

# 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.

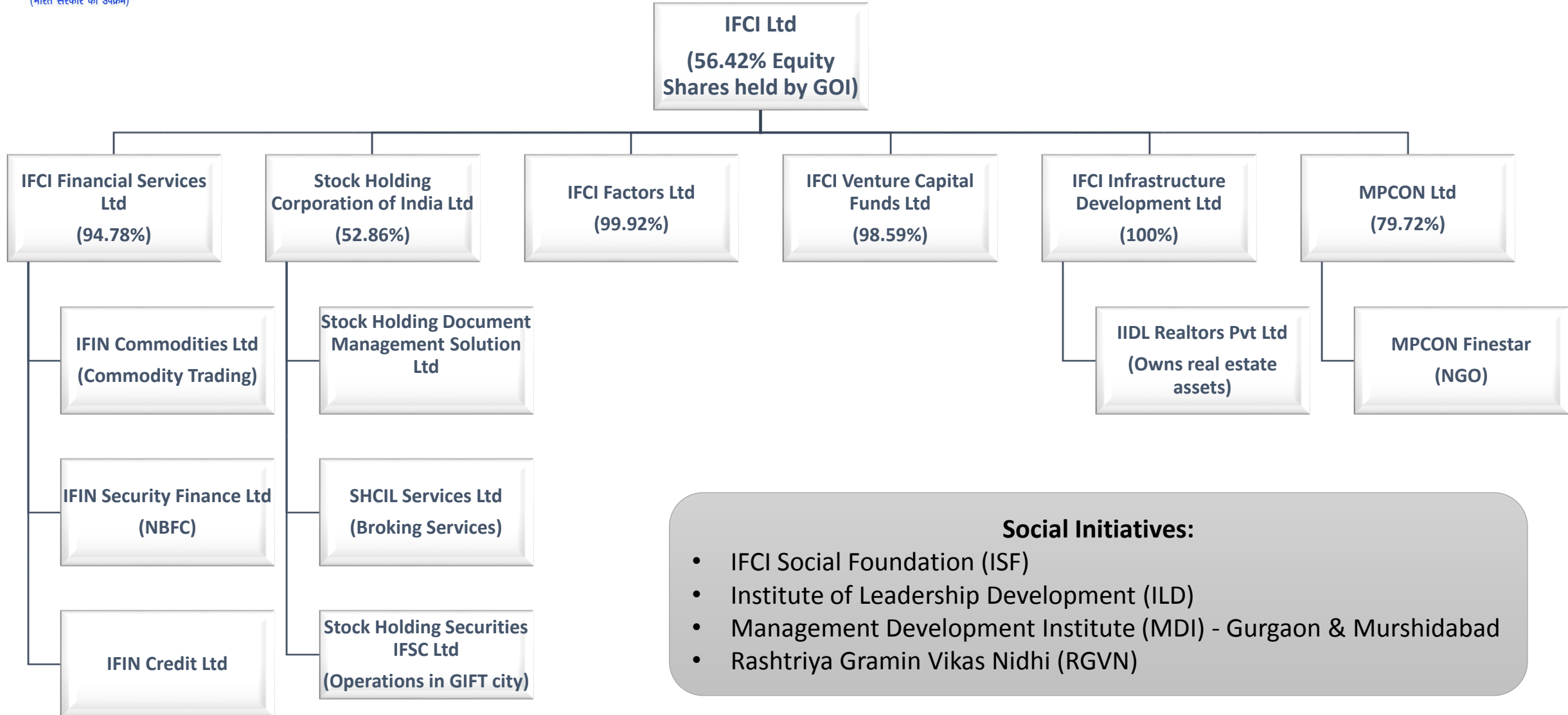
**2015** – Became a Government Company with Government holding of 51.04% in Capital.

