

IFCI LIMITED

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OVERVIEW OF JOURNEY IN INDIAN ECONOMY

1948 – Set up as India's **first DFI**

1993 – Became a public limited company and was **Listed** on the Stock Exchanges

2001-02 – Deep restructuring of liabilities and Government support was provided to come out of the economic recession of late 1990s

2006-07 – Earned net profits after six years. Did not avail ₹2378 crore of grant approved by GOI for 2007-08 onwards.

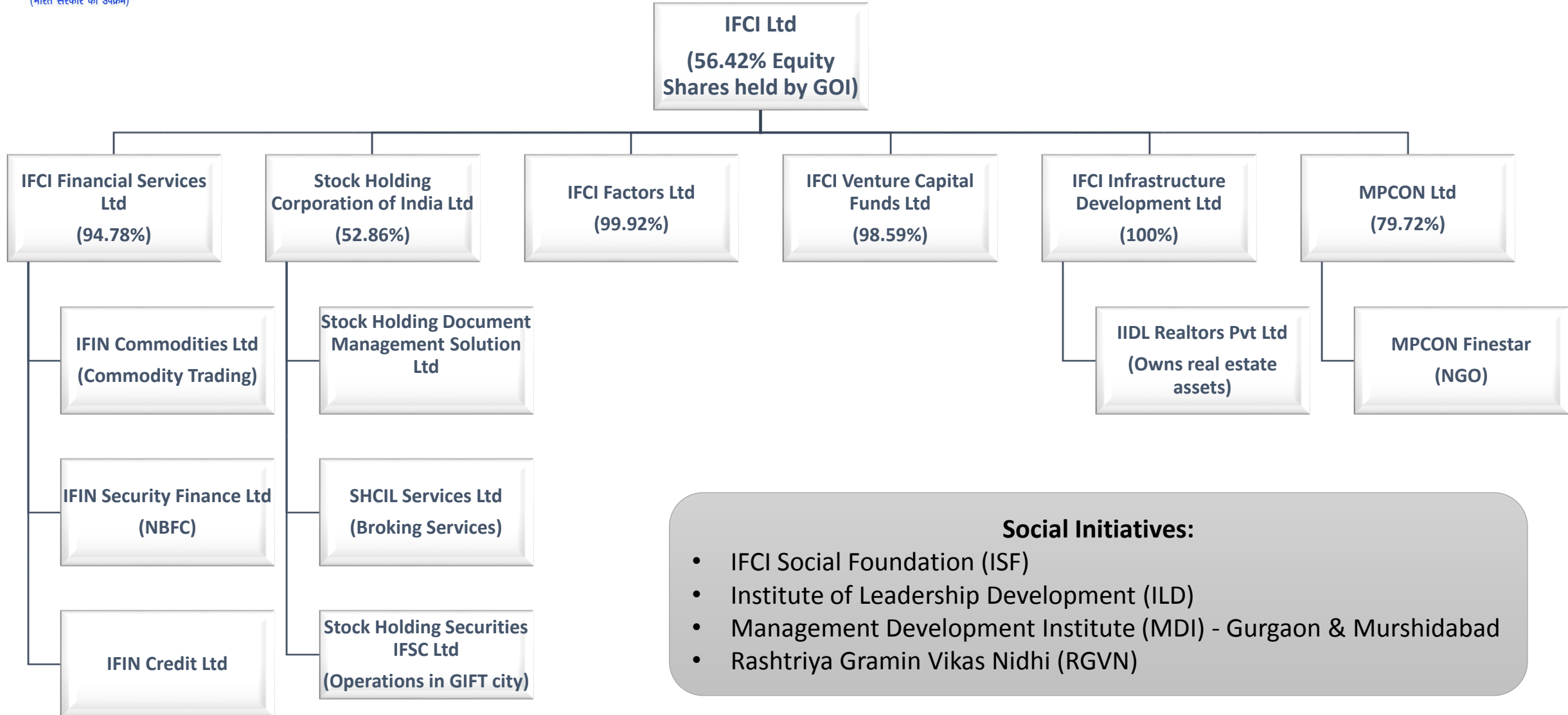
2015 – Became a Government Company with Government holding of 51.04% in Capital.

2018 – GOI infused equity of ₹100 crore in March 2018. Stake increased to 56.42% during the year.

Contributed to the Industrial and Infrastructural Development of the country and complimented the Indian Economy by Capital Formation in Various Industrial Sectors

Dividend including dividend tax of ₹549 crore paid to Government in last 7 years.

