total exposure to top four NPA accounts	-	131

**7 xv. Customer complaints**

**(i) Complaints received from the customers**

Sr. No	Particulars	FY 2022-23	FY 2021-22
1	Number of complaints pending at beginning of the year	6	33
2	Number of complaints received during the year	167	266
3	Number of complaints redressed during the year	171	293
3.1	Of which, number of complaints rejected by the NBFC	6	0
4	Number of complaints pending at the end of the year	2	6
<b>Maintainable complaints received by the NBFC from Office of Ombudsman</b>			
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	34	32
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	34	32
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	0	0
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	0	0
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

**Note:**

Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.

**(ii) Top five grounds of complaints received from the customers**

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
<b>FY 2022-23</b>					
CIBIL updation & Linking Related	1	50	6%	1	0
Loan closure & Closure documents	0	27	-34%	1	0
Service related	0	17	-73%	0	0
Product related	0	12	-43%	0	0
ROI Related / Settlement related	2	10	-68%	0	0
Others	3	17	-47%	0	0
<b>Total</b>	<b>6</b>	<b>133</b>	<b>-</b>	<b>2</b>	<b>0</b>
<b>FY 2021-22</b>					
CIBIL updation & Linking Related	1	47	-44%	1	0
Loan closure & Closure documents	1	41	-78%	0	0
Service related	0	62	-28%	0	0
Product related	0	21	-69%	0	0
ROI Related / Settlement related	20	31	121%	2	5
Others	0	32	-74%	3	0
<b>Total</b>	<b>22</b>	<b>234</b>	<b>-</b>	<b>6</b>	<b>5</b>

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

Particulars	As at 31 March 2023	As at 31 March 2022
Net NPAs to Net Advances (%)	0.00%	0.10%
Movement of NPAs (Gross)		
a) Opening balance	1,360	379
b) Additions during the year	1,562	2,890
c) Reductions/transferred during the year*	2,922	1,909
d) Closing balance	0	1,360
Movement of Net NPAs		
a) Opening balance	714	224
b) Additions during the year	708	1,079
c) Reductions during the year*	1,422	588
d) Closing balance	0	714
Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	646	155
b) Additions during the year	854	1,811
c) Reductions/transferred during the year*	1,500	1,320
d) Closing balance	(0)	646

\*includes NPAs and provisions transferred as part of consumer business divestiture as given in Note 36.

**7 xvii. Registration obtained from other financial sector regulators - NA**

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

**Citicorp Finance (India) Limited**

**Notes to the standalone financial statements (continued)**

for the year ended 31 March 2023

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

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for Cerval Credit	399	209
Provision for Litigations	-	121
Provision for Expected credit loss on loan commitments*	(47)	(2)
Provision for ARO*	(47)	1
Provision for Income Tax - Current tax	646	(2,600)
Provision for Standard Assets (Stage 1 & Stage 2)*	(109)	(2,803)
Provision for NPA (Stage 3 assets)*	(646)	491

\*Negative amount pertains to release of provisions.

**7 xix. Credit Ratings**

Particulars	As at 31 March 2023		As at 31 March 2022	
(i) Rating Assigned*	"Stable"		"Stable"	
(ii) Name of the Rating Agency	ICRA	CRISIL	ICRA	CRISIL
(iii) Rating of products				
(a) Commercial Paper	(ICRA) A1+	CRISIL A1+	(ICRA) A1+	CRISIL A1+
(b) Inter-corporate borrowings	(ICRA) A1+	CRISIL A1+	(ICRA) A1+	CRISIL A1+
(c) Non convertible Debentures	(ICRA) AAA (Stable)	CRISIL AAA (Stable)	(ICRA) AAA (Stable)	CRISIL AAA (Stable)
(d) Market Linked Debentures	PP-MLD (ICRA) AAA (Stable)	Unrated	PP-MLD (ICRA) AAA (Stable)	CRISIL PP-MLD AAAR (Stable)

\*CRISIL ratings as on 13 March 2023 and ICRA ratings as on 13 March 2023.