**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 6 years.

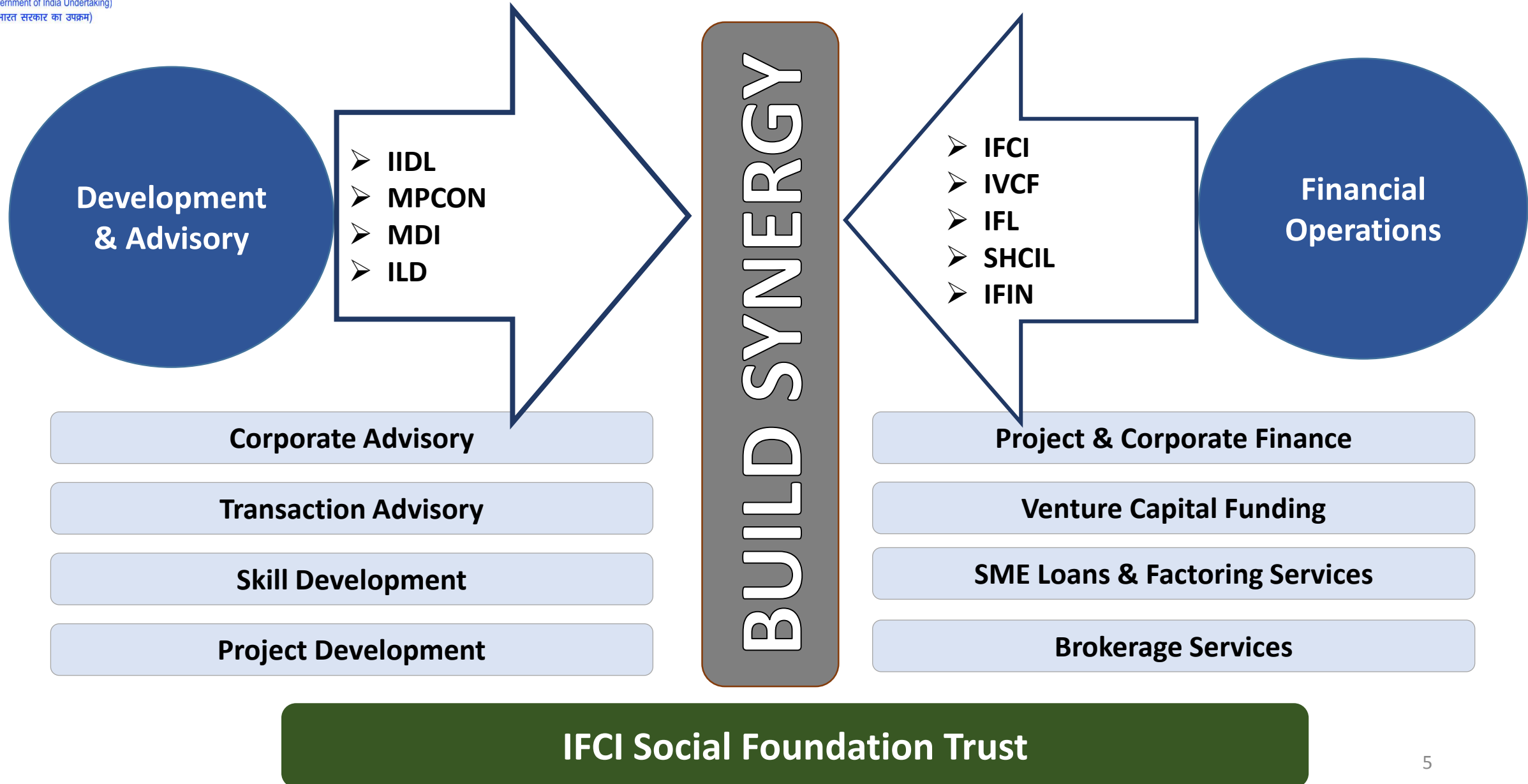
# IFCI GROUP STRUCTURE



### 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

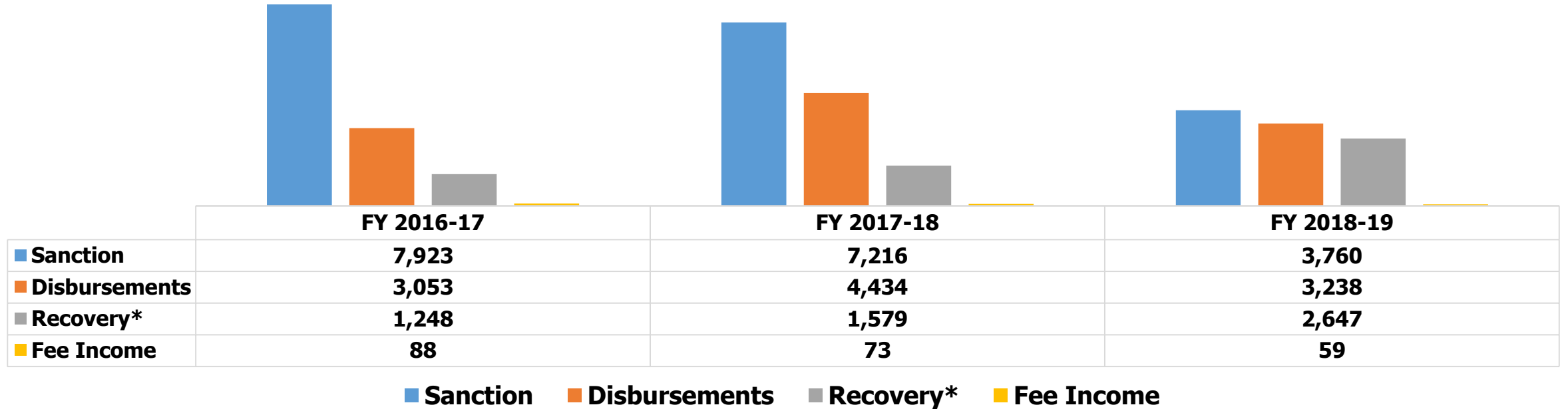
