CITICORP FINANCE (INDIA) LIMITED

TWENTY FIFTH DIRECTORS' REPORT

FINANCIAL YEAR – 2021-22

Corporate Information

BOARD OF DIRECTORS

Ms. Nina Nagpal	Managing Director
Mr. Rohit Ranjan	Director
Mr. Neeraj Kumar	Director
Mr. Rajeev Mantri	Director
Mr. Saurabh Surendra Shah	Independent Director
Mr. Deepak Keshav Ghaisas	Independent Director

CHIEF FINANCIAL OFFICER

- Mr. Ankit Goyal

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

- Zainab H. Poonawala & Associates

(For the Financial Year 2021-22)

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 25th Annual General Meeting of the Citicorp Finance (India) Limited will be held on Thursday, 29th day of September 2022 at 2.30 pm in person/through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") 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 the Financial Statement for the year ended March 31, 2022 consisting of:**
   - Audited Balance Sheet (Standalone and Consolidated);
   - Audited Statement of Profit and Loss Account (Standalone and Consolidated);
   - Audited Cash Flow Statement (Standalone and Consolidated);
   - Audited Notes to Financial Statement (Standalone and Consolidated) and
   - Board of Directors' Report (Standalone)

2. **To appoint Director in place of Mr. Rohit Ranjan (DIN: 00003480) 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 of the Companies Act, 2013 Mr. Rohit Ranjan (DIN: 00003480) Director, who retires by rotation and, being eligible, offers himself for re-appointment, be and is hereby re-appointed as director of the Company."

3. **To ratify the appointment of M/s Gokhale & Sathe as Statutory Auditors of the Company**
   To consider and if thought fit to pass with or without modification(s) the following resolution as an ordinary resolution:

   "RESOLVED THAT pursuant to the provisions of the RBI guideline 'Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs)' dated April 27, 2021, provisions of section 139, 142 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder and pursuant to resolution passed by the members at the 27th Extra Ordinary General Meeting held on February 01, 2022, the appointment of M/s Gokhale & Sathe, Chartered Accountants (firm registration no: 103264W) as Statutory Auditors of the company to hold office till the conclusion of the 27th Annual General Meeting of the Company, at such remuneration and on such terms and conditions as may be agreed between the Auditor and Board of Directors, be and is hereby ratified.

   RESOLVED FURTHER THAT any Director or Company Secretary or Chief Financial Officer be and is hereby authorized to do all such acts, deeds, matters and things as may be required to give effect to this resolution."

Special Business:

4. **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. 10,000 crores (Rupees Ten 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 shelf placement memorandum, tranche placement memorandum, private placement offer letter (PPOL), 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.

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

Sd/-
Sameer Upadhyay
Company Secretary

Date: Aug 08, 2022
Place: Mumbai

Notes:

1. The Ministry of Corporate Affairs ('MCA') vide its various circulars issued from time to time have permitted the holding of the Annual General Meeting ('AGM') through VC/OAVM till 31 December 2022. Accordingly, the 25th AGM is being conducted through VC/OAVM, hereinafter called as 'e-AGM'.

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

3. 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.

4. The copies of the books of accounts can be inspected at the Head Office of the Company on any working day during the business hours.

5. The register of members of the Company will remain closed from September 20, 2022 to September 29, 2022 both days inclusive.

6. The resolutions will be taken as passed effectively on the date of Annual General Meeting.

7. In terms of the requirements of the Secretarial Standards - 2 on "General Meetings" the Route – Map for the location of the aforesaid meeting is enclosed herewith as **Annexure I.**

EXPLANATORY STATEMENT

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

ITEM NO. 2

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

Before that he was also director in earlier Citicorp Finance (India) Limited (CIN-U65900MH1997FLC10917) which got merged with erstwhile CitiFinancial Consumer Finance India Limited ("CCFIL") effective January 10, 2014. CCFIL is now renamed as Citicorp Finance (India) Limited (CIN-U65910MH1997PLC253897).

Rohit joined Citi in April 1998, and in May 2005 took charge of the ABF business. He was the Managing Director of erstwhile Citicorp Finance (India) Limited, which was merged with CitiFinancial Consumer Finance India Limited, from 26 May 2005 to 24 July 2009. Under his leadership CFIL became a key player in commercial vehicle and equipment financing. His in depth understanding of the commercial vehicle and equipment industry has enabled the successful conversion of the ABF business into a PSL conduit and has been a key driver for achievement of the PSL targets for the franchise in India.

Further, additional disclosure as per Secretarial Standard -2 issued by ICSI are as below:
Mr. Rohit Ranjan (DIN- 00003480), Director

Date of Birth	61 (DOB-February 17,1961)
Nationality	Indian
Qualification	MBA (Finance) –Anderson School of Management, University of New Mexico, Albuquerque, USA B. A. in Economics (Hons) – Delhi University
Experience	34+ years
Term and Condition of re-appointment and remuneration	Non-Executive Director liable to retire by rotation.
Remuneration last drawn	NA
Date of first appointment on the board	January 25, 2010
Shareholding in the Company	1 (One) share (Citibank Overseas Investment Corporation jointly with Mr. Rohit Ranjan)
Relationship with other Director or Manager to KMPs	NA

Number of Board Meeting attended during the Financial Year 2021-22	07 (Seven)
Other Directorship	Citi Investment Advisory Services Private Limited
Membership / Chairmanship of Committees of other Boards	NA

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

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

ITEM NO. 4

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. 10,000 crores (Rupees Ten Thousand Crores only). This approval is being sought for all such issuances for a period of 1 year.

Your Directors have approved the resolution on May 30, 2022 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/-
Sameer Upadhyay
Company Secretary

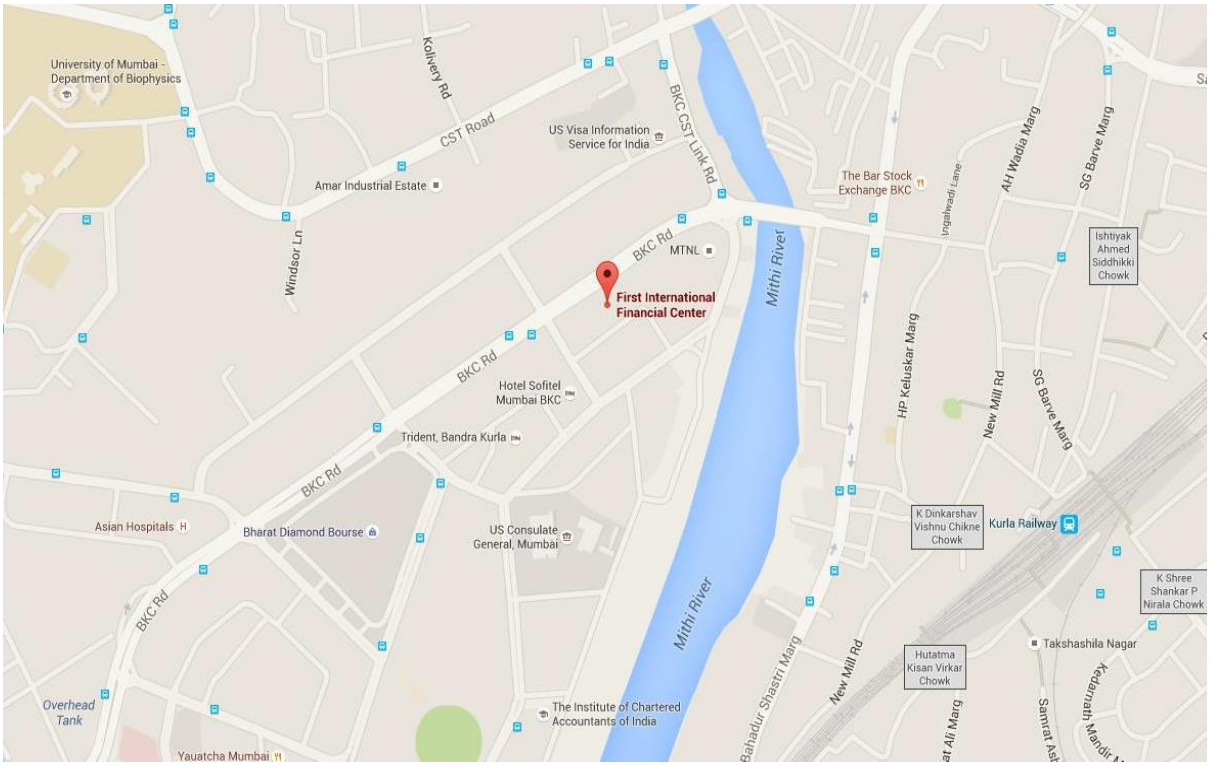
Date: Aug 08, 2022
Place: Mumbai

Annexure I

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

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 29, 2022 at 2.30 pm in person/through VC (recorded version) at Mumbai, Maharashtra and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions	**For**	**Against**
<u>Ordinary Business:</u> 1. To consider and adopt the financial statement for the year ended March 31, 2022 consisting of: • Audited Balance Sheet (Standalone and Consolidated); • Audited Statement of Profit and Loss Account (Standalone and Consolidated); • Audited Cash Flow Statement (Standalone and Consolidated); • Audited Notes to Financial Statement (Standalone and Consolidated) and • Board of Directors' Report (Standalone)		

2. To appoint Director in place of Mr. Rohit Ranjan (DIN: 00003480) who retires by rotation and being eligible, offers himself for re-appointment. 3. To ratify the appointment of M/s Gokhale & Sathe Statutory Auditors of the Company		
Special Business: 4. Approval for Issuance of Debentures		

Signed this……….. day of ………. , 2022**.**

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 25th 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

25th Annual General Meeting
Venue of the Meeting: in person/through VC (recorded version) at Mumbai Maharashtra
Date & Time: September 29, 2022 at 2.30 pm

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

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

*Applicable for investors holding shares in Electronic form.
I certify that I am the registered shareholder/proxy for the registered shareholder of the Company.
I hereby record my presence at the **25th Annual General Meeting** of the Company held on **September 29, 2022 at 2.30 pm in person/ through VC (recorded version) at Mumbai, Maharashtra.**
*Applicable for shareholders holding shares in electronic form

____
Signature of Member / Proxy
Note: 1. Electronic copy of the Annual Report for 2022 and Notice of the Annual General Meeting along with attendance slip and proxy form is being sent to all the members whose email address is registered with the Company~~/Depositary Participant~~ unless any member has requested for a hard copy of the same. Shareholders receiving electronic copy and attending the Annual General Meeting can print copy of this attendance slip.
2. Physical copy of the Annual Report for 2022 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 25th Annual Report of the Company together with the financial statements for the year ended March 31, 2022.

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 2021-22 decreased by 18% to Rs. 639 Crores as compared to Rs. 779 Crores in 2020-2021;
- Standalone profit after tax for the Financial Year 2021-22 was Rs.140 Crores as compared to Rs. 154 Crores in the Financial Year 2020-21;
- Consolidated income for the year decreased by 18% from Rs. 636 Crores in the Financial Year 2021-22 to Rs. 777 Crores in the Financial Year 2020-21;
- Consolidated profit after tax for the year was Rs. 168 Crores as compared to Rs. 180 Crores in the Financial Year 2020-21.

FINANCIAL RESULTS

The summary of the financial result of the Company for the period ended March 31, 2022 as compared to the previous financial year is stated below:

Rs. in Crores

Particulars	**Standalone**		**Consolidated**	
	Year Ended Mar 31, 2022	**Year Ended Mar 31, 2021**	**Year Ended Mar 31, 2022**	**Year Ended Mar 31, 2021**
1. Total Income	639	779	636	777
2. Profit before tax before share in profit of associate	172	217	169	214
3. Share in profit of associate	0	0	31	28
4. Profit before tax	**172**	**217**	**200**	**242**
5. Total Tax	32	62	32	62
6. Profit after Taxation	**140**	**154**	**168**	**180**
7. Other comprehensive income (net of tax)	72	5	72	5
8. Total comprehensive income	211	159	240	185
9. Amount transferred to Statutory Reserves	28	31	34	31
10. Dividend payout (Including Debenture Distribution Tax)	500	90	500	90

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

Post COVID and starting the early part of 2022, the Company has started active engagement with clients, travel has commenced and work from office has also resumed.

A significant development during the first quarter of calendar 2022 was the identification of a buyer for the Company's Consumer/Retail business. Axis Bank was identified as the preferred buyer and a Business Transfer Agreement (BTA) was signed with Axis bank on March 30, 2022. This sale is in line with the Citigroup decision and the announcement during 2021 to divest Consumer business in several geographies in Asia including India. It is expected that the process of business transfer shall be completed by the first quarter of calendar 2023.

Further, the Reserve Bank of India conducted its on-site inspection for the year 2020-2021 during the last quarter of calendar 2021. The final report was received by the Company during January 2022 and all comments noted by the RBI were responded to post Board approval. Subsequently, the company has remediated all regulatory observations. Further, RBI has communicated that it proposes to conduct the on-site inspection for 2021-2022 starting the third week of August 2022.

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.

As we prepare to transition the Consumer business to the buyer, we will evaluate new business opportunities in addition to ensuring an optimal and stable asset portfolio.

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.

CHANGE OF REGISTERED OFFICE OF THE COMPANY

The Registered Office of the Company has been shifted from 8th Floor, First International Financial Center, Bandra Kurla Complex (E), Mumbai- 400098 to B7, 5th Floor of Nirlon Knowledge Park, Goregaon (East), Mumbai – 400063 w.e.f. March 01, 2022. However, the correspondence address, books of accounts of the Company will be kept at First International Financial Center, Bandra Kurla Complex (E), Mumbai- 400098.

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) Personal Loan
b) Asset backed Finance

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, 2022 was Rs. 500 crores and it is expected that the loan portfolio will continue to grow during the Financial Year 2022-23.

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 increased from Rs. 51 Crores in Financial Year 2020-21 to Rs. 119 Crores in Financial Year 2021-22 owing to repricing of assets and growth in the average asset book by 83%.

With the pick-up in activity to pre-pandemic levels, there has been a demand from clients for strategic fund raising for acquisition of business/ increase in promoter stake through share financing/ growth capital backed by liquid security. We would 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, 2022 the Loan Portfolio under this segment stood at Rs. 72 Crores (decreased from Rs.150 Crores as at March 31, 2021). The revenue from this segment, predominantly in the form of interest on loans, decreased from Rs. 13 Crores to Rs. 4 Crores (69%) due to rundown of loans in the portfolio.

COVID- 19 disruptions had minimal impact on asset quality of this portfolio due to focus on customer selection criteria based on defined target market and strict compliance to policies and processes. We monitor our portfolio and keep close tab on financial and liquidity position of our customers.

Consumer Business

a) Personal loan (PL)

This portfolio comprises of loans assigned by Citibank to the Company. This segment includes personal loans to retail customers. Segment income mainly comprises of interest on loans. These loans have maximum tenor of 5 years with an average ticket size of Rs. 2.5 Lakhs.

PL book size for the Financial Year 2021-22 stands at Rs. 463 Crores. The net Interest revenue has decreased from Rs. 37 Crores in Financial Year 2020-21 to Rs. 36 Crores in Financial Year 2021-22. This is primarily due to the normal run off of the portfolio.

There was no assigned portfolio purchased during Financial Year 2021-22.

There is no impact to the existing portfolio due to announcement Consumer Business divestiture.

b) Asset Backed Finance (ABF)

ABF caters to the asset needs of the transportation and construction industry customers. It provides loans for the purchase of commercial vehicles and construction equipment along with providing top-up, refinance on existing free (from encumbrance) assets for their working capital needs. The target segment is largely farmers engaged in agriculture activity and MSME customers. The business earns income in the form of interest on loans, loan assignments, processing fees, subventions and incentives from manufacturers and dealers etc. Furthermost, ABF provides servicing and collection services for the Citibank ABF portfolio and charges a servicing and collection fee for the same. All the loans booked in ABF are PSL qualified thereby fulfilling PSL requirement of Citibank, majorly in Agriculture and Micro sector. ABF is operating out of 38 branches.

ABF book size for the Financial Year 2021-22 stands at Rs. 2,950 Crores. The net Interest income has increased from Rs. 65 Crores in Financial Year 2020-21 to Rs. 101 Crores in Financial Year 2021-22

Despite of COVID- 19 disruptions and Consumer 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 sold ABF portfolio to Citibank of Rs. 1002.58 Crores during the Financial Year 2021-22.

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 identify other opportunities.

DIVIDEND

During the Financial Year 2021-22, the management has declared an interim dividend of Rs. 500 Crores i.e. Rs. 1.30 per equity share (face value of Rs.7.50 each).

TRANSFER TO SPECIAL RESERVE/ OTHER RESERVES

During the Financial Year 2021-22, the Company has appropriated Rs. 27.93 Crores towards the Statutory Reserve (Previous Year – Rs. 30.87 Crores) in accordance with requirements under Section 45IC of the Reserve Bank of India Act, 1934.

SHARE CAPITAL

The authorized share capital of the Company stands at Rs. 39,520,000,000 (Rs. Three Thousand Nine Hundred and Fifty-Two 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 2021-22.

ANNUAL RETURN

The Annual Return in Form MGT-7 as required under Section 92(3) of the Companies Act, 2013 shall be hosted on the website at www.citicorpfinance.co.in.

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 2021-22 are in the ordinary course of business and at arm's length. 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 2021-22, 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.

The statement showing related party transaction in Form No. AOC-2 along with relatives of Directors are enclosed herewith as **Annexure I.** For further details of related party transactions [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 2021-22 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, 2022 was 40.36 % 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, 2022.

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 2021-22, the Company has incurred capital expenditure of Rs. 0.87 Crores towards fixed assets (Previous year Rs. 7 Crores).

SALE OF NON-PERFORMING ASSETS (NPAs)

There was no sale of NPAs during the Financial Year 2021-22.

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

a) Conservation of Energy, Technology Absorption

The Company, being a financial services Company, the particulars regarding conservation of energy and technology absorption are not relevant to its activities.

b) Foreign Exchange Earnings

There were no foreign exchange earnings during the Financial Year 2021-22.

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

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Technology and software expenses	5.65	6
Transfer pricing fees	8.10	17
HR Processing fees	0.51	0.45
Other expenses	0.05	0.80
Total	**14.00**	**24.00**

SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY

The Company did not have any subsidiary or entered into joint venture during the Financial Year 2021-22. As per shareholder agreement, the Company has an associate Company namely India Infradebt Limited.

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-II**.

AUDITORS AND REPORTS

a) Statutory Auditors

At the Annual General Meeting held on September 27, 2017, M/s. MSKA & Associates, Chartered Accountants, holding firm registration no. 105047W was appointed as statutory auditors of the company for the period of five years (from the conclusion of 20th AGM till the conclusion of 25th AGM).

Due to mandatory rotation of statutory auditors in accordance with recent RBI Guidelines 'Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs)' dated April 27, 2021, MSKA & Associates rotated out and a new audit firm (M/s. Haribhakti & Co LLP having firm registration number 103523W / W100048) was appointed as Statutory Auditor of the Company effective September 23, 2021 for the period of three years beginning Financial Year 2021-22 to Financial Year 2023-24 for their 1st term.

Further, basis the RBI Press release dated October 12, 2021 debarring Haribhakti & Co. LLP for Audit assignments from April 01, 2022, the Company had appointed M/s Gokhale & Sathe, Chartered Accountants, having firm registration number 103264W as Statutory Auditors of the Company effective February 01, 2022 for the period of 3 years (from financial year 2021-22 to 2023-24).

M/s. Haribhakti & Co LLP and M/s Gokhale & Sathe had done joint audit (Limited Review) and issued a joint audit report for the quarter ended December 2021. Post that M/s Haribhakti & Co. LLP resigned as Statutory Auditors of the Company w.e.f. February 12, 2022.

b) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company in its meeting held on February 11, 2022 had appointed M/s Zainab H. Poonawala & Associates, Practicing Company Secretary, Certificate of Practice No. 8874 as secretarial auditor of the Company to undertake the secretarial audit of the Company for the Financial Year 2021-22.

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 June 25, 2021, had appointed Mr. Ashutosh Pandey as an Internal Auditor for the Financial Year 2021-22.

Ashutosh Pandey was further appointed as an Internal Auditor, for the Financial Year 2022-23, in the Board Meeting held on May 30, 2022.

The Company has implemented Risk Based Internal Audit (RBIA) pursuant to RBI circular dated February 03, 2021.The Internal Auditor manages the provision of Internal Audit Services and reports functionally to the Audit Committee of the Company and both functionally and administratively to the Chief Auditor of Citigroup or his designee within full compliance and alignment with the letter and spirit of local regulatory requirements. Internal Audit responsibilities are carried out independently under the oversight of the 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, 2022 does not contain any qualification, reservation or adverse remark.

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

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

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
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 accountant 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 and Secretarial Compliance Report

The Secretarial Audit Report and Secretarial Compliance Report, issued by Practicing Company Secretary, does not contain any qualification, reservation or adverse remark.

The Secretarial Audit Report and Secretarial Compliance Report for the year ended March 31, 2022 are annexed to this report as **Annexure III.**

(iii) Internal Auditors (IA) Report

During the Financial Year 2021-22, key processes of Internal Audit 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 2021-22 included funds transfer pricing, third-party management and outsourcing, technology infrastructure and applications, anti-money laundering program and compliance management. Further, the audit results indicate that there are moderate improvements needed on the design and operating effectiveness of internal controls to mitigate and /or manage those inherent risk to which the activities being audited are exposed.

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

During the Financial Year 2021-22, the auditors have no reason to believe that an offence involving fraud is being or has been committed against the Company by officers or employees of the Company.

VOLUNTARY REVISION OF FINANCIAL STATEMENTS OR BOARD'S REPORT

The Company has not opted for revision of its Financial Statements or its Board's Report.

RISK MANAGEMENT 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 IV.**

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 and 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.

Impact of COVID:

India is emerging from the Covid-19 pandemic. The lockdowns and other restrictions have been completely lifted and the Company does not anticipate any significant uncertainty in the operations.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

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

DIRECTORS AND KEY MANANGERIAL PERSONNEL (KMP)

A. <u>Change in Directorship</u>

Appointment: -
Ms. Nina Nagpal (DIN- 00138918) was appointed as Managing Director effective June 01, 2018 for a tenure of 1 (One) year which was renewed for a further period of 2 (Two) years w.e.f. June 01, 2019.

Her office as Managing Director was expired on May 31, 2021. Based on the recommendation of the Nomination and Remuneration Committee and considering the knowledge, acumen, expertise, experience and the substantial contribution, the Board had, at its meeting held on May 31, 2021, approved her re-appointment as Managing Director of the Company for the further period of 2 (Two) years w.e.f June 01, 2021 to May 31, 2023.

Mr. Rajeev Mantri (DIN-09367771) was appointed as an Additional Director of the Company w.e.f. March 15, 2022. His appointment was further approved by the shareholders of the Company in its meeting held on June 10, 2022 and his designation has been changed from Additional Director to Director.

Resignation: -
Ms. Priti Goel had stepped down from the directorship of the Company w.e.f. December 07, 2021. The Board placed on record its appreciation for her invaluable contribution and guidance during her tenure with the Company.

B. <u>Directors liable to retire by rotation</u>

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

C. KMPs

During the Financial Year 2021-22, there was no change in the KMPs of 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, eight (8) 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.**

DISQUALIFICATIONS OF DIRECTORS

On the basis of the written representations received from the directors and taken on record by the Nomination and Remuneration Committee and Board of Directors, none of the directors is disqualified from being appointed as a director in terms of provision of the Companies Act and in terms of Regulations of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements), 2015 and Master Direction- Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by Reserve Bank of India.

Further, The Company has received a certificate from Zainab H. Poonawala & Associates, practicing company secretary, to the effect that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of the Company by Securities and Exchange Board of India (SEBI), the Ministry of Corporate Affairs and any such statutory authority. The said certificate forms part of this Annual Report. Please refer **Annexure V.**

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.

ANNUAL DECLARATION FROM INDEPENDENT DIRECTORS

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

Further, the Company has received necessary declarations from Independent Directors under Section 149 (7) of the Companies Act, 2013, that they meet the criteria of Independence laid down in Section 149 (6) of the Companies Act, 2013.

Further, the Independent Directors had also confirmed the Independence as per Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015.

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

This policy, *inter alia*, provides:

1. The criteria for determining qualifications, skills and positive attributes for appointment of Directors;
2. Process of performance evaluation;
3. Compensation criteria for directors, key managerial personnel and other employees;
4. Duties of Nomination and Remuneration Committee.

The Policy is available on the Company's website at www.citicorpfinance.co.in

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

Please refer Nomination and Remuneration Policy Section.

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 is placed before the Board, in its meeting held on February 11, 2022, 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 fraud incidents identified or reported during the last two Financial Years 2021-22 and 2020-21. This is primarily on account of the process related corrective actions being introduced in the year 2020 to mitigate the employment fraud cases identified in Personal loans business.

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. 14.75 lakhs received during Financial Year 2021-22 on the frauds reported in the Financial Year 2019-20.

Total Fraud amount involved for all the open fraud cases as on March 31, 2022 is Rs 325.23 lakhs, however loss to the Company stands at Rs 223.49 lakhs.

CORPORATE SOCIAL RESPONSIBILTY (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 www.citicorpfinance.co.in.

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.

REDEMPTION OF DEBENTURES

During the year under review, Debentures amounting to Rs. 6,540.37 Crores have been redeemed/ paid (Previous Year Rs. 4592.28 Crores).

DEBENTURE TRUSTEE

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

IDBI Trusteeship Services Limited
Asian Building, Ground Floor
17, R. Kamani Marg, Ballard Estate
Mumbai - 400 001
Contact No: 022 4080 7080

PARTICULARS OF EMPLOYEES, DIRECTORS AND RELATED DISCLOSURES

The Company has 253 employees as of March 31, 2022.

The percentage of increase in remuneration, ratio of remuneration of each director and key managerial personnel (KMP) (as required under the Companies Act, 2013) to the median of employees' remuneration, and the list of top 10 employees in terms of remuneration drawn, as required under Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is form part of **Annexure VII** to this Board's report.

In terms of first proviso to Section 136 of the Act, the Report and Accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars as required pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The said information is available for inspection by the members at the registered office of the Company during business hours on working days of the Company up to the date of the ensuing annual general meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary in this regard.

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 June 25, 2021 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 June 25, 2021.

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 encouragegovernance 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 IV** for Corporate Governance Report.

TRAINING AND DEVELOPMENT

Keeping in mind the safety of the employees and the remote working scenario, the Company pivoted away from physical classroom programs to Virtual Instructor-Led programs, in addition to the range of self-paced learning programs available already. The Company provides various training and skill development related opportunities to its employees to continuously upgrade their knowledge, skills & professional competence, besides ensuring compliance of various local laws and regulations. During the year under review, below mentioned training were imparted covering Man hours and Man days respectively.

Competency	Sum of Activity Man Hours	Sum of Activity Man Days
Functional	167	21
Leadership	284	36
Mandatory	2567	321
New Hire	15	2
Professional Development	34	4
Degreed	54	7
Grand Total	**3120**	**390**

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.

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.

The Directors also regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

For Citicorp Finance (India) Limited

	Sd/-	**Sd/-**
Date: Aug 08, 2022	**Nina Nagpal**	**Rohit Ranjan**
Place: Mumbai	**Managing Director**	**Director**
	DIN- 00138918	**DIN-00003480**

ANNEXURE INDEX

Annexure	Content
i	AOC - 2
ii	AOC - 1
iii	Secretarial Audit Report and Secretarial Compliance Report
iv	Corporate Governance Report
v	Certificate of Practicing Company Secretary regarding Directors' disqualification
vi	Annual Report on Corporate Social Responsibility
vii	Disclosure related to employees and Ratio of remuneration to each Director
viii	Details of Stock Code
ix	Certificate from Managing Director for confirmation received by Directors and Senior Management Personnel w.e.t. Code of Conduct
x	Certificate from Practicing Company Secretary on Corporate Governance
xi	Compliance Certificate from Managing Director and Chief Financial Officer

Annexure - I

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

Key management personnel (KMP)

Details of KMP as on March 31, 2022

a) Nina Nagpal - (Identified as related party w.e.f. June 01, 2018)
b) Sameer V. Upadhyay - (Identified as related party w.e.f. November 07, 2015)
c) Ankit Goyal- (Identified as related party w.e.f. September 29, 2020)

Relatives of Directors and KMP

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

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

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

Rajeev Mantri- Rupal Mantri, Vijay Shankar Mantri, Sampat Mantri, Ria Mantri, Raaghav Mantri, Naveen Mantri, Suman Rathi.

