

March 23, 2026

Citicorp Finance (India) Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
NCD programme	4,911.00	4,911.00	[ICRA]AAA (Stable); reaffirmed
NCD programme	1,100.00	0.00	[ICRA]AAA (Stable); reaffirmed and withdrawn
Long-term/Short-term fund based – Bank facilities	2,132.00	2,132.00	[ICRA]AAA (Stable)/[ICRA]A1+; reaffirmed
Long-term fund-based term loan	2,000.00	2,000.00	[ICRA]AAA (Stable); reaffirmed
Long-term market-linked debenture programme	777.33	777.33	PP-MLD[ICRA]AAA (Stable); reaffirmed
Long-term market-linked debenture programme	121.80	0.00	PP-MLD[ICRA]AAA (Stable); reaffirmed and withdrawn
Intercorporate deposit (ICD)	3,000.00	3,000.00	[ICRA]A1+; reaffirmed
CP programme	4,000.00	4,000.00	[ICRA]A1+; reaffirmed
Total	18,042.13	16,820.33	

*Instrument details are provided in Annexure I; CP – Commercial paper

Rationale

The ratings for Citicorp Finance (India) Limited (CFIL) derive strength from its ultimate parent – Citibank NA (Citibank N.A; rated Aa3(Stable) /P-1 by Moody's Investors Service), as part of its operations in India. The ratings factor in CFIL's alignment with Citigroup's governance practices, risk management systems and standards and treasury platforms. The ratings also consider the company's strong capitalisation profile (net worth of Rs. 3,945 crore and gearing of 0.7 times as on December 31, 2025), diversified borrowing mix, good financial flexibility by virtue of its parentage, its robust liquidity profile and comfortable asset quality indicators (nil gross non-performing advances (NPAs) as on December 31, 2025).

ICRA notes that while the sale of the consumer finance business caused a significant reduction in the size of CFIL's gross loan book in FY2024, it continues to offer loans through other institutional lending products and has grown its loan book through various new and existing clients. Despite the modest scale of operations with loan portfolio of Rs. 3,427 crore as on December 31, 2025, ICRA believes that the company will remain strategically important to Citigroup, given the shared brand name and expects that support would be forthcoming, as and when required. The profitability indicators declined in 9M FY2026 with a return on assets (RoA) of 2.4% compared with 3.5% in FY2025 due to decline in net interest margins (NIMs) (on account of negative carry on the higher share of Government securities (G-secs) and lower-yielding corporate bonds) and lower profits on its investment book. Going forward, CFIL's ability to grow the business volumes in its focus segments and keep fresh slippages and credit costs under control shall be key for its earnings profile.

The Stable outlook reflects ICRA's expectation that CFIL will maintain a strong capitalisation profile and continue to benefit from operational synergies and management oversight from its ultimate parent and that support from the parent would be forthcoming as and when required.

ICRA has reaffirmed and withdrawn the rating for the Rs. 121.80-crore long-term market-linked debenture programme and Rs. 1,100.00-crore non-convertible debenture (NCD) programme with no amount outstanding against the same. The rating has been withdrawn as per ICRA's policy on the withdrawal of credit ratings.

Key rating drivers and their description

Credit strengths

Strong parentage, enabling access to funding and managerial support – CFIL's ratings are underpinned by the support from the ultimate parent, i.e. Citibank N.A. (it is ultimately 100% owned by Citigroup Inc). The parentage has supported the company's financial flexibility, and it has been able to borrow at competitive rates. Additionally, sanctioned but unutilised banking facilities from Citibank of Rs. 2,113 crore support CFIL's liquidity profile. The company benefits from the high level of operational synergies with the group, which include common risk management systems and treasury platforms.

Strong capitalisation – CFIL's capitalisation levels are strong in relation to its current scale of operations. The company reported a capital adequacy ratio (capital-to-risk weighted assets ratio – CRAR) of 63.6% (Tier I – 63.3%) as on December 31, 2025. The gearing declined to 0.7 times as on December 31, 2025, from 1.1 times as on March 31, 2025 due to the drop in the loan portfolio. ICRA notes that there has been significant dividend outflow of Rs. 175 crore in 9M FY2026 and Rs. 280 crore in FY2025 as a part of capital optimisation for the current business growth expectations. Nevertheless, CFIL continues to have strong capitalisation levels for the current scale of operations, without any external capital requirement. ICRA anticipates support from the parent to be forthcoming, if required.