### Divestment of Non-Core Assets

### Focus on enhancing fee based activities

### Strategic alignment of business processes

# OPERATIONAL PERFORMANCE: CREDIT PORTFOLIO

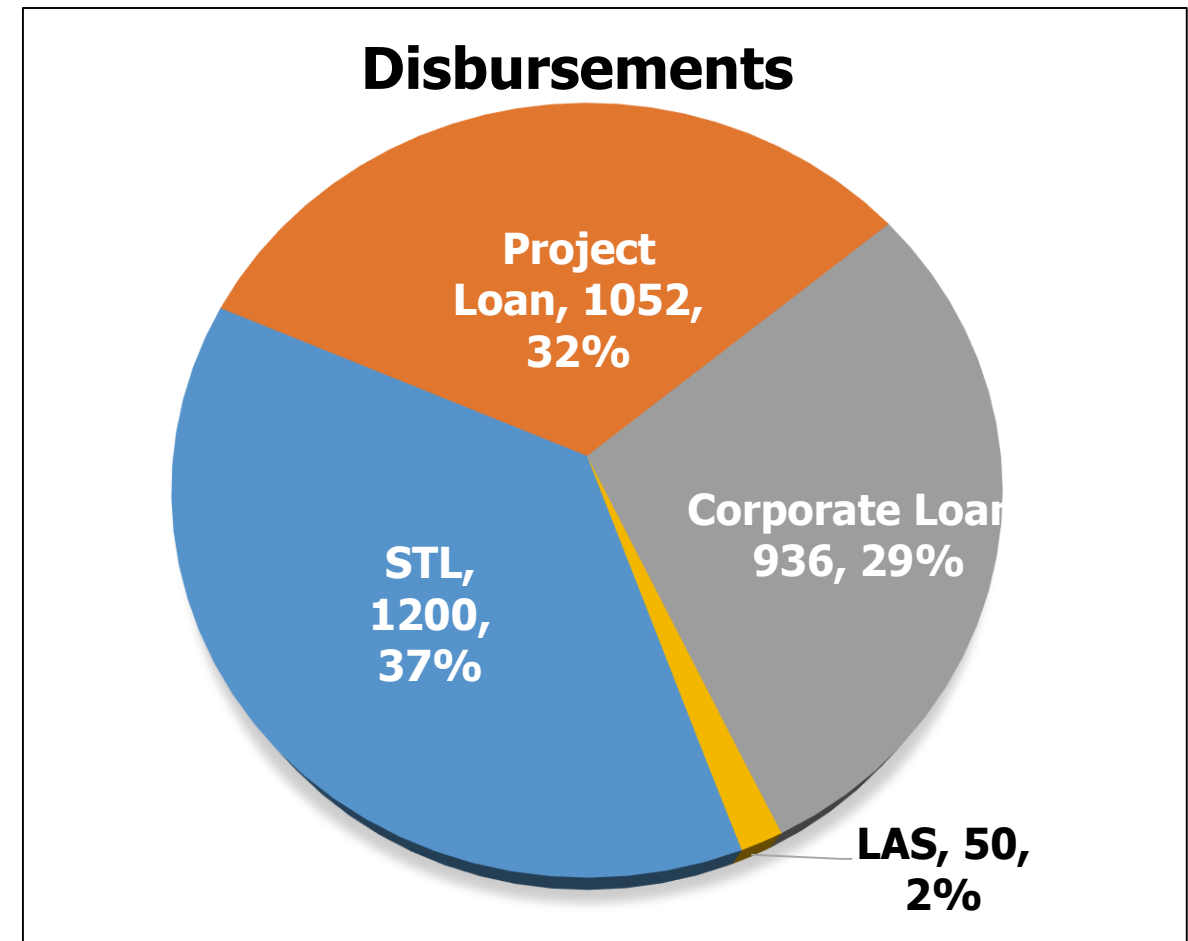
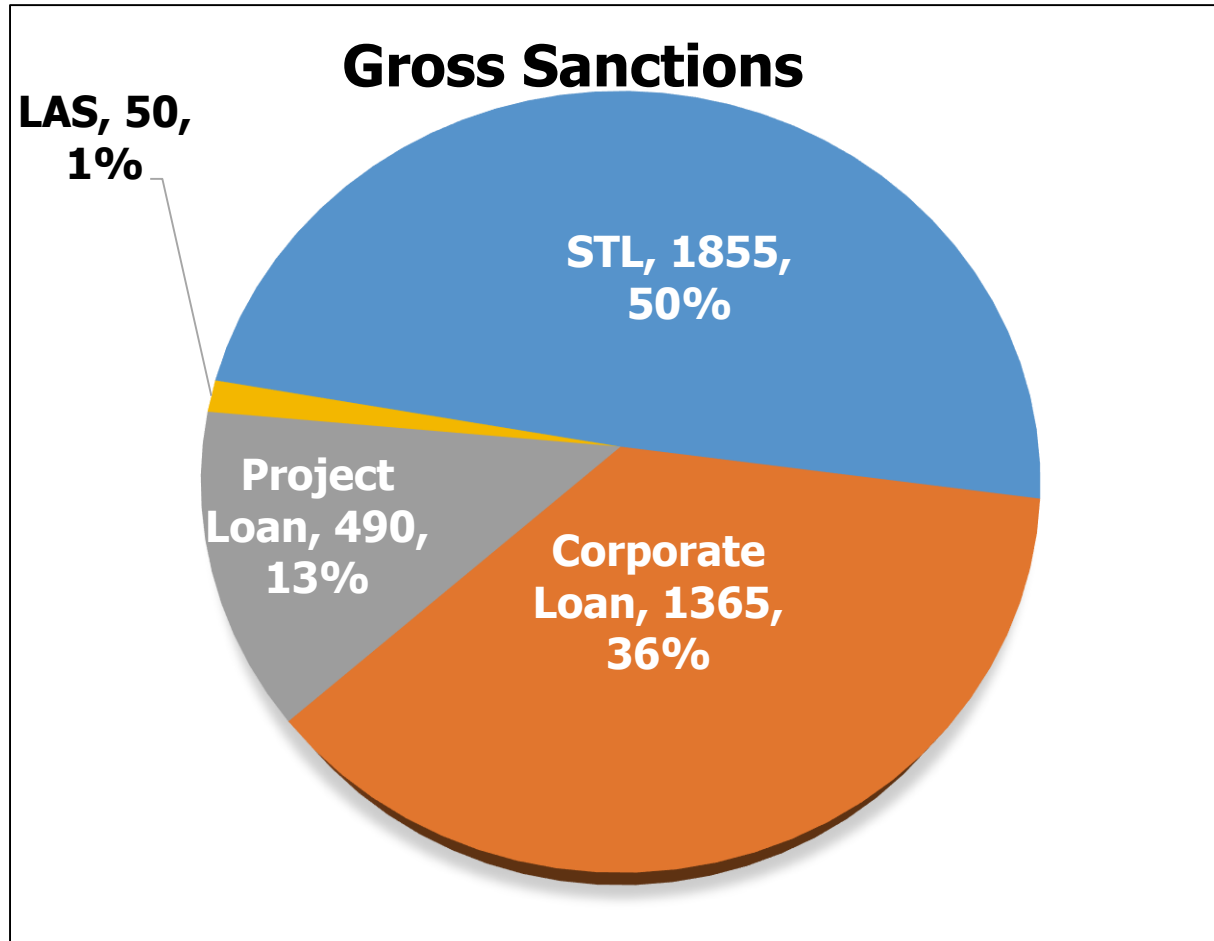
(₹ Crore)