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

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

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

Ankit Goyal- Parul Goyal, Shyam Sunder Goyal, Asha Goyal, Prehaan Goyal, Samta Mehta

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

FORM NO. AOC -2

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

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

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

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NA
b)	Nature of contracts/arrangements/transaction	NA

c)	Duration of the contracts/arrangements/transaction	NA
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	All Transaction are at Arm's Length basis
e)	Justification for entering into such contracts or arrangements or transactions	NA
f)	Date of approval by the Board	NA
g)	Amount paid as advances, if any	NA
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

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

SL. No.	**Particulars**	**Details**	**Nature of Relationship**
a)	**Name (s) of the related party & nature of relationship**	Associates Financial Services (Mauritius) LLC Citibank Overseas Investment Corporation Citibank NA-India branch. Citibank NA -Singapore branch Citibank NA, Manila Branch Citibank NA, United Kingdom Branch Citibank NA, Hong Kong Branch Citibank NA, US. Citigroup Global Markets Asia Limited Citigroup Global Markets India Private Limited Citicorp Services India Private Limited Citigroup Global Markets Hong Kong Ltd Citigroup Global Markets Singapore PTE Limited Citibank (China) Co Ltd Citicorp Investment Bank (Singapore) Ltd Citi Korea INC Citi Europe PLC France Citi Europe PLC Sweden Citi Europe PLC Belgium Citi Europe PLC Germany Citigroup Global Markets Limited Citi Investment Advisory Services Private Limited Citigroup Technology Infrastructure (Hong Kong) Limited India Infradebt Limited	Holding Holding Holding Holding Holding Holding Holding Holding Fellow Subsidiary Fellow Subsidiary Fellow Subsidiary Fellow Subsidiary Fellow Subsidiary Fellow Subsidiary Fellow Subsidiary Fellow Subsidiary Fellow Subsidiary Fellow Subsidiary Fellow Subsidiary Fellow Subsidiary Fellow Subsidiary Fellow Subsidiary

			Fellow Subsidiary Associate
b)	**Nature of contracts/arrangements/transaction**	**Related Party Transaction** **1. Citibank NA India :** Sourcing and collection fees received Bank charges paid Transfer pricing fees paid Secondment fees and cost of time spent by Citibar N.A. executives for providing management oversi paid Loan sourcing fees paid Fees paid for technology services Secondment fees received for Asset backed fir business Sale of Asset backed Finance portfolio Purchase of Personal Loan portfolio Purchase of Trade Finance Loan portfolio Rent paid for various premises across India Rentals received on assets given on lease Fees paid for collection services Fixed deposits placed Fixed deposits matured Interest received on Fixed deposits placed Distribution fees paid for placement of debenture inter corporate borrowings Loan taken Loan repaid Interest paid on loans taken **2. Citibank NA, US** Technology infrastructure charges paid Transfer pricing fees **3. Citibank NA-Singapore branch** Technology infrastructure charges paid Fees paid for HR Related Services **4.Citigroup Global Markets India Pvt Ltd** Transfer pricing fees Brokerage paid	

		5. Citicorp Services India Pvt. Ltd. Fees paid towards payroll processing and other related services Rent paid for various premises Secondment fees paid Fees paid for technology support services Fees paid for operations Fees paid for compliance services Fees paid for vendor processing services Inter Corporate Borrowings taken Inter Corporate Borrowings repaid Interest Expense on ICD Borrowing **6. Citibank NA, Manila Branch** Fees paid for technology support services Fees paid for HR Related Services Fees paid for vendor payment processing Training expenses **7.Citibank NA, United Kingdom Branch** Transfer pricing fees **8.Citigroup Global Markets Hong Kong Ltd** Transfer pricing fees **9. CGM Singapore PTE Limited** Transfer pricing fees **10.Citibank China Ltd Co** Transfer pricing fees **11. Citibank NA, Hong Kong Branch** Transfer pricing fees **12.Citicorp Investment Bank (Singapore) Ltd** Transfer pricing fees **13.Citi Korea INC** Transfer pricing fees **14. Citi Europe PLC France** Transfer pricing fees **15.Citi Europe PLC Sweden** Transfer pricing fees	

		16.Citi Europe PLC Belgium Transfer pricing fees **17.Citi Europe PLC Germany** Transfer pricing fees **18.Citigroup Global Markets Limited** Transfer pricing fees **19.Citigroup Global Markets Asia Limited** Transfer pricing fees **20. India Infradebt Limited** Dividend received **21. Associates Financial Services (Mauritius) LLC** Dividend paid **22. Citibank Overseas Investment Corporation** Dividend paid **23. Citigroup Technology Infrastructure (Hong Kong) Limited** Technology infrastructure charges paid **24. Citicorp Investment and Advisory Services Private limited** Secondment fees paid	
c)	**Duration of the contracts/arrangements/transaction**	Financial Year 2021-22	
d)	**Salient terms of the contracts or arrangements or transaction including the value, if any**	All terms and conditions are as per transfer pricing regulations	
e)	**Date of approval by the Board**	May 30, 2022	

f)	**Amount paid as advances, if any**	**-**	

For Citicorp Finance (India) Limited

Date: Aug 08, 2022 Place: Mumbai	**Sd/-** **Nina Nagpal** **Managing Director** **DIN- 00138918**	**Sd/-** **Rohit Ranjan** **Director** **DIN-00003480**

Annexure II

Form AOC-1
(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014
Statement containing salient features of the financial Statement of Subsidiaries/Associate Companies/Joint Ventures

Part "A": Subsidiaries

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

1. Names of subsidiaries which are yet to commence operations- NA
2. Names of subsidiaries which have been liquidated or sold during the year- As at March 31, 2022 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	31/03/2022
2. Shares of Associate/Joint Ventures held by the company on the year end a. No. b. Amount of Investment in Associates/Joint Venture c. Extend of Holding %	 87,000,000 Rs. 870,000,000 10.02%
3. Description of how there is significant influence	
4. Reason why the associate/ joint venture is not consolidated	NA
5. Networth attributable to Shareholding as per latest audited Balance Sheet	2,385.63 Crores
6. Profit / Loss for the year i. Considered in Consolidation ii. Not Considered in Consolidation	 31.22 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/- **Rohit Ranjan** **Director** **DIN- 00003480**	**Sd/-** **Nina Nagpal** **Managing Director** **DIN-00138918**	**Sd/-** **Ankit Goyal** **Chief Financial Officer**	**Sd/-** **Sameer V. Upadhyay** **Company Secretary**

Date: Aug 08, 2022
Place: Mumbai

Zainab H Poonawala & Associates
Practising Company Secretary

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED **31st MARCH, 2022**

[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

Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Citicorp Finance (India) Limited (hereinafter called the Company).** Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Due to restricted entry to the office due to COVID-19 pandemic, we did not have access to the physical copies of books, papers, minute books, forms and returns filed and other records maintained by the Company. Hence our Audit is based on online examination of books, papers, minute books, forms and returns filed and other records maintained by **Citicorp Finance (India) Limited** ("the Company"). Further, the statutory registers are maintained in a soft copy and were made available for the purpose of audit. Also our audit is based on the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March 2022** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have online examined books, papers, minute books, forms and returns filed and other records maintained by **Citicorp Finance (India) Limited** ("the Company") for the financial year ended on 31st March, 2022 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder ;

A/33 Assumption View, Opp. St Joseph H School, Kandivali Village, Kandivali (West), Mumbai-400067.
Tel: 022 28083340 Mob: 9833924145 email: zainabhp@gmail.com

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (**not applicable to the Company during the audit period**);

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder (**not applicable to the company during the audit period**);

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (**not applicable to the company during the audit period**);

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (**not applicable to the company during the audit period**);

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**not applicable to the company during the audit period**);

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (**not applicable to the company during the audit period**);

(e) The Securities and Exchange Board of India (Listing Obligation and Disclosures Requirement) Regulations, 2015;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (**not applicable to the company during the audit period**);

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**not applicable to the company during the audit period**); and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (**not applicable to the company during the audit period)**

(vi) IRDA Regulations applicable to Corporate Agents. (**not applicable to the company during the audit period)**

(vii) RBI Act, 1934 read with all notifications and circulars issued by the Reserve Bank of India for Non-Banking Finance Companies.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India

(ii) The Listing Agreements entered into by the Company with National Stock Exchange(s), for listing of Non Convertible Debentures;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

And,

There is one matter in regard to a duly registered and executed Third Supplement Deed entered on November 11, 2017 (Third Supplement Deed to The Debenture Trust Deed Cum Deed of Mortgage (DTD) dated March 17, 2015) with IDBI Trusteeship Services Limited from previous years which is been closed this year. The form CHG-9 could not be filed due to technical issue faced from MCA website and matter remained unresolved even after repetitive reminders to MCA officials asking for their support. As confirmed by the management, all the debentures issued under the said DTD have been redeemed and there is **NIL** outstanding, the further compliances w.r.t. this DTD stands closed. Accordingly, this matter will not be reported going forward.

We further report that:

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through unanimously.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines (as mentioned above and listed in **Annexure I**).

We further report that during the audit period the company has:

1. Issued Non- Convertible Debentures under Private Placement in Series and complied with the applicable provisions of the Companies Act, 2013, Rule 14 of Chapter III, Chapter V and Chapter VI of SEBI (Listing Obligation and Disclosures Requirement) 2015, its amendments and Notifications issued by RBI.

Place: Mumbai
Date: 30/05/2022

Sd/-
Zainab H Poonawala
FCS No.:7916

C P No.: 8874

UDIN: F007916D000437774

Annexure I: Laws And Act applicable to the Company

1. Employees' Provident Fund Act,1952 and Rules
2. Professional Tax Act,1975 and Rules
3. Payment of Gratuity Act, 1972
4. Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
5. Equal Remuneration Act, 1976
6. Minimum Wages Act, 1948
7. The Payment of Bonus Act, 1965
8. Shop and Establishment Act, 1948
9. The Maternity Benefit Act, 1961
10. Contract Labour Act, 1970
11. The Industrial Disputes Act, 1947
12. Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013
13. Income Tax Act, 1961
14. Finance Act, 1994

ANNEXURE TO SECRETARIAL AUDIT REPORT ISSUED BY COMPANY SECRETARY IN PRACTICE

To,
The Members,

Citicorp Finance (India) Limited

Mumbai

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Where ever required, we 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. Our 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.

Date: 30/05/2022

Place: Mumbai

Signature: Sd/-

Zainab H Poonawala
Practising Company Secretary
Membership No. 7916
Certificate of Practice No. 8874
UDIN: F007916D000437774

SECRETARIAL COMPLIANCE REPORT OF CITICORP FINANCE (INDIA) LIMITED FOR THE YEAR ENDED MARCH 31, 2022

I, Zainab Poonawala, Practicing Company Secretary, have examined:

(a) all the documents and records made available to us and explanation provided by CITICORP FINANCE (INDIA) LIMITED (hereinafter referred to as "the Listed Entity"),

(b) the filings/submissions made by the listed entity to the Stock Exchanges,

(c) website of the Listed Entity,

(d) any other document/ filing, as may be relevant, which has been relied upon to make this Certification,

For the year ended March 31, 2022 ("Review Period") in respect of compliance with the provisions of:

i. the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

ii. the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made there under and the Regulations, Circulars, Guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI") thereunder (**not applicable to the Company during the audit period**);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include: -

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015;

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2018; (**not applicable to the Company during the audit period**);

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,2011;(**not applicable to the Company during the audit period**);

(d) Securities and Exchange Board of India (Buyback of Securities) Regulations,2018;(**not applicable to the Company during the audit period**);

(e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations,2014; (**not applicable to the Company during the audit period**);

(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations,2008;

(g) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations,2013; ;(**not applicable to the Company during the audit period**);

(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,2015; (**not applicable to the Company during the audit period**);

(i) and circulars/ guidelines issued thereunder;

and based on the above examination, **<u>I hereby report that, during the Review Period:</u>**

1. The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, <u>except</u> in respect of matters specified below: -

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1	Pursuant to Reg 17(1)(c'), the Board of Directors of the top 1000 and top 2000 listed entities shall comprise of not less than six directors	For a period of 3 months from December 07, 2021 to March 15, 2022, there were only 5 Directors as Priti Goel resigned effective December 07, 2021 and Mr. Rajeev Mantri was appointed as Additional Director on 15/03/2022.	The Company being the debt listed company is under the 'comply and explain' regime till March 31, 2023, after which compliance will be mandatory. The Company has given due explanation in the quarterly governance report for the quarter ended December 31, 2021.Also, there is no clarity on

			applicability of the said regulation on debt listed company as top 1000 and top 2000 listed Companies criteria is for equity listed Companies.
2	Regulation 20(3A) of SEBI (LODR) Regulations, 2015- The Stakeholders relationship committee shall meet at least once in a year.	No meeting was held by the Committee	Post applicability of LODR in September 2021, the Company reconstituted the Stakeholders Relationship Committee in its Board Meeting held on February 11, 2022. However, no meeting was held by the Committee and Management has confirmed that it shall comply with the said provisions in the current financial year. Further, the Company being the debt listed company is under the 'comply and explain' regime till March 31, 2023, after which compliance will be mandatory. The Company has given due explanation in the quarterly governance report for the quarter ended March 31, 2022

2. The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from my examination of those records.

3. The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (*including under the Standard Operating Procedures issued by SEBI through various circulars)* under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
NA				

4. The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31st March, 2022	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
N.A.				

Place: Mumbai

Date: 30/05/2022

Signature: Sd/-

Name of Company Secretary in practice: Zainab H Poonawala

C.P. No. : 8874

UDIN: F007916D000437818

Annexure IV

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 2021-2022.

(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, 2022, the Board of the Company consisted of six directors, of which one is executive director (women director) and 5 are non-executive directors including two independent directors.

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

S. No	Name	Designation	Executive / NonExecutive / Chairman / Independent	DIN	Directorship/Chairmanship/Membership in other Board/Committee	Name of directorsip in other listed entities
1	Ms. Nina Nagpal*	Managing Director	Executive	00138918	2	India Infradebt Limited
2	Mr. Rohit Ranjan	Director	Non-Executive	00003480	1	NA
3	Mr. Rajeev Mantri	Director	Non-Executive	09367771	2	NA
4	Mr. Neeraj Kumar	Director	Non-Executive	08389469	-	NA
5	Mr. Deepak Ghaisas	Independent Director	Independent	00001811	11	Shoppers Stop Limited
6	Mr. Saurabh Shah	Independent Director	Independent	02094645	2	GRP Limited

*Ms. Nina Nagpal was re-appointed as Managing Director w.e.f. June 01, 2021.

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 his tenure.

(b) <u>Meeting of Board of Directors</u>

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 2021-22, the Board of Directors met 8 (Eight) times on April 30, 2021, May 31, 2021, June 25, 2021, September 22, 2021, November 11, 2021, February 11, 2022, February 28, 2022 and March 30, 2022. 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 23, 2021
			Held	**Attended**	
1	Ms. Nina Nagpal	Managing Director	8	8	Yes
2	Mr. Rohit Ranjan	Director	8	7	No
3	Mr. Priti Goel*	Director	8	5	No
4	Mr. Neeraj Kumar	Director	8	8	No
5	Mr. Rajeev Mantri*	Director	8	1	NA
6	Mr. Deepak Ghaisas	Independent Director	8	8	No
7	Mr. Saurabh Shah	Independent Director	8	8	No

** Priti Goel resigned from the directorship of the company w.e.f. December 07, 2021 and Rajeev Mantri appointed as an Additional Director of the Company w.e.f. March 15, 2022. Further, w.e.f. June 10, 2022 designation of Rajeev Mantri 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 21, 2021 to review the performance of non-independent directors, board as a whole and chairperson of the board meeting.

Meeting of Chief Risk Officer (CRO) 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, Chief Risk Officer and Board met four time during the year on June 25, 2021, November 11, 2021, February 11, 2022 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, 2022

S. No.	Name	Category	No of Equity Shares	Remark
1	Mr. Rohit Ranjan	Director	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 2021-2022, 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 www.citicorpfinance.co.in.

(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**				**Behavioural 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	√	√	√	√	√	√	√	√

(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 2021-22.

(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, 2022 is as under:

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

Brief Description of Terms of Reference:

The role of the Audit Committee is primarily related to provide oversight on the Company's financial reporting process, disclosure of financial information and appointment / re-appointment of the auditors and approval of transactions of the Company with related parties.

It includes ensuring compliance to the internal control systems and review of the financial statements which are presented to the Board for their consideration and to perform all the responsibilities/duties as mentioned in the Audit Committee Charter.

The terms of reference of this Committee are very wide and are in line with the requirements mandated by the Companies Act and Regulators.

Meetings and Attendance during the year:

During the Financial Year 2021-22, the Audit Committee met 7 (Seven) times. Meetings of Audit Committee were held on June 24, 2021; August 05, 2021; September 03, 2021; November 10, 2021; December 21, 2021 and February 09, 2022.

The details of members attendance are as under:

Name of Members and Chairperson	Category	Date of Meetings						Total Meetings attended
		June 24, 2021	**August 05, 2021**	**September 20, 2021**	**November 10, 2021**	**December 21, 2021**	**February 09, 2022**	
Chairperson		Deepak Ghaisas	Deepak Ghaisas	Deepak Ghaisas	Deepak Ghaisas	Deepak Ghaisas	Saurabh Shah	-
Nina Nagpal	Managing Director	√	√	√	√	√	√	7
Deepak Ghaisas	Independent Director	√	√	√	√	√	√	7
Saurabh Shah	Independent Director	√	√	√	√	√	√	7

(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, 2022 is as under:

a) Mr. Neeraj Kumar, 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 to ensure that the persons to be appointed as directors or on senior management position of the Company possess requisite qualifications, expertise, track record and integrity. The Committee ascertains the “fit and proper” status of the existing as well as the proposed directors.

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

Additionally, it ensures that 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 2021-22, the Nomination and Remuneration Committee met 2 (Two) times. Meetings of Nomination and Remuneration Committee were held on May 21, 2021 and June 25, 2021.

Name of Members and Chairperson	**Category**	**Date of the Meetings**		**Total Meetings attended**
		May 31, 2021	**June 25, 2021**	
	Chairperson	Rohit Ranjan	Deepak Ghaisas	
Neeraj Kumar	Director	√	√	2
Rohit Ranjan	Director	√	X	1
Deepak Ghaisas	Independent Director	√	√	2
Saurabh Sha	Independent Director	√	√	2

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, 2022 is as under:

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

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.

Meetings and Attendance during the year:
During the year Financial Year 2021-22, the Committee has not received any complaints /grievance from stakeholders, hence no meeting held during the year.

(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, 2022 are as under:

a) Ms. Nina Nagpal, Managing Director
b) Mr. Neeraj Kumar, Director
c) Mr. Saurabh Shah, Independent Director
d) Mr. Ankit Goyal, Chief Financial Office
e) Mr. Vaibhav Gupta, Chief Risk Officer

Please note that Mr. Param Sawlani resigned from the position of Compliance Officer w.e.f. March 04, 2022 and Mr. Kedar Kadam appointed as Compliance Officer of the Company w.e.f. July 01, 2022.

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 2021-22, the Risk Management Committee met 4 (Four) times. Meetings of Risk Management Committee were held on May 11, 2021; August 11, 2021; November 24, 2021 and March 15, 2022.

Name of Members and Chairperson	Category	Date of Meetings				Total Meetings attended
		May 11, 2021	August 11, 2021	November 24, 2021	March 15, 2022	
	Chairperson	**Nina Nagpal**	**Nina Nagpal**	**Nina Nagpal**	**Nina Nagpal**	
Nina Nagpal	Managing Director	✓	✓	✓	✓	4
Neeraj Kumar	Director	✓	✓	x	✓	3
Priti Goel*	Director	✓	✓	✓	NA	3
Saurabh Shah**	Independent Director	NA	NA	NA	✓	1
Vaibhav Gupta	Chief Risk Officer	✓	✓	✓	✓	4
Ankit Goyal	Chief Financial Officer	x	✓	x	✓	2
Param Sawlani***	Compliance Officer	✓	✓	x	NA	2
Sagar Sachdeva**	Margin & Securities Backed Finance	✓	✓	x	NA	2
Minal Gandhi**	Corporate lending Lead	✓	✓	✓	NA	3
Swanand Sapre**	Mid and Small Segment Lending Lead	✓	✓	✓	NA	3
Ashutosh Pandey**	CFIL Internal Auditor	✓	✓	✓	NA	3
Deepak Singh**	CFIL Legal	✓	✓	✓	NA	3
Ashutosh Sharma**	ABF Risk Manager	✓	✓	x	NA	2
Naresh Shah**	ABF Risk Manager	✓	x	x	NA	1
Anurag Jain**	CFIL PNO	✓	✓	✓	NA	3
Venkataraman Rajagopal$	CFIL Operations Head	✓	NA	NA	NA	1
Sameer Khadilkar**	CFIL AML Compliance Manager	✓	✓	✓	NA	3
Sameer Upadhyay**	CFIL Company Secretary	✓	✓	✓	NA	3
Arjun Swarup**	Chief of Staff, MD office	✓	x	x	NA	1
Mithali Raghavan**	CFIL Treasurer	✓	✓	✓	NA	3
Rohan Pinto**	ABF Business Manager	✓	x	x	NA	1

Puneet Sabharwal**	ABF Business Manager	x	✓	x	NA	1
Amita Tomar**	CFIL HR Manager	x	✓	✓	NA	2
Manzoor **Ahmed	Consumer Business Head	x	x	✓	NA	1
Priya Kiyawat$	Head -Operations	NA	NA	✓	NA	1

**Priti Goel resigned w.e.f. December 07, 2021;*
*** 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.*

**** Mr. Param Sawlani resigned from the position of Compliance Officer w.e.f. March 04, 2022.*

$ Venkataraman Rajagopal ceased to be member of the Committee w.e.f. July 07, 2021 and Priya Kiyawat appointed as member of the Committee w.e.f. November 11, 2021;

(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, 2022 are as under:

a) Ms. Nina Nagpal, Managing Director
b) Mr. Rohit Ranjan, Director
c) Mr. Neeraj Kumar, Director
d) Ms. Minal Gandhi, Head- Corporate Lending and Trade Loans
e) Mr. Swanand Sapre, Head- Small and Medium Segment Lending
f) Mr. Ankit Goyal, Chief Financial Officer and Financial Controller
g) Mr. Sameer Upadhyay, Company Secretary
h) Ms. Mithali Raghavan, Treasurer
i) Mr. Vaibhav Gupta, Chief Risk Officer
j) Ms. Priya Kiyawat, Head - Operations
k) Mr. Manzoor Ahmed, Head-Asset Backed Financing

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 monthly 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 monthly 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.

<u>Meetings and Attendance during the year:</u>

During the Financial Year 2021-22, the Committee met 12 (Twelve) times. Meetings of ALCO were held on April 23, 2021; May 25, 2021; June 23, 2021; July 30, 2021; August 25, 2021, September 17, 2021; October 22, 2021; November 18, 2021; December 17, 2021; January 28, 2022; February 23, 2022 and March 25, 2022.

Name of Members and Chairperson	**Category**	**Date of Meetings**												**Total Meetings attended**
		April 23, 2021	**May 25, 2021**	**June 23, 2021**	**July 30, 2021**	**August 25, 2021**	**September 17, 2021**	**October 22, 2021**	**November 18, 2021**	**December 17, 2021**	**January 28, 2022**	**February 23, 2022**	**March 25, 2022**	
	Chairperson	**Nina Nagpal**												
Nina Nagpal	Managing Director	x	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x	10
Rohit Ranjan	Director	x	x	x	x	x	x	x	x	x	x	x	x	0
Neeraj Kumar	Director	✓	✓	✓	x	✓	✓	✓	✓	x	✓	✓	✓	10
Priti Goel*	Director	x	✓	✓	✓	✓	✓	x	✓	NA	NA	NA	NA	6
Sameer V.	Company	x	x	x	✓	✓	✓	✓	x	x	x	x	x	4

Upadhyay	Secretary													
Ankit Goyal	Chief Financial Officer	✓	✓	✓	✓	✓	✓	✓	x	✓	✓	✓	✓	11
Mithali Raghavan	Treasurer, Resource Management & Planning /Funds Management	✓	✓	✓	✓	✓	✓	✓	x	x	x	✓	✓	9
Priya** Kiyawat	Head - Operations	NA	NA	NA	x	x	x	x	✓	✓	✓	✓	✓	5
Venkataraman Rajagopal**	Head – Operations	✓	✓	✓	NA	NA	NA	NA	NA	NA	NA	NA	NA	3
Vaibhav Gupta	Chief Risk Officer	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12
Param Sawlani***	Compliance Officer	✓	✓	✓	✓	x	✓	✓	x	x	✓	✓	NA	8
Respective Business Heads / Delegates														
Sagar Sachdeva	Head-Strategic Equity Solutions (SES) – Margin Loans	✓	✓	✓	x	✓	✓	✓	x	✓	✓	x	x	8
Minal Gandhi	Head-Corporate Lending & Trade Loans	✓	✓	✓	✓	✓	x	✓	✓	x	✓	✓	✓	10
Swanand Sapre	Head-Small and Medium Segment Lending	✓	✓	✓	✓	✓	✓	✓	x	✓	x	x	✓	9
Manzoor Ahmed$	Head-Asset Backed Financing	NA	NA	NA	✓	✓	✓	✓	x	x	x	x	✓	5

Utkarsh Shah$	Head-Asset Backed Financing	✓	✓	✓	NA	NA	NA	NA	NA	NA	NA	NA	NA	3

**Priti Goel resigned from the directorship of the Company w.e.f. December 07, 2022;*

*** Venkataraman Rajagopal ceased to be member of the Committee w.e.f. July 07, 2021 and Priya Kiyawat appointed as member of the Committee w.e.f. November 11, 2021;*

****Param Sawlani resigned w.e.f. March 04, 2022;*

$Utkarsh Shah resigned and Manzoor Ahmed appointed as member of the Committee w.e.f. July 2021.

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

For details of CSR Committee (like composition, meetings held during the financial year 2021-22 and attendance of the Committee Members) please refer Annexure VI 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, 2022 is as under:

a) Mr. Deepak Ghaisas - Independent Director
b) Nina Nagpal- Managing Director
c) Mr. Sukumar Pawaskar - CTI Head
d) Mr. Joshua Marbaniang - COB team Head
e) Ms. Saloni Dixit- Chief Information Security Officer (CISO)
f) Mr. Rajeev Soni – Chief Information Officer

Meetings and Attendance during the year:

During the Financial Year 2021-22, the Committee met 2 (two) times. Meetings of IT Strategy Committee were held on May 27, 2021 and November 16, 2021.

Name of Members and Chairperson	**Category**	**Date of the Meetings**		**Total Meetings attended**
		May 27, 2021	**November 16, 2021**	
Chairperson		Deepak Ghaisas	Deepak Ghaisas	
Deepak Ghaisas	Independent Director	√	√	2
Nina Nagpal	Managing Director	√	√	2
Sukumar Pawaskar*	CTI Head	√	√	2
Joshua Marbaniang*	COB team Head	√	√	2

Rajeev Soni	Chief Information Officer	√	√	2
Saloni Dixit	Chief Information Security Officer (CISO)	√	√	2

(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 2021-22, the Debenture Issuance and Allotment Committee met 3 (Three) times. Meetings of Debenture Issuance and Allotment Committee were held on July 20, 2021; November 11, 2021 and February 11, 2022.

Name of Members and Chairperson	**Category**	**Date of the Meetings**			**Total Meetings attended**
		July 20, 2021	**November 11, 2021**	**February 11, 2022**	
Chairperson		Nina Nagpal	Nina Nagpal	Nina Nagpal	
Nina Nagpal	Managing Director	√	√	√	3
Rohit Ranjan	Director	√	x	x	3
Neeraj Kumar	Director	√	√	√	3
Priti Goel*	Director	x	√	NA	1
Ankit Goyal	Chief Financial Officer	√	√	√	3
Mithali Raghavan	Treasurer	√	√	√	3
Venkataraman Rajagopal**	Head Operation	x	NA	NA	0

Priya Kiyawat**	Head Operation	NA	NA	√	1

**Priti Goel ceased to be member of the Committee w.e.f. December 07, 2021.*
*** Venkataraman Rajagopal ceased to be member of the Committee w.e.f. July 07, 2021 and Priya Kiyawat appointed as member of the Committee w.e.f. November 11, 2021.*

(4) REMUNERATION OF DIRECTORS

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

During the Financial Year 2021-2022, 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 2021-22, 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 2021-22, 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 two years upto May 31, 2023 with a notice period of 3 months. 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:

Date	Time	Special Resolution Passed	Venue
September 27, 2019	4.30 pm	a) Re-appointment of Ms. Nina Nagpal (DIN – 00138918) as Managing Director; b) Appointment of Mr. Neeraj Kumar (DIN-08389469) as Director of the Company; c) Approval of Private Placement Offer Letter (PPOL) and Shelf Information Memorandum (SIM) and Issuance of Debentures	8th Floor, First International Financial Centre, Plot No. C-54 & C-55, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 098, Maharashtra
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	Through video conference /audio visual mode at Mumbai, Maharashtra

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

(b) Extraordinary General Meeting (EGM)

During the Financial Year 2021-22, EGM were held on February 01, 2022 and February 15, 2022.

(c) Special resolution passed through postal ballot

During the Financial Year 2021-22, 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 following 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, 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

AGM: Date, time and venue/mode	September 29,2022 2.30 pm The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020/in person at Mumbai, Maharashtra.
Financial Year:	April 01, 2021 to March 31, 2022
Dividend payment date	May 11, 2021. The Management has not decided declaration of any proposed divided 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 2021-22 to NSE where the Company's debentures are listed.

(c) Stock code:
Please refer **Annexure VIII** 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 2021-22, the debentures of the Company were not suspended from trading.

(f) Registrar to an issue and share transfer agents (RTA)
The Company had inhouse RTA from April 01, 2021 till September 30, 2021 and later all the RTA activities was transferred to 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, 2022

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

*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 2021-22, below are the credit rating of the Company with ICRA and CRISIL.

Instrument	Rating Agency	Rating	Rating Amount (INR Crores)	Last Rating Date	Last Revalidation Date
Market Linked Debentures	ICRA	PP MLD [ICRA] AAA with stable outlook	1,906.62	8-Mar-22	1-April-22
Non-Convertible Debentures	ICRA	[ICRA] AAA with stable outlook	2,261.00	8-Mar-22	1-April-22
Commercial Papers	ICRA	[ICRA] A1+	4,000.00	8-Mar-22	1-April-22
Inter Corporate Deposits	ICRA	ICRA] A1+	2,000.00	8-Mar-22	1-April-22
Bank Facilities	ICRA	[ICRA] AAA with stable outlook	2,000.00	8-Mar-22	1-April-22
Non-Convertible Debentures	CRISIL	CRISIL AAA/Stable	10,000.00	23-December-21	29-April-22
Commercial Papers	CRISIL	[CRISIL] A1+	4,000.00	23-December-21	29-April-22
Short Term Deposit	CRISIL	[CRISIL] A1+	2,000.00	23-December-21	29-April-22
Bank Facilities	CRISIL	Short Term: [CRISIL] A1+ Long Term [CRISIL] AAA	500.00 200.00	23-December-21	29-April-22

During the Financial Year 2021-22, there was no revision in credit rating.

(8) OTHER DISCLOSURE

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

There is no non-compliances or penalties, strictures imposed on the Company by the Stock Exchanges where debentures of the Company are listed or Securities and Exchange Board of India or any statutory authority, on any matter related to capital markets, during the last three Financial Years.

(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 2021-22, 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.

(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, 2023. 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 www.citicorpfinance.co.in.

(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
Zainab H Poonawala & Associates 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 V.**

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

During the Financial Year 2021-22, 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 2021-22 are as follow:

Particulars	**FY2021-22**
Statutory Audit	0.35
Tax Audit	0.05
Limited Review	0.17
Reimbursement of Expenses	0.03
Total	**0.59**

(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 2021-22, 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, 2023. 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

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, 2023. The Board of Directors periodically reviews the compliance of revised Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulations, 2015.

Further, the Company has made best endeavour to comply regulations 17 to 27. Further, Regulation 46(2)(b) to (i) of the said Regulations is not applicable to the Company.

(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 sent 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**

As 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 hence we can 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.

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.

12. CERTIFICATE FROM 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. Zainab Poonawala & Associates, Practicing Company Secretaries certifying that the Company has complied with the conditions of Corporate Governance as stipulated in the said Regulations is attached herewith as **Annexure X.**

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 XI.**

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

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

For Citicorp Finance (India) Limited

	Sd/-	**Sd/-**
Date: Aug 08, 2022	**Nina Nagpal**	**Rohit Ranjan**
Place: Mumbai	**Managing Director**	**Director**
	DIN- 00138918	**DIN-00003480**

Zainab H Poonawala & Associates

Practising Company Secretary

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to ~~Regulation 34(3) and~~ Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

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

I 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 Mumbai -400063 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with ~~Regulation 34(3) read with~~ Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 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.