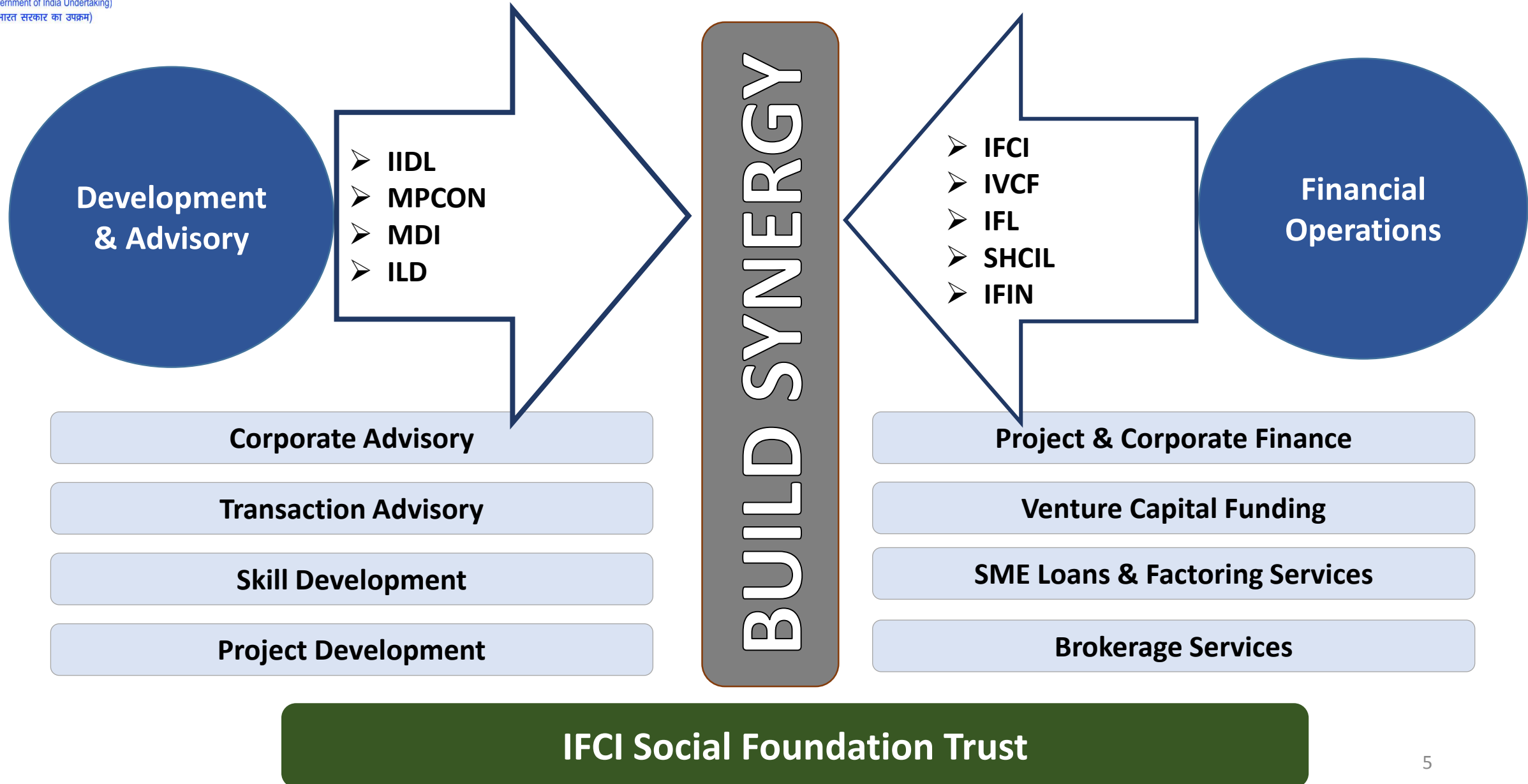
IFCI GROUP STRUCTURE



Social Initiatives:

- IFCI Social Foundation (ISF)
- Institute of Leadership Development (ILD)
- Management Development Institute (MDI) - Gurgaon & Murshidabad
- Rashtriya Gramin Vikas Nidhi (RGVN)

BUSINESS SPECTRUM OF IFCI GROUP



OPERATIONAL PERFORMANCE: KEY HIGHLIGHTS

Improvement in Quality of Loan Portfolio

- Improved Credit Rating of fresh sanctions & disbursements
- Intense Focus on Recovery from NPAs & Exit from Long Term Unquoted Project Equity
- Early identification of stressed accounts and resolution thereof