- Financial sanctions and disbursements were kept low, following a cautious approach in the prevailing 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.
- Rs.2,647 crore was mobilized, by way of recovery from NPAs, divestments and sale of non-core assets, etc. during FY 2018-19, vis-à-vis Rs.1,579 crore, in previous year.

# LOAN TYPE WISE SANCTIONS & DISBURSEMENTS (FY 2018-19)

Rs. in Crore & %



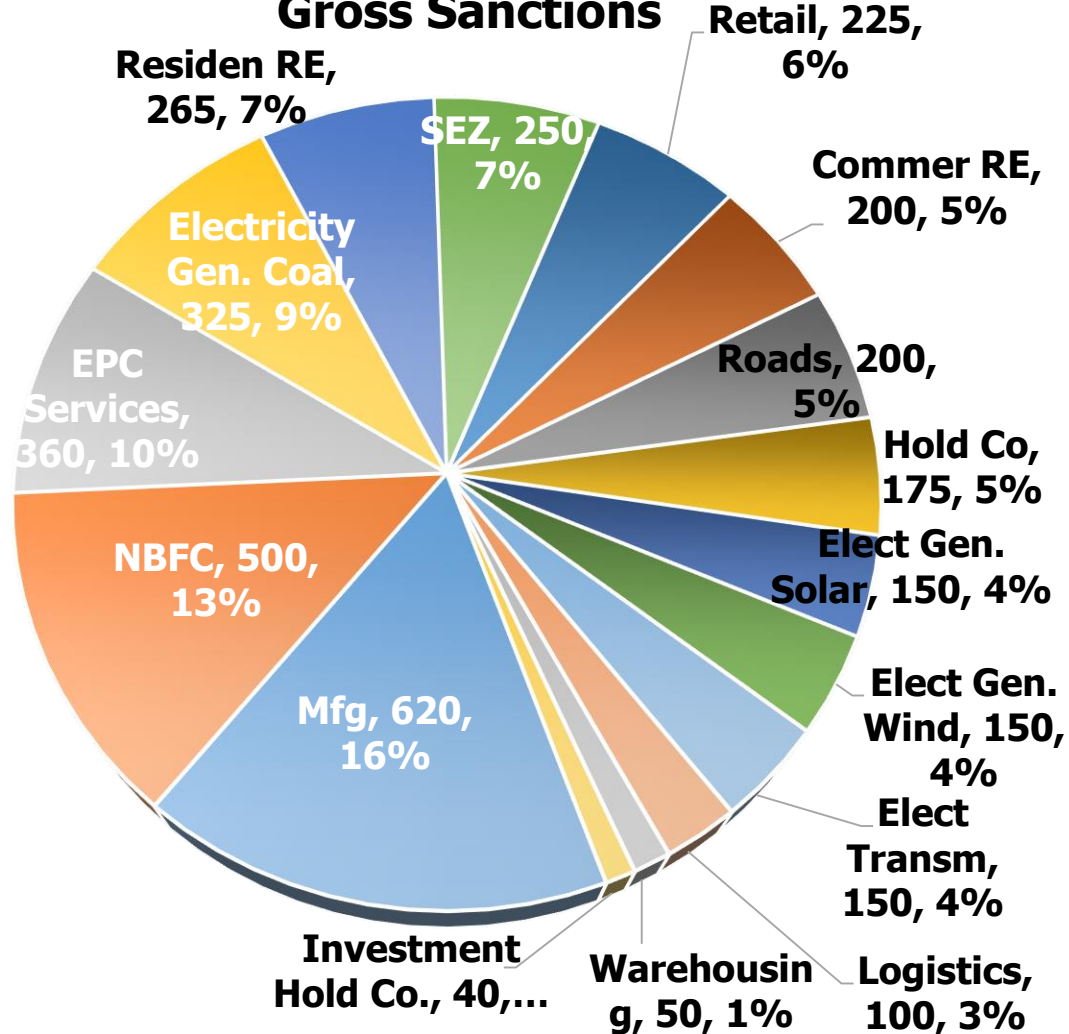
- As a conscious strategy, more standalone and less consortium loans were considered, based on past experience in debt servicing and recovery rates.
- In order to further improve existing risk profile on the assets and the liabilities side, conscious efforts were made to increase the share of short term loans while reducing level of project loans.