Sr. No.	Name	Director Identification Number/PAN	Date of Appointment	Designation
1.	Nina Nagpal	00138918	01/06/2018	Managing Director
2.	Rohit Ranjan	00003480	25/01/2010	Director
3.	Neeraj Kumar	08389469	26/03/2019	Director
4.	Deepak Ghaisas	00001811	28/01/2015	Independent Director
5.	Saurabh Shah	02094645	28/01/2015	Independent Director
6.	Rajeev Mantri	09367771	15/03/2022	Additional Director
7	Sameer Upadhyay	AAPPU3908A	07/11/2015	Company Secretary
8	Ankit Goyal	AHLPG0501G	30/09/2020	CFO

A/33 Assumption View, Opp. St Joseph H School, Kandivali Village, Kandivali (West), Mumbai-400067.
Mob: 9833924145 email: zainabhp@gmail.com

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. My 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.

Place: Mumbai

Date: 30/05/2022

Signature: Sd/-

Name of Company Secretary in practice: Zainab H Poonawala

C.P. No. : 8874

UDIN: F007916D000436927

Annexure VI

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:**

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	2	2
2	Mr. Neeraj Kumar	Director	2	2
3	Mr. Saurabh Shah	Independent Director	2	2

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

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):- Not applicable

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:- INR 284,806

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	284,806	132,286
	TOTAL	284,806	132,286

1. Average net profit of the Company as per section 135(5):- 2,510,859,980.41
2.
   (a) Two percent of average net profit of the Company as per section 135(5): Rs. 50,217,200/-
   (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. 284,806/-
   (d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 49,932,394/-

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

Total amount spent for the FY 21-22	**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 50,064,680	N.A.	N.A.	-	-	-

(b) Details of CSR amount spent against **ongoing projects** 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**	**Local 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**	**Mode of implementation through implementing agency**	
				State	**District**						**Name**	**CSR Registration No**

										(yes/no)		
1	**Giving at Citi**											
1.1	Midday meals to children attending Government schools (matching grant)	(i) of Schedule VII of the Companies Act 2013, under Promotion of healthcare.	Yes	Maharashtra	Thane	12 months (February 1, 2021 – January 31, 2022)	21,480	21,480	NIL	No	The Akshaya Patra Foundation	CSR00000286
1.2	Therapy sessions for differently abled young adults at ADAPT's Mumbai centres (matching grant)	(i) of Schedule VII of the Companies Act 2013, under Promotion of healthcare.	Yes	Maharashtra	Mumbai	12 months (February 1, 2021 – January 31, 2022)	7,000	7,000	NIL	No	Able Disable All People Together (ADAPT)	CSR00001228
1.3	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 engagemen	(i) of Schedule VII of the Companies Act 2013, under Promotion of healthcare.	Yes	Maharashtra	Mumbai	12 months (February 1, 2021 – January 31, 2022)	5,800	5,800	NIL	No	HelpAge India	CSR00000901

	t across a wider audience on mutually acceptable platforms (matching grant)											
1.4	Project to support wishes of children (suffering from cancer) at St Jude India ChildCare Centres (matching grant)	(i) of Schedule VII of the Companies Act 2013, under Promotion of healthcare.	-	Maharashtra, Tamil Nadu, Delhi, Telangana and Rajasthan	Mumbai, Chennai, Delhi, Kolkata, Hyderabad, Vellore, and Jaipur	12 months (February 1, 2021 – January 31, 2022)	10,600	10,600	NIL	No	Make a Wish Foundation India	CSR00004619
1.5	Supporting nutritional and developmental needs of the children in Chennai (matching grant)	(i) of Schedule VII of the Companies Act 2013, under Promotion of healthcare.	No	Tamil Nadu	Chennai	12 months (February 1, 2021 – January 31, 2022)	13,000	13,000	NIL	No	SOS Children’s Villages of India	CSR00000692
1.6	Towards healthy meals and nutritional supplements for children battling cancer in Mumbai and Hyderabad and	(i) of Schedule VII of the Companies Act 2013, under Promotion of healthcare.		Maharashtra	Mumbai	12 months (February 1, 2021 – January 31, 2022)	6,800	6,800	NIL	No	St. Jude India Child Care Centres	CSR00001026

	operational expense of the Citi supported center at Cotton Green (matching grant)											
2	**Citi's COVID Response**											
2.1	Ration Phase 1-deliver ration kits to ~22,435 families from low-income households ~112,175 individuals estimating the average family size at 5 members	(i)Promotion of Healthcare and (xii)Disaster Management	Kolkata			6 months (October 1-31March 2022	42,000,000	42,000,000	NIL	No	Give Foundation	CSR00000762
2.2	Ration Phase 2 - Towards the provision of 3556 families (17,780 individuals from low-income households across Bengaluru.	(i) Promotion of Healthcare and (xii) Disaster Management	Bengaluru		-	12 months (March 01, 2021 – March 30, 2022)	8,000,000	8,000,000	NIL	No	Give Foundation	CSR00000762
	TOTAL						**50,064,680**	**50,064,680**				

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

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

(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. 50,064,680
(g) Excess amount for set off, if any: 132,286

S No	Particular	Amount (In Rs)
(i)	Two percent of average net profit of the Company as per Section 135 (5)	50,217,200/-*
(ii)	Total amount spent for the financial year	50,064,680
(iii)	Excess amount spent for the financial year [(ii)-(i)]	132,286
(iv)	Surplus arising out of CSR Projects or programmes or activities of the previous financial years, if any	NONE
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	132,286

* Based on an offset of INR 284,806 from FY 20-21 revised obligation stands at Rs. 49,932,394

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	

NA							
	TOTAL						

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

Not Applicable

(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
NA								
	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/-	Sd/-	Sd/-
Mr. Rohit Ranjan **Director** **DIN- 00003480**	**Mr. Saurabh Shah** **Independent Director** **DIN-02094645**	**Ms. Nina Nagpal** **Managing Director** **DIN-00138918**

Date: Aug 08, 2022
Place: Mumbai

Annexure –VII

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

PART A:

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

Ms. Nina Nagpal – 10.04

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

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

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

Employee Name	% Increase
Ms. Nina Nagpal	0.00%
Mr. Sameer V. Upadhyay	8.90%
Mr. Ankit Goyal as CFO*	8.50%

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 10.09% (excluding 0 salary increase cases) / 10.12% (including 0 salary increase cases).

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

253 (as on March 21, 2022)

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 total employees other than Key Managerial Personnel is around 12.81% (excluding 0 salary increase cases) / 12.58% (including 0 salary increase cases), while the average increase in the remuneration of the Key Managerial Personnel is 3.96%.

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

Part B:

Statement of Particulars of employees pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sl No	Name	Designation/ Nature of Duties	Remuneration* Received (Rs.)	Qualification	Latest Citi Experience in years	Age in years	Effective date of secondment / Date of commencement of employment with the Company	LWD with the Company/Date of De-secondment	Last employment held Prior to Citi
1	Nina Nagpal	Managing Director	*	Postgraduate Diploma	8.23	59	01-June-2018	NA	Morgan Stanley India

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

Notes;

- The above employees' details are for the financial year 2021-22;
- All appointments are / were non-contractual;
- Remuneration as shown above comprises of Salary, Leave Salary, Bonus, Gratuity where paid, Leave Travel Assistance, Medical Benefit, House Rent Allowance, Perquisites and company's contribution to Provident Fund and Superannuation Fund. Remuneration on cash basis.
- None of the above employees is related to any Director of the company employed for part of the financial year.

For Citicorp Finance (India) Limited

Sd/- **Sd/-**

Date: Aug 08, 2022
Place: Mumbai

Nina Nagpal
Managing Director
DIN- 00138918

Rohit Ranjan
Director
DIN-00003480

citi

Annexure VIII

Stock Code

The stock code of debentures outstanding as of March 31, 2022 are as follows:

S. No	Series No	ISIN Code
1	722 II	INE915D07I49
2	722 III	INE915D07I56
3	723 II	INE915D07I49
4	723 III	INE915D07I56
5	725 II	INE915D07I49
6	725 III	INE915D07I56
7	727 I	INE915D07J06
8	727 III	INE915D07J14
9	728 III	INE915D07J14
10	730 I	INE915D07J55
11	730 II	INE915D07J14
12	731 I	INE915D07J55
13	732 I	INE915D07J55
14	733 I	INE915D07J55
15	736 I	INE915D07J55
16	739 III	INE915D07K29
17	761 I	INE915D07M35
18	763 I	INE915D07M76
19	764 I	INE915D07M84
20	769 I	INE915D07N42
21	772 I	INE915D07N75
22	774 I	INE915D07N91
23	776 I	INE915D07N91
24	778 I	INE915D07O17
25	785 I	INE915D08CG3
26	790 I	INE915D08CL3
27	791 I	INE915D08CM1
28	794 I	INE915D08CP4
29	796 I	INE915D08CR0
30	798 I	INE915D08CT6
31	799 I	INE915D07O66

For Citicorp Finance (India) Limited

Sd/- **Sd/-**

Date: Aug 08, 2022
Place: Mumbai

Nina Nagpal
Managing Director
DIN- 00138918

Rohit Ranjan
Director
DIN-00003480

Annexure IX

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERSAND 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, 2022.

Place: Mumbai
Date: Aug 08, 2022

Sd/-
Nina Nagpal
Managing Director
DIN- 00138918

COMPLIANCE REPORT ON CORPORATE GOVERNANCE REPORT

To,

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

I have examined the compliance of the conditions of Corporate Governance by CITICORP FINANCE (INDIA) LIMITED ('the Company') for the year ended on March 31, 2022, as stipulated under Regulations 17 to 27, ~~clauses (b) to (i) of sub- regulation (2) of Regulation 46~~ and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. This responsibility include design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance.

It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2022.

Pursuant to Reg 17(1)(c'), the Board of Directors of the top 1000 and top 2000 listed entities shall comprise of not less than six directors. In the Company, for a period of 3 months from December 07, 2021 to March 15, 2022, there were only 5 Directors as Priti Goel resigned effective December 07, 2021 and Mr. Rajeev Mantri was appointed as Additional Director on 15/03/2022.However, there is no clarity on applicability of the said regulation on debt listed company as top 1000 and top 2000 listed Companies criteria is for equity listed Companies.

And The Stakeholders relationship committee shall meet at least once in a year as per Regulation 20(3A) of SEBI (LODR) Regulations, 2015.However, post applicability of LODR in September 2021, the Company reconstituted the Stakeholders Relationship Committee in its Board Meeting held on February 11, 2022.But no meeting was held by the Committee and Management has confirmed that it shall comply with the said provisions in the current financial year.

A/33 Assumption View, Opp. St Joseph H School, Kandivali Village, Kandivali (West), Mumbai-400067.
Tel: 022 28083340 Mob: 9833924145 email: zainabhp@gmail.com

However, the Company being the debt listed company is under the 'comply and explain' regime till March 31, 2023, after which compliance will be mandatory. The Company has given due explanation in the quarterly governance report for the quarter ended December 31, 2021 and March 31, 2022 respectively.

We further state that such compliance 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.

Place: Mumbai

Date: 30/05/2022

Signature: Sd/-

Name of Company Secretary in practice: Zainab H Poonawala

C.P. No: 8874

UDIN: F007916D000437048

Annexure XI

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 Ankit Goyal, 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 their 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.

	Sd/-	Sd/-
Place: Mumbai	**Nina Nagpal**	**Ankit Goyal**
Date: May 30, 2022	**Managing Director**	**Chief Financial Officer**

gokhale & sathe (regd.)
chartered accountants
304/308/309, Udyog Mandir No.1,
Bhagoji Keer Marg, Mahim,
Mumbai - 400016, India

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 31 March 2022, 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 31 March 2022, 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 proposed sale of Consumer Business represented by Asset Backed Finance and Personal Loan portfolios to Axis Bank Ltd. and related accounting adjustments for disposal group held for sale and relevant disclosures under Ind AS 105.

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. 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

Key audit matter	**How the matter was addressed in our audit**
Impairment of loans and advances and expected credit losses	
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"	
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. 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: a. Portfolio Segmentation b. Asset staging criteria c. Calculation of probability of default/ Loss given default/ Credit conversion factor basis the portfolio segmentation d. Consideration of probability of forward looking macro-economic factors 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. The Company has applied a three-stage	We have performed the following key audit procedures: • 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. • 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. • Evaluated whether the methodology applied by the Company is compliant with the requirements of the relevant

Key audit matter	**How the matter was addressed in our audit**
Impairment of loans and advances and expected credit losses	
approach to measure expected credit losses / Impairment loss allowance (ECL) on financial instruments accounted for at amortised cost and Fair Value through Other Comprehensive Income. We have identified measurement of ECL as a key audit matter in view of the significant judgement and assumptions involved	accounting standards and confirmed that the calculations are performed in accordance with the approved methodology. • Testing the governance framework for validation, implementation and model monitoring in line with the RBI guidance including the Board approved ECL policy. • 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. • We have also obtained management representations wherever considered necessary.

Related Party Transactions and related disclosures	
Key audit matter	**How the matter was addressed in our audit**
The Company has undertaken substantial transactions with its related parties. 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. 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	We have performed the following key audit procedures: • 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. • Obtained and read the company's policies, processes and procedures in respect of identifying related parties,

Related Party Transactions and related disclosures	
Key audit matter	**How the matter was addressed in our audit**
statements including identification of 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. • 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. • Tested on a sample basis related party transactions with the underlying contracts and other supporting documents. • Obtained balance confirmations from significant related parties in respect of significant transactions. • Assessed management evaluation of compliance with the provisions of Section 177 and Section 188 of the Companies Act 2013. • Verified the related party information disclosed in the financial statements with the underlying supporting documents on a sample basis. • Obtained management representations for accurate identification and completeness of the relevant disclosures in the financial statements.

Claims and exposures relating to direct and indirect taxation and litigation	
Key audit matter	**How the matter was addressed in our audit**
The Company currently has large number of tax related assessment and litigation which have been disclosed in the financial statements as contingent liabilities based on the facts and circumstances of each case. The Company has also assessed that there are no uncertain tax positions requiring provisioning in terms of the relevant Ind AS. 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.	We have performed the following key audit procedures: • 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. • 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. • 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. • We have also obtained management representations wherever considered necessary.

Recoverability of unutilized Minimum Alternate Tax (MAT) credits included under deferred tax assets	
Key audit matter	**How the matter was addressed in our audit**
Deferred tax assets as at March 31, 2022 includes MAT credits of Rs. 8167 lakhs which is available for utilization against future tax liabilities.	We have performed the following key audit procedures:

<table>
<tr><th colspan="2">Recoverability of unutilized Minimum Alternate Tax (MAT) credits included under deferred tax assets</th></tr>
<tr><th>Key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>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.</td><td>Obtained and analyzed the future budgeted financial parameters estimated by management, assessing the key assumptions used, including the analysis of the consistency of the actual results with those projected in the previous year. We further obtained evidence of the approval of the budgeted results included in the current year's projections, and the reasonableness of the future cash flow projections and the consistency of those projections with those used in other areas of estimation such as those used for assessing the recoverability.
Considering the sale of the Consumer Business to Axis Bank Ltd., we challenged the Company's projections regarding the profitability from the continuing operations and assessed whether the same seemed appropriate given the circumstances.
We have also obtained management representations wherever considered necessary.</td></tr>
</table>

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.

Other Matter

The Financial Statements of the Company for the year ended 31 March 2021, were audited by other auditors who expressed an unmodified opinion on those Financial Statements vide their report dated 25 June 2021. Our opinion on the Financial Statements is not modified in respect of the above matter.

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 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022, 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 51 to the Financial Statements.

   ii. the Company did not have any long term contracts including derivative contracts as at March 31, 2022 , 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.

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: 22129389AJXHII7278

Place: Mumbai
Date: 30 May 2022

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 information and according to the 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) provided to us, are held in the name of the Company as at the balance sheet date except in the case of the following:

Description of Property	Gross Carrying Value	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in the name of the company
Land	Rs.2 lakhs	Citi Financial Consumer Finance India Limited (CFCFIL)	No	Not available	Legal process for change in name post merger with CFCFIL

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible 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, loan assets with balances as at the year end aggregating Rs 1,360 lakhs were categorized as credit impaired ("Stage 3") and Rs.3,449 lakhs were categorized as those where the credit risk has increased significantly since initial recognition ("Stage 2"). Disclosures in respect of such loans have been provided in Note 32 to the financial statements. Additionally, out of loans and advances in the nature of loans with balances as at the year-end aggregating Rs 6,78,285 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 2,833.72 lakhs were also identified, albeit of less than 30 days. In all other cases, the repayment of principal and interest is regular. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemized list of loan assets where delinquencies in the repayment of principal and interest have been identified.

(d) The total overdue amount for more than 90 days as on 31 March 2022 is provided below:

No. of cases	Principal amount overdue (Rs. Lakhs)	Interest overdue (Rs. Lakhs)	Total overdue (Rs. Lakhs)	Remarks (if any)
94	965.20	24	989.20	NA

In our opinion, the Company has taken reasonable steps for the recovery of principal and interest.

(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. However, none of 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 including provident fund, income tax, sales-tax, goods and service tax, cess and other material statutory dues applicable to it. 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 2022 on account of disputes are given below:

Name of the statute	Nature of Dues	Period to which the amount pertains	Amount (Rs. in lakhs)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Demands	F.Y. 1998-1999	8.35	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax Demands	F.Y. 2000-2001	5.86	Assessing Officer
Income Tax Act, 1961	Income Tax Demands	F.Y. 2001-2002	33.71	High Court

Name of the statute	Nature of Dues	Period to which the amount pertains	Amount (Rs. in lakhs)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Demands	F.Y. 2001-2002	1.35	Assessing Officer
Income Tax Act, 1961	Income Tax Demands	F.Y. 2004-2005	356.52	Assessing Officer
Income Tax Act, 1961	Income Tax Demands	F.Y. 2005-2006	28.93	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax Demands	F.Y. 2010-2011	578.63	Assistant Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax Demands	F.Y. 2011-2012	159.30	Commissioner of Income Tax (Appeals)
Maharashtra VAT Act, 2002	VAT Demands	FY 2010-2011	266.23 (Excluding Rs 50.00 lacs paid as deposit money)	Joint Commissioner of Sales Tax (Appeals IV)
Maharashtra VAT Act, 2002	VAT Demands	FY 2016-2017	42.37 (Excluding Rs 1.95 lacs paid as prepayment	Joint Commissioner of Sales Tax
Karnataka Value Added Tax Act, 2003	VAT Demands	FY 2005-2006 to FY 2010-2011	3276.00 (Excluding Rs 270.00 lacs paid as deposit money)	Reassessment proceedings with the Assessing Officer
Finance Act, 1994	Service Tax Demands	FY 2006-2007 to FY 2008-2009	1,073.08 (Excluding Rs 250.00 lacs paid as deposit money)	Customs, Excise and Service Tax Appellate Tribunal

(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 during the year except:

Nature of the borrowing including debt securities	Name of the lender	Amount not paid on due date	Whether principal or interest	No of days delay or unpaid	Remark, if any
Inter Corporate Deposits	Eli Lilly & Company India Pvt Ltd	Rs 6.04 crores	Principal	1 day	--

(b) The Company has not been declared a willful 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) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company till date for the period under audit.

(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) & (d) 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 (Reserve Bank) 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 a resignation of the statutory auditors and there were no issues, objections or concerns raised by the outgoing 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)(b) 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: 22129389AJXHII7278

Place: Mumbai
Date: 30 May 2022

Annexure B to the Independent Auditors' report on the financial statements of Citicorp Finance (India) Limited for the year ended 31 March 2022.

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 31 March 2022 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 31 March 2022, 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: 22129389AJXHII7278

Place: Mumbai
Date: 30 May 2022

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, 2022.

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, 2022 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, 2022 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, 2022, 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, 2022 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, 2022.

iv. The Board of Directors has passed a resolution in the Board of Directors meeting dated April 30, 2021 for non-acceptance of Public Deposits.

v. The Company has not accepted any Public Deposits during the year ended March 31, 2022.

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 in the preparation of the financial statements for the year ended March 31, 2022.

vii. The Capital Adequacy Ratio as disclosed in DNBS-03 (erstwhile NBS-7) (unaudited) return for the year ended March 31, 2022, submitted to the RBI has been correctly determined 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: 22129389ALVBZN3637

Place: Mumbai
Date: 28th June 2022

CITICORP FINANCE (INDIA) LIMITED

Standalone financial statements

For the year ended 31 March 2022

Created date : 02-09-2022

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

Balance sheet

Particulars	Note	As at 31 March 2022 (Audited)	As at 31 March 2021 (Audited)
ASSETS			
Financial assets			
Cash and cash equivalents	4	49,499	142,731
Bank balance other than cash and cash equivalents above	5	2,593	14,486
Derivative financial assets	6	4,474	2,797
Receivables			
(i) Trade receivables	7	7,554	1,367
(ii) Other receivables	7	544	1,964
Loans	8	339,895	749,744
Investments	9	173,676	113,177
Other financial assets	10	237	4,304
Total financial assets		**578,472**	**1,030,570**
Non-financial assets			
Current tax assets (Net)	30	22,905	19,042
Deferred tax assets (Net)	30	13,986	21,029
Property, plant and equipment	11	910	1,379
Capital work-in-progress	11	-	16
Other non-financial assets	12	956	983
Total non-financial assets		**38,757**	**42,449**
Assets classified as held for sale	36	**359,494**	**-**
TOTAL ASSETS		**976,723**	**1,073,019**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Derivative financial liabilities	6	244	1,083
Trade payables			
(i) total outstanding dues of micro and small enterprises	50	-	27
(ii) total outstanding dues of creditors other than micro and small enterprises	50	11,288	10,531
Debt securities	13	398,532	369,287
Borrowings (other than debt securities)	14	158,274	259,900
Other financial liabilities	15	6,393	8,481
Total financial liabilities		**574,731**	**649,309**
Non-financial liabilities			
Current tax liabilities (Net)			
Provisions	16	68	1,577
Other non-financial liabilities	17	1,497	2,060
Total non-financial liabilites		**1,565**	**3,637**
Liabilities associated with assets classified as held for sale	36	**9,237**	**-**
EQUITY			
Equity share capital	18	289,330	289,330
Other equity		101,860	130,743
Total equity		**391,190**	**420,073**
TOTAL LIABILITIES AND EQUITY		**976,723**	**1,073,019**
Significant accounting policies	3		
The above balance sheet should be read in conjunction with the accompanying notes	4 - 52		

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/-
Rohit Ranjan
Director
DIN: 00003480

sd/-
Ankit Goyal
Chief Financial Officer

sd/-
Sameer Upadhyay
Company Secretary

Place: Mumbai
Date: 30 May 2022

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

Statement of profit and loss

Particulars	Note	Year ended 31 March 2022	Year ended 31 March 2021
		Audited	Audited
Revenue from operations			
Interest income	19	27,446	64,154
Dividend income	20	353	815
Fees and commission income	21	372	2,981
Net gain/(loss) on fair value changes	22	(562)	7,698
Other revenue from operations	23	(1)	351
Total revenue from operations		**27,608**	**75,999**
Other income	24	646	1,934
Total income		**28,254**	**77,933**
Expenses			
Finance costs	25	10,362	27,050
Fees and commission expense	26	3,825	7,719
Impairment on financial instruments	27	1,003	8,306
Employee benefits expenses	28	771	4,970
Depreciation and amortisation	11	140	345
Others expenses	29	2,621	7,859
Total expenses		**18,722**	**56,249**
Profit before tax from continuing operations		**9,532**	**21,684**
Tax expense:			
Current tax	30	(1,444)	3,913
Deferred tax	30	5,795	2,336
Total tax expense		**4,351**	**6,249**
Profit for the year from continuing operations (A)		**5,181**	**15,435**
Profit before tax from discontinued operations	36	**7,628**	**-**
Tax expense:			
Current tax	36	**(1,156)**	**-**
Deferred tax	36	**-**	**-**
Total tax expense		**(1,156)**	**-**
Profit for the year from discontinued operations (B)		**8,784**	**-**
Profit for the year (A+B)		**13,965**	**15,435**
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligation		(129)	(55)
Tax relating to above		45	26
Subtotal (A)		**(84)**	**(29)**
Items that may be reclassified to profit or loss			
Changes in fair value of loans classified as FVOCI		11,118	1,008
Changes in fair value of Government Securities classified as FVOCI		4	-
Tax relating to above		(3,886)	(472)
Subtotal (B)		**7,236**	**536**
Other comprehensive income (A+B)		**7,152**	**507**
Total comprehensive income for the year		**21,117**	**15,942**
Earnings per equity share	38		
Basic and diluted earnings per share			
(Face value of Rs. 7.50 each)			
Continuing operations		0.13	0.40
Discontinued operations		0.23	NA

The above statement of profit and loss should be read in conjunction with the accompanying notes. 4 - 52

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/-
Rohit Ranjan
Director
DIN: 00003480

sd/-
Ankit Goyal
Chief Financial Officer

sd/-
Sameer Upadhyay
Company Secretary

Place: Mumbai
Date: 30 May 2022

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

Statement of changes in equity

A. Equity share capital

Particulars	Number of equity shares	Amount
As at 01 April 2020	3,857,727,031	289,330
As at 31 March 2021	3,857,727,031	289,330
As at 31 March 2022	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	
As at 31 March 2020	**66,010**	**55,391**	**34**	**-**	**2,366**	**123,801**
Profit for the period	-	15,435	-	-	-	15,435
Other comprehensive income	-	(29)	-	-	536	507
Total comprehensive income for the period	**-**	**15,406**	**-**	**-**	**536**	**15,942**
Transfer from Retained Earnings	3,087	(3,087)	-	-	-	-
Transfer to Retained Earnings	-	34	(34)	-	-	-
Dividend payout (including DDT)	-	(9,000)	-	-	-	(9,000)
As at 31 March 2021	**69,097**	**58,744**	**-**	**-**	**2,902**	**130,743**
Profit for the period	-	13,965	-		-	13,965
Other comprehensive income	-	(84)	-	3	7,233	7,152
Total comprehensive income for the period	**-**	**13,881**	**-**	**3**	**7,233**	**21,117**
Transfer from Retained Earnings	2,793	(2,793)	-	-	-	-
Dividend payout (including WHT)	-	(50,000)	-	-	-	(50,000)
As at 31 March 2022	**71,890**	**19,832**	**-**	**3**	**10,135**	**101,860**

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 - 52

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/-
Rohit Ranjan
Director
DIN: 00003480

Place: Mumbai
Date: 30 May 2022

sd/-
Ankit Goyal
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

Statement of cashflow

(Currency: Indian Rupees in Lakhs)

Particulars	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Cash flow from operating activities :		
Profit before tax	17,160	21,684
Adjustment:		
Adjustment for Non-Cash Item:		
Depreciation and amortisation	328	345
Unrealised (gain)/ loss on fair value changes	(20,787)	17,003
Provisions/(reversal of provisions)	121	(124)
Unwinding of discount on security deposit	(6)	(6)
Impairment of financial instruments	(2,310)	2,186
Net (gain)/ loss on derecognition of property, plant and equipment	(2)	13
Adjustment for Financing/Investing activity:		
Interest income from investments	(7,509)	(4,076)
Dividend income	(353)	(815)
Finance Charges	27,239	27,050
Realised (gain)/loss on fair value changes	3,628	(1,379)
Loss/ (gain) on sale of investment	(942)	(1,166)
Operating profit before working capital changes	**16,567**	60,714
Working Capital changes:		
(Increase)/decrease in receivables	(5,627)	(299)
(Increase)/decrease in loans	67,477	106,823
(Increase)/decrease in other financial assets and others	12,620	5,672
(Increase)/decrease in other non-financial assets	33	(104)
Increase/(decrease) in trade payables	1,116	5,187
Increase/(decrease) in other financial liabilities	5,360	4,060
Increase/(decrease) in other non-financial liabilities and provisions	(791)	705
Interest paid on debt securities	(28,156)	(19,407)
Interest paid on borrowings	(8,872)	(7,122)
Interest received on investments	9,034	1,421
Net cash used in operating activities before taxes	**68,761**	157,650
Less : Income taxes paid (net of refunds)	1,263	4,306
Net cash inflow / (outflow) from operating activities (A)	**67,498**	153,344
Cash flow from investing activities :		
Purchase of investments	(435,844)	(318,587)
Proceeds from sale of investments	370,519	278,530
Purchase of Property, Plant and Equipment	-	(54)
Dividend Income	353	815
Net cash inflow / (outflow) from investing activities (B)	**(64,971)**	(39,297)
Cash flow from financing activities :		
Receipts from issuance of debt securities	687,020	401,095
Payments on redemption of debt securities	(631,420)	(459,656)
Payment of dividend and tax thereon	(50,000)	(9,000)
Receipts from borrowing products	543,921	660,296
Repayments of borrowing	(645,280)	(662,568)
Net cash inflow / (outflow) from financing activities (C)	**(95,759)**	(69,832)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(93,232)**	44,216
Add : Cash and cash equivalents at beginning of the year	**142,731**	98,515
Cash and cash equivalents at end of the period	**49,499**	142,731

The above statement of cash flows should be read in conjunction with the accompanying notes. 4 - 52

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/-
Rohit Ranjan
Director
DIN: 00003480

Place: Mumbai
Date: 30 May 2022

sd/-
Ankit Goyal
Chief Financial Officer

sd/-
Sameer Upadhyay
Company Secretar

Notes to the financial statements
for the year ended 31 March 2022
All amounts are in INR lakhs except per share data and unless stated otherwise

1 Background

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

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

The Company is engaged in a range of financial service activities, which include:
a. Loans against securities
b. Corporate loans
c. Personal loans
d. Loans for purchase of commercial vehicles, construction equipment and agricultural assets, leasing, assignment and origination services of the aforesaid loans
e. Investment in shares and securities

2 Basis of preparation

2.1 Accounting Standard Compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') notified under Section 133 of the Companies Act, 2013 (“the Act”) [Companies (Indian Accounting Standards) Rules, 2015] as amended from time to time. 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 30 May 2022.

2.2 Presentation of financial statements

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

2.3 Functional and presentation currency

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

2.4 Significant accounting judgments, estimates and assumptions

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

Judgments

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

- **Fair value measurement of financial instruments**

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

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

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

- **Business model assessment**

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

- **Income taxes**

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

- **Provisions and Contingencies**

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

Assumptions and Estimates

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

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

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

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

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

- **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.

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.

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.

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

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

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

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

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

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.