**7 xx. Concentration of Advances and Exposures**

Details	As at 31 March 2023	As at 31 March 2022
Total advances to twenty largest borrowers	273,181	336,947
Percentage of advances to twenty largest borrowers to total advances of the Company	100%	39%
Total exposure to twenty largest borrowers / customers*	278,181	336,947
Percentage of exposures to twenty largest borrowers / customers to total exposure of the Company on borrowers / customers*	100%	39%

\*Represents credit exposure as prescribed in master circular on exposure norms RBI/2015-16/70 DBR.No.Dir.BC.12/13.03.00/2015-16 dated July 1, 2015.

**7 xxi. Disclosure pursuant to Reserve Bank of India notification DOR (NBFC).CC.PD.No.109 /22.10.106/2019-20 dated 13 March 2020**

**As at 31 March 2023**

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5 = 3-4	6	7=4-6
Performing Assets						
Standard	Stage 1	276,852	215	276,637	1,216	(1,001)
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		276,852	215	276,637	1,216	(1,001)
Non Performing Assets						
Substandard	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal for substandard		-	-	-	-	-
Doubtful - upto 1 year	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
1 to 3 years	Stage 2	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	276,852	215	276,637	1,216	(1,001)
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	Total	276,852	215	276,637	1,216	(1,001)

**As at 31 March 2022**

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5 = 3-4	6	7=4-6
Performing Assets						
Standard	Stage 1	678,062	4,370	673,692	2,712	1,658
	Stage 2	3,001	981	2,020	12	969
	Stage 3	6	4	1	0	4
Subtotal		681,070	5,355	675,714	2,724	2,631
Non Performing Assets						
Substandard	Stage 1	219	80	139	22	58
	Stage 2	571	253	317	57	196
	Stage 3	1,107	491	616	111	380
Subtotal for substandard		1,897	824	1,072	190	635
Doubtful - upto 1 year	Stage 1	3	0	3	1	(0)
	Stage 2	10	8	3	2	6
	Stage 3	84	50	34	17	34
1 to 3 years	Stage 2	0	0	0	0	0
1 to 3 years	Stage 3	1	1	0	0	1
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		99	59	39	20	40
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		1,995	884	1,112	210	674
Other items such as guarantees, loan commitments,	Stage 1	6,984	47	6,937	-	47
	Stage 2	-	-	-	-	-

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**Notes to the standalone financial statements (continued)**

for the year ended 31 March 2023

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

etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 3	-	-	-	-	-
Subtotal		6,984	47	6,937	-	47
Total	Stage 1	685,268	4,498	680,771	2,735	1,763
	Stage 2	3,583	1,242	2,340	71	1,171
	Stage 3	1,198	546	652	128	419
	Total	690,049	6,286	683,763	2,934	3,352

**7 xxii. Disclosure pursuant to Reserve Bank of India Circular DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 pertaining to Liquidity Risk Management Framework for Non-Banking Financial Companies**

RBI has issued final guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019. As per the said guidelines, NBFCs' are required to publicly disclose the below information related to liquidity risk on a quarterly basis. Accordingly, the disclosure on liquidity risk as at March 31, 2023 is as under:

**(i) Funding concentration based on significant counterparty (both deposits and borrowings)**

Sr. No	Number of Significant counterparties	As at 31 March 2023			As at 31 March 2022		
		Amount	%of Total deposits	%of Total Liabilities	Amount	%of Total deposits	%of Total Liabilities
1	10	291,400	NA	75.64%	444,000	NA	75.83%

**(ii) Top 20 large deposits (amount in Rs Lakhs and % of total deposits) - NA**

**(iii) Top 10 borrowings (amount in Rs lakhs and % of total borrowings)\***

Sr. No	As at 31 March 2023		As at 31 March 2022	
	Amount	%of Total Borrowings	Amount	%of Total Borrowings
1	87,500	23.03%	107,500	19.31%
2	60,000	15.79%	105,000	18.86%
3	50,000	13.16%	50,000	8.98%
4	20,000	5.26%	40,000	7.18%
5	15,000	3.95%	32,500	5.84%
6	15,000	3.95%	20,000	3.59%
7	14,800	3.90%	20,000	3.59%
8	10,100	2.66%	20,000	3.59%
9	10,000	2.63%	17,000	3.05%
10	9,000	2.37%	15,000	2.69%