Comfortable asset quality indicators – CFIL's asset quality indicators were comfortable with nil gross stage 3 assets as on December 31, 2025. Delinquencies have been nil, following the sale of the consumer finance business. At the same time, the significant share of corporate loans in CFIL's portfolio increases the portfolio risk arising from higher portfolio concentration. ICRA expects that the company would be able to leverage Citigroup's robust risk management systems, hence, growing the portfolio while maintaining the underwriting standards. Going forward, CFIL's ability to maintain the asset quality while increasing its business volumes will remain a key monitorable.

Credit challenges

Moderate profitability – CFIL's profitability indicators have been moderate in the past with a 5-year average (FY2019 to FY2023) RoA of 2.1%, NIM of 3.1% and gearing of 1.1 times. The profitability profile in 9MFY2026 while adequate with the RoA at 2.4%, moderated from 3.5% in FY2025 due to decline in NIMs to 3.9% (4.2% in FY2025) and decline in profits on sale of investments. Further, the sale of the consumer finance business, along with the reduction in corresponding costs, caused some moderation in the operating costs and operating expenses in relation to average assets (1.1%) in 9M FY2026. In line with the past year, the credit cost has remained nil in the corporate book, supporting the overall profitability. Going forward, the NIM could moderate with the increase in the leverage from the current level with the growth in the loan book.

Modest scale of operations – Following the sale of the personal loan book, asset-backed finance and a part of the mortgage loan portfolio to Axis Bank, CFIL witnessed a 60% year-over-year (YoY) decline in the loan book in FY2023. The company continues to offer loans through institutional lending products. The loan portfolio declined by 11% on an annualised basis to Rs. 3,427 crore in 9M FY2026 (Rs. 3,721 crore as on March 31, 2025) on account of repayments in the corporate loan book, notwithstanding the growth in the LAS segment. In addition to the loan book, the company has a trading book of Rs. 2,492 crore as on December 31, 2025, which includes investments in high-rated corporate bonds.

Liquidity position: Strong

CFIL's liquidity profile is strong. As per the latest asset-liability maturity (ALM) statement, there are positive cumulative mismatches across buckets up to five years. As on December 31, 2025, debt obligations over the next six months stood at Rs. 2,744 crore (including interest) against which the company had cash and bank balances of Rs. 75 crore and liquid investments (corporate deposits and G-Secs) worth Rs. 2901 crore. Further, CFIL had undrawn bank lines of Rs. 2,813 crore as on December 31, 2025. The company has expected inflows from advances of Rs. 1,146 crore over the next six months. ICRA also notes that CFIL enjoys strong financial flexibility by virtue of its parentage and access to high-net-worth individual (HNI) investors. The company's funding mix is diversified, with ~32% of the borrowings in the form of NCDs, 63% in the form of intercorporate deposits (ICDs) and about 5% in the form of market-linked debentures as on December 31, 2025.

Rating sensitivities

Positive factors – Not applicable

Negative factors – CFIL's ratings are underpinned by the support from the ultimate parent, Citibank NA, and any significant dilution in the expectation of support or a significant deterioration in the credit profile of the parent could warrant a rating downgrade. Pressure on the ratings could emerge on the sustained weakening of the capitalisation profile and/or weakening of the asset quality, leading to a deterioration in the solvency level, on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	ICRA's Credit Rating Methodology for Non-banking Finance Companies ICRA's Policy for Withdrawal of Credit Ratings
Parent /Group support	Ultimate parent/Investor: Citibank NA The ratings derive significant strength from the company's ultimate parentage in the form of Citibank NA. CFIL also enjoys a high level of operational synergies with its ultimate parent, with access to senior management guidance, robust risk management systems and standards, treasury platforms and liability structuring expertise. ICRA expects liquidity support from the parent to be forthcoming, if required.
Consolidation/Standalone	Standalone

About the company

Citicorp Finance (India) Limited (CFIL) is registered as a non-banking financial company (NBFC) with the Reserve Bank of India and is ultimately owned by Citigroup Inc. Following Citigroup's announcement in April 2021 regarding its strategy review and its decision to focus on the Institutional Clients Group (ICG) business vertical and the subsequent announcement regarding the sale of the consumer business by CFIL to Axis Bank in March 2022, the company completed the transfer of the consumer finance business on March 1, 2023. Going forward, it will be focussing on institutional lending, commercial real estate and the strategic equity portfolio (loan against shares; LAS). As on December 31, 2025, the total portfolio stood at ~Rs 3,427 crore, comprising LAS of Rs. 1,183 crore and corporate loans of Rs. 2,244 crore.

CFIL reported a net profit of Rs. 136 crore on total income of Rs. 461 crore in 9M FY2026 compared with a net profit of Rs. 241 crore on total income of Rs. 593 crore in FY2025. As on December 31, 2025, the company's net worth was Rs. 3,945 crore and its total assets stood at Rs. 6,834.2 crore.