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.

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.

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. 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 amortised 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.

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.

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.

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

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.

Notes to the financial statements *(continued)*
for the year to date ended 31 March 2022
All amounts are in INR lakhs except per share data and unless stated otherwise

Note 4 - Cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Cash on hand	-	-
Balance with banks		
- In current accounts	10,848	36,464
- In fixed deposits (with original maturity of less than 3 months)	38,599	106,225
Cheques on hand	52	42
Total	**49,499**	**142,731**

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 31 March 2022
Continuing operations	49,499
Discontinued operations	-
Total	**49,499**

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

Particulars	As at 31 March 2022	As at 31 March 2021
Margin money deposit	2,456	11,829
Fixed Deposit	2,741	2,657
Total	**5,197**	**14,486**

1. Fixed deposit includes lien marked deposits of INR 2,604 (31 March 2021: INR 2,525) for securitization transactions executed in prior years.
2. Refer note 35 for fixed deposits with related parties.

Particulars	As at 31 March 2022
Continuing operations	2,593
Discontinued operations	2,604
Total	**5,197**

Note 6 - Derivative financial assets and liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Derivative financial assets		
Equity linked derivatives (futures and options)	4,474	2,797
Total	**4,474**	**2,797**

Particulars	As at 31 March 2022
Continuing operations	4,474
Discontinued operations	-
Total	**4,474**

Derivative financial liabilities		
Equity linked derivatives (futures and options)	244	1,083
Total	**244**	**1,083**

Particulars	As at 31 March 2022
Continuing operations	244
Discontinued operations	-
Total	**244**

Notional amount	**48,436**	**66,072**

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

Note 7 - Receivables

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables		
Receivables considered good - Secured	-	-
Receivables considered good - Unsecured	7,554	1,367
Less: Expected credit loss	-	-
Subtotal	**7,554**	**1,367**
Other receivables		
Receivables considered good - Unsecured	1,404	1,964
Less: Expected credit loss	-	-
Subtotal	**1,404**	**1,964**
Total	**8,958**	**3,331**

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 49 for trade receivables ageing schedule

Particulars	As at 31 March 2022
Continuing operations	8,098
Discontinued operations	860
Total	**8,958**

Notes to the financial statements *(continued)*
for the year ended 31 March 2022
All amounts are in INR lakhs except per share data and unless stated otherwise

Note 8 - Loans

Particulars	As at 31 March 2022			As at 31 March 2021		
	Amortised cost	Fair value through OCI	Total	Amortised cost	Fair value through OCI	Total
Loans						
Loans repayable on demand	146,943	-	146,943	426,793	-	426,793
Term loans	241,474	314,387	555,861	124,266	208,105	332,371
Deposits	86	-	86	86	-	86
Total (Gross)	**388,503**	**314,387**	**702,890**	**551,145**	**208,105**	**759,250**
Less: Expected credit loss	(3,805)	(3,390)	**(7,195)**	(6,523)	(2,983)	**(9,506)**
Total (Net)	**384,698**	**310,997**	**695,695**	**544,622**	**205,122**	**749,744**
Secured by tangible assets	223,327	314,387	537,714	336,056	208,105	544,161
Unsecured	165,176	-	165,176	215,089	-	215,089
Total (Gross)	**388,503**	**314,387**	**702,890**	**551,145**	**208,105**	**759,250**
Less: Expected credit loss	(3,805)	(3,390)	**(7,195)**	(6,523)	(2,983)	**(9,506)**
Total (Net)	**384,698**	**310,997**	**695,695**	**544,622**	**205,122**	**749,744**
Advances in India						
Public sector	-	-	-	-	-	-
Other than public sector	388,503	314,387	702,890	551,145	208,105	759,250
Total (Gross)	**388,503**	**314,387**	**702,890**	**551,145**	**208,105**	**759,250**
Less: Expected credit loss	(3,805)	(3,390)	**(7,195)**	(6,523)	(2,983)	**(9,506)**
Total (Net)	**384,698**	**310,997**	**695,695**	**544,622**	**205,122**	**749,744**

Particulars	**As at 31 March 2022**
Continuing operations	339,895
Discontinued operations	355,800
Total	**695,695**

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

Note 9 - Investments

Particulars	As at 31 March 2022	As at 31 March 2021
In India		
At cost		
Equity shares of associate	8,700	8,700
At fair value through profit or loss		
Corporate bonds (quoted)	131,409	98,233
Equity shares (unquoted)	6,357	6,244
At fair value through other comprehensive income		
Government securities	27,210	-
Less: Expected credit loss	-	-
Total	**173,676**	**113,177**

Refer note 35 for investments in related parties.

Particulars	As at 31 March 2022
Continuing operations	173,676
Discontinued operations	-
Total	**173,676**

Note 10 - Other financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Margin money	210	4,277
Other deposits	27	27
Total	**237**	**4,304**

Particulars	As at 31 March 2022
Continuing operations	237
Discontinued operations	-
Total	**237**

Notes to the financial statements *(continued)*
for the year ended 31 March 2022
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 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
Owned assets										
Property, Plant and Equipment										
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	**-**	-
Subtotal	**947**	**62**	**5**	**1,004**	**610**	**101**	**6**	**705**	**300**	337
Leased assets										
Leasehold Premise***	1,528	25	-	**1,553**	486	227	**-**	**713**	**840**	1,042
Vehicles taken on lease	-	-	-	**-**		-		**-**	**-**	-
Total	**2,475**	**87**	**5**	**2,557**	**1,096**	**328**	**6**	**1,418**	**1,140**	1,379
Capital work-in-progress	16	-	16	**-**	-	-	-	**-**	**-**	16

Particulars	Gross block				Accumulated depreciation				Net block	
	As at 01 April 2020	Additions	Deletions	As at 31 March 2021	As at 01 April 2020	For the year	Deductions	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Property, Plant and Equipment										
Building	61	-	7	**54**	25	1	3	**23**	**31**	36
Freehold land	5	-	3	**2**	-	-	-	**-**	**2**	5
Furniture and fixtures	69	-	5	**64**	28	13	5	**36**	**28**	41
Office equipments	181	5	50	**136**	137	13	49	**101**	**35**	44
Electrical installations	523	-	48	**475**	255	72	41	**286**	**189**	268
Computer equipments	562	33	385	**210**	519	23	384	**158**	**52**	43
Asset retirement obligation	48	-	42	**6**	47	1	42	**6**	**-**	1
Sub-Total	**1,449**	**38**	**540**	**947**	**1,011**	**123**	**524**	**610**	**337**	**438**
Leased assets										
Leasehold Premises	899	629	-	1,528	264	222	-	486	1,042	635
Vehicles taken on lease	80	-	80	**-**	80	-	80	**-**	-	-
Total	**2,428**	**667**	**620**	**2,475**	**1,355**	**345**	**604**	**1,096**	**1,379**	**1,073**
Capital work-in-progress	**-**	**16**	**-**	**16**	**-**	**-**	**-**	**-**	**16**	**-**

*Bifurcation of net block of property, plant and equipments and depreciation for the year between continuing and discontinued operations for the year ended 31 March 2022 is as stated below:

Particulars	Net Block as at March 31, 2022	Depreciation for the year ended March 2022
Continuing operations	910	140
Discontinued operations	230	188
Total	**1,140**	**328**

**Details of immovable property for which title deed is not held in the name of the Company

Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is promoter, director or relative # of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Land in Gujarat	2	Citi Financial Consumer Finance India Limited (CFCFIL)	No	-	Legal process for change in the name in title deed of the land post merger with CFCFIL

***Refer Note no. 37

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

Note 12 - Other non-financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Deposits with statutory authorities	367	524
Prepaid expenses	318	303
Net input tax credit (refer note below)	270	156
Receivable from staff	1	-
Total	**956**	**983**

Input tax credit	11,677	11,354
Provision for input tax credit	(11,407)	(11,198)
Net input tax credit	**270**	**156**

Particulars	As at 31 March 2022
Continuing operations	956
Discontinued operations	-
Total	**956**

Note 13 - Debt securities

Particulars	As at 31 March 2022	As at 31 March 2021
In India		
At amortised cost		
Non convertible debentures	316,956	220,869
At fair value through profit or loss		
Market linked non convertible debentures	81,576	148,418
Total	**398,532**	**369,287**

Refer note 44 for details of debt securities.

Particulars	As at 31 March 2022
Continuing operations	398,532
Discontinued operations	-
Total	**398,532**

Note 14 - Borrowings (other than debt securities)

Particulars	As at 31 March 2022	As at 31 March 2021
In India		
At amortised cost		
Secured		
Unsecured		
Inter corporate borrowings	149,655	258,268
Loans repayable on demand from banks	8,619	1,632
Total	**158,274**	**259,900**

Refer note 43 for details of borrowings.

Particulars	As at 31 March 2022
Continuing operations	158,274
Discontinued operations	-
Total	**158,274**

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

for the year to date ended 31 March 2022

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

Note 15 - Other financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Dealer held disbursal and other liabilities	8,580	5,812
Collection payables on servicing portfolio	5,261	2,669
Total	**13,841**	**8,481**

Refer note 35 for payables to related parties.

Particulars	As at 31 March 2022
Continuing operations	6,393
Discontinued operations	7,448
Total	**13,841**

Note 16 - Provisions

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits:		
Gratuity (refer note 41)	411	283
Employee benefits	28	19
Bonus	156	137
Provision for others:		
Securitization	11	96
Value added tax	9	24
Legal and regulatory	600	923
Asset retirement obligations	47	46
Expected credit loss on loan commitments	47	49
Total	**1,309**	**1,577**

Particulars	As at 31 March 2022
Continuing operations	68
Discontinued operations	1,241
Total	**1,309**

Note 17 - Other non-financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Statutory dues payable	332	125
Others	1,326	1,935
Total	**1,658**	**2,060**

Particulars	As at 31 March 2022
Continuing operations	1,497
Discontinued operations	161
Total	**1,658**

Notes to the financial statements *(continued)*
for the year to date ended 31 March 2022
All amounts are in INR lakhs except per share data and unless stated otherwise

Note 18 - Equity share capital

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised share capital		
5,269,333,333 (31 March 2021: 5,269,333,333) Equity shares of Face Value INR 7.50 each	395,200	395,200
Issued, subscribed and paid up		
3,857,727,031 (31 March 2021: 3,857,727,031) Equity shares of Face Value INR 7.50 each	289,330	289,330
Total	**289,330**	289,330

Reconciliation of number of shares

Particulars	As at 31 March 2022	As at 31 March 2021
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 31 March 2022	As at 31 March 2021
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 31 March 2022	As at 31 March 2021
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.

Notes to the financial statements ***(continued)***
for the year to date ended 31 March 2022
All amounts are in INR lakhs except per share data and unless stated otherwise

Note 19 - Interest income

Particulars	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Interest on financial instruments measured at amortised cost		
Loans	33,194	50,461
Deposits with banks	996	992
Interest on financial instruments measured at FVOCI		
Loans	14,076	8,625
Interest on financial instruments measured at FVTPL		
Investments	7,509	4,076
Total	**55,775**	**64,154**

Particulars	**Year ended 31 March 2022**
Continuing operations	27,446
Discontinued operations	28,329
Total	**55,775**

Note 20 - Dividend income

Particulars	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Associates	252	252
Others	101	563
Total	**353**	**815**

Particulars	**Year ended 31 March 2022**
Continuing operations	353
Discontinued operations	-
Total	**353**

Note 21 - Fees and commission income

Particulars	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Collection and sourcing fees	3,002	2,755
Other fees	372	226
Total	**3,374**	**2,981**

Particulars	**Year ended 31 March 2022**
Continuing operations	372
Discontinued operations	3,002
Total	**3,374**

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 2022	Year ended 31 March 2021
on financial instruments designated at fair value through profit and loss		
Gain/(loss) on fair value of market linked non convertible debentures	1,635	(1,142)
Gain/(loss) on derivatives (net)	(2,409)	4,815
Gain/(loss) on fair value of investments classified as FVTPL	212	4,025
Total	**(562)**	**7,698**
Fair Value changes:		
Unrealised gain/(loss)	20,787	(17,003)
Realised (loss)/gain	(21,349)	24,701
Total	**(562)**	**7,698**

Particulars	Year ended 31 March 2022
Continuing operations	(562)
Discontinued operations	-
Total	**(562)**

Note 23 - Other revenue from operations

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Gain on assignment	3,595	318
Other revenue	25	33
Total	**3,620**	**351**

Particulars	Year ended 31 March 2022
Continuing operations	(1)
Discontinued operations	3,621
Total	**3,620**

Note 24 - Other income

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Miscellaneous income	1,021	1,804
Reversal of provision for litigation (net)	287	124
Interest on lease deposits	6	6
Total	**1,314**	**1,934**

Particulars	Year ended 31 March 2022
Continuing operations	646
Discontinued operations	668
Total	**1,314**

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

Note 25 - Finance costs

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest on financial liabilities measured at amortised cost		
Non convertible debentures	12,105	7,627
Inter corporate borrowings	6,829	8,048
Commercial paper	648	-
Borrowings from banks	5	21
Finance lease	-	1
Others	1,134	96
Interest on financial liabilities designated at FVTPL		
Market linked non convertible debentures	6,518	11,257
Total	**27,239**	**27,050**

Particulars	Year ended 31 March 2022
Continuing operations	10,362
Discontinued operations	16,877
Total	**27,239**

Note 26 - Fees and commission expense

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Transfer pricing fees (refer note - Note 42H)	4,115	5,432
Fees and commission expense	1,275	1,566
Distribution and placement fees	171	537
Brokerage	184	184
Total	**5,745**	**7,719**

Particulars	Year ended 31 March 2022
Continuing operations	3,825
Discontinued operations	1,920
Total	**5,745**

Note 27 - Impairment on financial instruments

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Financial instruments measured at amortised cost		
Write offs (net of recoveries)	2,254	5,871
Expected credit loss on loans	(2,718)	771
Expected credit loss on other assets	3	2
Financial instruments measured at FVOCI		
Expected credit loss on loans	405	1,413
Write offs (net of recoveries)	823	249
Total	**767**	**8,306**

Particulars	Year ended 31 March 2022
Continuing operations	1,003
Discontinued operations	(236)
Total	**767**

Notes to the financial statements ***(continued)***
for the year to date ended 31 March 2022
All amounts are in INR lakhs except per share data and unless stated otherwise

Note 28 - Employee benefits expenses

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and bonus	3,815	4,617
Contribution to provident fund and other funds	269	237
Gratuity (Refer note 41)	83	85
Other expenses	33	31
Total	**4,200**	**4,970**

Particulars	Year ended 31 March 2022
Continuing operations	771
Discontinued operations	3,429
Total	**4,200**

Note 29 - Other expenses

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Rent	634	679
Premises maintenance costs	388	561
Provision for litigations	121	-
Bank charges	63	52
Net loss/(gain) on derecognition of property, plant and equipment	-	13
Credit rating and surveillance fees	131	130
Service bureau expenses	1,770	1,606
Technology and software expenses	838	1,153
Stamping / franking charges	318	65
Travelling and conveyance expenses	260	160
Telephone expenses	117	30
Professional and legal expenses	395	316
Collection expenses	1,681	1,767
HR processing charges	52	47
Payments to the auditors		
(a) Statutory Audit	35	60
(b) Tax audit	5	8
(c) Limited Review	17	12
(d) Reimbursement of expenses	3	8
Corporate social responsibility expenses (refer note 39)	502	848
Miscellaneous expenses	1,106	344
Total	**8,435**	**7,859**

Particulars	Year ended 31 March 2022
Continuing operations	2,621
Discontinued operations	5,814
Total	**8,435**

Notes to the financial statements *(continued)*

for the year ended 31 March 2022
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 2022	Year ended 31 March 2021
Current tax		
Current tax on profits for the year	(2,600)	3,913
Adjustments for current tax of prior periods	-	-
Total current tax expense	**(2,600)**	**3,913**
Deferred tax		
Decrease/(Increase) in deferred tax assets	1,823	8,067
(Decrease)/ Increase in deferred tax liabilities	3,971	(5,731)
Total deferred tax expense	**5,795**	**2,336**
Total tax expense	**3,194**	**6,249**

b) Tax charge recognised directly to other comprehensive income

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Deferred tax expense/(benefit)	(3,841)	(446)
Total tax charge/(benefit) recognized directly in other comprehensive income	**(3,841)**	**(446)**

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 2022	Year ended 31 March 2021
Accounting profit before tax	17,160	21,684
Tax at India's statutory income tax rate of 34.944% (31 March 2021 34.944%)	**5,997**	**7,577**
Tax effect of the amount which are not taxable in calculating taxable income :		
- CSR expenses (net of benefit of deduction)	502	239
- Education cess	-	(160)
- Other	(487)	(1,407)
Income tax expense	**6,012**	**6,249**
Effective tax rate	**35.03%**	**28.82%**

d) Current tax assets

Particulars	As at 31 March 2022	As at 31 March 2021
Advance income tax (net of provision for tax)	22,905	19,042
Total	**22,905**	**19,042**

Notes to the financial statements *(continued)*
for the year ended 31 March 2022
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 2021**	**(Charged)/ credited to profit and loss**	**(Charged)/ credited to OCI**	**As at 31 March 2022**
Deferred tax liability :				
Fair value of derivatives and Investments	1,302	(3,973)	-	(2,671)
Lease rental receivable	-	-	-	-
Changes in fair value of FVOCI debt instruments	(1,745)	-	(3,886)	(5,631)
	(443)	**(3,973)**	**(3,886)**	**(8,302)**
Deferred tax asset :				
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
	15,906	**(1,831)**	**45**	**14,120**
MAT Credit available	5,567	2,600	-	8,167
Net deferred tax asset/(liability)	**21,029**	**(3,205)**	**(3,841)**	**13,986**

Particulars	**As at 31 March 2020**	**(Charged)/ credited to profit and loss**	**(Charged)/ credited to OCI**	**As at 31 March 2021**
Deferred tax liability :				
Fair value of derivatives	(4,429)	5,730	-	1,302
Lease rental receivable	(1)	1	-	-
Changes in fair value of FVOCI debt instruments	(1,273)	-	(472)	(1,745)
	(5,703)	**5,731**	**(472)**	**(443)**
Deferred tax asset :				
Provisions on financial assets	6,843	(4,136)	-	2,707
Property, plant and equipment	2,903	(364)	-	2,539
Disallowance of expenses	137	(30)	-	107
Interest accrued on debentures	6,042	(790)	-	5,252
Remeasurement of defined benefit obligation at FVOCI	42	-	26	68
Others	10	5,223	-	5,233
	15,978	**(97)**	**26**	**15,906**
Less: Utilisation of MAT credit towards provision for tax	**13,267**	**(7,970)**		5,567
Net deferred tax asset/(liability)	**23,541**	**(2,336)**	**(446)**	**21,029**

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.
- Loans measured at fair value through other comprehensive income are valued using income approach wherein, the future cash inflows are discounted using appropriate broker quotes. These broker quotes are obtained from the market participants as exit price for similar loan portfolio. Use of broker quotes is classified as Level 2 in the fair value heirarchy, being quoted price for similar financial assets.
- Investment in equity shares consist of 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 heirarchy as they are directly or indirectly observable in the market. No significant unobservable inputs are used in valuation of market linked non convertible debentures.

c) Valuation Control framework
The Company 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.

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

d) Financial instruments by category

Particulars	As at 31 March 2022 FVTPL	FVOCI	At Amortised Cost	Total*	As at 31 March 2021 FVTPL	FVOCI	At Amortised Cost	Total
Financial Assets								
Cash and cash equivalents	-	-	49,499	49,499			142,731	142,731
Bank balance other than cash and cash equivalents above	-	-	5,197	5,197			14,486	14,486
Derivative financial assets	4,474	-	-	4,474	2,797			2,797
Trade receivables	-	-	7,554	7,554			1,367	1,367
Other receivables	-	-	1,404	1,404			1,964	1,964
Loans	-	310,997	384,698	695,695		205,122	544,622	749,744
Investments	137,766	27,210	-	164,976	104,477			104,477
Other financial assets	-	-	237	237			4,304	4,304
Total financial assets	**142,240**	**338,207**	**448,589**	**929,036**	**107,274**	**205,122**	**709,474**	**1,021,870**
Financial Liabilities								
Derivative financial liabilities	244	-	-	244	1,083	-	-	1,083
Trade Payables	-	-	11,674	11,674	-	-	10,558	10,558
Debt securities	81,576	-	316,956	398,532	148,418	-	220,869	369,287
Borrowings (other than debt securities)	-	-	158,274	158,274	-	-	259,900	259,900
Other financial liabilities	-	-	13,841	13,841	-	-	8,481	8,481
Total financial liabilities	**81,820**	**-**	**500,745**	**582,565**	**149,501**	**-**	**499,808**	**649,309**

Note: Investment in associate amounting to INR 8,700 (31 March 2021: 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 2022 Level 1	Level 2	Level 3	As at 31 March 2021 Level 1	Level 2	Level 3
Financial assets measured at - Fair value through profit and loss						
Derivative financial assets	-	4,474	-	-	2,797	-
Investments	-	131,409	6,357	-	98,233	6,244
Fair value through other comprehensive income						
Investments	-	27,210	-	-	-	-
Loans	-	310,997	-	-	205,122	-
Total	**-**	**474,090**	**6,357**	**-**	**306,152**	**6,244**
Financial liabilities measured fair value through profit and loss						
Derivative financial instruments	-	244	-	-	1,083	-
Debt securities	-	81,576	-	-	148,418	-
Total	**-**	**81,820**	**-**	**-**	**149,501**	**-**

Financial assets and liabilities measured at amortised cost for which fair value is disclosed	Fair value hierarchy	As at 31 March 2022 Carrying Amount	As at 31 March 2022 Fair Value	As at 31 March 2021 Carrying Amount	As at 31 March 2021 Fair Value
Financial assets					
Loans	Level 3	384,698	397,621	544,622	540,510
Financial liabilities					
Debt securities	Level 3	316,956	318,493	220,869	221,342
Inter-corporate borrowing	Level 3	149,655	144,496	258,268	258,028

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 2022 and 31 March 2021:

	As at 31 March 2022	As at 31 March 2021
As at begining of the year	**6,244**	**4,280**
Transfer between Levels	-	-
Gains / (losses) recognised in profit and loss	113	1,964
As at end of the year	**6,357**	**6,244**

g) Valuation inputs and relationships to fair value

Particulars	Valuation technique	Significant unobservable inputs	Change in input	As at 31 March 2022	As at 31 March 2021
Investments in unquoted equity shares	P/E multiples	Earnings growth rate	± 1.5%	92/(92)	110/(110)
		Liquidity discounts	± 10%	(851)/851	(857)/857

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: - assessed through the internal liquidity adequacy assessment process (‘RLAP’); - monitored against the Group’s liquidity and funding risk framework; and - maintaining a contingency funding plan detailing actions and strategies available in stressed conditions.
Market risk	Market risk is the risk of loss arising from changes in the value of the Company's assets and liabilities resulting from changes in market variables (for eg.interest rates).	Structured notes, Investments held for trading, loans carried at fair value through other comprehensive income.	Market risk is: - measured using sensitivities and stress testing using factor sensitivities for market movements and scenarios; - managed by Market Risk Management (MRM) - reports and monitors the trading risk exposures against approved limits and triggers on a daily basis.

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

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

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

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

Note 32 - Financial Risk Management (Continued)

A. Credit risk

Credit risk is the risk of loss resulting from the decline in credit quality or the failure of a borrower, counterparty, third party or issuer to honor its financial or contractual obligations. Credit risk mainly arises from 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
As at 31 Mar 2022					
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	-	-	-	-
Principal outstanding		**335,985**	**-**	**-**	**335,985**
Interest accrued but not collected		3,165	-	-	3,165
Total exposure		**339,150**	**-**	**-**	**339,150**
Less: expected credit losses on total exposure		(1,357)	-	-	(1,357)
Net carrying amount		**337,794**	**-**	**-**	**337,794**
As at 31 March 2021					
Grades: 1 to 4-	Low	262,829	-	-	262,829
Grades: 5+ to 5-	Medium	134,931	-	-	134,931
Grades: 6+ to 6-	High	10,160	-	-	10,160
Grades: 7+ to 7-	Watchlist	17,000	-	-	17,000
Grades: 8 to 10	Default	-	-	-	-
Principal outstanding		**424,920**	**-**	**-**	**424,920**
Interest accrued but not collected		1,873	-	-	1,873
Total exposure		**426,793**	**-**	**-**	**426,793**
Less: expected credit losses on total exposure		(387)	-	-	(387)
Net carrying amount		**426,406**	**-**	**-**	**426,406**

Notes to the financial statements *(continued)*
for the year ended 31 March 2022
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	Commited lines of credit
As at 31 Mar 2022			
Stage 1	46,467	292,668	6,984
Stage 2	425	3,024	-
Stage 3	359	1,001	-
Total exposure	**47,251**	**296,693**	**6,984**
Less: expected credit losses on total exposure	(2,448)	(3,390)	(47)
Net carrying amount	**44,804**	**293,303**	**6,937**
As at 31 March 2021			
Stage 1	117,385	199,615	4,730
Stage 2	1,838	1,916	-
Stage 3	16	363	-
Total exposure	**119,239**	**201,894**	**4,730**
Less: expected credit losses on total exposure	(6,138)	(2,982)	(49)
Net carrying amount	**113,101**	**198,912**	**4,681**

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

Particulars	As at 31 March 2022	As at 31 March 2021
Rated AA and above	131,409	98,233
Rated A- to A+	-	-
Total	**131,409**	**98,233**

Cash and cash equivalents and other bank balances
The Company holds cash and cash equivalents of INR 49,449 and other bank balances of INR 5,197 as at 31 March 2022 (31 March 2021: INR 142,731 and INR 14,486).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 2022, 76.31% of the aggregate principal amount of the Company's loans were secured by collateral (31 March 2021: 71.97%). 23.69% of the Company's loans were unsecured as at 31 March 2022 (31 March 2021: 28.03%).

At March 31, 2022, the net carrying amount of credit-impaired loans and advances amounted to INR 713 (31 March 2021: INR 379) and the value of identifiable collateral held against those loans and advances amounted to INR 829 (31 March 2021: INR 283).

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

Instrument type	Percentage of exposure that is subject to collateral requirements		Principal type of collateral held
	As at 31 March 2022	As at 31 March 2021	
Loans and advances to corporate customers and HNIs			
Corporate loans	60%	18%	Book debts, inventories and financial assets
Margin and securities backed finance	NA	100%	Financial assets
Strategic Equity Solutions	100%	NA	Financial assets
Loans and advances to other retail customers			
Personal loans	0%	0%	Unsecured
Asset backed finance	100%	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	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Less than 51%	0.00%	100.00%	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%
Total	**0.00%**	**100.00%**	**100.00%**	**100.00%**

As at 31 March 2022, 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 140,138 for 31st March 22 respectively (31 March 2021: INR 823,767).

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.

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 :
- Unemployement rate
- Interest rate swaps for the tenure ranging from 1 year to 10 years
- Interest rate on soverign 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	
Loans and advances carried at amortised cost									
- Loans and advances to corporate customers	339,150			**339,150**	(1,357)			**(1,357)**	**337,794**
- Loans and advances to retail customers	46,467	425	359	**47,251**	(1,879)	(319)	(250)	**(2,448)**	**44,804**
Loans and advances carried at FVOCI									
- Loans and advances to retail customers	292,668	3,024	1,001	**296,693**	(2,171)	(823)	(396)	**(3,390)**	**293,303**
- Loan commitments	6,984			**6,984**	(47)			**(47)**	**6,937**
Other financial assets measured at amortised cost	63,977			**63,977**				**-**	**63,977**
As at 31 March 2022	**749,246**	**3,449**	**1,360**	**754,055**	**(5,454)**	**(1,142)**	**(646)**	**(7,242)**	**746,814**
Loans and advances carried at amortised cost									
- Loans and advances to corporate customers	426,793	-	-	**426,793**	(386)	-	-	**(386)**	**426,407**
- Loans and advances to retail customers	117,385	1,838	16	**119,239**	(4,746)	(1,380)	(12)	**(6,138)**	**113,101**
Loans and advances carried at FVOCI					-	-	-		**-**
- Loans and advances to retail customers	199,615	1,916	363	**201,894**	(2,089)	(750)	(143)	**(2,982)**	**198,912**
- Loan commitments	4,730	-	-	**4,730**	(49)	-	-	**(49)**	**4,681**
Other financial assets measured at amortised cost	164,951	-	-	**164,951**	-	-	-	**-**	**164,951**
As at 31 March 2021	**913,474**	**3,754**	**379**	**917,607**	**(7,270)**	**(2,130)**	**(155)**	**(9,555)**	**908,052**

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

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 losses	
		Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets for which credit risk has increased significantly and credit-impaired
Loss allowance on 31 March 2022	**5,454**	**1,142**	**646**
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
Loss allowance on 31 March 2021	**7,221**	**2,130**	**155**
Changes in loss allowances due to:			
Assets originated or purchased	4,016	1,969	1,306
Write – offs	(152)	(1,001)	(1,510)
Recoveries/ repayments	(2,062)	(178)	(193)
Changes in risk parameters	10	(10)	-
Change in measurement from 12-month to life-time expected losses or vice-versa	(39)	45	(6)
Loss allowance on 31 March 2020	**5,448**	**1,305**	**558**

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

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

Write-offs still under enforcement
In the case of assets that are assessed collectively for impairment, the Company writes-off such secured and unsecured assets at 180 days and 120 days past due respectively unless there is empirical evidence to the contrary. The contractual amount outstanding on financial assets written-off and still subject to enforcement activity was INR 17,166 as at 31 March 2022 (31 March 2021: INR 18,333).

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.

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 2022 and 31 March 2021, the Company's credit exposure to single borrowers and group borrowers were within the limits.

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 2022	As at 31 March 2021
Chemicals	7.66%	0.87%
Pharma & Healthcare	7.38%	0.00%
Bank	0.00%	0.00%
Metals	0.33%	0.50%
Autos	0.27%	2.64%
Agriculture & Food Preparation	0.00%	0.00%
Other Financial Institutions	4.49%	9.86%
Other sectors(*)	22.10%	3.22%
Concentration of loans to corporate customers	**42.22%**	**17.10%**
Margin lending	**7.38%**	**40.22%**
Other loans and advances to retail customers	**50.40%**	**42.68%**
Total loans and advances outstanding	**100.00%**	**100.00%**

(*) 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 complaince 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.
Personal Loans	-	-	-	-	-
Corporate persons*	-	-	-	-	-
Of which MSMEs	984	-	-	29	954
Others	-	-	-	-	-
Total	984	-	-	29	954

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 ongoing liquidity management is managed by the Treasury desk, with daily monitoring by Risk, Treasurer and Corporate Treasury functions.