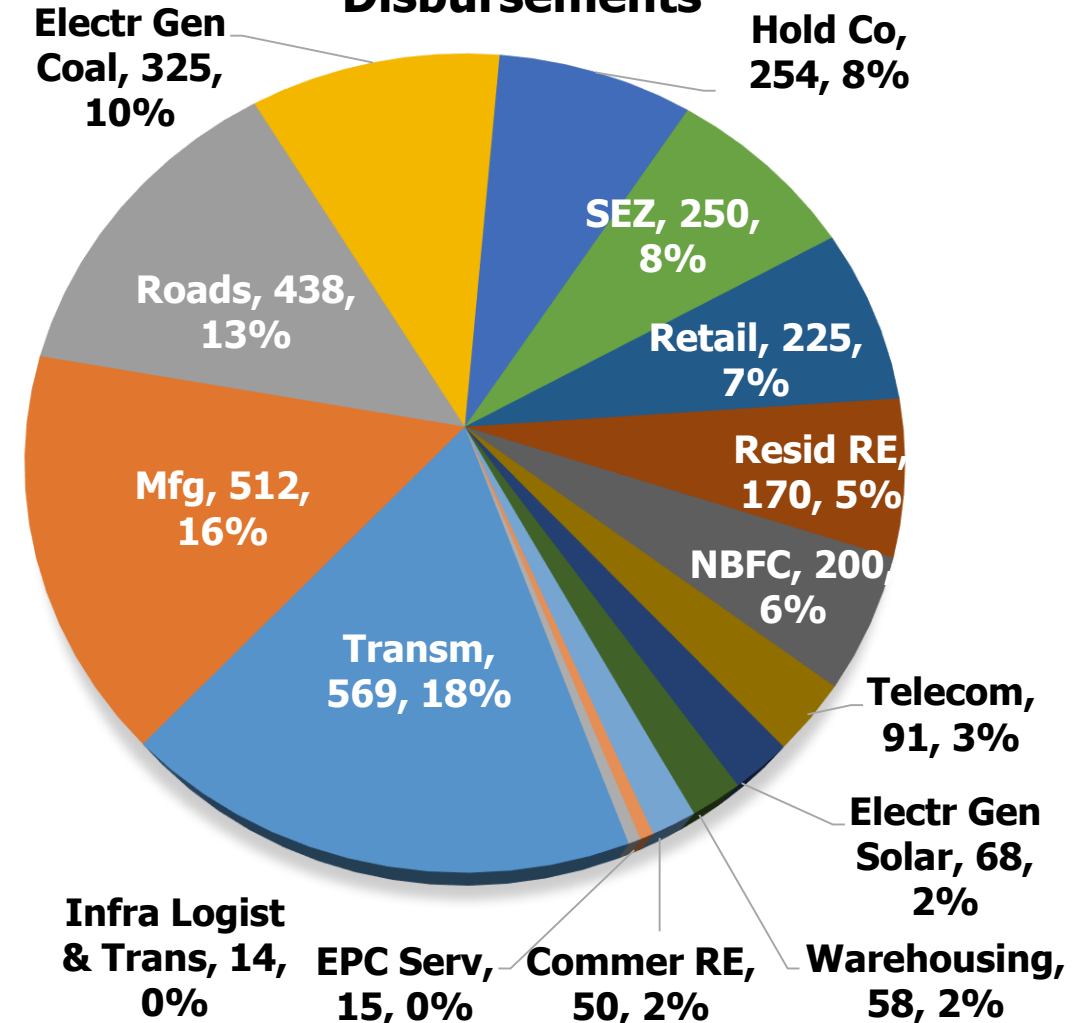
# SECTOR-WISE SANCTIONS & DISBURSEMENTS (FY 2018-19)

Rs. in Crore & %

### Gross Sanctions



### Disbursements

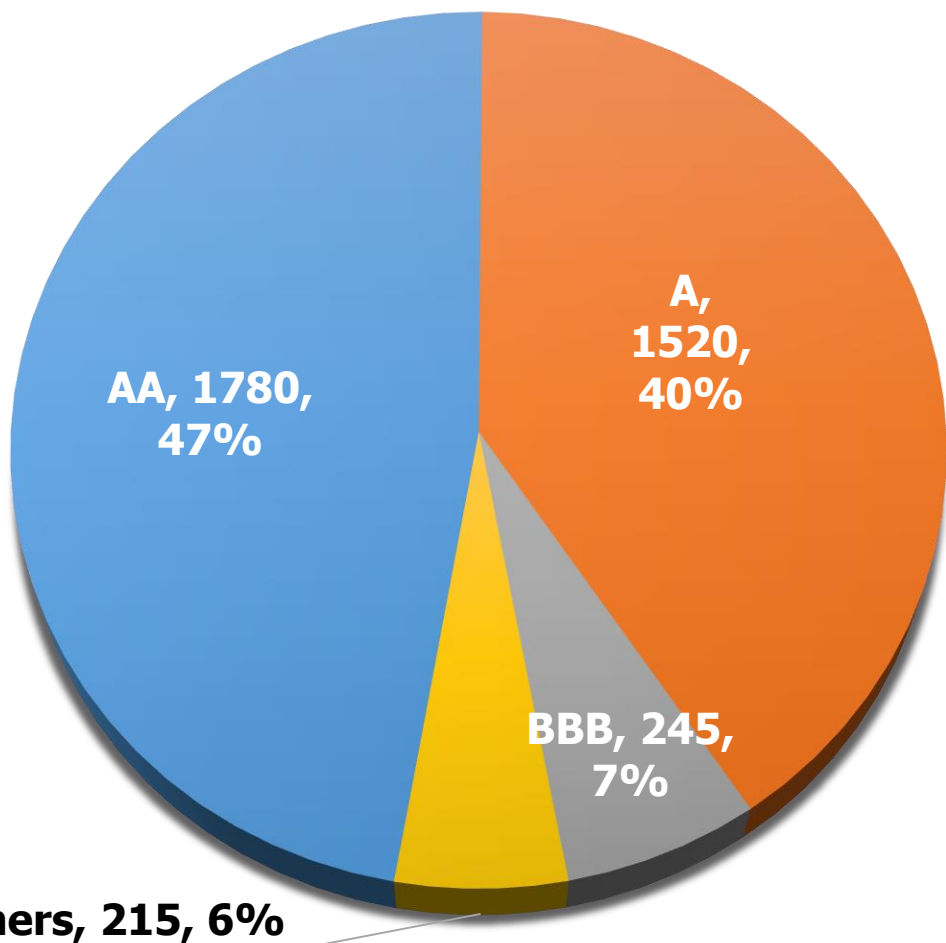


Fresh sanctions and disbursements were made across well diversified sectors.