**(iv) Funding concentration based on significant instrument/product\***

Sr. No	Name of the instrument/product	As at 31 March 2023		As at 31 March 2022	
		Amount	%of Total Liabilities	Amount	%of Total Liabilities
1	Debentures	127,315	33.05%	378,951	64.72%
2	Inter Corporate Borrowings	196,900	51.11%	148,400	25.34%
3	Bank Borrowings	50,000	12.98%	-	0.00%

**(v) Stock Ratios\***

Ratio	As at 31 March 2023	As at 31 March 2022
<b>Commercial paper</b>		
/ total public funds	0%	0%
/ total liabilities	0%	0%
/ total Assets	0%	0%
<b>Short Term Non-convertible debentures</b>		
/ total public funds	0%	0%
/ total liabilities	0%	0%
/ total Assets	0%	0%
<b>Other short-term liabilities</b>		
/ total public funds	50%	40%
/ total liabilities	48%	36%
/ total Assets	24%	22%

**Citicorp Finance (India) Limited**

**Notes to the standalone financial statements (continued)**

for the year ended 31 March 2023

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

\* Notes:

- i. Total Public Funds to be computed as Gross Total Debt (Face value of Non-convertible debentures, Market Linked Debentures, Inter corporate borrowings and Borrowings from banks).
- ii. Other Short-term Liabilities – Total Liabilities due within a year, basis extant regulatory ALM guidelines.
- iii. Total Liabilities has been computed as sum of all liabilities (Balance Sheet figure) less Equities and Reserves/Surplus. Total Assets taken as the Balance Sheet figure.
- iv. Outstanding Amount have been considered in case of Term Loans (TLs), Working Capital (WC), Line of Credit (LOC) and Overdraft facilities (OD); Face Values has been considered in case of Inter corporate borrowings, Non – Convertible Debentures (NCDs) and Market Linked Debentures (MLDs).

**vi) LCR Disclosure**

Reserve Bank of India (RBI) introduced the Liquidity Coverage Ratio (LCR) as a part of 'Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies' dated November 04, 2019. It requires all non-deposit taking NBFCs with asset size of INR 10,000 crore and above to maintain a liquidity buffer in terms of LCR which will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Assets (HQLA) to survive any acute liquidity stress scenario lasting for 30 days.

The LCR requirement is binding on NBFCs from December 1, 2020, with HQLA to be held for a minimum 50% LCR, progressively increasing to 100% by December 1, 2024, as per the timeline below:

From	1-Dec-2020	1-Dec-2021	1-Dec-2022	1-Dec-2023	1-Dec-2024
Minimum LCR	50%	60%	70%	85%	100%

During the quarter ending March 31, 2023, CFIL maintained daily average LCR of 353% for the quarter against the requirement of 70%. HQLA for the period mainly comprised current account balances with Scheduled Commercial Banks and investment in Government Securities.

CFIL's funding sources include Non-Convertible Debentures (NCD), Market Linked Debentures (MLD), Inter Corporate Deposits (ICD), Commercial Papers (CP), and Lines of Credit from Banks. As of 31st March 2023, CFIL's funding was primarily in the form of Debentures (33.05% of Total Liabilities) and ICDs (51.11% of Total Liabilities). The largest exposure to a single counterparty was 22.71% of Total Liabilities.