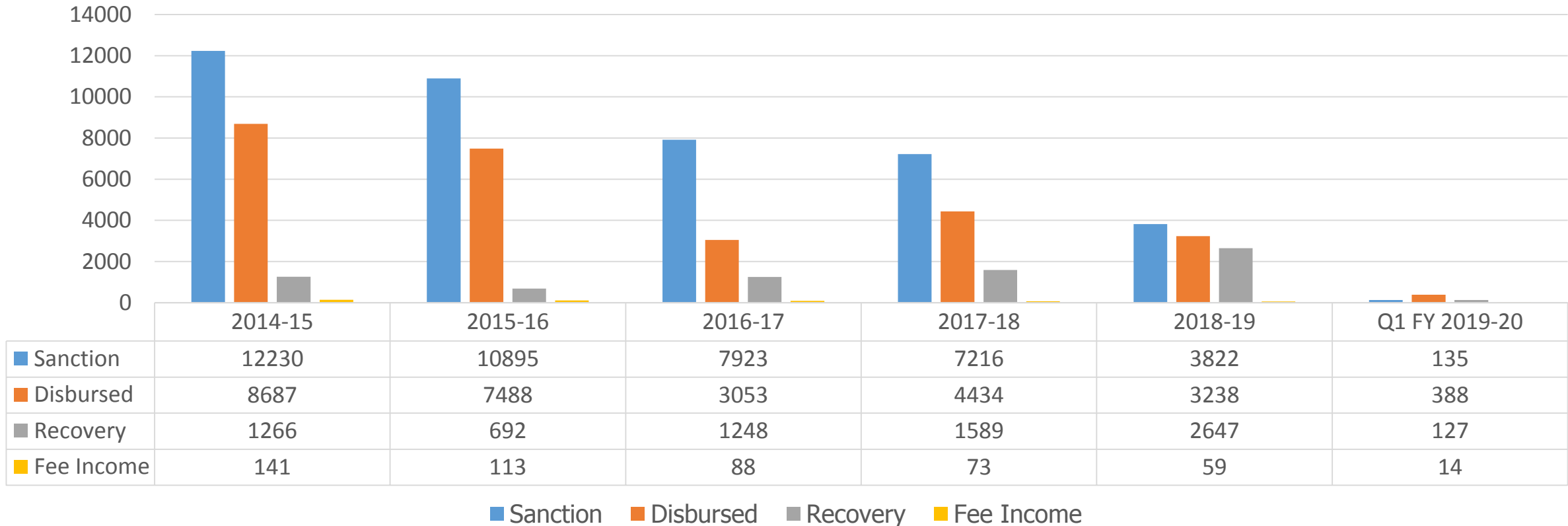
Divestment of Non-Core Assets

Focus on enhancing fee based activities

Strategic alignment of business processes

OPERATIONAL PERFORMANCE: CREDIT PORTFOLIO

(₹ Crore)

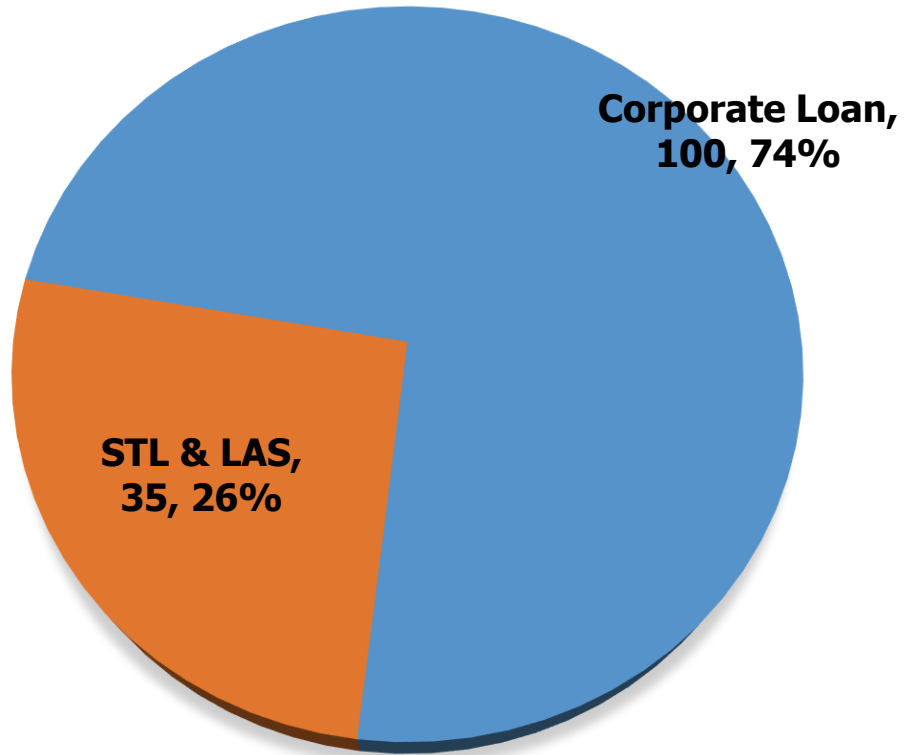


- Financial sanctions and disbursements are consciously being kept low, following a cautious approach in the present market conditions.
- Sanctions were accorded only to better quality business and with improved appraisal & due diligence.
- Attempts were made to strengthen the balance sheet and maintain capital adequacy which is currently 13%

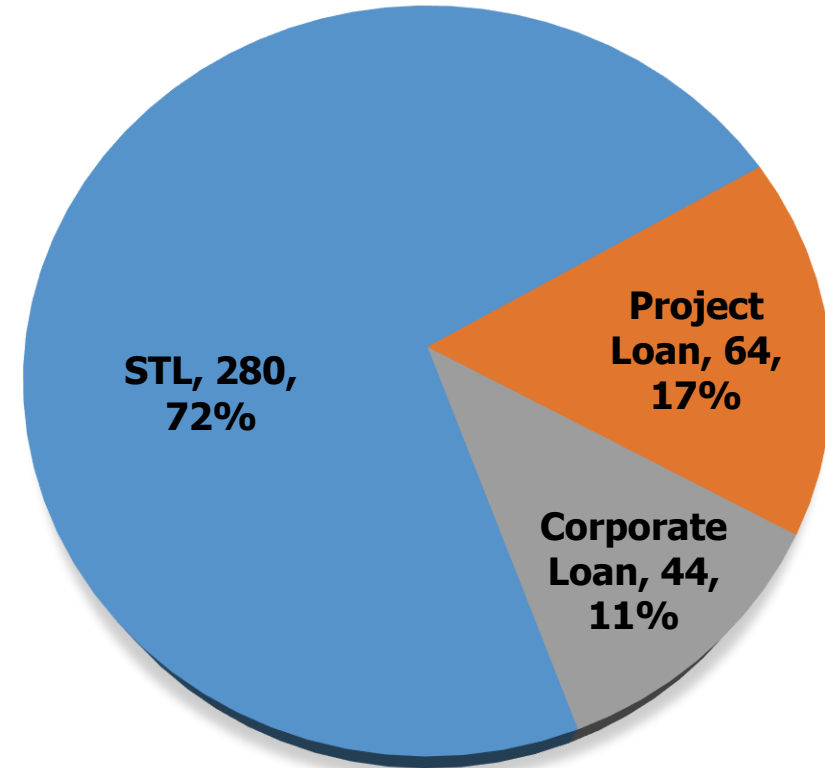
LOAN TYPE WISE SANCTIONS & DISBURSEMENTS (Q1 OF FY 2019-20)