The following factors add to comfort on management of balance sheet liquidity:
• Well capitalized balance sheet, with capital adequacy of 40.36% as of 31 March 2022 (45.50% as of 31st March 2021).
• Well diversified liability profile with market issuances carrying the highest credit rating for short term as well as long term issuances.
• Diversified loan portfolio with multiple lines of business across Corporate and Retail segments.

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

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Committed undrawn facility	183,200	180,000

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

Particulars	**Carrying amount***	**Contractual cash flows**					
		Gross nominal inflow/ (outflow)	**upto 3 months**	**3 to 6 months**	**6 to 12 months**	**1 year to 3 year**	**Over 3 year**
As at 31 March 2022							
Non-derivative financial liabilities							
Trade payables	11,674	(11,674)	(11,674)	-	-	-	-
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	13,841	(13,841)	(12,348)	(203)	(1,290)	-	-
Total	**582,321**	(610,253)	(210,464)	(119,530)	(247,360)	(31,975)	(924)
Non-derivative financial assets							
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
Total	**933,262**	**1,024,554**	**138,774**	**45,067**	**307,987**	**407,775**	**124,951**

*Carrying amount includes balances of discountinued operations.

Notes to the financial statements *(continued)*
for the year ended 31 March 2022
All amounts are in INR lakhs except per share data and unless stated otherwise

Particulars	Carrying amount	Contractual cash flows					
		Gross nominal inflow/ (outflow)	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year
As at 31 March 2021							
Non-derivative financial liabilities							
Trade payables	10,558	(10,429)	(10,429)	-	-	-	-
Debt securities	369,287	(383,536)	(88,135)	(170,992)	(21,961)	(84,996)	(17,452)
Borrowings (other than debt securities)	259,900	(262,180)	(144,818)	(106,373)	(10,977)	-	(12)
Other financial liabilities	8,481	(8,481)	(8,285)	(196)	-	-	-
Total	**648,226**	**(664,626)**	**(251,667)**	**(277,561)**	**(32,938)**	**(84,996)**	**(17,464)**
Non-derivative financial assets							
Cash and cash equivalents	142,731	142,731	142,731	-	-	-	-
Bank balance other than cash and cash equivalents above	14,486	14,671	11,898	87	-	-	2,686
Receivables	3,331	3,331	3,331	-	-	-	-
Loans	749,744	810,668	224,437	179,303	115,382	235,914	55,632
Investments	113,177	127,407	-	9,262	15,671	33,466	69,008
Other financial assets	4,304	4,304	4,277	-	-	-	27
Total	**1,027,773**	**1,103,112**	**386,674**	**188,652**	**131,053**	**269,380**	**127,353**

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

Particulars	Carrying amount	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year
Derivative financial assets						
As at 31 March 2022	4,474	-	-	4,474	-	-
As at 31 March 2021	2,797	-	-	-	2,797	-
Derivative financial liabilities						
As at 31 March 2022	244	-	-	(244)	-	-
As at 31 March 2021	1,083	-	-	(300)	(783)	-

Notes to the financial statements *(continued)*
for the year ended 31 March 2022
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.

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 2022	Year ended 31 March 2021
Market linked debentures (net off hedged derivatives)	FVTPL	±100 basis points in interest rates	167/(167)	239/(239)
Investments in commercial papers and corporate bonds	FVTPL	±100 basis points in interest rates	(2,786)/2,786	(2,406)/2,406
Investments in government securities and treasury bills	FVOCI	±100 basis points in interest rates	(227)/227	-
Investments in unquoted equity shares	FVTPL	± 1.5% in earnings growth rate	92/(92)	110/(110)
		± 10% in liquidity adjustment factor	(851)/851	(857)/857

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 2022	Year ended 31 March 2021
Market linked debentures	FVTPL	±100 basis points in yield	(2,285)/2,285	(1,626)/1,626

Nature of product	Measurement basis	Sensitivity	Impact on other comprehensive income	
			Year ended 31 March 2022	Year ended 31 March 2021
Loans measured at FVOCI	FVOCI	±50 basis points in interest rates	(2,478)/2,518	(1,543)/1,566

Notes to the financial statements *(continued)*
for the year ended 31 March 2022
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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
As at 31 March 2022							
Assets							
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
Other non-financial assets	-	-	-	-	-	956	956
Total Inflow	**105,907**	**35,584**	**284,084**	**369,117**	**80,075**	**101,956**	**976,723**
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)
Total (outflow)	**(168,579)**	**(90,646)**	**(240,833)**	**(29,372)**	**-**	**(447,293)**	**(976,723)**

Particulars	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year	Non-sensitive	Total
As at 31 March 2021							
Assets							
Cash and cash equivalents	103,834	-	-	-	-	38,897	142,731
Bank balance other than cash and cash equivalents above	11,828	82	-	-	-	2,576	14,486
Derivative financial assets	1,537	-	-	-	-	1,260	2,797
Receivables	-	-	-	-	-	3,331	3,331
Loans	209,745	167,922	101,004	211,382	50,927	8,764	749,744
Investments	-	9,000	15,000	30,000	36,500	22,677	113,177
Other financial assets	-	-	-	-	-	4,304	4,304
Current tax assets (Net)	-	-	-	-	-	19,042	19,042
Deferred tax Assets (Net)	-	-	-	-	-	21,029	21,029
Property, plant and equipment	-	-	-	-	-	1,395	1,395
Other non-financial assets	-	-	-	-	-	983	983
Total inflow	**326,944**	**177,004**	**116,004**	**241,382**	**87,427**	**124,259**	**1,073,019**
Equity & liabilities							
Derivative financial liabilities	904	-	-	-	-	(1,987)	(1,083)
Trade payables	-	-	-	-	-	(10,558)	(10,558)
Debt securities	(86,881)	(164,476)	(18,160)	(70,647)	(7,522)	(21,601)	(369,287)
Borrowings (other than debt securities)	(142,882)	(104,359)	(10,700)	-	-	(1,959)	(259,900)
Other financial liabilities	-	-	-	-	-	(8,481)	(8,481)
Provisions	-	-	-	-	-	(1,577)	(1,577)
Other non-financial liabilities	-	-	-	-	-	(2,060)	(2,060)
Equity share capital	-	-	-	-	-	(289,330)	(289,330)
Other equity	-	-	-	-	-	(130,743)	(130,743)
Total (outflow)	**(228,859)**	**(268,835)**	**(28,860)**	**(70,647)**	**(7,522)**	**(468,296)**	**(1,073,019)**

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
As at 31 March 2022						
Assets						
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
Total inflow	**130,158**	**36,176**	**285,863**	**371,338**	**153,188**	**976,723**
Equity & liabilities						
Derivative financial liabilities	-	-	(244)	-	-	(244)
Trade payables	(11,674)	-	-	-	-	(11,674)
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	(12,348)	(203)	(1,290)	-	-	(13,841)
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)
Total (outflow)	**(201,129)**	**(105,445)**	**(245,114)**	**(32,456)**	**(392,579)**	**(976,723)**

Particulars	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year	Total
As at 31 March 2021						
Assets						
Cash and cash equivalents	142,731	-	-	-	-	142,731
Bank balance other than cash and cash equivalents above	11,874	85	-	-	2,527	14,486
Derivative financial assets	1,537	-	-	-	1,260	2,797
Receivables	3,331	-	-	-	-	3,331
Loans	216,123	168,157	101,035	211,382	53,047	749,744
Investments	-	9,454	15,756	31,512	56,455	113,177
Other financial assets	4,277	-	-	-	27	4,304
Current tax assets (Net)	-	-	-	-	19,042	19,042
Deferred tax Assets (Net)	-	-	-	-	21,029	21,029
Property, plant and equipment	-	-	-	-	1,395	1,395
Other non-financial assets					983	983
Total inflow	**379,873**	**177,696**	**116,791**	**242,894**	**155,765**	**1,073,019**
Equity & liabilities						
Derivative financial liabilities	904	-	-	-	(1,987)	(1,083)
Trade payables	(10,558)	-	-	-	-	(10,558)
Debt securities	(87,357)	(167,967)	(20,800)	(79,028)	(14,135)	(369,287)
Borrowings (other than debt securities)	(143,920)	(104,602)	(11,334)	(31)	(13)	(259,900)
Other financial liabilities	(8,279)	(202)	-	-	-	(8,481)
Provisions	(43)	-	(137)	(923)	(474)	(1,577)
Other non-financial liabilities	(993)	-	-	-	(1,067)	(2,060)
Equity share capital	-	-	-	-	(289,330)	(289,330)
Other equity	-	-	-	-	(130,743)	(130,743)
Total (outflow)	**(250,246)**	**(272,771)**	**(32,271)**	**(79,982)**	**(437,749)**	**(1,073,019)**

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.

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 31 March 2022**	**As at 31 March 2021**
Tier I capital	345,486	393,597
Tier II capital	4,152	5,959
Total capital	349,638	399,556
Risk weighted assets	866,204	878,139
CRAR (%)	40.36%	45.50%
CRAR - Tier I capital (%)	39.89%	44.82%
CRAR - Tier II capital (%)	0.48%	0.68%

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.

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

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

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

Segment revenue

Particulars	Year ended 31 March 2022				Year ended 31 March 2021			
	ICG	GCB	Unallocated	Total	ICG	GCB	Unallocated	Total
Interest income	35,489	20,286	-	55,775	41,799	22,340	-	64,139
Other income	808	7,291	-	8,099	9,907	3,534	353	13,794
Total income from external customers	**36,297**	**27,577**	**-**	**63,874**	**51,706**	**25,874**	**353**	**77,933**
Interest expense	15,104	12,134	-	27,239	13,513	13,537	-	27,050
Other Expenses	8,507	9,269	1,699	19,475	11,654	15,510	2,035	29,199
Segment Results	**12,687**	**6,173**	**(1,699)**	**17,160**	**26,539**	**(3,173)**	**(1,682)**	**21,684**
Tax expense	-	-	-	3,195	-	-	-	6,249
Profit after tax				**13,965**				**15,435**
Other Information								
Depreciation	-	-	328	**328**	-	-	345	**345**

Segment assets and liabilities

Particulars	As at 31 March 2022				As at 31 March 2021			
	ICG	GCB	Unallocated	Total	ICG	GCB	Unallocated	Total
Segment assets	574,976	361,774	39,973	976,723	699,262	331,114	42,643	1,073,019
Segment liabilities	(563,631)	(18,120)	(3,781)	(585,532)	(639,989)	(8,079)	(4,878)	(652,946)
Net segment assets/ (liabilities)	**11,345**	**343,654**	**36,192**	**391,191**	**59,273**	**323,035**	**37,765**	**420,073**

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
Citicorp Investment and Advisory Services Private limited

C. Associates
India Infradebt Limited

D. Key Management Personnel
Nina Nagpal (Managing Director)
Rohit Ranjan (Director)
Priti Goel (Director) (resigned w.e.f - 07 December 2021)
Rajeev Mantri (Director) (w.e.f - 15 March 2022)
Neeraj Kumar (Director)
Deepak Ghaisas (Independent Director)
Saurabh Shah (Independent Director)

Notes to the financial statements *(continued)*
for the year ended 31 March 2022
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			
	Citibank N.A. and its branches		India Infradebt Limited		Citicorp Services India Pvt Ltd		Other Fellow Subsidiaries	
	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021
Lease rentals		-	-	-	-	-	-	-
Fixed deposits and reverse repo placed	**2,315,899**	1,655,923	-	-	-	-	-	-
Fixed deposits and reverse repo liquidated	**2,383,393**	1,643,205	-	-	-	-	-	-
Loans taken	-	-	-	-	-	-	-	-
Loans repaid	-	-	-	-	-	-	-	-
Loan portfolio purchase - Personal loan	-	48,822	-	-	-	-	-	-
Loan portfolio purchase - Domestic trade finance	-	-	-	-	-	-	-	-
Loan portfolio sale - Asset Backed Finance	**104,522**	17,507	-	-	-	-	-	-
Distribution and Placement Fees paid	**271**	537	-	-	-	-	-	-
Rent paid	**518**	593	-	-	**13**	13	-	-
Net movement in bank accounts	**(31,090)**	29,499	-	-	-	-	-	-
Interest paid on borrowings and overdraft	-	-	-	-	**4,231**	6,018	-	-
Bank Charges paid	**1,075**	20	-	-	-	-	-	-
Interest received on fixed deposits and reverse repo	**825**	701	-	-	-	-	-	-
Sourcing and Collection Fees earned	**2,994**	2,753	-	-	-	-	-	-
Fees and Commission paid	**3,255**	3,894	-	-	**169**	188	**809**	1,730
Secondment charges earned	**235**	24	-	-	**11**	8	**13**	10
Secondment charges incurred	**1,176**	1,589	-	-	-	-	-	-
Transfer of software	-	-	-	-	-	-	-	-
Inter Corporate borrowings taken		-	-	-	**185,000**	385,000	-	-
Inter Corporate borrowings repaid		-	-	-	**247,500**	370,000	-	-
Other expenses	**592**	736	-	-	-	-	**62**	93
Equity Dividend Received		-	**252**	252	-	-	-	-
Equity Dividend Paid	**50,000**	9,000	-	-	-	-	-	-

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 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Assets						
Trade receivables	**1,810**	1,396	**20**	10	**26**	12
Other receivables	**406**	327	-	-	-	-
Fixed deposits	**2,651**	2,571	-	-	-	-
Fixed deposits (with original maturity of less than 3 months)	**38,599**	106,225	-	-	-	-
Bank Balances	**10,587**	36,431	-	-	-	-
Leasing	-	-	-	-	-	-
Liabilities						
Inter Corporate Borrowings		-	**108,519**	171,490	-	-
Trade payables	**8,506**	6,240	**146**	73	**796**	2,677
Collection payables on servicing portfolio	**5,243**	2,652	-	-	-	-
Loans repayable on demand from banks (overdraft)	**3,614**	1,632	-	-	-	-

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

Notes to the financial statements *(continued)*
for the year ended 31 March 2022
All amounts are in INR lakhs except per share data and unless stated otherwise

Note 36 - Assets held for sale

Citigroup Inc, ('Citi'), the ultimate shareholder of the Company, on April 15, 2021, announced strategic actions in Global Consumer Banking ('GCB') as part of an ongoing strategic review to direct investments and resources to the businesses where it has the greatest scale and growth potential. As a result, Citi intends to pursue exits from its consumer franchises in 13 markets across EMEA and Asia region, which includes India. Citigroup's Institutional Clients Group will continue to serve clients in these markets. On 30 March 2022, the Company had entered into an agreement with Axis Bank Ltd to transfer GCB Business via a sale transaction.Accordingly, the disposal group of assets and liabilities are accounted for as held for sale as per Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations".

Results of Global Consumer Business portfolio for the year are presented below:

Amount in INR Lakhs

Particulars		**For the year ended 31st March, 2022**
Revenue		
Interest income	19	28,329
Fees and commission income	21	3,002
Other revenue from operations	23	3,621
Total revenue		**34,952**
Other income	24	668
Total income		**35,620**
Expenses		
Finance costs	25	16,877
Fees and commission expense	26	1,920
Impairment on financial instruments	27	(236)
Employee benefits expenses	28	3,429
Depreciation and amortisation	11	188
Others expenses	29	5,814
Total expenses		**27,992**
Profit before tax		**7,628**
Total tax expense	30	**(1,156)**
Profit for the year		**8,784**
Total Other Comprehensive Income/(Expense)		**7,152**
Total Comprehensive Income/(Expense)		**15,936**

Notes to the financial statements ***(continued)***
for the year ended 31 March 2022
All amounts are in INR lakhs except per share data and unless stated otherwise

Major classes of Assets and Liabilities of Global Conusmer Business portfolio classified as held for sale are as follows:

Particulars		For the year ended 31st March, 2022
ASSETS		
Financial assets		
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
Total financial assets		**359,264**
Non-financial assets		
Property, plant and equipment	11	230
Total non-financial assets		**230**
TOTAL ASSETS		**359,494**
LIABILITIES		
Financial liabilities		
Trade payables		
(i) total outstanding dues of micro and small enterprises	50	24
(ii) total outstanding dues of creditors other than micro and small enterprises	50	362
Other financial liabilities	15	7,448
Total financial liabilities		**7,834**
Non-financial liabilities		
Current tax liabilities (Net)		
Provisions	16	1,241
Other non-financial liabilities	17	161
Total non-financial liabilites		**1,402**
TOTAL LIABILITIES		**9,236**
Net Assets directly associated with Discontinued Operations		**350,258**

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

Note 37 - Leases

Lease disclosures under Ind-AS 116

(ia) Changes in the carrying value of Right-of-use Assets

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Opening balance	1,042	635
Additions	25	629
Deletion	-	-
Depreciation	227	221
Closing balance	840	1,042

(ib) Changes in the Lease liabilities

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Opening balance	1,066	632
Additions	-	629
Finance cost accrued	51	52
Lease Payments	239	247
Closing balance	878	1,066

(ii) Break-up of current and non-current lease liabilities

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Current Lease Liabilities	215	188
Non-current Lease Liabilities	663	879

(iii) Maturity analysis of lease liabilities

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Less than one year	215	188
One to five years	558	773
More than five years	105	105
Total	878	1,066

(iv)Amounts recognised in statement of Profit and Loss account

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Interest on Lease Liabilities	51	52
Variable lease payments (not included in the measurement of lease liabilities)	-	-
Low-value leases expensed.	-	-
Short-term leases expensed	-	-
Total	51	52

(v)Amounts recognised in statement of Cash Flows

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Total Cash outflow for leases	239	247

Notes to the financial statements *(continued)*
for the year ended 31 March 2022
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 March 2022	Year ended 31 March 2021
Net profit after tax from continuing operations available for equity shareholders	5,181	15,435
Weighted average number of equity shares	3,857,727,031	3,857,727,031
Basic / Diluted earnings per share (Rs.)	**0.13**	**0.40**

EPS - Discontinued operations

Particulars	Year ended 31 March 2022
Net profit after tax from discontinued operations available for equity shareholders	8,784
Weighted average number of equity shares	3,857,727,031
Basic / Diluted earnings per share (Rs.)	**0.23**

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 March 2022	Year ended 31 March 2021
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 March 2022	Year ended 31 March 2021
Gross amount required to be spent during the year	502	423
Amount spent during the year		
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above		
In cash	502	425
Yet to be paid in cash	-	-
Total	**502**	**425**

Due to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 issued on January 22, 2021, the incurrence of CSR expense is assessed to be in the year when profits are generated instead of commitment to contribute or payment. Accordingly an estimated amount of INR 502 has been accrued in the year ended March 31, 2022 which is expected to be contributed in the subsequent year

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 2022	31 March 2021
Principal amount remaining unpaid to any supplier as at the year end	24	27
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	95	133
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	2	3
Amount of interest accrued and remaining unpaid at the end of the accounting year	2	3

Notes to the financial statements *(continued)*
for the year to date ended 31 March 2022
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 2022			Year ended 31 March 2021		
	Present value of obligation*	Fair value of plan assets*	Net amount	Present value of obligation	Fair value of plan assets	Net amount
At the beginning of the year	**(905)**	**622**	**(283)**	**(742)**	**494**	**(248)**
Current service cost	(83)	-	**(83)**	(73)	-	**(73)**
Past service cost	-	-	-	-	-	-
Interest (expense) / income	(55)	41	**(14)**	(45)	33	**(12)**
Total amount recognised in profit or loss	**(138)**	**41**	**(97)**	**(118)**	**33**	**(85)**
Remeasurements	-	-	-	-	-	-
Return on plan assets greater/(lesser) than discount rate	-	4	**4**	-	20	**20**
Gain / (loss) from change in demographic assumptions	(139)	-	**(139)**	-	-	-
Gain / (loss) from change in financial assumptions	28	-	**28**	(5)	-	**(5)**
Experience gains/(losses)	(21)	-	**(21)**	(70)	-	**(70)**
Total amount recognised in other comprehensive income	**(133)**	**4**	**(129)**	**(75)**	**20**	**(55)**
Employer contributions	-	99	**99**	-	105	**105**
Benefit payments	13	(13)	-	30	(30)	-
At the end of the year	**(1,163)**	**752**	**(411)**	**(905)**	**622**	**(283)**

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

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Present value of funded obligations	(1,163)	(905)
Fair value of plan assets	752	622
Net liability	**(411)**	**(283)**

*Bifurcation of present value of obligation and fair value of plan assets between continuing and discontinued operations for the year ended 31 March 2022 is as stated below:

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 March 2022**	**As at 31 March 2021**
Financial Assumptions		
Discount rate	6.90%	6.10%
Salary escalation rate (taking into account the inflation, seniority, promotions and other relevant factors)	12% for first 3 years, 10% thereafter	10.00%
Demographic Assumptions		
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	15.00%

iv. Sensitivity of actuarial assumptions

Particulars	Change in assumption	Impact on defined benefit obligation			
		Year ended 31 March 2022		Year ended 31 March 2021	
		Increase	Decrease	Increase	Decrease
Discount Rate	1%	(97)	111	(51)	56
Salary Escalation rate	1%	107	(95)	54	(49)
Withdrawal rate	5%	(83)	137	(46)	72

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 March 2022	As at 31 March 2021
Within 1 year	69	117
1-2 year	91	123
2-3 year	106	133
3-4 year	92	138
4-5 year	100	125
5-10 year	745	624
Total expected payments	**1,204**	**1,260**

The Company expects to contribute INR 178 to the fund in the next financial year. The weighted average duration of the defined benefit obligation as at 31 March 2022 is 9 years (31 March 2021: 6 years)

b) Provident and Superannuation fund

The Company contributes to employee provident fund for all employees and superannuation fund for eligible employees which are defined contribution plans.These contributions are charged to the statement of profit and loss during the period in which the employee renders the related services. The expense recognised during the year is INR 269 (31 March 2021: INR 237).

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 independent actuary using the Projected Unit Cost Method as at the balance sheet date.

Particulars	As at 31 March 2022	As at 31 March 2021
Present value of defined obligation at period end*	28	19

*includes present value of defined obligation for the year ended 31 March 2022 from discontinued operations amounting to INR 27 lakhs.

Rate of Discounting	6.90%	6.10%
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	15.00%

Notes to the financial statements *(continued)*

for the year ended 31 March 2022
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 2022	31 March 2021
Total number of loan assets assigned during the year (Nos)	6,269	951
Total amount of exposures retained by the Company to comply with MRR	10,711	1,788
Total book value of loan assets assigned	100,258	17,099
Sale consideration received for the assigned assets	104,521	17,507
Gain on account of assigned assets	3,595	318
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 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
Total	**12,336**	**246**	**461**	**12,121**

Particulars	As at 01 April 2020	Created during the year	Utilized/ released during the year	As at 31 March 2021
Provision on securitization of asset portfolio	368	-	272	**96**
Provision for Input tax credit	10,851	347	-	**11,198**
Provision for Value Added Tax (VAT)	54	-	30	**24**
Provision for litigation	1,051	50	178	**923**
Provision for Asset Retirement Obligation	43	3	-	**46**
Provision for expected credit loss on loan commitments	60	-	11	**49**
Total	**12,427**	**400**	**491**	**12,336**

C. Net debt reconciliation

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

Particulars	As at 01 April 2020	Cash flow	Interest Expense	Fair Value changes	As at 31 March 2021
Debt securities	401,177	(77,968)	18,884	27,194	369,287
Borrowings	261,221	(9,393)	8,072		259,900

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 2022 (31 March 2021: INR Nil).

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 2022 (31 March 2021: 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 2022 (31 March 2021: 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 3,834 (31 March 2021: INR 5,159) 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 1.30 per equity share on 30 April 2021 amounting to INR 50,000 (inclusive of withholding tax) out of surplus in profit and loss account of prior years and it was paid on 11 May 2021.

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

i. Workings capital demand loan from banks

Particulars	As at 31 March 2022	As at 31 March 2021
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 2022	As at 31 March 2021
Residual tenure	NA	NA
Rate Range	NA	NA

ii. Commercial papers

Particulars	As at 31 March 2022	As at 31 March 2021
Residual tenure	NA	NA
Discount Rate (Range)	NA	NA

iii. Intercorporate borrowings*

Particulars	As at 31 March 2022	As at 31 March 2021
Residual tenure	Maturing within 1 year	Maturing within 1 year
Rate Range	4.00% to 4.65%	3.50% to 3.90%

*Refer note 35 for borrowings from related parties

iv. Term Loan

Particulars	As at 31 March 2022	As at 31 March 2021
Residual tenure	Maturing within 15 months	NA
Rate Range	4.75%	NA

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 2022	As at 31 March 2021
778 I	30-Sep-24	3,234	3,234
772 I	29-Jul-24	4,360	4,560
799 I	28-Jun-24	4,520	-
769 I	29-Mar-24	1,410	1,460
763 I	30-Nov-23	3,185	3,485
761 I	29-Sep-23	5,625	6,150
774 I	26-May-23	3,846	3,846
776 I	26-May-23	510	510
739 III	30-Nov-22	2,490	2,840
730 I	28-Sep-22	2,306	3,656
731 I	28-Sep-22	2,090	2,140
732 I	28-Sep-22	2,340	2,340
733 I	28-Sep-22	700	700
736 I	28-Sep-22	1,105	1,405
727 I	12-Sep-22	220	1,825
727 III	12-Sep-22	3,850	7,650
728 III	12-Sep-22	1,500	1,500
730 II	12-Sep-22	1,100	1,850
764 I	25-Aug-22	2,005	2,355
722 III	1-Aug-22	3,865	5,803
723 III	1-Aug-22	3,645	3,645
725 III	1-Aug-22	4,085	4,085
722 II	30-May-22	4,510	5,210
723 II	30-May-22	550	1,050
725 II	30-May-22	900	1,000
720 I	4-May-22	-	2,400
718 I	1-Apr-22	-	2,075
719 I	1-Apr-22	-	300
766 I	31-Mar-22	-	1,475
706 I	31-Dec-21	-	2,330
711 II	31-Dec-21	-	2,200
762 III	30-Dec-21	-	5,120
701 I	30-Nov-21	-	4,089
696 I	28-Oct-21	-	2,645
690 I	29-Sep-21	-	2,700
741 I	24-Sep-21	-	3,955
742 I	24-Sep-21	-	3,150
743 I	24-Sep-21	-	975
744 I	24-Sep-21	-	2,600
686 I	9-Sep-21	-	100
687 I	9-Sep-21	-	300
684 I	29-Aug-21	-	1,760
753 I	27-Jul-21	-	8,800
754 I	27-Jul-21	-	1,830
756 II	28-May-21	-	4,265
757 I	28-May-21	-	200
Total		**63,951**	**125,568**

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 2022	As at 31 March 2021
773 I	4.70%	24-Aug-21	-	23,000
771 I	4.00%	22-Jul-21	-	5,000
776 II	4.15%	16-Jun-21	-	50,000
765 II	4.00%	20-Apr-21	-	2,400
Total			**-**	**80,400**

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

Series No	Interest rate	Maturity / Call Date	As at 31 March 2022	As at 31 March 2021
798 I	5.67%	31-Mar-23	52,500	-
796 I	5.75%	29-Mar-23	25,000	-
794 I	5.47%	14-Mar-23	50,000	-
793 I	5.60%	13-Feb-23	20,000	-
791 I	5.48%	10-Feb-23	30,000	-
790 I	5.64%	20-Jan-23	45,000	-
785 I	5.10%	2-Nov-22	15,000	-
792 I	5.40%	9-Aug-22	7,500	-
795 I	4.70%	27-Jul-22	20,000	-
789 I	5.30%	19-Jul-22	25,000	-
797 I	4.95%	16-Jun-22	25,000	-
778 II	4.92%	28-Sep-21	-	60,000
777 II	5.00%	21-Sep-21	-	50,000
777 I	4.65%	22-Jun-21	-	30,000
Total			**315,000**	**140,000**

Note 45 - Details of Loan Assets subjected to Restructuring as at 31 March 2022

	Type of Restructuring		Others				
	Asset Classification		Standard	Sub Standard	Doubtful	Loss	Total
Sr. No	Details						
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 2021 - NIL

Notes to the financial statements *(continued)*
for the year ended 31 March 2022
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 2022		As at 31 March 2021	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
Liabilities side:				
1. Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:				
(a) Debentures: Secured	81,576	-	229,132	-
Unsecured	316,956	-	140,155	-
(other than falling within the meaning of public deposits (see note 1 below))				
(b) Deferred credits	-	-	-	-
(c) Term loans	5,000	-	-	-
(d) Inter-corporate loans and borrowings	149,655	-	258,268	-
(e) Commercial Paper	-	-	-	-
(f) Other Loans – WCDL	-	-	-	-
(g) Other Loans – Overdraft	3,619	-	1,632	-
(h) Other Loans – Finance lease obligation	-	-	-	-

Assets side:

Particulars	As at 31 March 2022	As at 31 March 2021
	Amount outstanding	Amount outstanding
2. Break-up of loans and advances including bills receivables [other than those included in (3) below]: refer note 4 below		
(a) Secured	223,327	336,056
(b) Unsecured	165,176	215,089

Particulars	As at 31 March 2022	As at 31 March 2021
	Amount outstanding	Amount outstanding
3. Break up of leased assets and stock on hire and hypothecation loans counting towards AFC activities:		
(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	77
(b) Loans other than (a) above	314,275	208,028

Particulars	As at 31 March 2022	As at 31 March 2021
	Amount outstanding	Amount outstanding
Assets side :		
4. Break-up of Investments :		
Current Investments :		
1. Quoted :		
(i)Shares:		
(a)Equity	-	-
(b)Preference	-	-
(ii) Debentures and Bonds	131,409	98,233
(iii) Units of mutual funds	-	-
(iv) Government Securities	27,210	-
(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	-	-
Long Term Investments :		
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	15,057	14,944
(b)Preference	-	-
(ii)Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-

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

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

Category	As at 31 March 2022			As at 31 March 2021		
	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	537,714	165,176	702,890	537,597	209,960	747,557
Total	**537,714**	**165,176**	**702,890**	**537,597**	**209,960**	**747,557**

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 2022		As at 31 March 2021	
	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	-	-	-	-
(c)Other related parties	24,360	8,700	21,033	8,700
2. Other than related parties	164,976	164,976	104,477	104,477
Total	**189,336**	**173,676**	**125,510**	**113,177**

** As per Ind AS 24 - Please see Note 3

7. Other information

Particulars	As at 31 March 2022	As at 31 March 2021
(i) Gross Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	1,360	379
(ii) Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	714	224
(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 2022	As at 31 March 2021
(i) CRAR (%)	40.36%	45.50%
(ii) CRAR - Tier I capital (%)	39.89%	44.82%
(iii) CRAR - Tier II Capital (%)	0.48%	0.68%
(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 2022	As at 31 March 2021
a) Direct exposure		
i. Residential Mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	-	-
ii. Commercial Real Estate		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	-	-
iii. Investments in Mortgage Backed Securities (MBS) and other securitized exposures -		
a. Residential	-	-
b. Commercial Real Estate	-	-
b) Indirect Exposure		
i. Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	56,500
ii. Any other	-	1,150
Total exposure to real estate sector	**-**	**57,650**

Notes to the financial statements *(continued)*
for the year ended 31 March 2022
All amounts are in INR lakhs except per share data and unless stated otherwise

Exposure to capital markets

Particulars	As at 31 March 2022	As at 31 March 2021
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	14,944
(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; *	-	62,020
(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;	50,000	240,030
(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;	-	10,000
(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;	-	19,212
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) all exposures to Venture Capital Funds (both registered and unregistered)	-	2,136
Total Exposure to Capital Market	**50,000**	**348,342**

* includes corporates

7 iii. Maturity pattern of certain items of assets and liabilities

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
Liabilities											
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
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
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	-	-	-	-	-	-	-	-	-	-	-

As at 31 March 2021	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
Liabilities											
Debt securities	-	-	2,451	4,777	80,129	167,967	20,800	79,028	7,563	6,572	369,287
Borrowings	1,632	10,000	53,877	39,016	39,395	104,602	11,334	31	-	13	259,900
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	14,546	27,020	58,830	48,694	67,033	168,157	101,035	211,382	46,193	6,854	749,744
Investments	-	-	-	-	-	9,454	15,756	31,512	38,340	18,115	113,177
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

* Investments are bucketed as per contractual maturity

7 iv. Investments

Particulars	As at 31 March 2022	As at 31 March 2021
1 Value of Investments		
(i) Gross Value of Investments	173,676	113,177
(a) In India	173,676	113,177
(b) Outside India,	-	-
(ii) Provisions for Depreciation	-	-
(a) In India	-	-
(b) Outside India,		
(iii) Net Value of Investments	173,676	113,177
(a) In India	173,676	113,177
(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 2022 and 31 March 2021, 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 2022 (previous year: Nil)

7 viii. Disclosure of penalties imposed by the RBI and other regulators – Nil during the year ended 31 March 2022 (previous year: Nil)

7 ix. Draw down from Reserve - Nil during the year ended 31 March 2022 (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. Sector wise NPA (Stage 3 loans have been considered as NPA for the purpose of this disclosure)

Sector	Percentage of NPAs to total advances in that sector	
	As at 31 March 2022	As at 31 March 2021
1 Agriculture & allied activities	0.94%	0.25%
2 MSME	-	-
3 Corporate borrowers	-	-
4 Services	0.10%	0.08%
5 Unsecured personal loans	0.72%	0.01%
6 Auto loans	-	-
7 Others	0.09%	-

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

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

Particulars	As at 31 March 2022	As at 31 March 2021
Total exposure to top four NPA accounts	131	136

7 xiii. Customer complaints

Particulars	As at 31 March 2022	As at 31 March 2021
No. of complaints pending at the beginning of the year	33	18
No. of complaints received during the year	266	610
No. of complaints redressed during the year	293	595
No. of complaints pending at the end of the year	6	33

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

Particulars	As at 31 March 2022	As at 31 March 2021
Net NPAs to Net Advances (%)	0.10%	0.03%
Movement of NPAs (Gross)		
a) Opening balance	379	808
b) Additions during the year	2,890	1,915
c) Reductions during the year	1,909	2,344
d) Closing balance	1,360	379
Movement of Net NPAs		
a) Opening balance	224	250
b) Additions during the year	1,079	609
c) Reductions during the year	588	635
d) Closing balance	714	224
Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	155	558
b) Additions during the year	1,811	1,306
c) Reductions during the year*	1,320	1,709
d) Closing balance	646	155

*includes write off as at 31 March 2022

7 xv. Registration obtained from other financial sector regulators - NA

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

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for Cenvat Credit	209	347
Provision for Litigations*	121	(124)
Provision for Expected credit loss on loan commitments*	(2)	(11)
Provision for ARO	1	3
Provision for Income Tax - Current tax	(2,600)	3,913
Provision for Standard Assets (Stage 1 & Stage 2)	(2,803)	2,598
Provision for NPA (Stage 3 assets)*	491	(403)

*Negative amount pertains to release of provisions.

