

## Rating Rationale

February 12, 2026 | Mumbai

### Citicorp Finance (India) Limited

Ratings reaffirmed at 'Crisil AAA/Stable/Crisil A1+ '

#### Rating Action

|                                  |                         |
|----------------------------------|-------------------------|
| Total Bank Loan Facilities Rated | Rs.700 Crore            |
| Short Term Rating                | Crisil A1+ (Reaffirmed) |

|                                          |                                |
|------------------------------------------|--------------------------------|
| Rs.5845 Crore Non Convertible Debentures | Crisil AAA/Stable (Reaffirmed) |
| Rs.2000 Crore Short Term Deposit         | Crisil A1+ (Reaffirmed)        |
| Rs.4000 Crore Commercial Paper           | Crisil A1+ (Reaffirmed)        |

*Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.*

*1 crore = 10 million*

*Refer to Annexure for Details of Instruments & Bank Facilities*

#### Detailed Rationale

Crisil Ratings has reaffirmed its 'Crisil AAA/Stable/Crisil A1+' ratings on the debt instruments and short term bank facilities of Citicorp Finance (India) Ltd (CFIL).

The ratings continue to factor in the expectation of strong support to CFIL from its ultimate parent, Citibank N.A (US) (rated 'A+/Stable/A-1' by S&P Global Ratings) as part of its operations in India. The ratings also factor in the healthy capitalisation of CFIL, nil non-performing assets (NPAs) and its diversified resource profile. These strengths are partially offset by the company's modest scale of operations and average, albeit improving earnings profile.

#### Analytical Approach

For arriving at the rating, Crisil Ratings has evaluated the standalone business and financial risk profile of CFIL and factored in the support that CFIL is expected to receive from its ultimate parent, Citibank N.A (US).

#### Key Rating Drivers - Strengths

##### Strategic importance to, and strong support from ultimate parent, Citibank N.A (US)

CFIL is currently owned by Citibank Overseas Investment Corporation (COIC) through other intermediate holding companies. COIC, wholly owned by Citibank N.A (US), is the holding company for the international subsidiaries of Citigroup Inc (Citigroup). Citibank N.A (US) will continue to provide capital support to CFIL through COIC, as and when required. Citibank N.A (US) indirectly holds 93.12%<sup>[1]</sup> in CFIL and has stated its intention of ensuring that CFIL meets all its debt obligation in a timely manner.

Furthermore, CFIL also benefits from a high level of operational synergies with its parent, with senior management oversight, common risk management systems and standards and treasury platforms. These arrangements of CFIL with the group entity for specific support or expertise is basis arms-length arrangements.

Crisil Ratings believes Citibank N.A (US) will maintain its significant majority ownership of CFIL over the medium term, and support, if required, will be made available to CFIL through Citibank N.A (US). Besides majority ownership, shared brand, strong management and operational integration leads to a high moral obligation on Citibank N.A (US) to support CFIL. Any significant diminution in the extent of ownership by Citibank N.A (US) or any change in Crisil Rating's opinion on CFIL's strategic importance to Citibank N.A (US), will be key rating sensitivity factors.

#### Healthy capitalisation

As on September 30, 2025, CFIL's capitalisation was healthy with network and overall capital adequacy ratio of Rs 3,914 crore and 57.1% respectively (Rs 3,985 crore and 51.3% respectively as on March 31, 2025). Further the gearing continues to remain low at 0.9 times as on September 30, 2025 (1.1 times as on March 31, 2025). Crisil Ratings believes that CFIL will continue to maintain healthy capitalisation over the medium term.

#### Healthy asset quality

Risk management policies, systems and processes of CFIL are closely aligned with those of Citi group's global policies. Asset quality remains strong as Gross non-performing g assets (GNPA) and Net non performing assets (NNPA) continues to remain nil since last few years. Post completion of the sale of CFIL's consumer finance business to Axis bank, CFIL houses only corporate finance and loans against securities business. Hence, the concentration risk in the portfolio continues to remain susceptible and any unanticipated slippage will remain a key monitorable.

#### Diversified resource profile

CFIL has a fairly diversified resource profile as on September 30, 2025, with ~57% of the borrowings in the form of inter corporate deposit while around ~38% in the form of non-convertible debentures and balance in the form of market linked debentures. Resource profile is also supported with company having access to bank lines of Rs 2,532 crores as on September 30, 2025. CFIL also benefits from its association with Citigroup, which enables them to borrow at competitive rates.