₹ in Crore & %

Gross Sanction



Disbursement

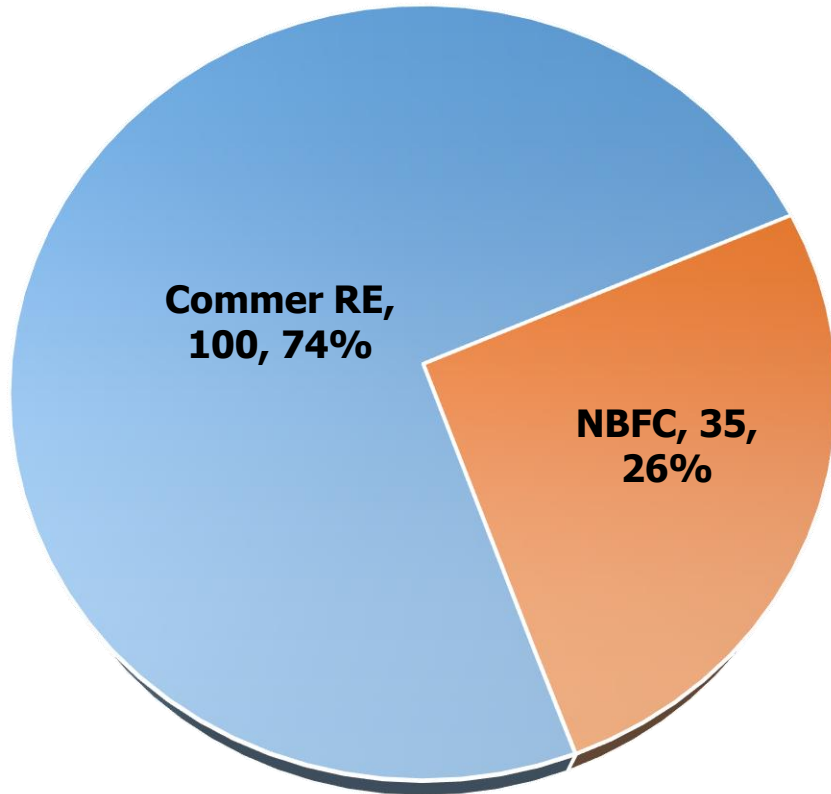


- As a conscious strategy, more standalone and less consortium loans were considered, based on past experience in debt servicing and recovery rates.
- Conscious efforts are being made to increase the share of short term loans while reducing level of project loans.

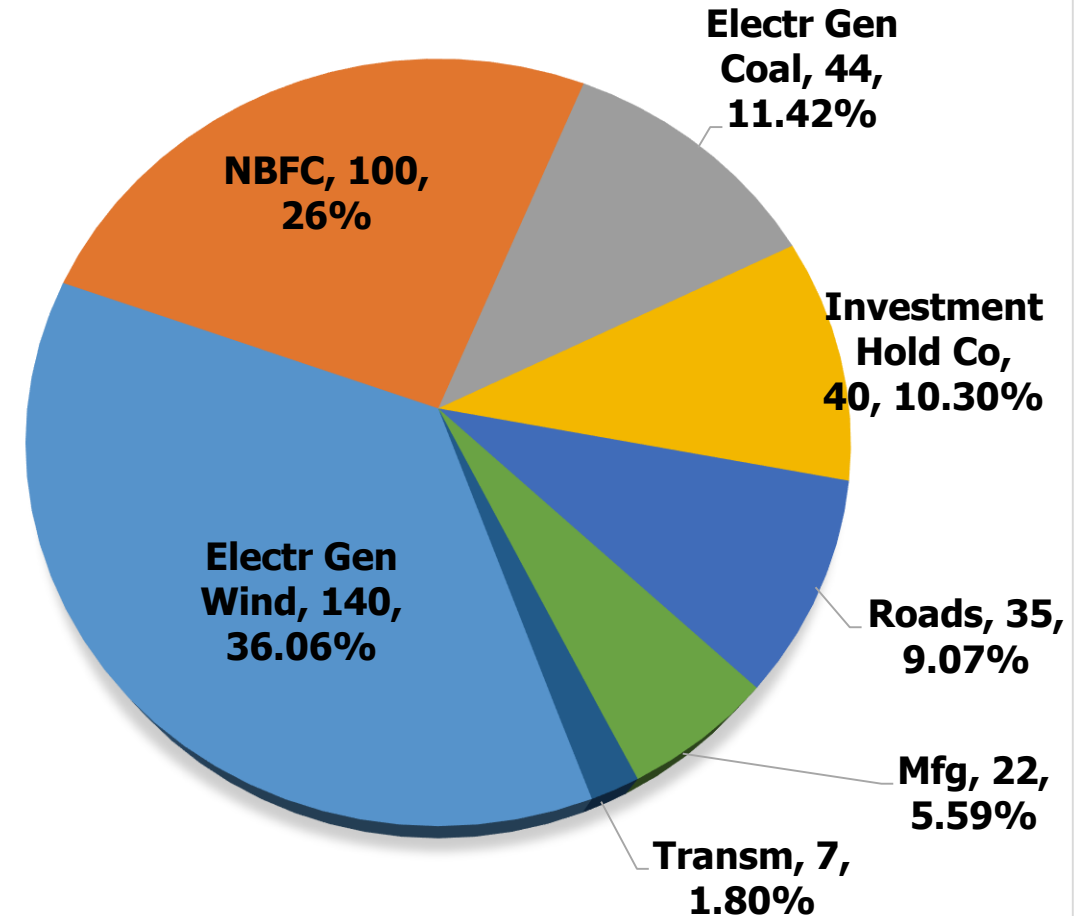
Sector-wise Sanctions & Disbursements (Q1 of FY 2019-20)