In LCR report for 31st March 2023, Unsecured Wholesale funding (mainly, repayment obligations for ICDs) formed bulk of the weighed cash outflows at 56.00%. CFIL's Derivative exposures comprise of equity hedges for MLDs. Collateral for these derivative positions is kept in the form of cash and fixed deposits. In LCR report for 31st March 2023, the weighted cash outflow for derivative exposures and collateral requirements was 10.69%. Sundry creditors and expenses payable formed 26.00% of weighted cash outflows. Weighted cash inflows in the report primarily comprised of Lines of credit (55.14%), Corporate Loans (2.74%), and Other inflows mainly in the form of Bank FDs with maturity less than 30days (35.13%).

Particulars	As at 30 June 2022		As at 30 September 2022		As at 31 December 2022		As at 31 March 2023	
	Total Unweighted Value (average)#	Total Weighted Value (average)#	Total Unweighted Value (average)#	Total Weighted Value (average)#	Total Unweighted Value (average)#	Total Weighted Value (average)#	Total Unweighted Value (average)#	Total Weighted Value (average)#
<b>High Quality Liquid Assets</b>								
Cash (Current Account)	3,452	3,452	2,768	2,768	2,334	2,334	3,824	3,824
Government securities	28,509	28,509	26,387	26,387	36,652	36,652	76,270	76,270
1 Total High Quality Liquid Assets(HQLA)	31,962	31,962	29,156	29,156	38,987	38,987	80,094	80,094
<b>Cash Outflows</b>								
2 Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3 Unsecured wholesale funding	43,625	50,169	33,822	38,895	25,533	29,363	44,233	50,868
4 Secured wholesale funding	4,810	5,532	12,627	14,521	3,805	4,376	1,523	1,752
5 Additional requirements, of which	-	-	-	-	-	-	-	-
(i) Outflows related to derivative exposures and other	9,722	11,180	8,428	9,692	8,394	9,654	8,398	9,658
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	4,766	5,481	3,222	3,705	3,476	3,997	583	671
6 Other contractual funding obligations	21,088	24,252	20,287	23,331	22,480	25,852	24,248	27,885
7 Other contingent funding obligations	-	-	-	-	-	-	-	-
8 TOTAL CASH OUTFLOWS	84,011	96,613	78,385	90,144	63,688	73,242	78,986	90,834
<b>Cash Inflows</b>								
9 Secured lending	-	-	-	-	8,522	6,391	14,182	10,636
10 Inflows from fully performing exposures	12,234	9,176	12,245	9,184	29,031	21,773	9,090	6,817
11 Other cash inflows	219,872	164,904	211,624	158,718	237,961	178,471	308,968	231,726
12 TOTAL CASH INFLOWS	232,107	174,080	223,868	167,901	275,513	206,635	332,240	249,180
<b>Total Adjusted value</b>								
13 TOTAL HQLA		31,962		29,156		38,987		80,094
14 TOTAL NET CASH OUTFLOWS		24,153		22,536		18,311		22,708
15 LIQUIDITY COVERAGE RATIO (%)		132%		129%		213%		353%

Particulars	As at 30 June 2021		As at 30 September 2021		As at 31 December 2021		As at 31 March 2022	
	Total Unweighted Value (average)#	Total Weighted Value (average)#	Total Unweighted Value (average)#	Total Weighted Value (average)#	Total Unweighted Value (average)#	Total Weighted Value (average)#	Total Unweighted Value (average)#	Total Weighted Value (average)#
<b>High Quality Liquid Assets</b>								
Cash (Current Account)	14,213	14,213	4,876	4,876	4,197	4,197	7,896	7,896
Government securities	26,523	26,523	36,051	36,051	43,664	43,664	34,687	34,687
1 Total High Quality Liquid Assets(HQLA)	40,736	40,736	40,927	40,927	47,861	47,861	42,583	42,583
<b>Cash Outflows</b>								
2 Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3 Unsecured wholesale funding	46,691	53,694	60,387	69,445	52,881	60,813	45,484	52,306
4 Secured wholesale funding	2,842	3,268	9,770	11,235	6,504	7,480	3,308	3,804
5 Additional requirements, of which	-	-	-	-	-	-	-	-
(i) Outflows related to derivative exposures and other	13,051	15,009	13,035	14,990	13,022	14,976	12,986	14,933
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	2,136	2,457	1,034	1,190	1,428	1,642	14,019	16,122
6 Other contractual funding obligations	24,145	27,766	16,965	19,510	20,296	23,340	20,702	23,807
7 Other contingent funding obligations	-	-	-	-	-	-	-	-
8 TOTAL CASH OUTFLOWS	88,864	102,194	101,190	116,369	94,131	108,251	96,498	110,973
<b>Cash Inflows</b>								
9 Secured lending	61,512	46,134	59,967	44,975	15,296	11,472	-	-
10 Inflows from fully performing exposures	15,413	11,560	38,155	28,616	10,565	7,923	60,911	45,683
11 Other cash inflows	226,259	169,694	264,484	198,363	236,190	177,142	228,857	171,643
12 TOTAL CASH INFLOWS	303,184	227,388	362,606	271,955	262,050	196,538	289,768	217,326
<b>Total Adjusted value</b>								
13 TOTAL HQLA		40,736		40,927		47,861		42,583
14 TOTAL NET CASH OUTFLOWS		25,549		29,092		27,063		27,743
15 LIQUIDITY COVERAGE RATIO (%)		159%		141%		177%		153%