7 xvii. Credit Ratings

Particulars	As at 31 March 2022		As at 31 March 2021	
(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)	CRISIL PP-MLD AAAr (Stable)	PP-MLD (ICRA) AAA (Stable)	CRISIL PP-MLD AAAr (Stable)

*CRISIL ratings as on 1 March 2022 and ICRA ratings as on 2 March 2022.

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

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7 xviii. Concentration of Advances and Exposures

Details	As at 31 March 2022	As at 31 March 2021
Total advances to twenty largest borrowers	336,947	388,893
Percentage of advances to twenty largest borrowers to total advances of the Company	48%	52%
Total exposure to twenty largest borrowers /customers	336,947	496,200
Percentage of exposures to twenty largest borrowers / customers to total exposure of the Company on borrowers / customers	48%	56%

7 xix. 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 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	2,021	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, 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	6,984	47	6,937	-	47
	Stage 2	-	-	-	-	-
	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

As at 31 March 2021

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	743,756	7,214	736,542	2,975	4,239
	Stage 2	3,139	1,682	1,457	12	1,670
Subtotal		746,895	8,896	737,999	2,987	5,909
Non Performing Assets						
Substandard	Stage 1	38	7	31	4	3
	Stage 2	588	428	160	59	369
	Stage 3	355	136	219	36	100
Subtotal for substandard		981	571	410	99	471
Doubtful - upto 1 year	Stage 2	21	16	5	4	12
1 to 3 years	Stage 2	5	4	1	2	2
1 to 3 years	Stage 3	24	19	5	7	12
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		50	39	11	13	26
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		1,031	610	421	111	499
Other items such as guarantees,	Stage 1	4,730	49	4,681	-	49
loan commitments, etc. which are in	Stage 2	-	-	-	-	-
the scope of Ind AS 109 but not	Stage 3	-	-	-	-	-
Subtotal		4,730	49	4,681	-	49
Total	Stage 1	748,524	7,270	741,254	2,979	4,291
	Stage 2	3,753	2,130	1,623	77	2,053
	Stage 3	379	155	224	43	112
	Total	752,656	9,555	743,102	3,099	6,456

7 xx. 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, 2022 is as under:

(i) Funding concentration based on significant counterparty (both deposits and borrowings)

		As at 31 March 2022			As at 31 March 2021		
Sr. No	Number of Significant counterparties	Amount	%of Total deposits	%of Total Liabilities	Amount	%of Total deposits	%of Total Liabilities
1	12	444,000	NA	75.83%	432,150	NA	66.18%

(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)*

	As at 31 March 2022		As at 31 March 2021	
Sr. No	Amount	%of Total Borrowings	Amount	%of Total Borrowings
1	107,500	19.31%	170,000	27.02%
2	105,000	18.86%	50,000	7.95%
3	50,000	8.98%	50,000	7.95%
4	40,000	7.18%	35,000	5.56%
5	32,500	5.84%	25,000	3.97%
6	20,000	3.59%	23,000	3.66%
7	20,000	3.59%	20,850	3.31%
8	20,000	3.59%	20,000	3.18%
9	17,000	3.05%	20,000	3.18%
10	15,000	2.69%	12,300	1.95%

(iv) Funding concentration based on significant instrument/product*

		As at 31 March 2022		As at 31 March 2021	
Sr. No	Name of the instrument/product	Amount	%of Total Liabilities	Amount	%of Total Liabilities
1	Debentures	378,951	64.72%	345,968	52.99%
2	Inter Corporate Borrowings	148,400	25.34%	256,309	39.25%
3	Bank Borrowings	-	0.00%	-	0.00%

(v) Stock Ratios*

Ratio	As at 31 March 2022	As at 31 March 2021
Commercial paper		
/ total public funds	0%	0%
/ total liabilities	0%	0%
/ total Assets	0%	0%
Short Term Non-convertible debentures		
/ total public funds	0%	0%
/ total liabilities	0%	0%
/ total Assets	0%	0%
Other short-term liabilities		
/ total public funds	40%	47%
/ total liabilities	36%	43%
/ total Assets	22%	26%

vi) LCR Disclosure for 2021-2022
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, 2022, CFIL maintained average monthly LCR of 153% for the quarter against the requirement of 60%. HQLA for the period mainly comprised current account balances with Scheduled Commercial Banks and investment in Governement 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 2022, CFIL's funding was primarily in the form of Debentures (64.72% of Total Liabilities) and ICDs (25.34% of Total Liabilities). The largest exposure to a single counterparty was 18.36% of Total Liabilities.

In LCR report for 31st March 2022, Unsecured Wholesale funding (mainly, repayment obligations for ICDs) formed bulk of the weighed cash outflows at 47.13%. 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 2022, the weighted cash outflow for derivative exposures and collateral requirements was 13.46%. Sundry creditors and expenses payable formed 20.80% of weighted cash outflows. Weighted cash inflows in the report primarily comprised of Lines of credit (62.89%), Corporate Loans (17.12%), and Other inflows mainly in the form of Bank FDs with maturity less than 30days (13.08%).

		As at 30 June 2021		As at 30 September 2021		As at 31 December 2021		As at 31 March 2022	
	Particulars	**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)#**
High Quality Liquid Assets									
	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
Cash Outflows									
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 collateral requirements	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
Cash Inflows									
9	Secured lending	61,512	46,134	59,967	44,975	15,296	11,472	-	-
10	Inflows from fully performing	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
		Total Adjusted value		**Total Adjusted value**		**Total Adjusted value**		**Total Adjusted value**	
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 monthly observations for the respective quarters

(vii) Institutional set-up for liquidity risk manangement
a)Board of Directors
b)Risk Management Committee (RMC)
c)Asset-Liability Management Committee (ALCO)
d)Asset-Liability Management Support Group

* 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).

7 xxi. Details of financing of parent company products
There is no Financing during the current year.

7 xxii. 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 2022, as applicable (in INR lakhs)	532,351
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 B1

Sr. No.	Particulars	Amount
1	Incremental borrowing done in FY (a)	692,020
2	Mandatory borrowing to be done through issuance of debt securities	173,005
3	Actual borrowings done through debt securities in FY (c)	687,020
4	Shortfall in the mandatory borrowing through debt securities, if any (d) = (b) - (c) NIL	Nil
5	Reasons for short fall, if any, in mandatory borrowings through debt securities	NA

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 financial statements (continued)
for the year ended 31 March 2022
All amounts are in INR lakhs except per share data and unless stated otherwise

Note 48 - Impact of COVID-19
India is emerging from the Covid-19 pandemic. The lockdowns and other restrictions have been completely lifted and the Company does not anticipate any significant uncertainty in the operations.

Note 49 - Trade receivable ageing schedule

Sr.no	Particulars	As at 31 March 2022					
		Less than 6 months	months 6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
1.	Undisputed Trade receivables – considered good	8,958	-	-	-	-	8,958
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 2021					
		Less than 6 months	months 6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
1.	Undisputed Trade receivables – considered good	3,331	-	-	-	-	3,331
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 50 - Trade payable ageing schedule

Sr.no	Particulars	As at 31 March 2022				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
1.	MSME	24	-	-	-	24
2.	Others	5,362	6,217	-	71	11,650
3.	Disputed dues – MSME	-	-	-	-	-
4.	Disputed dues - Others	-	-	-	-	-

Sr.no	Particulars	As at 31 March 2021				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
1.	MSME	27	-	-	-	27
2.	Others	7,065	3,328	-	138	10,531
3.	Disputed dues – MSME	-	-	-	-	-
4.	Disputed dues - Others	-	-	-	-	-

Notes to the financial statements (continued)
for the year ended 31 March 2022
All amounts are in INR lakhs except per share data and unless stated otherwise

Note 51 - Off balance sheet items, contingent liabilities and capital commitments

Particulars	As at 31 March 2022	As at 31 March 2021
Tax assessments	6,402	4,551
Customer litigations	333	343
Estimated amount of contracts remaining to be exec	-	3
Undrawn committed credit lines	6,984	4,730

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 1,173 (31 March 2021: 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 accountant 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.

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 333 (31 March 2021: INR 343). The Company believes that such demands are not tenable and are highly unlikely to be confirmed by higher authorities.

Note 52 - 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/-
Rohit Ranjan
Director
DIN: 00003480

Mumbai
Date: 30 May 2022

sd/-
Ankit Goyal
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 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, 2022, 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, 2022, 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 disposal group held for sale and other relevant disclosures under Ind AS 105.

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

Key audit matter	How the matter was addressed in our audit
Impairment of loans and advances and expected credit losses	
Refer to the accounting policies in Note 3.10.1 to the Consolidated Financial Statements: Impairment of Financial Instruments", Note 8 to the Consolidated Financial Statements: "Loans" and Note 32 to the Consolidated Financial Statements: Financial Risk Management"	
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. 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: a. Portfolio Segmentation b. Asset staging criteria c. Calculation of probability of default/ Loss given default/ Credit conversion factor basis the portfolio segmentation	We have performed the following key audit procedures: • 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. • 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.

Key audit matter	How the matter was addressed in our audit
Impairment of loans and advances and expected credit losses	
d. Consideration of probability of forward looking macro-economic factors 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. 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. We have identified measurement of ECL as a key audit matter in view of the significant judgement and assumptions involved.	• 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. • Testing the governance framework for validation, implementation and model monitoring in line with the RBI guidance including the Board approved ECL policy. • 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. • We have also obtained management representations wherever considered necessary.

Related Party Transactions and related disclosures	
Key audit matter	**How the matter was addressed in our audit**
The Company has undertaken substantial transactions with its related parties. 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. 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.	We have performed the following key audit procedures: • 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. • 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

Related Party Transactions and related disclosures	
Key audit matter	**How the matter was addressed in our audit**
	capture of transactional data for related party transactions. • 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. • Tested on a sample basis related party transactions with the underlying contracts and other supporting documents. • Obtained balance confirmations from significant related parties in respect of significant transactions. • Assessed management evaluation of compliance with the provisions of Section 177 and Section 188 of the Companies Act 2013. • Verified the related party information disclosed in the financial statements with the underlying supporting documents on a sample basis. • Obtained management representations for accurate identification and completeness of the relevant disclosures in the financial statements.

Claims and exposures relating to direct and indirect taxation and litigation	
Key audit matter	**How the matter was addressed in our audit**
The Company currently has large number of tax related assessment and litigation which have been disclosed in the financial statements as contingent liabilities based on the facts and circumstances of each case. The Company has also assessed that there are	We have performed the following key audit procedures: • 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

Claims and exposures relating to direct and indirect taxation and litigation	
Key audit matter	**How the matter was addressed in our audit**
no uncertain tax positions requiring provisioning in terms of the relevant Ind AS. 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.	controls. • 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. • 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. • We have also obtained management representations wherever considered necessary.

Recoverability of unutilized Minimum Alternate Tax (MAT) credits included under deferred tax assets	
Key audit matter	**How the matter was addressed in our audit**
Deferred tax assets as at March 31, 2022 includes MAT credits of 8,167 lakhs which is available for utilization against future tax liabilities. 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.	We have performed the following key audit procedures: • Obtained and analyzed the future budgeted financial parameters estimated by management, assessing the key assumptions used, including the analysis of the consistency of the actual results with those projected in the previous year. We further obtained evidence of the approval of the budgeted results included in the current year's projections, and the reasonableness of the future cash flow projections and the consistency of those projections with those used in other areas of estimation such as those used for assessing the recoverability.

Recoverability of unutilized Minimum Alternate Tax (MAT) credits included under deferred tax assets	
Key audit matter	**How the matter was addressed in our audit**
	• Considering the sale of the Consumer Business to Axis Bank Ltd., we challenged the Company's projections regarding the profitability from the continuing operations and assessed whether the same seemed appropriate given the circumstances. • We have also obtained management representations wherever considered necessary.

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
Impairment of financial instruments (expected credit losses) 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: a. Defining qualitative/ quantitative thresholds for 'significant increase in credit risk' ("SICR") and 'default'.	• 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. • Tested the assumptions used by the Company for staging of loan portfolio into categories and default buckets for determining the PD and LGD rates. • 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. • Tested the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records.

Key audit matter	How the audit addressed the Key Audit Matter
b. Determining effect of less frequent past events on future probability of default. **Impact of Covid-19** The spread of Covid-19 has severely impacted many economies around the globe. Businesses were being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social plan distancing, and closures of non-essential for services have triggered significant disruptions businesses, resulting in an economic slowdown and economic uncertainties. Measures have also been taken by the Government and the Reserve Bank to ease the burden on businesses from hardship. Pursuant to the Reserve Bank of India circular dated August 6, 2020 ("RBI circular") for resolution framework for Covid-19 related stress allowing lending institutions to implement a resolution plan in respect of its eligible corporate exposure without change in ownership, and personal loans, while classifying such exposures as Standard, subject to specified conditions. The Company has recorded a management overlay as part of its ECL, to reflect among other things an increased risk of deterioration in macro-economic factors caused by Novel Coronavirus (Covid-19) pandemic. In accordance with the guidance in Ind AS 109, the management overlay estimate takes into account reasonable and supportable information. In view of the high degree of management's judgement involved in estimation the effect of Covid-19 and the consequential effect on ECL, it was considered as a key audit matter.	• 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. • Performed inquiries with the Company's management with respect to any resolution plan under Reserve bank of India's circular for Resolution framework for Covid-19 related stress. • Tested assumptions used by the management in determining the overlay for macro-economic factors (including Covid-19 pandemic) in accordance with the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issues on March 13, 2020. • Tested the arithmetical accuracy of computation of ECL provision performed by the Company. • 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. • 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.

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, 2022 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.3,067.85 lakhs (before consolidation adjustments) and total comprehensive income of Rs.3,071.11 lakhs (before consolidation adjustments) for the year ended 31 March 2022, 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, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualifications or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr No.	Name of entities	CIN	Holding Company / Associate Company	Clause Number of the CARO report which is qualified or adverse
1	Citicorp Finance (India) Limited	U65910MH1997PLC253897	Holding Company	3(i)(c), 3(ix)(a)

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, 2022 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, 2022, 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 31,2022, 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

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, 2022 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: 22129389AJXLTP9165

Place: Mumbai
Date: May 30, 2022

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, 2022 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, 2022, 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, insofar 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: 22129389AJXLTP9165

Place: Mumbai
Date: May 30, 2022

CITICORP FINANCE (INDIA) LIMITED

Consolidated financial statements

For the year ended 31 March 2022

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 2022 (Audited)	As at 31 March 2021 (Audited)
ASSETS			
Financial assets			
Cash and cash equivalents	4	49,499	142,731
Bank balance other than cash and cash equivalents above	5	2,593	14,486
Derivative financial assets	6	4,474	2,797
Receivables			
(i) Trade receivables	7	7,554	1,367
(ii) Other receivables	7	544	1,964
Loans	8	339,895	749,744
Investments	9	188,880	125,511
Other financial assets	10	237	4,304
Total financial assets		**593,676**	**1,042,904**
Non-financial assets			
Current tax assets (Net)	30	22,905	19,042
Deferred tax assets (Net)	30	13,986	21,029
Property, plant and equipment	11	910	1,379
Capital work-in-progress	11	-	16
Other non-financial assets	12	956	983
Total non-financial assets		**38,757**	**42,449**
Assets classified as held for sale	36	**359,494**	**-**
TOTAL ASSETS		**991,927**	**1,085,353**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Derivative financial liabilities	6	244	1,083
Payables			
Trade payables			
(i) total outstanding dues of micro and small enterprises	47	-	27
(ii) total outstanding dues of creditors other than micro and small enterprises	47	11,286	10,531
Debt securities	13	398,532	369,287
Borrowings (other than debt securities)	14	158,274	259,900
Other financial liabilities	15	6,396	8,481
Total financial liabilities		**574,732**	**649,309**
Non-financial liabilities			
Provisions	16	68	1,577
Other non-financial liabilities	17	1,497	2,060
Total non-financial liabilites		**1,565**	**3,637**
Liabilities associated with assets classified as held for sale	36	**9,236**	**-**
EQUITY			
Equity share capital	18	289,330	289,330
Other equity		117,064	143,077
Total equity		**406,394**	**432,407**
TOTAL LIABILITIES AND EQUITY		**991,927**	**1,085,353**

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/-
Rohit Ranjan
Director
DIN: 00003480

sd/-
Ankit Goyal
Chief Financial Officer

sd/-
Sameer Upadhyay
Company Secretary

Place: Mumbai
Date: 30 May 2022

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 2022 (Audited)	Year ended 31 March 21 (Audited)
Revenue from operations			
Interest income	19	27,446	64,154
Dividend income	20	101	563
Fees and commission income	21	372	2,981
Net gain/(loss) on fair value changes	22	(562)	7,698
Other revenue from operations	23	(1)	351
Total revenue from operations		**27,356**	**75,747**
Other income	24	646	1,934
Total income		**28,002**	**77,681**
Expenses			
Finance costs	25	10,362	27,050
Fees and commission expense	26	3,825	7,719
Impairment on financial instruments	27	1,003	8,306
Employee benefits expenses	28	771	4,970
Depreciation and amortisation	11	140	345
Others expenses	29	2,621	7,859
Total expenses		**18,722**	**56,249**
Profit before tax from continuing operations		**9,280**	**21,432**
Tax expense:			
Current tax	30	(1,444)	3,913
Deferred tax	30	5,795	2,336
Total tax expense		**4,351**	**6,249**
Share in profit of associate		**3,119**	**2,812**
Profit for the year from continuing operations (A)		**8,048**	**17,995**
Profit before tax from discontinued operations	36	**7,628**	**-**
Tax expense:			
Current tax	36	(1,156)	**-**
Deferred tax	36	-	**-**
Total tax expense		**(1,156)**	**-**
Profit for the year from discontinued operations (B)		**8,784**	**-**
Profit for the year (A + B)		**16,832**	**17,995**
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligation		(129)	(55)
Share in other comprehensive income of associate		3	(7)
Tax relating to above		45	26
Subtotal (A)		**(81)**	**(36)**
Items that may be reclassified to profit or loss			
Changes in fair value of loans classified as FVOCI		11,118	1,008
Changes in fair value of Government Securities classified as FVOCI		4	-
Tax relating to above		(3,886)	(472)
Subtotal (B)		**7,236**	**536**
Other comprehensive income (A+B)		**7,155**	**500**
Total comprehensive income for the year		**23,987**	**18,495**
Earnings per equity share	38		
Basic and diluted earnings per share			
(Face value of Rs. 7.50 each)			
Continuing operations		0.21	0.47
Discontinued operations		0.23	NA

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

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/-
Rohit Ranjan
Director
DIN: 00003480

Place: Mumbai
Date: 30 May 2022

sd/-
Ankit Goyal
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 2020	3,857,727,031	289,330
As at 31 March 2021	3,857,727,031	289,330
As at 31 March 2022	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	
As at 01 April 2020	**66,010**	**65,172**	**34**	**-**	**2,366**	**133,582**
Profit for the period	-	17,995	-	-	-	17,995
Other comprehensive income	-	(36)	-	-	536	500
Total comprehensive income for the period	**-**	**17,959**	**-**	**-**	**536**	**18,495**
Transfer from Retained Earnings	3,037	(3,037)	-	-	-	-
Transfer to Retained Earnings	-	34	(34)	-	-	-
Dividend payout (including DDT)	-	(9,000)	-	-	-	(9,000)
As at 31 March 2021	**69,047**	**71,128**	**-**	**-**	**2,902**	**143,077**
Profit for the period	-	16,832	-		-	16,832
Other comprehensive income	-	(81)	-	3	7,233	7,155
Total comprehensive income for the period	**-**	**16,751**	**-**	**3**	**7,233**	**23,987**
Transfer from Retained Earnings	3,366	(3,366)	-	-	-	-
Dividend payout (including WHT)	-	(50,000)	-	-	-	(50,000)
As at 31 March 2022	**72,413**	**34,513**	**-**	**3**	**10,135**	**117,064**

Notes
1. Statutory reserve is created pursuant to section 45-IC of the Reserve Bank of India Act, 1934.
2. Retained earnings represents the Group'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/-
Nina Nagpal
Managing Director
DIN: 00138918

sd/-
Rohit Ranjan
Director
DIN: 00003480

Place: Mumbai
Date: 30 May 2022

sd/-
Ankit Goyal
Chief Financial Officer

sd/-
Sameer Upadhyay
Company Secretary

Consolidated statement of cashflow

(Currency: Indian Rupees in Lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Cash flow from operating activities :		
Profit before tax:	20,027	24,244
Adjustment:		
Adjustment for Non-Cash Item:		
Depreciation and amortisation	328	345
Share in income of associate	(3,119)	(2,812)
Unrealised (gain)/ loss on fair value changes	(20,787)	17,003
Provisions/(reversal of provisions)	121	(124)
Unwinding of discount on security deposit	(6)	(6)
Impairment of financial instruments	(2,310)	2,186
Net (gain)/ loss on derecognition of property, plant and equipment	(2)	13
Adjustment for Financing/Investing activity:		
Interest income from investments	(7,509)	(4,076)
Dividend income	(101)	(563)
Finance Charges	27,239	27,050
Realised (gain)/loss on fair value changes	3,628	(1,379)
Loss/ (gain) on sale of investment	(942)	(1,166)
Operating profit before working capital changes	**16,567**	60,714
Working Capital changes:		
(Increase)/decrease in receivables	(5,627)	(299)
(Increase)/decrease in loans	67,477	106,823
(Increase)/decrease in other financial assets and others	12,620	5,672
(Increase)/decrease in other non-financial assets	33	(104)
Increase/(decrease) in trade payables	1,114	5,187
Increase/(decrease) in other financial liabilities	5,363	4,060
Increase/(decrease) in other non-financial liabilities and provisions	(791)	705
Interest paid on debt securities	(28,156)	(19,407)
Interest paid on borrowings	(8,872)	(7,122)
Interest received on investments	9,034	1,421
Net cash used in operating activities before taxes	**68,762**	157,650
Less : Income taxes paid (net of refunds)	1,263	4,306
Net cash inflow / (outflow) from operating activities (A)	**67,499**	153,344
Cash flow from investing activities :		
Purchase of investments	(435,845)	(318,587)
Proceeds from sale of investments	370,519	278,530
Purchase of Property, Plant and Equipment	-	(54)
Proceeds from Sale of Property, Plant and Equipment	-	-
Dividend Income	353	815
Net cash inflow / (outflow) from investing activities (B)	**(64,972)**	(39,297)
Cash flow from financing activities :		
Receipts from issuance of debt securities	687,020	401,095
Payments on redemption of debt securities	(631,420)	(459,656)
Payment of dividend and tax thereon	(50,000)	(9,000)
Receipts from borrowing products	543,921	660,296
Repayments of borrowing	(645,280)	(662,568)
Net cash inflow / (outflow) from financing activities (C)	**(95,759)**	(69,832)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(93,232)**	44,215
Add : Cash and cash equivalents at beginning of the year	**142,731**	98,515
Cash and cash equivalents at end of the period	**49,499**	142,731

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/-
Nina Nagpal
Managing Director
DIN: 00138918

sd/-
Rohit Ranjan
Director
DIN: 00003480

Place: Mumbai
Date: 30 May 2022

sd/-
Ankit Goyal
Chief Financial Officer

sd/-
Sameer Upadhyay
Company Secretary

Notes to the consolidated financial statements
for the year ended 31 March 2022
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 30 May 2022.

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.

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 2022	As at 31 March 2021
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.

- **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.

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.

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.

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.

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.

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.

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.

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:

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.

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 instrument of associates are measured at amortised 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 derecognised (i.e., removed from the Company's balance sheet) when:

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

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

Loan commitments

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

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.

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.

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

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.

Notes to the consolidated financial statements (continued)
for the year to date ended 31 March 2022
All amounts are in INR lakhs except per share data and unless stated otherwise

Note 4 - Cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Cash on hand	-	-
Balance with banks		
- In current accounts	10,848	36,464
- In fixed deposits (with original maturity of less than 3 months)	38,599	106,225
Cheques on hand	52	42
Total	**49,499**	**142,731**

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 31 March 2022
Continuing operations	49,499
Discontinued operations	-
Total	**49,499**

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

Particulars	As at 31 March 2022	As at 31 March 2021
Margin money deposit	2,456	11,829
Fixed Deposit	2,741	2,657
Total	**5,197**	**14,486**

1. Fixed deposit includes lien marked deposits of INR 2,604 (31 March 2021: INR 2,525) for securitization transactions executed in prior years.
2. Refer note 35 for fixed deposits with related parties.

Particulars	As at 31 March 2022
Continuing operations	2,593
Discontinued operations	2,604
Total	**5,197**

Note 6 - Derivative financial assets and liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Derivative financial assets		
Equity linked derivatives (futures and options)	4,474	2,797
Total	**4,474**	**2,797**

Particulars	As at 31 March 2022
Continuing operations	4,474
Discontinued operations	-
Total	**4,474**

Derivative financial liabilities		
Equity linked derivatives (futures and options)	244	1,083
Total	**244**	**1,083**

Particulars	As at 31 March 2022
Continuing operations	244
Discontinued operations	-
Total	**244**

Notional amount	**48,436**	**66,072**

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

Note 7 - Receivables

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables		
Receivables considered good - Secured	-	-
Receivables considered good - Unsecured	7,554	1,367
Less: Expected credit loss	-	-
Subtotal	**7,554**	**1,367**
Other receivables		
Receivables considered good - Unsecured	1,404	1,964
Less: Expected credit loss	-	-
Subtotal	**1,404**	**1,964**
Total	**8,958**	**3,331**

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 receivable ageing schedule

Particulars	As at 31 March 2022
Continuing operations	8,098
Discontinued operations	860
Total	**8,958**

Notes to the consolidated financial statements (continued)
for the year ended 31 March 2022
All amounts are in INR lakhs except per share data and unless stated otherwise

Note 8 - Loans

Particulars	As at 31 March 2022			As at 31 March 2021		
	Amortised cost	Fair value through OCI	Total	Amortised cost	Fair value through OCI	Total
Loans						
Loans repayable on demand	146,943	-	**146,943**	426,793	-	**426,793**
Term loans	241,474	314,387	**555,861**	124,266	208,105	**332,371**
Deposits	86	-	**86**	86	-	**86**
Total (Gross)	**388,503**	**314,387**	**702,890**	**551,145**	**208,105**	**759,250**
Less: Expected credit loss	(3,805)	(3,390)	**(7,195)**	(6,523)	(2,983)	**(9,506)**
Total (Net)	**384,698**	**310,997**	**695,695**	**544,622**	**205,122**	**749,744**
Secured by tangible assets	223,327	314,387	537,714	336,056	208,105	544,161
Unsecured	165,176	-	165,176	215,089	-	215,089
Total (Gross)	**388,503**	**314,387**	**702,890**	**551,145**	**208,105**	**759,250**
Less: Expected credit loss	(3,805)	(3,390)	**(7,195)**	(6,523)	(2,983)	**(9,506)**
Total (Net)	**384,698**	**310,997**	**695,695**	**544,622**	**205,122**	**749,744**
Advances in India						
Public sector	-	-	-	-	-	**-**
Other than public sector	388,503	314,387	702,890	551,145	208,105	**759,250**
Total (Gross)	**388,503**	**314,387**	**702,890**	**551,145**	**208,105**	**759,250**
Less: Expected credit loss	(3,805)	(3,390)	**(7,195)**	(6,523)	(2,983)	**(9,506)**
Total (Net)	**384,698**	**310,997**	**695,695**	**544,622**	**205,122**	**749,744**

Particulars	As at 31 March 2022
Continuing operations	339,895
Discontinued operations	355,800
Total	**695,695**

Notes to the consolidated financial statements (continued)
for the year to date ended 31 March 2022
All amounts are in INR lakhs except per share data and unless stated otherwise

Note 9 - Investments

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
In India		
Accounted under equity method		
Equity shares of associate	23,904	21,034
At fair value through profit or loss		
Corporate bonds (quoted)	131,409	98,233
Equity shares (unquoted)	6,357	6,244
At fair value through other comprehensive income		
Government securities	27,210	-
Less: Expected credit loss	-	-
Total	**188,880**	**125,511**

Refer note 35 for investments in related parties.