₹ in Crore & %

Gross Sanction



Disbursement

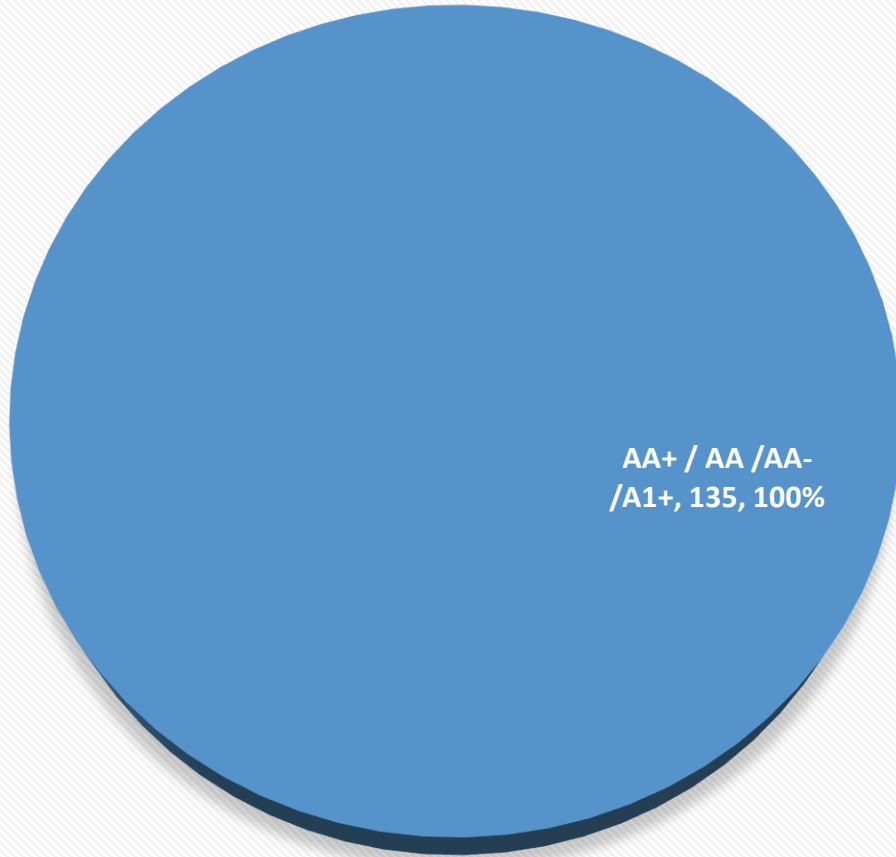


Disbursements are being made across well diversified sectors.

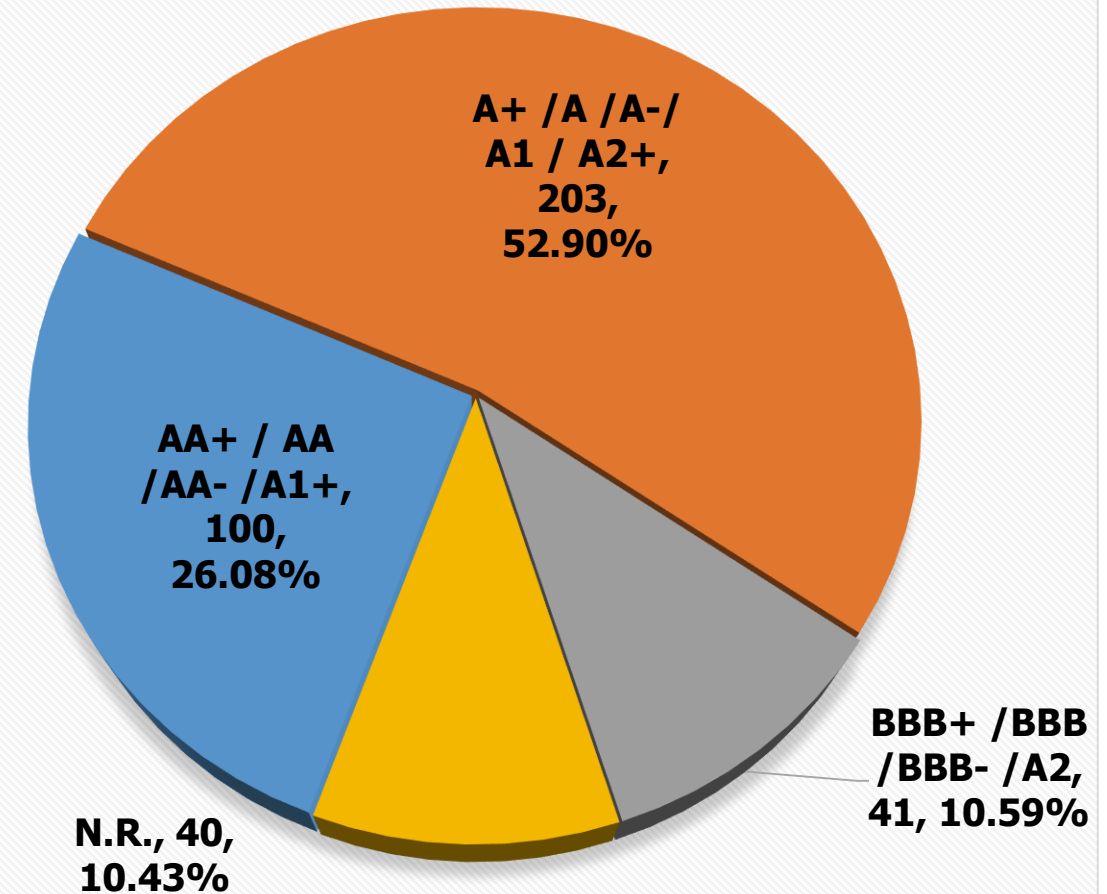
EXTERNAL RATING-WISE SANCTIONS & DISBURSEMENTS (Q1 FY 2019-20)