[1] CFIL is ultimately 100% owned by Citigroup Inc

### **Key Rating Drivers - Weaknesses**

#### **Modest scale of operations**

The company's AUM reduced to Rs 3,262 crore as on March 31, 2023 from Rs 7,311 crore as on March 31, 2022, primarily on account of sale of CFIL's consumer finance business during the period. The AUM declined further in fiscal 2024 to Rs 2,195 crore as on March 31, 2024. In fiscal 2025, while AUM grew by ~70% on year to year basis and stood at Rs 3,721 crore as on March 31, 2025, however it again declined by ~10% (annualised) in first half of fiscal 2026 and stood at Rs 3,529 crore as on September 30, 2025. Thus, company's scale of operations continues to remain modest relative to the overall sector.

#### **Average, albeit improving, earnings profile; sustenance to be monitored**

CFIL's earning profile was average in the past as reflected in the return on managed assets (RoMA) of 1%-1.4% between fiscals 2020 and 2023. In fiscals 2024 and 2025, while RoMA improved to 3.0% and 3.5% respectively, however it was primarily driven by one-time gain owing to fair value of the investments.

In first half of fiscal 2026, RoMA, while remaining comfortable, moderated to 2.5%, primarily because of compression in NIM (Net interest Margin). NIM reduced to 3.6% in first half of fiscal 2026 as against 4.3% in fiscal 2025. Moreover, operating expenses (as a % of average managed assets) also increased to 2.4% in first half of fiscal 2026 as compared to 2.2% in fiscal 2025. Earnings profile, however, continues to be supported by low credit cost, which have remained range bound over the past few years. Nevertheless, company's ability to improve and sustain the earnings profile at healthier levels while scaling up the portfolio will remain a key monitorable.

#### **Liquidity** Superior

The asset and liability management (ALM) profile of CFIL stood comfortable with positive cumulative mismatch across all buckets upto 5 years as on September 30, 2025. As on January 29, 2026, CFIL had unencumbered liquidity including unutilised Cash Credit/Working capital demand loans of Rs 3,245 crore which is sufficient to cover external debt obligations of Rs 1454 crore for next 2 months ending March 2026. Furthermore, Crisil Ratings expects CFIL to continue to receive need-based support from its parent, Citibank N.A (US)

#### **Outlook** Stable

Crisil Ratings believes Citibank N.A (US) will maintain significant majority ownership in CFIL and will continue to provide strategic, financial, and management support to the latter over the medium term.

### **Rating sensitivity factors**

#### **Downward Factors**

- Downward revision in S&P Global's rating on Citibank N.A by 3 notches or more
- Any significant diminution in the stake held by, or the support expected from, Citibank N.A. (US)
- Any change in strategic importance of CFIL for the India operations of Citibank N.A. (US)

#### **About the Company**

CFIL primarily provides corporate finance and loans against securities. It is 93.12% indirectly held by Citibank N.A (US) while the remaining is held by other entities of Citigroup. As on September 30, 2025, CFIL had a loan book of Rs 3,529 crore, offering wholesale products with lending book comprising of loan against shares and corporate loans.

#### **About the parent Citibank N.A (US)**

Citibank N.A (US) provides commercial and consumer banking products and services. It offers checking accounts, savings accounts, certificates of deposit, and individual retirement accounts and rollovers; credit cards; lending products, such as home equity lines and loans, personal lines and loans, and mortgages; and investment products, which include insurance, annuities, advisory accounts, bonds, mutual funds, and securities backed lending; and financial education on wealth management. It also provides business and small business banking products, cash management, treasury management, and merchant services. Citibank N.A (US) was formerly known as First National City Bank and changed its name to Citibank, N.A (US) in March 1976. The company was founded in 1812 and is based in Sioux Falls, South Dakota with locations and offices worldwide. Citibank N.A (US) operates as a subsidiary of Citigroup

### **Key Financial Indicators**

| As on / for the period ended          |                 | 30-Sep-25    | 31-Mar-25    | 31-Mar-24    | 31-Mar-23    |
|---------------------------------------|-----------------|--------------|--------------|--------------|--------------|
| <b>Total Assets</b>                   | <b>Rs crore</b> | <b>7,869</b> | <b>8,369</b> | <b>5,498</b> | <b>7,738</b> |
| <b>Total income</b>                   | <b>Rs crore</b> | <b>335</b>   | <b>593</b>   | <b>462</b>   | <b>663</b>   |
| <b>Profit after tax</b>               | <b>Rs crore</b> | <b>102</b>   | <b>241</b>   | <b>198</b>   | <b>124</b>   |
| <b>Gross NPA</b>                      | <b>%</b>        | <b>Nil</b>   | <b>Nil</b>   | <b>Nil</b>   | <b>Nil</b>   |
| <b>Overall capital adequacy ratio</b> | <b>%</b>        | <b>57.1</b>  | <b>51.3</b>  | <b>100.7</b> | <b>69.1</b>  |
| <b>Return on assets (annualised)</b>  | <b>%</b>        | <b>2.5</b>   | <b>3.5</b>   | <b>3</b>     | <b>1.4</b>   |

**Any other information:** Not applicable

#### **Note on complexity levels of the rated instrument:**

Crisil Ratings' complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings` complexity levels please visit [www.crisilratings.com](http://www.crisilratings.com). Users may also call the Customer Service Helpdesk with queries on specific instruments.