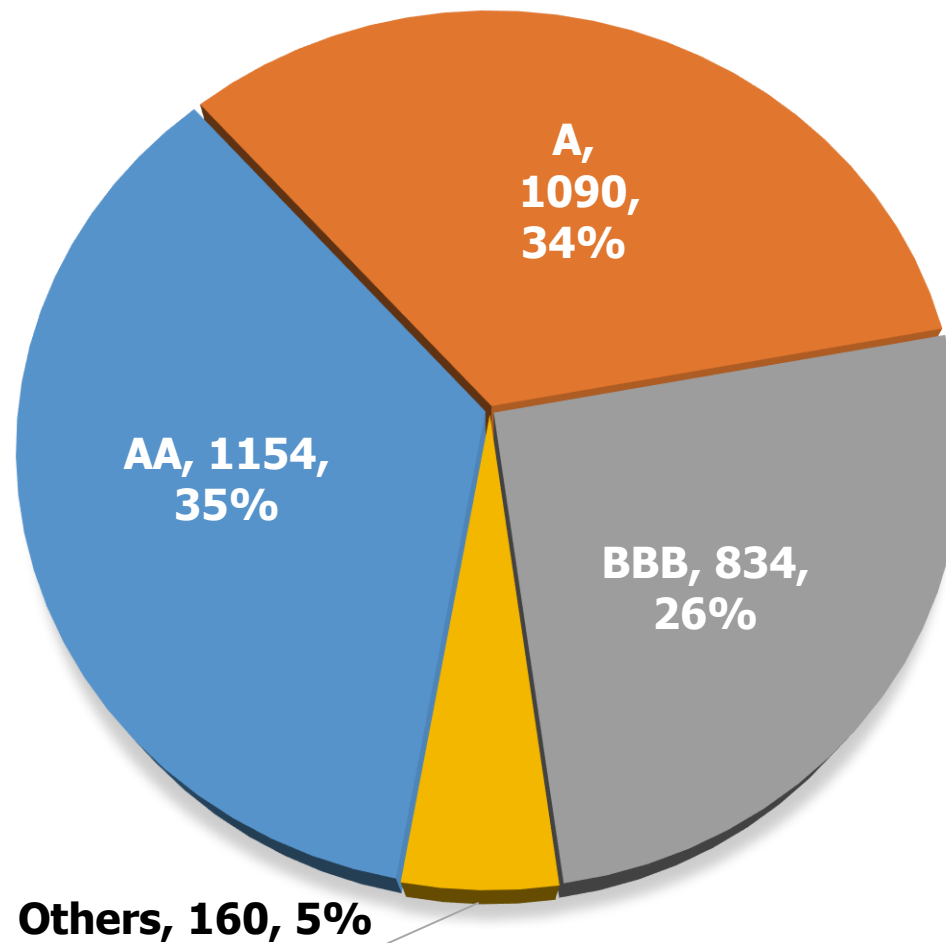
# EXTERNAL RATING-WISE SANCTIONS & DISBURSEMENTS (FY 2018-19)

Rs. in Crore & %

## Gross Sanctions



## Disbursements

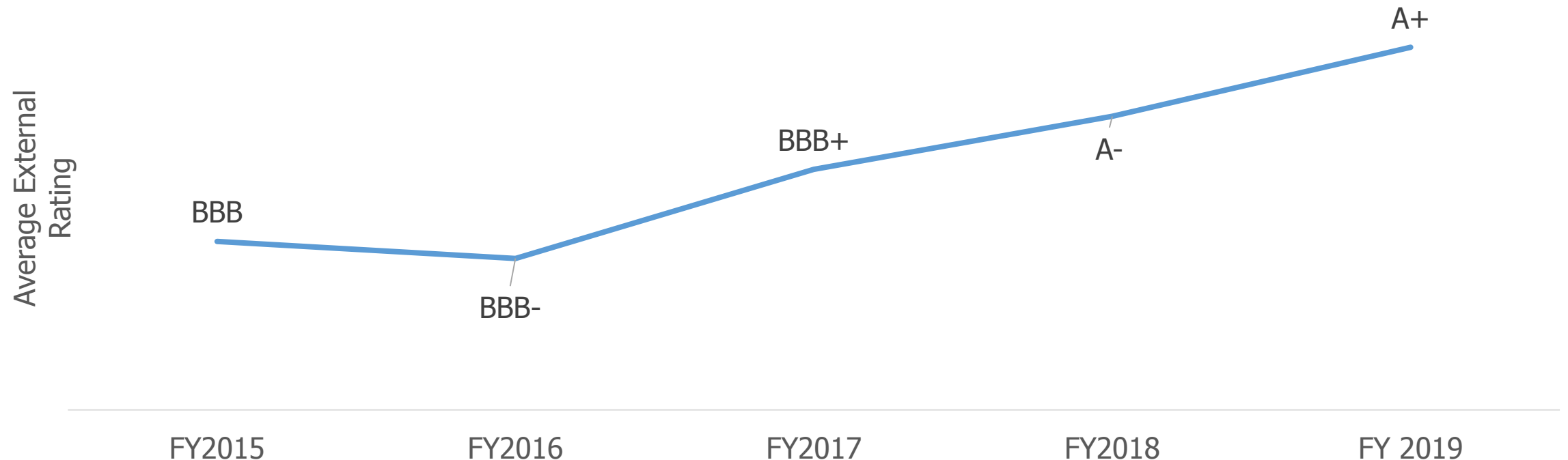


Over 87% of the cases sanctioned in FY 18-19, carried external ratings of A, or higher.