₹ in Crore & %

Gross Sanction



Disbursement

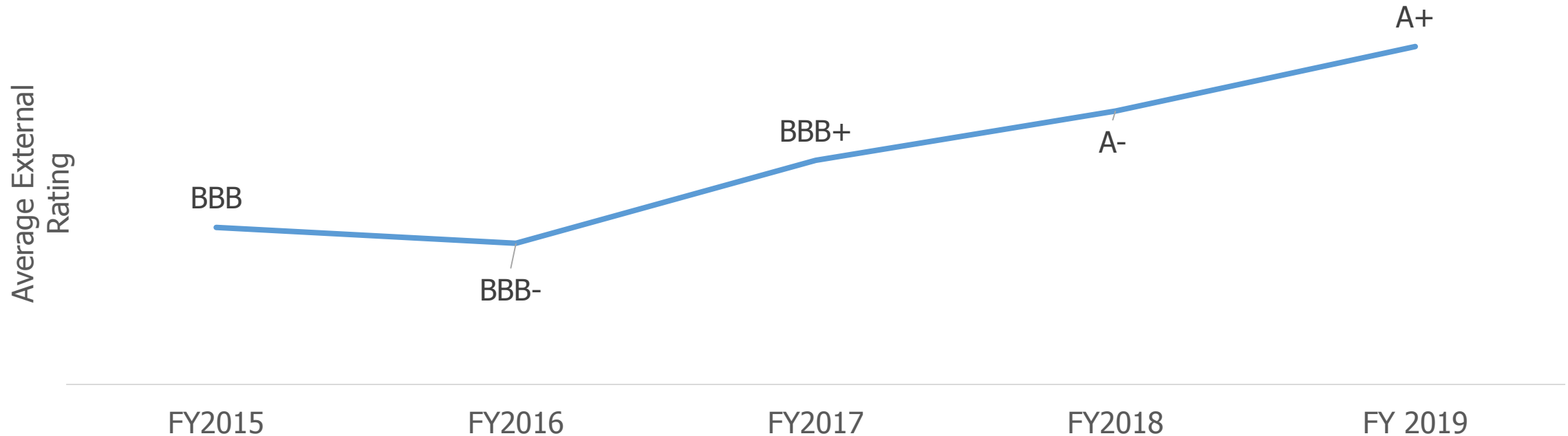


Over 78% of the cases disbursed in Q1 of FY 2019-20, carried external ratings of A, or higher.

IMPROVED QUALITY OF FRESH SANCTIONS (BY NO. OF CASES)

With a focused approach to improve the quality of the portfolio, there has been efforts to have incremental sanctions and disbursements to quality rated borrowers. The weighted average external rating of fresh sanctions accorded by IFCI has improved significantly and stood at A+, for FY 2018-19.

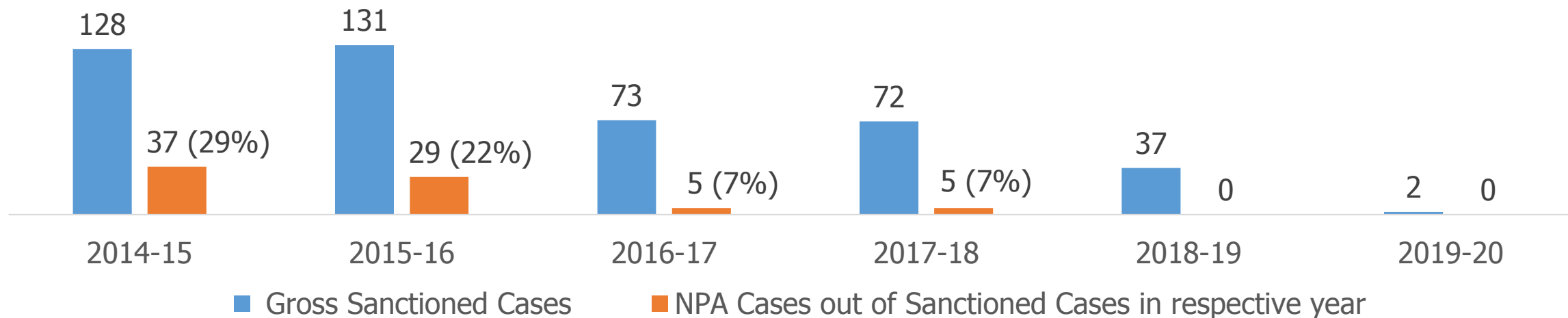
Wtd avg External Rating of year-wise sanctions