#### Annexure - Details of Instrument(s)

| ISIN          | Name Of Instrument                      | Date of Allotment | Coupon Rate (%) | Maturity Date | Issue Size (Rs. Crore) | Complexity Levels | Rating Outstanding with Outlook |
|---------------|-----------------------------------------|-------------------|-----------------|---------------|------------------------|-------------------|---------------------------------|
| NA            | Commercial Paper                        | NA                | NA              | 7-365 days    | 4000                   | Simple            | Crisil A1+                      |
| INE915D07O82* | Non Convertible Debentures              | 16-Sep-22         | 6.25            | 16-Sep-25     | 50                     | Complex           | Crisil AAA/Stable               |
| INE915D07P32* | Non Convertible Debentures              | 30-Nov-22         | 7.35            | 30-Nov-25     | 25                     | Complex           | Crisil AAA/Stable               |
| NA            | Non Convertible Debentures <sup>#</sup> | NA                | NA              | NA            | 5770                   | Simple            | Crisil AAA/Stable               |
| NA            | Short Term Deposit                      | NA                | NA              | 7-365 days    | 2000                   | Simple            | Crisil A1+                      |
| NA            | Short Term Bank Facility                | NA                | NA              | NA            | 700                    | NA                | Crisil A1+                      |

<sup>#</sup> Yet to be issued

\*Crisil Ratings has received an intimation from the issuer on early redemption of this instrument (INE915D07O82 and INE915D07P32) and is awaiting independent confirmation before withdrawal of rating on this instrument

#### Annexure - Rating History for last 3 Years

| Current                    |      |                    |                   | 2026 (History) |        | 2025     |                   | 2024     |                   | 2023     |                   | Start of 2023     |
|----------------------------|------|--------------------|-------------------|----------------|--------|----------|-------------------|----------|-------------------|----------|-------------------|-------------------|
| Instrument                 | Type | Outstanding Amount | Rating            | Date           | Rating | Date     | Rating            | Date     | Rating            | Date     | Rating            | Rating            |
| Fund Based Facilities      | ST   | 700.0              | Crisil A1+        |                | --     | 14-02-25 | Crisil A1+        | 07-03-24 | Crisil A1+        | 28-03-23 | Crisil A1+        | Crisil AAA/Stable |
|                            |      |                    | --                |                | --     |          | --                |          | --                | 13-03-23 | Crisil AAA/Stable | Crisil A1+        |
| Commercial Paper           | ST   | 4000.0             | Crisil A1+        |                | --     | 14-02-25 | Crisil A1+        | 07-03-24 | Crisil A1+        | 28-03-23 | Crisil A1+        | Crisil A1+        |
|                            |      |                    | --                |                | --     |          | --                |          | --                | 13-03-23 | Crisil A1+        | --                |
| Non Convertible Debentures | LT   | 5845.0             | Crisil AAA/Stable |                | --     | 14-02-25 | Crisil AAA/Stable | 07-03-24 | Crisil AAA/Stable | 28-03-23 | Crisil AAA/Stable | Crisil AAA/Stable |
|                            |      |                    | --                |                | --     |          | --                |          | --                | 13-03-23 | Crisil AAA/Stable | --                |
| Short Term Deposit         | ST   | 2000.0             | Crisil A1+        |                | --     | 14-02-25 | Crisil A1+        | 07-03-24 | Crisil A1+        | 28-03-23 | Crisil A1+        | Crisil A1+        |
|                            |      |                    | --                |                | --     |          | --                |          | --                | 13-03-23 | Crisil A1+        | --                |

All amounts are in Rs.Cr.

#### Annexure - Details of Bank Lenders & Facilities

| Facility                 | Amount (Rs.Crore) | Name of Lender | Rating     |
|--------------------------|-------------------|----------------|------------|
| Short Term Bank Facility | 700               | Citibank N. A. | Crisil A1+ |

#### Criteria Details

|                                                                                                         |
|---------------------------------------------------------------------------------------------------------|
| Links to related criteria                                                                               |
| <a href="#">Basics of Ratings (including default recognition, assessing information adequacy)</a>       |
| <a href="#">Criteria for Finance and Securities companies (including approach for financial ratios)</a> |
| <a href="#">Criteria for factoring parent, group and government linkages</a>                            |

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