# The average weighted and unweighted amounts are calculated taking simple averages of daily observations for the respective quarters

**(vii) Institutional set-up for liquidity risk management**

- a) Board of Directors
- b) Risk Management Committee (RMC)
- c) Asset-Liability Management Committee (ALCO)
- d) Asset-Liability Management Support Group

**7 xxiii. Details of financing of parent company products**



**Citicorp Finance (India) Limited**

**Notes to the standalone financial statements (continued)**

for the year ended 31 March 2023

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

There is no Financing during the current year.

**7 xxiv. Disclosures pertaining to Fund raising by issuance of Debt Securities by Large Corporate**

The Company, as per the SEBI circular SEBI/HO/DDHS/CIR/P/2018/144, and the definitions therein, is a Large Corporate and hence is required to disclose the following information about its borrowings.

**Annexure A**

Sr. No.	Particulars	Details
1	Name of the company	Citicorp Finance India Limited
2	CIN	U65910MH1997PLC253897
3	Outstanding borrowing of company as on 31st March 2023, as applicable (in INR lakhs)	374,215
4	Highest Credit Rating During the previous FY along with name of the Credit Rating Agency	CRISIL AAA (Stable)
5	Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	National Stock Exchange

**Annexure B2**

Sr. No.	Particulars	Amount
1	2-year block period	FY 2022-23 FY 2023-24
2	Incremental borrowing done in FY 2022-23 (a)	411,166
3	Mandatory borrowing to be done through debt securities in FY 2022-23 (b) = (25% of a)	102,792
4	Actual borrowing done through debt securities in FY 2022-23 (C)	110,750
5	Shortfall in the borrowing through debt securities, if any, for FY 2021-22 carried forward to FY 2022-23 (d)	Nil
6	Quantum of (d), which has been met from (c) (e)	Nil
7	Shortfall, if any, in the mandatory borrowing through debt securities for FY 2022-23 (after adjusting for any shortfall in borrowing for FY 2021-22 which was carried forward to FY 2022-23) (f) = (b)-(c)-(e) (If the calculated value is zero or negative, write "nil")	Nil

Details of penalty to be paid, if any, in respect to previous block (all figures in Rs crore):

Sr. No.	Particulars	Amount
1	2-year block period	FY 2022-23 FY 2023-24
2	Amount of fine to be paid for the block, if applicable Fine = 0.2% of ((d)-(e))#	Nil

**7 xxv. Disclosure pertaining to Divergence in Asset Classification and Provisioning**

Reference requirement for disclosure of divergence in asset classification and provisioning prescribed by RBI vide RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022 and amendments thereto, the Company does not have any such reportable divergences in asset classification and provisioning for the financial year ended March 31, 2022 meeting the criteria specified in the said circular. (31 March 2021: Nil)

**7 xxvi. Disclosure pertaining to Breach of Covenant**

There were no instances of breach of covenant of loans availed or debt securities issued during the period ended 31 March 2023 and 31 March 2022.