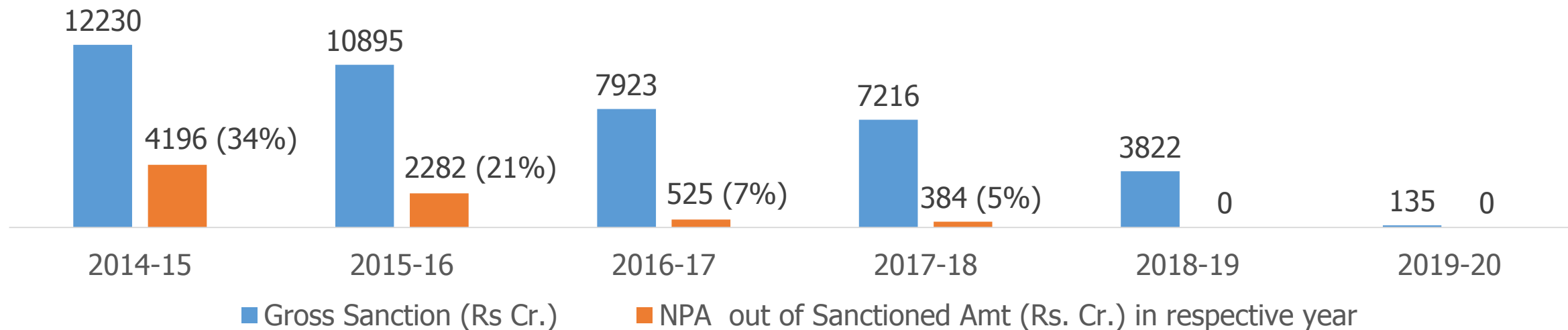
Two cases (Cumulative Rs. 135 Crore) have been sanctioned in Q1 FY2020. One case is rated AA-(SO) while the other is unrated.

DECLINING SLIPPAGES OUT OF ANNUAL SANCTIONS* (LAST 6 YEARS)

No. wise - Year wise sanction and NPAs



Amount Wise (Rs. Cr.) - Sanctions and NPAs



Key Operational & Financial Parameters

Parameter (Rs. in crore)	Jun 2019	Jun 2018	Mar 2019
Sanctions	97	1,240	3,760
Disbursements	388	534	3,238
Recovery (NPA+Divestment+Sale of Non core assets)	124	321	2,647
Total Income	489.23	651.91	2466.20
Net Profit/ Loss	(10.37)	(340.77)	(443.18)
Total Comprehensive Income	31.20	(434.37)	(483.18)
Net Interest Income	81	157	307
Net Worth	4,256	5,608	4,225
Net Stage 3 Assets	5,969 (45.71%)	6,965 (42.86%)	5,104 (38.93%)
Impairment Allowance on Stage 3 Assets	49.44%	46.61%	60.45%
Capital to Risk Weighted Assets Ratio (CRAR)	13.35%	19.73%	7.97%
Debt to Equity Ratio	3.57	3.37	3.81
Cost to Total Income	95%	78%	79%