Key financial indicators (audited)

Particulars	FY2024	FY2025	9MFY2026
	Audited	Audited	Unaudited
Total income	462	593	461
Profit after tax	198	241	136
Total managed assets	5,509	8,405	6,870
Return on managed assets	3.0%	3.5%	2.4%
Gearing (times)	0.4	1.1	0.7
Gross stage 3 (%)	0.0%	0.0%	0.0%
CRAR (%)	100.7%	51.3%	63.6%

Source: Company, ICRA Research; Amount in Rs. crore; All calculations as per ICRA Research; Total managed assets = Total assets + Impairment loss allowance on gross loans+ off-balance sheet advances

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2026)				Chronology of rating history for the past 3 years						
	Type	Amount rated (Rs crore)	March 23, 2026	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
NCD	Long-term	4,911	[ICRA]AAA (Stable)	February 02, 2026	[ICRA]AAA (Stable)	August 19, 2024	[ICRA]AAA (Stable)	-	-	-	-
				-	-	September 30, 2024	[ICRA]AAA (Stable)	-	-	-	-
				-	-	March 28, 2025	[ICRA]AAA (Stable)	-	-	-	-
Fund-based - Others	Long-term/Short-term	2132.00	[ICRA]AAA (Stable) / [ICRA]A1+	February 02, 2026	[ICRA]AAA (Stable) / [ICRA]A1+	August 19, 2024	[ICRA]AAA (Stable) / [ICRA]A1+	May 16, 2023	[ICRA]AA A (Stable) / [ICRA]A1+	-	-
				-	-	September 30, 2024	[ICRA]AAA (Stable) / [ICRA]A1+	January 12, 2024	[ICRA]AA A (Stable) / [ICRA]A1+	-	-
				-	-	March 28, 2025	[ICRA]AAA (Stable) / [ICRA]A1+	-	-	-	-
Fund-based - Term loan	Long-term	2000.00	[ICRA]AAA (Stable)	February 02, 2026	[ICRA]AAA (Stable)	August 19, 2024	[ICRA]AAA (Stable)	May 16, 2023	[ICRA]AA A (Stable)	September 15, 2022	[ICRA]AA A (Stable)
				-	-	September 30, 2024	[ICRA]AAA (Stable)	January 12, 2024	[ICRA]AA A (Stable)	January 04, 2023	[ICRA]AA A (Stable)
				-	-	March 28, 2025	[ICRA]AAA (Stable)	-	-	March 13, 2023	[ICRA]AA A (Stable)

Instrument	Current rating (FY2026)					Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs crore)	March 23, 2026	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Inter-corporate deposit	Short-term	3000.00	[ICRA]A1+	February 02, 2026	[ICRA]A1+	March 28, 2025	[ICRA]A1+	-	-	-	-
Commercial paper	Short-term	4000.00	[ICRA]A1+	February 02, 2026	[ICRA]A1+	March 28, 2025	[ICRA]A1+	-	-	-	-
Market-linked debenture	Long-term	777.33	PP-MLD [ICRA]AAA (Stable)	February 02, 2026	[ICRA]AAA (Stable)	August 19, 2024	[ICRA]AAA (Stable)	May 16, 2023	[ICRA]AA A (Stable)	September 15, 2022	[ICRA]AA A (Stable)
						September 30, 2024	[ICRA]AAA (Stable)	January 12, 2024	[ICRA]AA A (Stable)	January 04, 2023	[ICRA]AA A (Stable)
						March 28, 2025	[ICRA]AAA (Stable)	-	-	March 13, 2023	[ICRA]AA A (Stable)

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term market-linked debenture programme	Complex
NCD programme	Simple
Short-term debt (ICD)	Simple
CP programme	Simple
Long-term fund-based term loan	Simple
Long-term/Short-term fund based – Others	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details as on March 13, 2026