**7 xxvii. Disclosure pertaining to Corporate Governance**

Disclosure on corporate governance report<sup>a</sup> - Composition of Board of directors for FY 2022-23

Sr. No.	Full Name	Designation	Shareholding	Date Appointment	of	Date of Resignation
1	Nina Nagpal	Managing Director	Nil	1-Jun-18		NA
2	Rohit Ranjan	Non-executive Director	Nil*	25-Jan-10		1-Mar-23
3	Deepak Ghaisas	Independent Director	Nil	28-Jan-15		NA
4	Saurabh Shah	Independent Director	Nil	28-Jan-15		NA
5	Neeraj Kumar	Non-executive Director	Nil	26-Mar-19		31-Oct-22
6	Rajeev Mantri	Non-executive Director	Nil	15-Mar-22		NA
7	Anuradha Choudhury	Non-executive Director	Nil	1-Nov-22		NA

Disclosure on corporate governance report<sup>a</sup> - Composition of Board of directors for FY 2021-22

Sr. No.	Full Name	Designation	Shareholding	Date Appointment	of	Date of Resignation
1	Nina Nagpal	Managing Director	Nil	1-Jun-18		NA
2	Rohit Ranjan	Non-executive Director	Nil*	25-Jan-10		NA
3	Deepak Ghaisas	Independent Director	Nil	28-Jan-15		NA
4	Saurabh Shah	Independent Director	Nil	28-Jan-15		NA
5	Neeraj Kumar	Non-executive Director	Nil	26-Mar-19		NA
6	Rajeev Mantri	Non-executive Director	Nil	15-Mar-22		NA
7	Priiti Goel	Non-executive Director	Nil	21-Dec-16		7-Dec-21

<sup>a</sup>Further details on Corporate Governance Report is available on the Company's website. (<https://www.citicorpfinance.co.in/>)

\*Shareholding by director does not include the non-beneficial share (1 share) held as a nominee shareholder, jointly with Citibank Overseas Investment Corporation.

**7 xxviii. Disclosure pertaining off-balance sheet Special Purpose Vehicle**

The Company has not sponsored any off-balance sheet Special Purpose Vehicles during the period ended 31 March 2023 and 31 March 2022.

**7 xxix. Disclosure pertaining to revenue recognition**

The Company has not postponed recognition of revenue during the period ended 31 March 2023 and 31 March 2022.

**Note 47 - Disclosure under clause 16 of the Listing Agreement for Debt Securities**

The Secured listed Non-Convertible Debentures of the Company are secured by first pari passu mortgage of immovable property situated at J.B.Nagar, Andheri (East), Mumbai - 400 093, and first pari passu charge on receivables of the Company by way of hypothecation.

**Citicorp Finance (India) Limited**

**Notes to the standalone financial statements (continued)**

for the year ended 31 March 2023

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

**Note 48 - Trade receivable ageing schedule**

Sr.no	Particulars	As at 31 March 2023					Total
		Less than 6 months	months 6 months -1 year	1-2 years	2-3 years	More than 3 years	
1.	Undisputed Trade receivables – considered good	242	-	-	-	-	242
2.	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
3.	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
4.	Disputed Trade Receivables–considered good	-	-	-	-	-	-
5.	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
6.	Disputed Trade Receivables – credit impaire	-	-	-	-	-	-

Sr.no	Particulars	As at 31 March 2022					Total
		Less than 6 months	months 6 months -1 year	1-2 years	2-3 years	More than 3 years	
1.	Undisputed Trade receivables – considered good	7,498	-	-	-	-	7,498
2.	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
3.	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
4.	Disputed Trade Receivables–considered good	-	-	-	-	-	-
5.	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
6.	Disputed Trade Receivables – credit impaire	-	-	-	-	-	-