HIGHLIGHTS OF Financial Results – IND AS

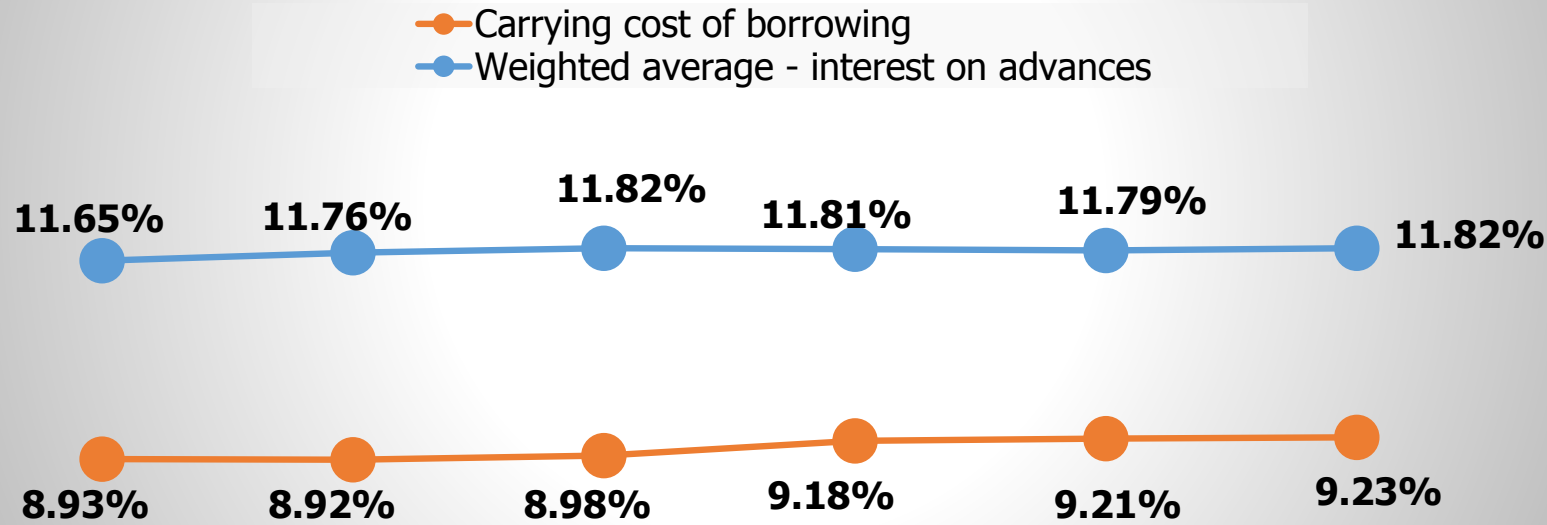
Particulars	Jun-19	Jun-18	Mar-19	FY 18-19
(₹ crore)	Q1FY20	Q1FY19	Q4FY19	
Income from Operations	480.38	641.69	453.95	2,157.23
Total Income	489.23	651.91	474.01	2,466.20
Finance Costs	385.13	469.69	405.98	1,756.14
Other Expenses	77.26	39.41	78.87	203.71
Total Expenses (excl. Impairment)	513.93	527.56	381.23	2,072.66
Impairment on Financial Instruments	(427.74)	643.01	76.48	1,084.83
Net Profit/(Loss) for the period- (A)	(10.37)	(340.77)	(37.66)	(443.83)
Other Comprehensive Income – (B)	41.57	(93.60)	63.00	(39.35)
Total Comprehensive Income – (A+B)	31.20	(434.37)	25.34	(483.18)

Balance Sheet – IND AS

ASSETS (₹ Crore)	Jun-19	Jun-18	Mar-19
Financial Assets			
(a) Cash, Bank Balances, Derivative financial instruments & Receivables	1148.48	1299.00	957.21
(b) Loans	13060.35	16521.88	13,109.49
(c) Investments & Other Financial assets	3227.25	5083.79	3,620.76
Non-financial Assets	4,113.58	3,959.46	4,568.09
Total	21,549.66	26,594.13	22,255.55
LIABILITIES AND EQUITY			
(a) Trade Payables and other Financial liabilities	1968.50	2058.26	1,851.98
(b) Debt Securities	8956.12	9425.32	9,226.79
(c) Borrowings (Other than Debt Sec)	4911.72	7949.85	5,553.71
(d) Subordinated Liabilities	1313.30	1511.55	1,313.30
Non-Financial Liabilities (Provisions)	143.52	40.69	84.47
Equity			
(a) Equity Share capital	1695.99	1695.99	1,695.99
(b) Other Equity	2560.51	3912.47	2,529.31
Total	21,549.66	26,594.13	22,255.55

IFCI: YIELD ON ADVANCES AND FINANCING COST

Movement in Weighted Average Interest on Advances and Carrying Cost of Borrowings



Description	March 31, 2018	June 30, 2018	Sep 30, 2018	Dec 31, 2018	Mar 31, 2019	June 30, 2019
	Wtd. avg - interest on advances	11.65%	11.76%	11.82%	11.81%	11.79%
Carrying cost of borrowings	8.93%	8.92%	8.98%	9.18%	9.21%	9.23%

External Ratings of IFCI Debt Instruments

Instrument	Rating
Long Term Borrowing (NCDS/ Bonds/ Term Loans)	BWR BBB+ ICRA BBB CARE BBB-
Structured Secured NCDS	BWR A+(SO) ICAR BBB+(SO)
Subordinate Bonds	CARE BBB- ICRA BBB+
Short Term Borrowing (Incl. Commercial Paper)	BWR A1 ICRA A2+

STEPS TAKEN FOR BALANCE SHEET QUALITY ENHANCEMENT

Enhanced qualitative Appraisal, Due-Diligence & Integrated Risk Management

Enhancing proportion of short and medium term loans in fresh business

Renewed focus on loans to manufacturing & service sector

Focus on financing brownfield projects and operating units

Higher threshold credit rating for mobilizing fresh business

Targeting sunrise sectors with double digit growth prospectus

INITIATIVES TAKEN BY MANAGEMENT

OPERATIONAL	Integrated Risk Management System	IMPLEMENTED
	Enhancement of Appraisal Skills & Capacity building	IN PROCESS
	Integrated IFCI Group Business Development	IMPLEMENTED
	Cost Reduction – Operational & Non-operational	IMPLEMENTED
	Revisiting policies of Lending, R&T, HR and other in line with present market conditions	IMPLEMENTED
	Corporate Planning & Policy Initiatives	IMPLEMENTED
	STRATEGIC	Strategic Divestments & Monetisation of non-core Assets
Effective Corporate Communications for Brand & Image building with stakeholders		IN PROCESS

THANK YOU

IN DEVELOPMENT OF THE NATION SINCE 1948

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