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

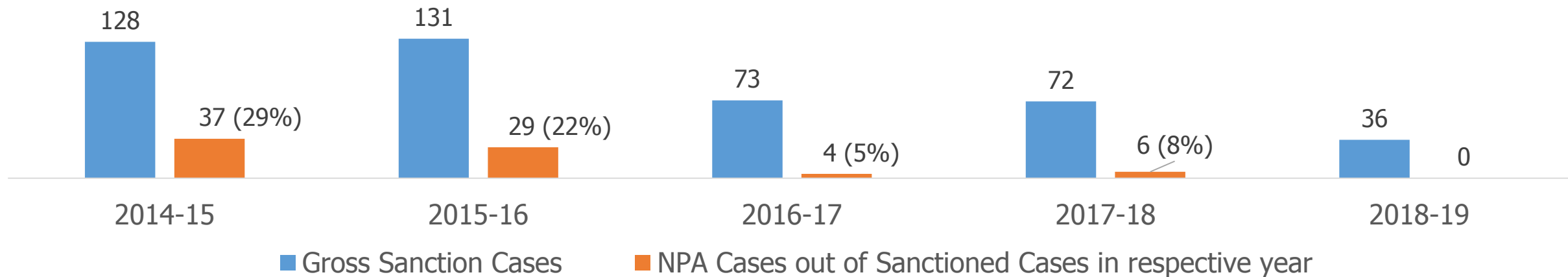
With a focused approach to improve the quality of the portfolio, there has been efforts to have incremental sanctions and disbursements to quality rated borrowers. The weighted average external rating of fresh sanctions accorded by IFCI has improved significantly and stood at A+, for FY2018-19.

**Wtd avg External Rating of year-wise sanctions**

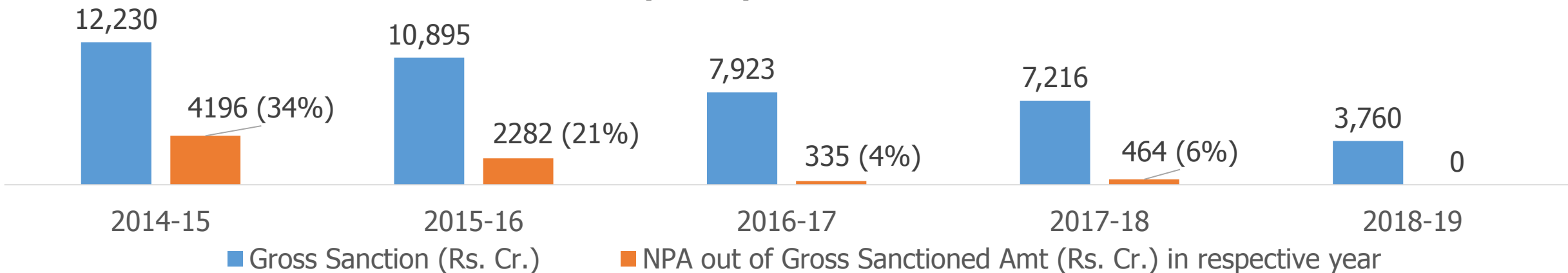


## DECLINING SLIPPAGES OUT OF ANNUAL SANCTIONS (LAST 5 YEARS)

### No. wise - Year wise Gross Sanction and Gross NPA



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



There has been consistent efforts and minimised the delinquencies in the new sanctions with integrated risk management and enhanced Appraisal & due diligence, resulting into declining trend in the NPA arising out of sanction during the last 3 years. Out of sanction of Rs. 10,976 crore and disbursement of Rs. 7,672 crore during the last 2 years, outstanding NPA as on date is Rs. 197 crore

# KEY OPERATIONAL & FINANCIAL PARAMETERS

Parameter	Mar 2019	Mar 2018
	(₹ crore)	(₹ crore)
Sanctions	3,760	7,216
Disbursements	3,238	4,434
Recovery (including divestment from non-core assets)	2,647	1,579
Total Income	2,466	3021
Profit/ (loss) Before Impairment	394	1,435
Net Profit	(443)	468
Total Comprehensive Income	(483)	224
Net Interest Income	307	538
Net Worth	4,225	4,718
Net Stage 3 Assets	5,104 (38.93%)	4,634 (29.02%)
Impairment Allowance on Stage 3 Assets	60.72%	52.73%
Capital to Risk weighted Assets Ratio	7.97% (5.31%)	11.97% (7.41%)
Debt to Equity Ratio	3.81	4.27
Cost to Total Income	79%	62%