Particulars	**As at 31 March 2022**
Continuing operations	188,880
Discontinued operations	-
Total	**188,880**

Note 10 - Other financial assets

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Margin money	210	4,277
Other deposits	27	27
Total	**237**	**4,304**

Particulars	**As at 31 March 2022**
Continuing operations	237
Discontinued operations	-
Total	**237**

Notes to the consolidated financial statements *(continued)*
for the year ended 31 March 2022
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 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
Owned assets										
Property, Plant and Equipment										
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**	**0**	-
Subtotal	**947**	**62**	**5**	**1,004**	**610**	**101**	**6**	**705**	**300**	337
Leased assets										
Leasehold Premises***	1,528	25	-	**1,553**	486	227	**-**	**713**	**840**	1,042
Vehicles taken on lease	-	-	-	**-**	-	-	-	**-**	**-**	-
Total	**2,475**	**87**	**5**	**2,556**	**1,096**	**328**	**6**	**1,418**	**1,140**	1,379
Capital work-in-progress	16	-	16	**-**	-	-	-	**-**	**-**	16

Particulars	Gross block				Accumulated depreciation				Net block	
	As at 01 April 2020	Additions	Deletions	As at 31 March 2021	As at 01 April 2020	For the year	Deductions	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Property, Plant and Equipment										
Building	61	-	7	**54**	25	1	3	**23**	**31**	36
Freehold land	5	-	3	**2**	-	-	-	**-**	**2**	5
Furniture and fixtures	69	-	5	**64**	28	13	5	**36**	**28**	41
Office equipments	181	5	50	**136**	137	13	49	**101**	**35**	44
Electrical installations	523	-	48	**475**	255	72	41	**286**	**189**	268
Computer equipments	562	33	385	**210**	519	23	384	**158**	**52**	43
Asset retirement obligation	48	-	42	**6**	47	1	42	**6**	**-**	1
Sub-Total	**1,449**	**38**	**540**	**947**	**1,011**	**123**	**524**	**610**	**337**	**438**
Leased assets										
Leasehold Premises	899	629	-	**1,528**	264	222	-	**486**	**1,042**	635
Vehicles taken on lease	80	-	80	**-**	80	-	80	**-**	-	-
Total	**2,428**	**667**	**620**	**2,475**	**1,355**	**345**	**604**	**1,096**	**1,379**	**1,073**
Capital work-in-progress	**-**	**16**	**-**	**16**	**-**	**-**	**-**	**-**	**16**	**-**

*Bifurcation of net block of property, plant and equipments between continuing and discontinued operations for the year ended 31 March 2022 is as stated below:

Particulars	Net Block as at March 31, 2022	Depreciation for the year ended March 2022
Continuing operations	910	140
Discontinued operations	230	188
Total	**1,140**	**328**

**Details of immovable property for which title deed is not held in the name of the Company

Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is promoter, director or relative # of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Land in Gujarat	2	Citi Financial Consumer Finance India Limited (CFCFIL)	No	-	Legal process for change in the name in title deed of the land post merger with CFCFIL

***Refer Note no. 37

Created date : 02-09-2022

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

Note 12 - Other non-financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Deposits with statutory authorities	367	524
Prepaid expenses	318	303
Net input tax credit (refer note below)	270	156
Receivable from staff	1	-
Total	**956**	**983**

Input tax credit	11,677	11,354
Provision for input tax credit	(11,407)	(11,198)
Net input tax credit	**270**	**156**

Particulars	As at 31 March 2022
Continuing operations	956
Discontinued operations	-
Total	**956**

Note 13 - Debt securities

Particulars	As at 31 March 2022	As at 31 March 2021
In India		
At amortised cost		
Non convertible debentures	316,956	220,869
At fair value through profit or loss		
Market linked non convertible debentures	81,576	148,418
Total	**398,532**	**369,287**

Refer note 44 for details of debt securities.

Particulars	As at 31 March 2022
Continuing operations	398,532
Discontinued operations	-
Total	**398,532**

Note 14 - Borrowings (other than debt securities)

Particulars	As at 31 March 2022	As at 31 March 2021
In India		
At amortised cost		
Secured		
Unsecured		
Inter corporate borrowings	149,655	258,268
Loans repayable on demand from banks	8,619	1,632
Total	**158,274**	**259,900**

Refer note 43 for details of borrowings.

Particulars	As at 31 March 2022
Continuing operations	158,274
Discontinued operations	-
Total	**158,274**

Notes to the consolidated financial statements (continued)

for the year to date ended 31 March 2022

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

Note 15 - Other financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Dealer held disbursal and other liabilities	8,580	5,812
Collection payables on servicing portfolio	5,264	2,669
Total	**13,844**	**8,481**

Refer note 35 for payables to related parties.

Particulars	As at 31 March 2022
Continuing operations	6,396
Discontinued operations	7,448
Total	**13,844**

Note 16 - Provisions

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits:		
Gratuity (refer note 41)	411	283
Employee benefits	28	19
Bonus	156	137
Provision for others:		
Securitization	11	96
Value added tax	9	24
Legal and regulatory	600	923
Asset retirement obligations	47	46
Expected credit loss on loan commitments	47	49
Total	**1,309**	**1,577**

Particulars	As at 31 March 2022
Continuing operations	68
Discontinued operations	1,241
Total	**1,309**

Note 17 - Other non-financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Statutory dues payable	332	125
Others	1,326	1,935
Total	**1,658**	**2,060**

Particulars	As at 31 March 2022
Continuing operations	1,497
Discontinued operations	161
Total	**1,658**

Notes to the consolidated financial statements (continued)

for the year to date ended 31 March 2022

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

Note 18 - Equity share capital

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised share capital		
5,269,333,333 (31 March 2021: 5,269,333,333) Equity shares of Face Value of INR 7.50 each	**395,200**	395,200
Issued, subscribed and paid up		
3,857,727,031 (31 March 2021: 3,857,727,031) Equity shares of Face Value INR 7.50 each	**289,330**	289,330
Total	**289,330**	289,330

Reconciliation of number of shares

Particulars	As at 31 March 2022	As at 31 March 2021
At the beginning of the year	**3,857,727,031**	3,857,727,031
Issued during the year	-	-
At the end of the year	**3,857,727,031**	3,857,727,031

Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of 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 31 March 2022	As at 31 March 2021
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 31 March 2022	As at 31 March 2021
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.

Notes to the consolidated financial statements (continued)
for the year to date ended 31 March 2022
All amounts are in INR lakhs except per share data and unless stated otherwise

Note 19 - Interest income

Particulars	Year ended 31 March 2022	Year ended 31 March 21
Interest on financial instruments measured at amortised cost		
Loans	33,194	50,461
Deposits with banks	996	992
Interest on financial instruments measured at FVOCI		
Loans	14,076	8,625
Interest on financial instruments measured at FVTPL		
Investments	7,509	4,076
Total	**55,775**	**64,154**

Particulars	Year ended 31 March 2022
Continuing operations	27,446
Discontinued operations	28,329
Total	**55,775**

Note 20 - Dividend income

Particulars	Year ended 31 March 2022	Year ended 31 March 21
Others	101	563
Total	**101**	**563**

Particulars	Year ended 31 March 2022
Continuing operations	101
Discontinued operations	-
Total	**101**

Note 21 - Fees and commission income

Particulars	Year ended 31 March 2022	Year ended 31 March 21
Collection and sourcing fees	3,002	2,755
Other fees	372	226
Total	**3,374**	**2,981**

Particulars	Year ended 31 March 2022
Continuing operations	**372**
Discontinued operations	**3,002**
Total	**3,374**

Notes to the consolidated financial statements (continued)

for the year to date ended 31 March 2022
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 2022	Year ended 31 March 21
a) on financial instruments designated at fair value through profit and loss account-		
Gain/(loss) on fair value of market linked non convertible debentures	1,635	(1,142)
Gain/(loss) on derivatives (net)	(2,409)	4,815
Gain/(loss) on fair value of investments classified as FVTPL	212	4,025
Total	**(562)**	**7,698**
Fair Value changes:		
Unrealised gain/(loss)	20,787	(17,003)
Realised (loss)/gain	(21,349)	24,701
Total	**(562)**	**7,698**

Particulars	Year ended 31 March 2022
Continuing operations	(562)
Discontinued operations	-
Total	**(562)**

Note 23 - Other revenue from operations

Particulars	Year ended 31 March 2022	Year ended 31 March 21
Gain on assignment	3,595	318
Other revenue	25	33
Total	**3,620**	**351**

Particulars	Year ended 31 March 2022
Continuing operations	(1)
Discontinued operations	3,621
Total	**3,620**

Note 24 - Other income

Particulars	Year ended 31 March 2022	Year ended 31 March 21
Miscellaneous income	1,021	1,804
Reversal of provision for litigation (net)	287	124
Interest on lease deposits	6	6
Total	**1,314**	**1,934**

Particulars	Year ended 31 March 2022
Continuing operations	646
Discontinued operations	668
Total	**1,314**

Notes to the consolidated financial statements (continued)
for the year to date ended 31 March 2022
All amounts are in INR lakhs except per share data and unless stated otherwise

Note 25 - Finance costs

Particulars	Year ended 31 March 2022	Year ended 31 March 21
Interest on financial liabilities measured at amortised cost		
Non convertible debentures	12,105	7,627
Inter corporate borrowings	6,829	8,048
Commercial paper	648	-
Borrowings from banks	5	21
Finance lease	-	1
Others	1,134	96
Interest on financial liabilities designated at FVTPL		
Market linked non convertible debentures	6,518	11,257
Total	**27,239**	**27,050**

Particulars	Year ended 31 March 2022
Continuing operations	10,362
Discontinued operations	16,877
Total	**27,239**

Note 26 - Fees and commission expense

Particulars	Year ended 31 March 2022	Year ended 31 March 21
Transfer pricing fees (refer note - Note 42H)	4,115	5,432
Fees and commission expense	1,275	1,566
Distribution and placement fees	171	537
Brokerage	184	184
Total	**5,745**	**7,719**

Particulars	Year ended 31 March 2022
Continuing operations	3,825
Discontinued operations	1,920
Total	**5,745**

Note 27 - Impairment on financial instruments

Particulars	Year ended 31 March 2022	Year ended 31 March 21
Financial instruments measured at amortised cost		
Write offs (net of recoveries)	2,254	5,871
Expected credit loss on loans	(2,718)	771
Expected credit loss on other assets	3	2
Financial instruments measured at FVOCI		
Expected credit loss on loans	405	1,413
Write offs (net of recoveries)	823	249
Total	**767**	**8,306**

Particulars	Year ended 31 March 2022
Continuing operations	1,003
Discontinued operations	(236)
Total	**767**

Notes to the consolidated financial statements (continued)

for the year to date ended 31 March 2022

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

Note 28 - Employee benefits expenses

Particulars	Year ended 31 March 2022	Year ended 31 March 21
Salaries, wages and bonus	3,815	4,617
Contribution to provident fund and other funds	269	237
Gratuity (Refer note 41)	83	85
Other expenses	33	31
Total	**4,200**	**4,970**

Particulars	Year ended 31 March 2022
Continuing operations	771
Discontinued operations	3,429
Total	**4,200**

Note 29 - Other expenses

Particulars	Year ended 31 March 2022	Year ended 31 March 21
Rent	634	679
Premises maintenance costs	388	561
Provision for litigations	121	-
Bank charges	63	52
Net loss/(gain) on derecognition of property, plant and equipment	-	13
Credit rating and surveillance fees	131	130
Service bureau expenses	1,770	1,606
Technology and software expenses	838	1,153
Stamping / franking charges	318	65
Travelling and conveyance expenses	260	160
Telephone expenses	117	30
Professional and legal expenses	395	316
Collection expenses	1,681	1,767
HR processing charges	52	47
Payments to the auditors		
(a) Statutory Audit	35	60
(b) Tax audit	5	8
(c) Limited Review	17	12
(d) Reimbursement of expenses	3	8
Corporate social responsibility expenses (refer note 39)	502	848
Miscellaneous expenses	1,106	344
Total	**8,435**	**7,859**

Particulars	Year ended 31 March 2022
Continuing operations	2,621
Discontinued operations	5,814
Total	**8,435**

Notes to the consolidated financial statements (continued)
for the year ended 31 March 2022
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 2022	Year ended 31 March 2021
Current tax		
Current tax on profits for the year	(2,600)	3,913
Adjustments for current tax of prior periods	-	-
Total current tax expense	**(2,600)**	**3,913**
Deferred tax		
Decrease/(Increase) in deferred tax assets	1,823	8,067
(Decrease)/ Increase in deferred tax liabilities	3,971	(5,731)
Total deferred tax expense	**5,795**	**2,336**
Total tax expense	**3,194**	**6,249**

b) Tax charge recognised directly to other comprehensive income

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Deferred tax expense/(benefit)	(3,841)	(446)
Total tax charge/(benefit) recognized directly in other comprehensive income	**(3,841)**	**(446)**

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 2022	Year ended 31 March 2021
Accounting profit before tax	16,908	21,432
Add: Dividend reversed under equity method of accounting	252	252
Accounting profit before tax	17,160	21,684
Tax at India's statutory income tax rate of 34.944% (31 March 2021 34.944%)	**5,997**	**7,577**
Tax effect of the amount which are not taxable in calculating taxable income :		
- Dividend Income not liable to tax	-	-
- Expenses related to Dividend Income	-	-
- CSR expenses (net of benefit of deduction)	502	239
- Education cess	-	(160)
- Other	(487)	(1,407)
Income tax expense	**6,012**	**6,249**
Effective tax rate	**35.03%**	**28.82%**

d) Current tax assets

Particulars	As at 31 March 2022	As at 31 March 2021
Advance income tax (net of provision for tax)	22,905	19,042
Total	**22,905**	**19,042**

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2022
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 2021	(Charged)/ credited to profit and loss	(Charged)/ credited to OCI	As at 31 March 2022
Deferred tax liability :				
Fair value of derivatives and Investments	1,302	(3,973)	-	(2,671)
Lease rental receivable	-	-	-	-
Changes in fair value of FVOCI debt instruments	(1,745)	-	(3,886)	(5,631)
	(443)	**(3,973)**	**(3,886)**	**(8,302)**
Deferred tax asset :				
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
	15,906	**(1,831)**	**45**	**14,120**
MAT Credit available	5,567	2,600	-	8,167
Net deferred tax asset/(liability)	**21,029**	**(3,205)**	**(3,841)**	**13,986**

Particulars	As at 31 March 2020	(Charged)/ credited to profit and loss	(Charged)/ credited to OCI	As at 31 March 2021
Deferred tax liability :				
Fair value of derivatives	(4,429)	5,730	-	1,302
Lease rental receivable	(1)	1	-	-
Changes in fair value of FVOCI debt instruments	(1,273)	-	(472)	(1,745)
	(5,703)	**5,731**	**(472)**	**(443)**
Deferred tax asset :				
Provisions on financial assets	6,843	(4,136)	-	2,707
Property, plant and equipment	2,903	(364)	-	2,539
Disallowance of expenses	137	(30)	-	107
Interest accrued on debentures	6,042	(790)	-	5,252
Remeasurement of defined benefit obligation at FVOCI	42	-	26	68
Others	10	5,223	-	5,233
	15,978	**(97)**	**26**	**15,906**
Less: Utilisation of MAT credit towards provision for tax	13,267	(7,970)		5,567
Net deferred tax asset/(liability)	**23,541**	**(2,336)**	**(446)**	**21,029**

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.

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

- Investment in equity shares consist of unlisted equity shares. For unlisted equity shares, fair value is determined based on quoted market prices for similar securities or through valuation techniques, such as multiples of earnings or net asset value method. A liquidity discount is applied when few or no transactions exist to support the valuations. In case of unlisted equity shares, significant inputs being unobservable, they are classified as Level 3 in the fair value hierarchy.

-Investment in debt securities are valued 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 heirarchy as they are directly or indirectly observable in the market. No significant unobservable inputs are used in valuation of market linked non convertible debentures.

c) Valuation Control framework
The Company 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.

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

d) Financial instruments by category

Particulars	As at 31 March 2022				As at 31 March 2021			
	FVTPL	FVOCI	At Amortised Cost	Total	FVTPL	FVOCI	At Amortised Cost	Total
Financial Assets								
Cash and cash equivalents	-	-	49,499	49,499			142,731	142,731
Bank balance other than cash and cash equivalents above	-	-	5,197	5,197			14,486	14,486
Derivative financial assets	4,474	-	-	4,474	2,797			2,797
Trade receivables			7,554	7,554			1,367	1,367
Other receivables	-	-	1,404	1,404			1,964	1,964
Loans	-	310,997	384,698	695,695		205,122	544,622	749,744
Investments	137,766	27,210	-	164,976	104,477			104,477
Other financial assets	-	-	237	237			4,304	4,304
Total financial assets	**142,240**	**338,207**	**448,589**	**929,036**	**107,274**	**205,122**	**709,474**	**1,021,870**
Financial Liabilities								
Derivative financial liabilities	244	-	-	244	1,083	-	-	1,083
Trade Payables	-	-	11,672	11,672	-	-	10,558	10,558
Debt securities	81,576	-	316,956	398,532	148,418	-	220,869	369,287
Borrowings (other than debt securities)	-	-	158,274	158,274	-	-	259,900	259,900
Other financial liabilities	-	-	13,844	13,844	-	-	8,481	8,481
Total financial liabilities	**81,820**	**-**	**500,746**	**582,566**	**149,501**	**-**	**499,808**	**649,309**

Note: Investment in associate amounting to INR 23,904 (31 March 2021: INR 21,034) 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 2022			As at 31 March 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at - Fair value through profit and loss						
Derivative financial assets	-	4,474	-	-	2,797	-
Investments	-	131,409	6,357	-	98,233	6,244
Fair value through other comprehensive income						
Investments	-	27,210	-	-	-	-
Loans	-	310,997	-	-	205,122	-
Total	**-**	**474,090**	**6,357**	**-**	**306,152**	**6,244**
Financial liabilities measured fair value through profit and loss						
Derivative financial instruments	-	244	-	-	1,083	-
Debt securities	-	81,576	-	-	148,418	-
Total	**-**	**81,820**	**-**	**-**	**149,501**	**-**

Financial assets and liabilities measured at amortised cost for which fair value is disclosed	Fair value hierarchy	As at 31 March 2022		As at 31 March 2021	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets					
Loans	Level 3	384,698	397,621	544,622	540,510
Financial liabilities					
Debt securities	Level 3	316,956	318,493	220,869	221,342
Inter-corporate borrowing	Level 3	149,655	144,496	258,268	258,028

Note:
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 2022 and 31 March 2021:

	As at 31 March 2022	As at 31 March 2021
As at begining of the year	**6,244**	**4,280**
Transfer between Levels	-	-
Gains / (losses) recognised in profit and loss	113	1,964
As at end of the year	**6,357**	**6,244**

g) Valuation inputs and relationships to fair value

Particulars	Valuation technique	Significant unobservable inputs	Change in input	As at 31 March 2022	As at 31 March 2021
Investments in unquoted equity shares	P/E multiples	Earnings growth rate	± 1.5%	92/(92)	110/(110)
		Liquidity discounts	± 10%	(851)/851	(857)/857

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: - assessed through the internal liquidity adequacy assessment process (‘RLAP’); - monitored against the Group’s liquidity and funding risk framework; and - maintaining a contingency funding plan detailing actions and strategies available in stressed conditions.
Market risk	Market risk is the risk of loss arising from changes in the value of the Company's assets and liabilities resulting from changes in market variables (for eg.interest rates).	Structured notes, Investments held for trading, loans carried at fair value through other comprehensive income.	Market risk is: - measured using sensitivities and stress testing using factor sensitivities for market movements and scenarios; - managed by Market Risk Management (MRM) - reports and monitors the trading risk exposures against approved limits and triggers on a daily basis.

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

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

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

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

Note 32 - Financial Risk Management (Continued)

A. Credit risk

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

i) Credit quality analysis and credit exposure
The Company assesses and manages credit risk based on assessment of obligor risk using obligor risk rating (ORR) for loans and advances to corporate customers and HNIs.

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
As at 31 Mar 2022					
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	-	-	-	-
Principal outstanding		**335,986**	**-**	**-**	**335,986**
Interest accrued but not collected		3,165	-	-	3,165
Total exposure		**339,151**	**-**	**-**	**339,151**
Less: expected credit losses on total exposure		(1,357)	-	-	(1,357)
Net carrying amount		**337,794**	**-**	**-**	**337,794**
As at 31 March 2021					
Grades: 1 to 4-	Low	262,829	-	-	262,829
Grades: 5+ to 5-	Medium	134,931	-	-	134,931
Grades: 6+ to 6-	High	10,160	-	-	10,160
Grades: 7+ to 7-	Watchlist	17,000	-	-	17,000
Grades: 8 to 10	Default	-	-	-	-
Principal outstanding		**424,920**	**-**	**-**	**424,920**
Interest accrued but not collected		1,873	-	-	1,873
Total exposure		**426,793**	**-**	**-**	**426,793**
Less: expected credit losses on total exposure		(387)	-	-	(387)
Net carrying amount		**426,406**	**-**	**-**	**426,406**

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	Commited lines of credit
As at 31 Mar 2022			
Stage 1	46,467	292,668	6,984
Stage 2	425	3,024	-
Stage 3	359	1,001	-
Total exposure	**47,251**	**296,693**	**6,984**
Less: expected credit losses on total exposure	(2,448)	(3,390)	(47)
Net carrying amount	**44,803**	**293,303**	**6,937**
As at 31 March 2021			
Stage 1	117,385	199,615	4,730
Stage 2	1,838	1,916	-
Stage 3	16	363	-
Total exposure	**119,239**	**201,894**	**4,730**
Less: expected credit losses on total exposure	(6,138)	(2,982)	(49)
Net carrying amount	**113,101**	**198,912**	**4,681**

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

Particulars	As at 31 March 2022	As at 31 March 2021
Rated AA and above	131,409	98,233
Rated A- to A+	-	-
Total	**131,409**	**98,233**

Cash and cash equivalents and other bank balances
The Company holds cash and cash equivalents of INR 49,449 and other bank balances of INR 5,197 as at 31 March 2022 (31 March 2021: INR 142,731 and INR 14,486).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 2022, 76.31% of the aggregate principal amount of the Company's loans were secured by collateral (31 March 2021: 71.97%). 23.69% of the Company's loans were unsecured as at 31 March 2022 (31 March 2021: 28.03%).

At March 31, 2022, the net carrying amount of credit-impaired loans and advances amounted to INR 713 (31 March 2021: INR 379) and the value of identifiable collateral held against those loans and advances amounted to INR 829 (31 March 2021: INR 283).

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

Instrument type	Percentage of exposure that is subject to collateral requirements		Principal type of collateral held
	As at 31 March 2022	As at 31 March 2021	
Loans and advances to corporate customers and HNIs			
Corporate loans	60%	18%	Book debts, inventories and financial assets
Margin and securities backed finance	NA	100%	Financial assets
Strategic Equity Solutions	100%	NA	Financial assets
Loans and advances to other retail customers			
Personal loans	0%	0%	Unsecured
Advance against financial assets	NA	NA	Financial assets
Asset backed finance	100%	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	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Less than 51%	0.00%	100.00%	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%
Total	**0.00%**	**100.00%**	**100.00%**	**100.00%**

As at 31 March 2022, 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 140,138 for 31st March 22 respectively (31 March 2021: INR 823,767).

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, 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.

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 :
- Unemployement rate
- Interest rate swaps for the tenure ranging from 1 year to 10 years
- Interest rate on soverign 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	
Loans and advances carried at amortised cost									
- Loans and advances to corporate customers	339,150			**339,150**	(1,357)			**(1,357)**	**337,793**
- Loans and advances to retail customers	46,467	425	359	**47,251**	(1,879)	(319)	(250)	**(2,448)**	**44,804**
Loans and advances carried at FVOCI									**-**
- Loans and advances to retail customers	292,668	3,024	1,001	**296,693**	(2,171)	(823)	(396)	**(3,390)**	**293,303**
- Loan commitments	6,984			**6,984**	(47)			**(47)**	**6,937**
Other financial assets measured at amortised cost	63,977			**63,977**				**-**	**63,977**
As at 31 March 2022	**749,246**	**3,449**	**1,360**	**754,055**	**(5,454)**	**(1,142)**	**(646)**	**(7,242)**	**746,814**
Loans and advances carried at amortised cost									
- Loans and advances to corporate customers	426,793	-	-	**426,793**	(386)	-	-	**(386)**	**426,407**
- Loans and advances to retail customers	117,385	1,838	16	**119,239**	(4,746)	(1,380)	(12)	**(6,138)**	**113,101**
Loans and advances carried at FVOCI					-	-	-		**-**
- Loans and advances to retail customers	199,615	1,916	363	**201,894**	(2,089)	(750)	(143)	**(2,982)**	**198,912**
- Loan commitments	4,730	-	-	**4,730**	(49)	-	-	**(49)**	**4,681**
Other financial assets measured at amortised cost	164,951	-	-	**164,951**	-	-	-	**-**	**164,951**
As at 31 March 2021	**913,474**	**3,754**	**379**	**917,607**	**(7,270)**	**(2,130)**	**(155)**	**(9,555)**	**908,052**

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

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 losses	
		Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets for which credit risk has increased significantly and credit-impaired
Loss allowance on 31 March 2022	**5,454**	**1,142**	**646**
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
Loss allowance on 31 March 2021	**7,221**	**2,130**	**155**
Changes in loss allowances due to:			
Assets originated or purchased	4,016	1,969	1,306
Write – offs	(152)	(1,001)	(1,510)
Recoveries/ repayments	(2,062)	(178)	(193)
Changes in risk parameters	10	(10)	-
Change in measurement from 12-month to life-time expected losses or vice-versa	(39)	45	(6)
Loss allowance on 31 March 2020	**5,448**	**1,305**	**558**

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 INR 17,166 as at 31 March 2022 (31 March 2021: INR 18,333).

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 vide RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17, CFIL has set Single Borrower & Group borrower limits (SBL/GBL) as under which will be strictly adhered.

a) Lend to (i) any single borrower exceeding 15% of its owned fund; and (ii) any single group of borrowers exceeding 25% of its owned fund;
b) Invest in (i) the shares of another company exceeding 15% of its owned fund; and (ii) the shares of a single group of companies exceeding 25% of its owned fund;
c) Lend and invest (loans/investments taken together) exceeding (i) 25% of its owned fund to a single party; and (ii) 40% of its owned fund to a single group of parties.

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

CFIL will monitor the above regulatory limits, and ensure that the exposure to any borrower/group is not in breach. This would be tracked at the time of sanction itself to avoid sanction of any facility which is in excess of counterparty exposure norms. During the year ended 31 March 2022 and 31 March 2021, the Company's credit exposure to single borrowers and group borrowers were within the limits.

Notes to the consolidated financial statements *(continued)*
for the year ended 31 March 2022
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 2022	As at 31 March 2021
Chemicals	7.66%	0.87%
Pharma & Healthcare	7.38%	0.00%
Bank	0.00%	0.00%
Metals	0.33%	0.50%
Autos	0.27%	2.64%
Agriculture & Food Preparation	0.00%	0.00%
Other Financial Institutions	4.49%	9.86%
Other sectors(*)	22.10%	3.22%
Concentration of loans to corporate customers	**42.22%**	**17.10%**
Margin lending	**7.38%**	**40.22%**
Other loans and advances to retail customers	**50.40%**	**42.68%**
Total loans and advances outstanding	**100.00%**	**100.00%**

(*) 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 complaince 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.
Personal Loans	-	-	-	-	-
Corporate persons*	-	-	-	-	-
Of which MSMEs	984	-	-	29	954
Others	-	-	-	-	-
Total	984	-	-	29	954

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 ongoing liquidity management is managed by the Treasury desk, with daily monitoring by Risk, Treasurer and Corporate Treasury functions.

The following factors add to comfort on management of balance sheet liquidity:
• Well capitalized balance sheet, with capital adequacy of 40.36% as of 31 March 2022 (45.50% as of 31st March 2021).
• Well diversified liability profile with market issuances carrying the highest credit rating for short term as well as long term issuances.
• Diversified loan portfolio with multiple lines of business across Corporate and Retail segments.

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

Particulars	As at 31 March 2022	As at 31 March 2021
Committed undrawn facility	183,200	180,000

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

Particulars	Carrying amount*	Contractual cash flows					
		Gross nominal inflow/ (outflow)	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year
As at 31 March 2022							
Non-derivative financial liabilities							
Trade payables	11,672	(11,674)	(11,674)	-	-	-	-
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	13,844	(13,841)	(12,348)	(203)	(1,290)	-	-
Total	**582,322**	(610,253)	(210,464)	(119,530)	(247,360)	(31,975)	(924)
Non-derivative financial assets							
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
Total	**948,466**	**1,039,758**	**138,774**	**45,067**	**307,987**	**407,775**	**140,155**

*Carrying amount includes balances of discountinued operations.