ISIN	Instrument name	Date of issuance/ Sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
INE915D07P65	MLD	Oct-17-2023	NIFTY 50 linked	Oct-13-2028	61.50	PP-MLD [ICRA]AAA (Stable)
INE915D07O90	MLD	Sep-29-2022	NIFTY 50 linked	Sep-28-2029	60.50	PP-MLD [ICRA]AAA (Stable); reaffirmed and withdrawn
INE915D07P16	MLD	Nov-16-2022	NIFTY 50 linked	Nov-16-2029	27.10	PP-MLD [ICRA]AAA (Stable); reaffirmed and withdrawn
INE915D07P73	MLD	Sep-23-2024	NIFTY 50 linked	Dec-23-2026	34.20	PP-MLD [ICRA]AAA (Stable); reaffirmed and withdrawn
INE915D08CZ3	NCD	Feb-13-2025	Floating NCD	Mar-16-2027	900.00	[ICRA]AAA (Stable)
INE915D08DC0	NCD	Mar-12-2026	Floating NCD	Jun-12-2028	850.00	[ICRA]AAA (Stable)
INE915D08CV2	NCD	Mar-14-2024	Floating NCD	Jun-11-2026	100.00	[ICRA]AAA (Stable); reaffirmed and withdrawn
INE915D08CX8	NCD	Jun-26-2024	Floating NCD	Jul-29-2026	500.00	[ICRA]AAA (Stable); reaffirmed and withdrawn
INE915D08CY6	NCD	Nov-07-2024	Floating NCD	Dec-09-2026	500.00	[ICRA]AAA (Stable); reaffirmed and withdrawn
Yet to be placed*	MLD	NA	NA	NA	715.83	PP-MLD [ICRA]AAA (Stable)
Yet to be placed	NCD	NA	NA	NA	3,161.00	[ICRA]AAA (Stable)
Yet to be placed	CP	NA	NA	NA	4,000.00	[ICRA]A1+
Unallocated	Intercorporate deposits (ICD)	NA	NA	7-365 days	3,000.00	[ICRA]A1+
NA	Long-term fund-based term loan	NA	NA	NA	700.00	[ICRA]AAA (Stable)
NA	Long-term fund-based term loan	NA	NA	NA	1,300.00	[ICRA]AAA (Stable)
NA	Long-term/Short-term fund based	NA	NA	NA	2,132.00	[ICRA]AAA (Stable)/[ICRA]A1+

Source: CFIL; * No amount was raised against ISIN INE915D07P99

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Not applicable

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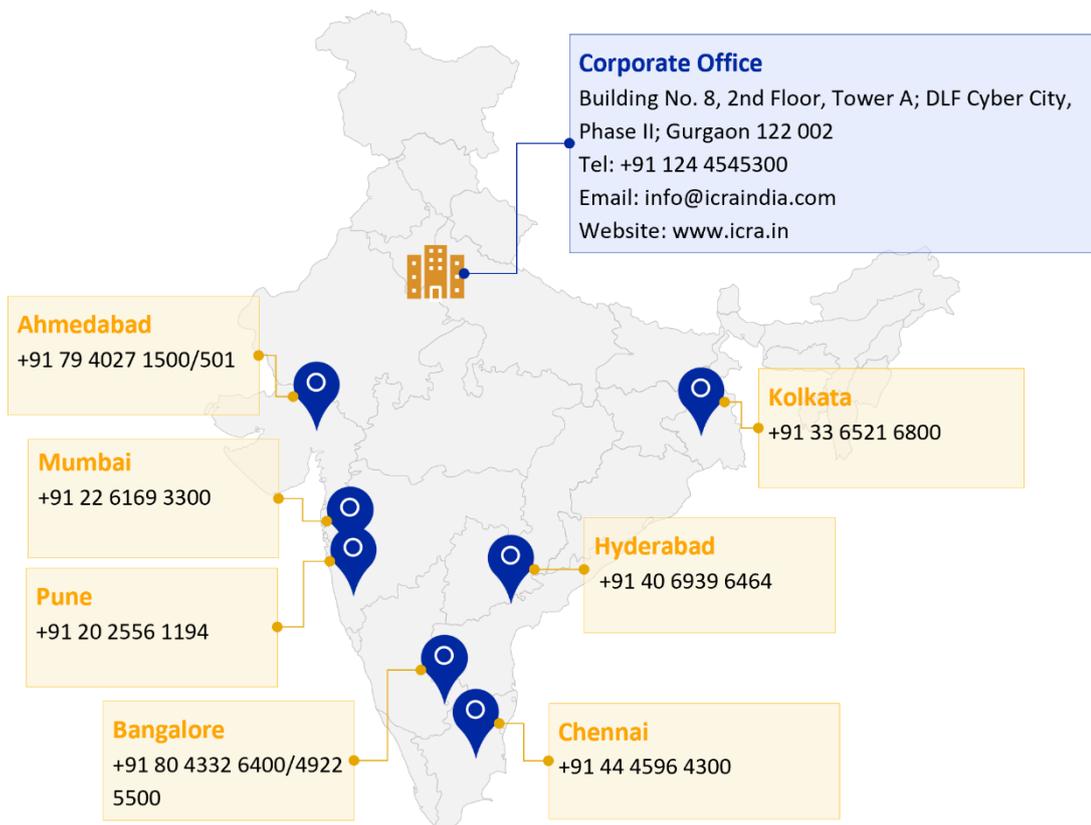
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