**Note 49 - Trade payable ageing schedule**

Sr.no	Particulars	As at 31 March 2023				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
1.	MSME	7	-	-	-	7
2.	Others	4,051	43	-	-	4,094
3.	Disputed dues – MSME	-	-	-	-	-
4.	Disputed dues - Others	-	-	-	-	-

Sr.no	Particulars	As at 31 March 2022				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
1.	MSME	24	-	-	-	24
2.	Others	5,368	6,217	-	71	11,656
3.	Disputed dues – MSME	-	-	-	-	-
4.	Disputed dues - Others	-	-	-	-	-

## **Citicorp Finance (India) Limited**

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

for the year ended 31 March 2023

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

#### **Note 50 - Off balance sheet items, contingent liabilities and capital commitments**

<b>Particulars</b>	<b>As at</b>	<b>As at</b>
	<b>31 March 2023</b>	<b>31 March 2022</b>
Tax assessments	6,475	6,402
Customer litigations	223	333
Estimated amount of contracts remaining to be executed on capital account	-	-
Undrawn committed credit lines	-	6,984

A description of the nature of contingent liabilities is set out below:

The Company has been assessed under Income tax Act, 1961, as a result of which the total demand, primarily on account of certain disallowances in the course of assessment for various years, outstanding against the Company is INR 1,200 (31 March 2022: INR 1,173).

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 3,546 Lakhs. These matters were heard before the Karnataka Appellate Tribunal and were remanded back to the Assessing Authority. There were in all 6 years i.e. FY 2005-06 to FY 2020-11. For FYs 2005-06, 06-07, 07-08 and 2010-11, the Assessing Officer has passed a clean order. For FY 2008-09 and FY 2009-10, the Assessing Officer passed the order along with a demand. Against the same, writ was filed with the Karnataka High Court. The Karnataka High Court quashed the order and instructed the Assessing officer to undertake fresh assessment. After calling for all the documents, the Assessing Officer again passed a negative order raising a demand of INR 3,546 lakhs. Company has currently filed an appeal against the second order. The appeal is yet to be adjudicated. Company has under this issue made a pre deposit of INR 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 INR. 316 lakhs out of this we had made a pre deposit of INR. 50 lakhs in the previous years.

The VAT assessment by Mumbai office for FY 2016-17 got concluded in the previous year where a demand of Rs 44 lakhs was raised on account of disallowance of input tax credit. Out of the total demand INR 2 lakhs is paid as prepayment during the previous year.

The VAT assessment by Mumbai office for FY 2013-14 got concluded where a demand of Rs 22 lakhs was raised on account of disallowance of input tax credit. Out of the total demand Rs 1 lakhs is paid as prepayment.

The VAT assessment by Karnataka office for FY 2016-17 got concluded where a demand of Rs 24 lakhs was raised on account of disallowance of input tax credit. Out of the total demand Rs 7 lakhs is paid as prepayment.

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 INR 1,322 lakhs out of this we had made a pre deposit of INR 250 lakhs in the previous year.

In the above cases, the Company has partly paid the aforesaid demand under protest and is in the process of appeal against the same with the appropriate tax authorities. The Company has sought legal opinion in the aforesaid demands and is of the opinion that the disallowances / demands are not tenable and highly unlikely to be retained by appellate authorities. Accordingly, the Company is not carrying any provision in its books for the above.

Further, there are few customers who have initiated legal proceedings against the Company for a total compensation demand of INR 223 (31 March 2022: INR 333). 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 2023

**Note 51** - Figures for the previous year have been re-grouped wherever necessary, to confirm to current year's classification.

For **Gokhale & Sathe**  
Chartered Accountants  
Firm's Registration No:103264W

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

sd/-  
**Rahul Joglekar**  
Partner  
Membership No: 129389

sd/-  
**Nina Nagpal**  
Managing Director  
DIN: 00138918

sd/-  
**Anuradha Choudhury**  
Director  
DIN: 01375718

Mumbai  
Date: 29 May 2023

sd/-  
**Ruchit Jain**  
Chief Financial Officer

sd/-  
**Sameer Upadhyay**  
Company Secretary