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

Particulars	Carrying amount	Contractual cash flows					
		Gross nominal inflow/ (outflow)	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year
As at 31 March 2021							
Non-derivative financial liabilities							
Trade payables	10,558	(10,429)	(10,429)	-	-	-	-
Debt securities	369,287	(383,536)	(88,135)	(170,992)	(21,961)	(84,996)	(17,452)
Borrowings (other than debt securities)	259,900	(262,180)	(144,818)	(106,373)	(10,977)	-	(12)
Other financial liabilities	8,481	(8,481)	(8,285)	(196)	-	-	-
Total	**648,226**	**(664,626)**	**(251,667)**	**(277,561)**	**(32,938)**	**(84,996)**	**(17,464)**
Non-derivative financial assets							
Cash and cash equivalents	142,731	142,731	142,731	-	-	-	-
Bank balance other than cash and cash equivalents above	14,486	14,671	11,898	87	-	-	2,686
Receivables	3,331	3,331	3,331	-	-	-	-
Loans	749,744	810,668	224,437	179,303	115,382	235,914	55,632
Investments	125,511	127,407	-	9,262	15,671	33,466	69,008
Other financial assets	4,304	4,304	4,277	-	-	-	27
Total	**1,040,107**	**1,103,112**	**386,674**	**188,652**	**131,053**	**269,380**	**127,353**

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

Particulars	Carrying amount	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year
Derivative financial assets						
As at 31 March 2022	4,474	-	-	4,474	-	-
As at 31 March 2021	2,797	-	-	-	2,797	-
Derivative financial liabilities						
As at 31 March 2022	244	-	-	(244)	-	-
As at 31 March 2021	1,083	-	-	(300)	(783)	-

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.

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 2022	Year ended 31 March 2021
Market linked debentures (net off hedged derivatives)	FVTPL	±100 basis points in interest rates	167/(167)	239/(239)
Investments in commercial papers and corporate bonds	FVTPL	±100 basis points in interest rates	(2,786)/2,786	(2,406)/2,406
Investments in government securities and treasury bills	FVOCI	±100 basis points in interest rates	(227)/227	-
Investments in unquoted equity shares	FVTPL	± 1.5% in earnings growth rate	92/(92)	110/(110)
		± 10% in liquidity adjustment factor	(851)/851	(857)/857

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 2022	Year ended 31 March 2021
Market linked debentures	FVTPL	±100 basis points in yield	(2,285)/2,285	(1,626)/1,626

Nature of product	Measurement basis	Sensitivity	Impact on other comprehensive income	
			Year ended 31 March 2022	Year ended 31 March 2021
Loans measured at FVOCI	FVOCI	±50 basis points in interest rates	(2,478)/2,518	(1,543)/1,566

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

Note 32 - Financial Risk Management (Continued)

C. Market risk (continued)

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

Particulars	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year	Non-sensitive	Total
As at 31 March 2022							
Assets							
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	19,596	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
Other non-financial assets	-	-	-	-	-	956	956
Total Inflow	**105,906**	**35,584**	**284,084**	**369,118**	**80,075**	**117,161**	**991,927**
Equity & liabilities							
Derivative financial liabilities	-	-	(244)	-	-	-	(244)
Trade payables	-	-	-	-	-	(11,672)	(11,672)
Debt securities	(30,879)	(80,646)	(239,889)	(24,372)	-	(22,745)	(398,532)
Borrowings (other than debt securities)	(137,700)	(10,000)	(700)	(5,000)	-	(4,874)	(158,274)
Other financial liabilities	-	-	-	-	-	(13,844)	(13,844)
Provisions	-	-	-	-	-	(1,309)	(1,309)
Other non-financial liabilities	-	-	-	-	-	(1,658)	(1,658)
Equity share capital	-	-	-	-	-	(289,330)	(289,330)
Other equity	-	-	-	-	-	(117,064)	(117,064)
Total (outflow)	**(168,579)**	**(90,646)**	**(240,833)**	**(29,372)**	**-**	**(462,496)**	**(991,927)**

Particulars	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year	Non-sensitive	Total
As at 31 March 2021							
Assets							
Cash and cash equivalents	103,834	-	-	-	-	38,897	142,731
Bank balance other than cash and cash equivalents above	11,828	82	-	-	-	2,576	14,486
Derivative financial assets	1,537	-	-	-	-	1,260	2,797
Receivables	-	-	-	-	-	3,331	3,331
Loans	209,745	167,922	101,004	211,382	50,926	8,765	749,744
Investments	-	9,000	15,000	30,000	36,500	35,011	125,511
Other financial assets	-	-	-	-	-	4,304	4,304
Current tax assets (Net)	-	-	-	-	-	19,042	19,042
Deferred tax Assets (Net)	-	-	-	-	-	21,029	21,029
Property, plant and equipment	-	-	-	-	-	1,379	1,379
Capital work-in-progress						16	16
Other non-financial assets	-	-	-	-	-	983	983
Total inflow	**326,944**	**177,004**	**116,004**	**241,382**	**87,426**	**136,593**	**1,085,353**
Equity & liabilities							
Derivative financial liabilities	904	-	-	-	-	(1,987)	(1,083)
Trade payables	-	-	-	-	-	(10,558)	(10,558)
Debt securities	(86,881)	(164,476)	(18,160)	(70,647)	(7,522)	(21,601)	(369,287)
Borrowings (other than debt securities)	(142,882)	(104,359)	(10,700)	-	-	(1,959)	(259,900)
Other financial liabilities	-	-	-	-	-	(8,481)	(8,481)
Provisions	-	-	-	-	-	(1,577)	(1,577)
Other non-financial liabilities	-	-	-	-	-	(2,060)	(2,060)
Equity share capital	-	-	-	-	-	(289,330)	(289,330)
Other equity	-	-	-	-	-	(143,077)	(143,077)
Total (outflow)	**(228,859)**	**(268,835)**	**(28,860)**	**(70,647)**	**(7,522)**	**(480,630)**	**(1,085,353)**

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

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

Particulars	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year	Total
As at 31 March 2022						
Assets						
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	57,439	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
Total inflow	**130,159**	**36,177**	**285,863**	**371,339**	**168,391**	**991,927**
Equity & liabilities						
Derivative financial liabilities	-	-	(244)	-	-	(244)
Trade payables	(11,672)	-	-	-	-	(11,672)
Debt securities	(32,963)	(95,158)	(242,690)	(26,856)	(864)	(398,532)
Borrowings (other than debt securities)	(142,477)	(10,084)	(706)	(5,000)	(7)	(158,274)
Other financial liabilities	(12,351)	(203)	(1,290)	-	-	(13,844)
Provisions	(9)	-	(184)	(600)	(516)	(1,309)
Other non-financial liabilities	(1,658)	-	-	-	-	(1,658)
Equity share capital	-	-	-	-	(289,330)	(289,330)
Other equity	-	-	-	-	(117,064)	(117,064)
Total (outflow)	**(201,131)**	**(105,445)**	**(245,114)**	**(32,456)**	**(407,782)**	**(991,927)**

Particulars	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year	Total
As at 31 March 2021						
Assets						
Cash and cash equivalents	142,731	-	-	-	-	142,731
Bank balance other than cash and cash equivalents above	11,874	85	-	-	2,527	14,486
Derivative financial assets	1,537	-	-	-	1,260	2,797
Receivables	3,331	-	-	-	-	3,331
Loans	216,123	168,157	101,035	211,382	53,047	749,744
Investments	-	9,454	15,756	31,512	68,789	125,511
Other financial assets	4,277	-	-	-	27	4,304
Current tax assets (Net)	-	-	-	-	19,042	19,042
Deferred tax Assets (Net)	-	-	-	-	21,029	21,029
Property, plant and equipment	-	-	-	-	1,379	1,379
Capital work-in-progress					16	16
Other non-financial assets					983	983
Total inflow	**379,872**	**177,696**	**116,791**	**242,894**	**168,099**	**1,085,353**
Equity & liabilities						
Derivative financial liabilities	904	-	-	-	(1,987)	(1,083)
Trade payables	(10,558)	-	-	-	-	(10,558)
Debt securities	(87,357)	(167,967)	(20,800)	(79,028)	(14,135)	(369,287)
Borrowings (other than debt securities)	(143,920)	(104,602)	(11,334)	(31)	(13)	(259,900)
Other financial liabilities	(8,279)	(202)	-	-	-	(8,481)
Provisions	(43)	-	(137)	(923)	(474)	(1,577)
Other non-financial liabilities	(993)	-	-	-	(1,067)	(2,060)
Equity share capital	-	-	-	-	(289,330)	(289,330)
Other equity	-	-	-	-	(143,077)	(143,077)
Total (outflow)	**(250,246)**	**(272,771)**	**(32,271)**	**(79,982)**	**(450,083)**	**(1,085,353)**

Notes to the consolidated financial statements *(continued)*
for the year ended 31 March 2022
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.

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, secured loans and bills discounting. Segment income mainly consists of interest on loans and service charges. This segment also includes markets business which undertakes activities such as investments in corporate debt, funding and gapping products and hedging positions and contributes to revenues of the segment which includes investment income and gains/loss on debentures/bonds and derivative transactions.

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

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

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

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

Segment revenue

Particulars	Year ended 31 March 2022				Year ended 31 March 2021			
	ICG	GCB	Unallocated	Total	ICG	GCB	Unallocated	Total
Interest income	35,489	20,286	-	55,775	41,799	22,340	-	64,139
Other income	808	7,291	101	8,200	9,907	3,534	101	13,542
Share in profit of associate	-	-	3,119	3,119			2,812	2,812
Total income from external customers	**36,297**	**27,577**	**3,220**	**67,094**	**51,706**	**25,874**	**2,913**	**80,493**
Interest expense	15,104	12,134	-	27,239	13,513	13,537	-	27,050
Other Expenses	8,507	9,269	1,699	19,475	11,654	15,510	2,035	29,199
Segment Results	**12,686**	**6,174**	**1,521**	**20,380**	**26,538**	**(3,173)**	**878**	**24,244**
Tax expense	-	-	-	3,195	-	-	-	6,249
Profit after tax				**17,185**				**17,995**
Other Information								
Depreciation	-	-	328	**328**	-	-	345	**345**

Segment assets and liabilities

Particulars	As at 31 March 2022				As at 31 March 2021			
	ICG	GCB	Unallocated	Total	ICG	GCB	Unallocated	Total
Segment assets	574,976	361,774	55,177	991,927	699,262	331,114	54,978	1,085,353
Segment liabilities	(563,631)	(18,120)	(3,781)	(585,532)	(639,989)	(8,079)	(4,878)	(652,946)
Net segment assets/ (liabilities)	**11,345**	**343,654**	**51,396**	**406,395**	**59,273**	**323,035**	**50,099**	**432,407**

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
Citicorp Investment and Advisory Services Private limited

C. Key Management Personnel
Nina Nagpal (Managing Director)
Rohit Ranjan(Director)
Priti Goel (Director) (resiged w.e.f - 07 December 2021)
Rajeev Mantri (Director) (w.e.f - 15 March 2022)
Neeraj Kumar (Director)
Deepak Ghaisas (Independent Director)
Saurabh Shah (Independent Director)

Notes to the consolidated financial statements (continued)
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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			
	Citibank N.A. and its branches		Citicorp Services India Pvt Ltd		Other Fellow Subsidiaries	
	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021
Lease rentals	**-**	-	**-**	-	-	-
Fixed deposits and reverse repo placed	**2,315,899**	1,655,923	**-**	-	-	-
Fixed deposits and reverse repo liquidated	**2,383,393**	1,643,205	**-**	-	-	-
Loans taken	**-**	-	**-**	-	-	-
Loans repaid	**-**	-	**-**	-	-	-
Loan portfolio purchase - Personal loan	**-**	48,822	**-**	-	-	-
Loan portfolio purchase - Domestic trade finance	**-**	-	**-**	-	-	-
Loan portfolio sale - Asset Backed Finance	**104,522**	17,507	**-**	-	-	-
Distribution and Placement Fees paid	**271**	537	**-**	-	-	-
Rent paid	**518**	593	**13**	13	-	-
Net movement in bank accounts	**(31,090)**	29,499	**-**	-	-	-
Interest paid on borrowings and overdraft	**-**	-	**4,231**	6,018	-	-
Bank Charges paid	**1,075**	20	**-**	-	-	-
Interest received on fixed deposits and reverse repo	**825**	701	**-**	-	-	-
Sourcing and Collection Fees earned	**2,994**	2,753	**-**	-	-	-
Fees and Commission paid	**3,255**	3,894	**169**	188	**809**	1,730
Secondment charges earned	**235**	24	**11**	8	**13**	10
Secondment charges incurred	**1,176**	1,589	**-**	-	**-**	-
Transfer of software	**-**	-	**-**	-	**-**	-
Inter Corporate borrowings taken		-	**185,000**	385,000	**-**	-
Inter Corporate borrowings repaid		-	**247,500**	370,000	**-**	-
Other expenses	**592**	736	**-**	-	**62**	93
Equity Dividend Received		-	**-**	-	**-**	-
Equity Dividend Paid	**50,000**	9,000	**-**	-	**-**	-

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 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Assets						
Trade receivables	**1,810**	1,396	**20**	10	**26**	12
Other receivables	**406**	327	**-**	-	-	-
Fixed deposits	**2,651**	2,571	**-**	-	-	-
Fixed deposits (with original maturity of less than 3 months)	**38,599**	106,225	**-**	-	-	-
Bank Balances	**10,587**	36,431	**-**	-	-	-
Leasing	**-**	-	**-**	-	-	-
Liabilities						
Inter Corporate Borrowings		-	**108,519**	171,490	**-**	-
Trade payables	**8,506**	6,240	**146**	73	**796**	2,677
Collection payables on servicing portfolio	**5,243**	2,652	**-**	-	**-**	-
Loans repayable on demand from banks (overdraft)	**3,614**	1,632	**-**	-	**-**	-

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

Notes to the consolidated financial statements (continued)
for the year ended 31 March 2022
All amounts are in INR lakhs except per share data and unless stated otherwise

Note 36 - Assets held for sale

Citigroup Inc, ('Citi'), the ultimate shareholder of the Company, on April 15, 2021, announced strategic actions in Global Consumer Banking ('GCB') as part of an ongoing strategic review to direct investments and resources to the businesses where it has the greatest scale and growth potential. As a result, Citi intends to pursue exits from its consumer franchises in 13 markets across EMEA and Asia region, which includes India. Citigroup's Institutional Clients Group will continue to serve clients in these markets. On 30 March 2022, the Company had entered into an agreement with Axis Bank Ltd to transfer GCB Business via a sale transaction.Accordingly, the disposal group of assets and liabilities are accounted for as held for sale as per Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations".

Results of Global Consumer Business portfolio for the year are presented below:

Amount in INR Lakhs

Particulars		**For the year ended 31st March, 2022**
Revenue		
Interest income	19	28,329
Fees and commission income	21	3,002
Other revenue from operations	23	3,621
Total revenue		**34,952**
Other income	24	668
Total income		**35,620**
Expenses		
Finance costs	25	16,877
Fees and commission expense	26	1,920
Impairment on financial instruments	27	(236)
Employee benefits expenses	28	3,429
Depreciation and amortisation	11	188
Others expenses	29	5,814
Total expenses		**27,992**
Profit before tax		**7,628**
Total tax expense	30	**(1,156)**
Profit for the year		**8,784**
Total Other Comprehensive Income/(Expense)		**7,152**
Total Comprehensive Income/(Expense)		**15,936**

Notes to the consolidated financial statements (continued)
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All amounts are in INR lakhs except per share data and unless stated otherwise

Major classes of Assets and Liabilities of Global Conusmer Business portfolio classified as held for sale are as follows:

Particulars		For the year ended 31st March, 2022
ASSETS		
Financial assets		
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
Total financial assets		**359,264**
Non-financial assets		
Property, plant and equipment	11	230
Total non-financial assets		**230**
TOTAL ASSETS		**359,494**
LIABILITIES		
Financial liabilities		
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
Total financial liabilities		**7,834**
Non-financial liabilities		
Current tax liabilities (Net)		
Provisions	16	1,241
Other non-financial liabilities	17	161
Total non-financial liabilites		**1,402**
TOTAL LIABILITIES		**9,236**
Net Assets directly associated with Discontinued Operations		**350,258**

Notes to the consolidated financial statements (continued)
for the year ended 31 March 2022
All amounts are in INR lakhs except per share data and unless stated otherwise

Note 37 - Leases

(ia) Changes in the carrying value of Right-of-use Assets

Particulars	As at 31 March 2022	As at 31 March 2021
Opening balance	1,042	635
Additions	25	629
Deletion	-	-
Depreciation	227	221
Closing balance	840	1,042

(ib) Changes in the Lease liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Opening balance	1,066	632
Additions	-	629
Finance cost accrued	51	52
Lease Payments	239	247
Closing balance	878	1,066

(ii) Break-up of current and non-current lease liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Current Lease Liabilities	215	188
Non-current Lease Liabilities	663	879

(iii) Maturity analysis of lease liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Less than one year	215	188
One to five years	558	773
More than five years	105	105
Total	878	1,066

(iv)Amounts recognised in statement of Profit and Loss account

Particulars	As at 31 March 2022	As at 31 March 2021
Interest on Lease Liabilities	51	52
Variable lease payments (not included in the measurement of lease liabilities)	-	-
Low-value leases expensed.	-	-
Short-term leases expensed	-	-
Total	51	52

(v)Amounts recognised in statement of Cash Flows

Particulars	As at 31 March 2022	As at 31 March 2021
Total Cash outflow for leases	239	247

Notes to the consolidated financial statements (continued)
for the year ended 31 March 2022
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 March 2022	Year ended 31 March 2021
Net profit after tax from continuing operations available for equity shareholders	8,048	17,995
Weighted average number of equity shares	3,857,727,031	3,857,727,031
Basic / Diluted earnings per share (Rs.)	**0.21**	**0.47**

EPS - Discontinued operations

Particulars	Year ended 31 March 2022
Net profit after tax from discontinued operations available for equity shareholders	8,784
Weighted average number of equity shares	3,857,727,031
Basic / Diluted earnings per share (Rs.)	**0.23**

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

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Weighted average number of shares for computation of Basic EPS	3,857,727,031	3,857,727,031
Shares issued during the year	-	-
Weighted average number of shares for computation of Diluted EPS	3,857,727,031	3,857,727,031

Note 39 - Corporate social responsibility expenses

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Gross amount required to be spent during the year	502	423
Amount spent during the year		
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above	-	-
In cash	502	425
Yet to be paid in cash	-	-
Total	**502**	**425**

Due to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 issued on January 22, 2021, the incurrence of CSR expense is assessed to be in the year when profits are generated instead of commitment to contribute or payment. Accordingly an estimated amount of INR 502 has been accrued in the year ended March 31, 2022 which is expected to be contributed in the subsequent year.

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 2022	31 March 2021
Principal amount remaining unpaid to any supplier as at the year end	24	27
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	95	133
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	2	3
Amount of interest accrued and remaining unpaid at the end of the accounting year	2	3

Notes to the consolidated financial statements (continued)
for the year to date ended 31 March 2022
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 2022			Year ended 31 March 2021		
	Present value of obligation*	Fair value of plan assets*	Net amount	Present value of obligation	Fair value of plan assets	Net amount
At the beginning of the year	**(905)**	**622**	**(283)**	**(742)**	**494**	**(248)**
Current service cost	(83)	-	**(83)**	(73)	-	**(73)**
Past service cost	-	-	-	-	-	-
Interest (expense) / income	(55)	41	**(14)**	(45)	33	**(12)**
Total amount recognised in profit or loss	**(138)**	**41**	**(97)**	**(118)**	**33**	**(85)**
Remeasurements	-	-	-	-	-	-
Return on plan assets greater/(lesser) than discount rate	-	4	**4**	-	20	**20**
Gain / (loss) from change in demographic assumptions	(139)	-	**(139)**	-	-	-
Gain / (loss) from change in financial assumptions	28	-	**28**	(5)	-	**(5)**
Experience gains/(losses)	(21)	-	**(21)**	(70)	-	**(70)**
Total amount recognised in other comprehensive income	**(133)**	**4**	**(129)**	**(75)**	**20**	**(55)**
Employer contributions	-	99	**99**	-	105	**105**
Benefit payments	13	(13)	-	30	(30)	-
At the end of the year	**(1,163)**	**752**	**(411)**	**(905)**	**622**	**(283)**

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

Particulars	As at 31 March 2022	As at 31 March 2021
Present value of funded obligations	(1,163)	(905)
Fair value of plan assets	752	622
Net liability	**(411)**	**(283)**

*Bifurcation of present value of obligation and fair value of plan assets between continuing and discontinued operations for the year ended 31 March 2022 is as stated below:

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 March 2022	As at 31 March 2021
Financial Assumptions		
Discount rate	6.90%	6.10%
Salary escalation rate (taking into account the inflation, seniority, promotions and other relevant factors)	12% for first 3 years, 10% thereafter	10.00%
Demographic Assumptions		
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	15.00%

Notes to the consolidated financial statements (continued)
for the year to date ended 31 March 2022
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 2022		Year ended 31 March 2021	
		Increase	Decrease	Increase	Decrease
Discount Rate	1%	(97)	111	(51)	56
Salary Escalation rate	1%	107	(95)	54	(49)
Withdrawal rate	5%	(83)	137	(46)	72

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 March 2022	As at 31 March 2021
Within 1 year	69	117
1-2 year	91	123
2-3 year	106	133
3-4 year	92	138
4-5 year	100	125
5-10 year	745	624
Total expected payments	**1,204**	**1,260**

The Company expects to contribute INR 178 to the fund in the next financial year. The weighted average duration of the defined benefit obligation as at 31 March 2022 is 9 years (31 March 2021: 6 years)

b) Provident and Superannuation fund
The Company contributes to employee provident fund for all employees and superannuation fund for eligible employees which are defined contribution plans.These contributions are charged to the statement of profit and loss during the period in which the employee renders the related services. The expense recognised during the year is INR 269 (31 March 2021: INR 237).

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 independent actuary using the Projected Unit Cost Method as at the balance sheet date.

Particulars	As at 31 March 2022	As at 31 March 2021
Present value of defined obligation at period end	28	19
Assumptions		
Rate of Discounting	6.90%	6.10%
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	15.00%

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2022
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 2022	31 March 2021
Total number of loan assets assigned during the year (Nos)	6,269	951
Total amount of exposures retained by the Company to comply with MRR	10,711	1,788
Total book value of loan assets assigned	100,258	17,099
Sale consideration received for the assigned assets	104,521	17,507
Gain on account of assigned assets	3,595	318
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 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**
Total	**12,336**	**246**	**461**	**12,121**

Particulars	As at 01 April 2020	Created during the year	Utilized/ released during the year	As at 31 March 2021
Provision on securitization of asset portfolio	368	-	272	**96**
Provision for Input tax credit	10,851	347	-	**11,198**
Provision for Value Added Tax (VAT)	54	-	30	**24**
Provision for litigation	1,051	50	178	**923**
Provision for Asset Retirement Obligation	43	3	-	**46**
Provision for expected credit loss on loan commitments	60	-	11	**49**
Total	**12,427**	**400**	**491**	**12,336**

C. Net debt reconciliation

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

Particulars	As at 01 April 2020	Cash flow	Interest Expense	Fair Value changes	As at 31 March 2021
Debt securities	401,177	(77,968)	18,884	27,194	369,287
Borrowings	261,221	(9,393)	8,072		259,900

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 2022 (31 March 2021: INR Nil).

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 2022 (31 March 2021: 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 2022 (31 March 2021: 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 3,834 (31 March 2021: INR 5,159) 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 1.30 per equity share on 30 April 2021 amounting to INR 50,000 (inclusive of withholding tax) out of surplus in profit and loss account of prior years and it was paid on 11 May 2021.

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

i. Workings capital demand loan from banks

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
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 2022**	**As at 31 March 2021**
Residual tenure	NA	NA
Rate Range	NA	NA

ii. Commercial papers

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Residual tenure	NA	NA
Discount Rate (Range)	NA	NA

i. Intercorporate borrowings*

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Residual tenure	Maturing within 1 year	Maturing within 1 year
Rate Range	4.00% to 4.65%	3.50% to 3.90%

*Refer note 35 for borrowings from related parties

iv. Term Loan

Particulars	**As at**	**As at**
Residual tenure	Maturing within 15 months	NA
Rate Range	4.75%	NA

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 2022	As at 31 March 2021
778 I	30-Sep-24	3,234	3,234
772 I	29-Jul-24	4,360	4,560
799 I	28-Jun-24	4,520	-
769 I	29-Mar-24	1,410	1,460
763 I	30-Nov-23	3,185	3,485
761 I	29-Sep-23	5,625	6,150
774 I	26-May-23	3,846	3,846
776 I	26-May-23	510	510
739 III	30-Nov-22	2,490	2,840
730 I	28-Sep-22	2,306	3,656
731 I	28-Sep-22	2,090	2,140
732 I	28-Sep-22	2,340	2,340
733 I	28-Sep-22	700	700
736 I	28-Sep-22	1,105	1,405
727 I	12-Sep-22	220	1,825
727 III	12-Sep-22	3,850	7,650
728 III	12-Sep-22	1,500	1,500
730 II	12-Sep-22	1,100	1,850
764 I	25-Aug-22	2,005	2,355
722 III	1-Aug-22	3,865	5,803
723 III	1-Aug-22	3,645	3,645
725 III	1-Aug-22	4,085	4,085
722 II	30-May-22	4,510	5,210
723 II	30-May-22	550	1,050
725 II	30-May-22	900	1,000
720 I	4-May-22	-	2,400
718 I	1-Apr-22	-	2,075
719 I	1-Apr-22	-	300
766 I	31-Mar-22	-	1,475
706 I	31-Dec-21	-	2,330
711 II	31-Dec-21	-	2,200
762 III	30-Dec-21	-	5,120
701 I	30-Nov-21	-	4,089
696 I	28-Oct-21	-	2,645
690 I	29-Sep-21	-	2,700
741 I	24-Sep-21	-	3,955
742 I	24-Sep-21	-	3,150
743 I	24-Sep-21	-	975
744 I	24-Sep-21	-	2,600
686 I	9-Sep-21	-	100
687 I	9-Sep-21	-	300
684 I	29-Aug-21	-	1,760
753 I	27-Jul-21	-	8,800
754 I	27-Jul-21	-	1,830
756 II	28-May-21	-	4,265
757 I	28-May-21	-	200
Total		**63,951**	**125,568**

Notes to the consolidated financial statements (continued)
for the year ended 31 March 2022
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 2022	As at 31 March 2021
773 I	4.70%	24-Aug-21	-	23,000
771 I	4.00%	22-Jul-21	-	5,000
776 II	4.15%	16-Jun-21	-	50,000
765 II	4.00%	20-Apr-21	-	2,400
Total			**-**	**80,400**

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

Series No	Interest rate	Maturity / Call Date	As at 31 March 2022	As at 31 March 2021
798 I	5.67%	31-Mar-23	52,500	-
796 I	5.75%	29-Mar-23	25,000	-
794 I	5.47%	14-Mar-23	50,000	-
793 I	5.60%	13-Feb-23	20,000	-
791 I	5.48%	10-Feb-23	30,000	-
790 I	5.64%	20-Jan-23	45,000	-
785 I	5.10%	2-Nov-22	15,000	-
792 I	5.40%	9-Aug-22	7,500	-
795 I	4.70%	27-Jul-22	20,000	-
789 I	5.30%	19-Jul-22	25,000	-
797 I	4.95%	16-Jun-22	25,000	-
778 II	4.92%	28-Sep-21	-	60,000
777 II	5.00%	21-Sep-21	-	50,000
777 I	4.65%	22-Jun-21	-	30,000
Total			**315,000**	**140,000**

Notes to the consolidated financial statements (continued)
for the year ended 31 March 2022
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 2022

	Type of Restructuring		Others				
	Asset Classification						
Sr. No	Details		Standard	Sub Standard	Doubtful	Loss	Total
1	Restructured Accounts as on 01 April of the FY (opening figures)	No.of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
2	Fresh restructuring during the year	No.of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
3	Upgradations to restructured standard category during the FY	No.of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No.of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
6	Write-offs (includes recovery) of restructured accounts during the FY	No. of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
7	Restructured Accounts as on 31 March of the FY (closing figures)	No. of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-

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

Loan Assets subjected to Restructuring as at 31 March 2021 - NIL

Citicorp Finance (India) Limited

Notes to the consolidated financial statements (continued)
for the year ended 31 March 2022
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 2022					
		Less than 6 months	months 6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
1.	Undisputed Trade receivables – considered good	8,958	-	-	-	-	8,958
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 2021					
		Less than 6 months	months 6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
1.	Undisputed Trade receivables – considered good	3,331	-	-	-	-	3,331
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 2022				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
1.	MSME	24	-	-	-	24
2.	Others	5,360	6,217	-	71	11,648
3.	Disputed dues – MSME	-	-	-	-	-
4.	Disputed dues - Others	-	-	-	-	-

Sr.no	Particulars	As at 31 March 2021				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
1.	MSME	27	-	-	-	27
2.	Others	7,065	3,328	-	138	10,531
3.	Disputed dues – MSME	-	-	-	-	-
4.	Disputed dues - Others	-	-	-	-	-

Notes to the consolidated financial statements (continued)
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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

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Tax assessments	6,402	4,551
Customer litigations	333	343
Estimated amount of contracts remaining to be executed on capital account	-	3
Undrawn committed credit lines	6,984	4,730

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 1,173 (31 March 2021: 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. CFIL has currently filed an appeal against the second order. The appeal is yet to be adjudicated. CFIL 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 accountant 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 INR 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.

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 higher authorities. Accordingly, the Company is not carrying any provision in its books for the above.

Further, there are few customers who have initiated legal proceedings against the Company for a total compensation demand of INR 333 (31 March 2021: INR 343). The Company believes that such demands are not tenable and are highly unlikely to be confirmed by higher authorities.

Notes to the consolidated financial statements ***(continued)***
for the year ended 31 March 2022
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
Associates (Investment as per equity method)								
Indian								
India Infradebt Limited								
As at 31 March 2022	5.88%	23,904	15.63%	3,119	0.04%	3	13.02%	3,122
As at 31 March 2021	4.86%	21,034	13.51%	2,812	-1.40%	(7)	15.17%	2,805

Note 50 -India is emerging from the Covid-19 pandemic. The lockdowns and other restrictions have been completely lifted and the Company does not anticipate any significant uncertainty in the operations.

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/-
Rohit Ranjan
Director
DIN: 00003480

Place: Mumbai
Date: 30 May 2022

sd/-
Ankit Goyal
Chief Financial Officer

sd/-
Sameer Upadhyay
Company Secretary