## HIGHLIGHTS OF FINANCIAL RESULTS – IND AS

Particulars (₹ crore)	Mar-19	Dec-18	Sep-18	Jun-18	FY 18-19	FY 17-18
	Q4FY19	Q3FY19	Q2FY19	Q1FY19		
Income from Operations	453.95	628.66	432.94	641.68	2,157.23	2,728.10
<b>Total Income</b>	<b>474.01</b>	<b>589.30</b>	<b>729.70</b>	<b>673.19</b>	<b>2,466.20</b>	<b>3020.51</b>
Finance Costs	405.98	431.65	448.82	469.69	1,756.14	2,074.30
Net (gain)/ loss on FV changes	(103.62)	116.37	81.60	18.46	112.81	(719.46)
Administration Costs	78.87	39.08	46.35	39.41	203.71	231.07
<b>Total Expenses (excl. Impairment)</b>	<b>381.23</b>	<b>587.10</b>	<b>576.77</b>	<b>527.56</b>	<b>2,072.66</b>	<b>1,585.89</b>
<b>Profit/(Loss) before Impairment</b>	<b>92.78</b>	<b>2.20</b>	<b>152.93</b>	<b>145.64</b>	<b>393.54</b>	<b>1,434.62</b>
Net Profit/(Loss) for the period- (A)	<b>(37.66)</b>	(48.85)	(16.55)	(340.77)	<b>(443.83)</b>	<b>468.38</b>
Other Comprehensive Income – (B)	<b>63.00</b>	(10.83)	2.08	(93.6)	<b>(39.35)</b>	<b>(244.37)</b>
<b>Total Comprehensive Income – (A+B)</b>	<b>25.34</b>	<b>(59.68)</b>	<b>(14.47)</b>	<b>(434.37)</b>	<b>(483.18)</b>	<b>224.00</b>

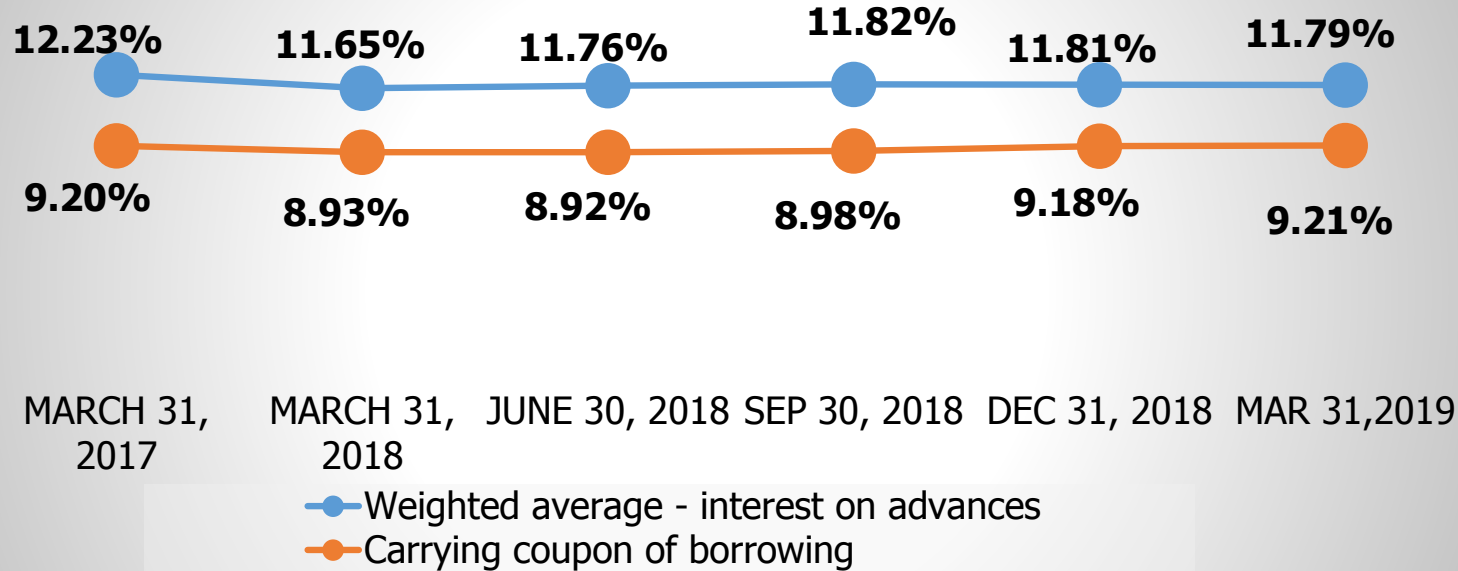
## BALANCE SHEET – IND AS

<b>ASSETS (₹ Crore)</b>	<b>Mar-19</b>	<b>Mar-18</b>
<b>Financial Assets</b>		
(a) Cash, Bank Balances, Derivative financial instruments & Receivables	957.21	902.72
(b) Loans	13,109.49	15,844.85
(c) Investments & Other Financial assets	3,620.76	5,511.59
<b>Non-financial Assets</b>	4,568.09	4,745.37
<b>Total</b>	<b>22,255.55</b>	<b>27,004.53</b>
<b>LIABILITIES AND EQUITY</b>		
(a) Trade Payables and other Financial liabilities	1,851.98	1,906.24
(b) Debt Securities	9,226.79	9,605.28
(c) Borrowings (Other than Debt Sec)	5,553.71	9,018.12
(d) Subordinated Liabilities	1,313.30	1,514.56
<b>Non-Financial Liabilities (Provisions)</b>	84.47	242.06
<b>Equity</b>		
(a) Equity Share capital	1,695.99	1,695.99
(b) Other Equity	2,529.31	3,022.28
<b>Total</b>	<b>22,255.55</b>	<b>27,004.53</b>



# IFCI: YIELD ON ADVANCES AND FINANCING COST

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



Description	March 31, 2017	March 31, 2018	June 30, 2018	Sep 30, 2018	Dec 31, 2018	Mar 31, 2019
<b>Wtd avg - interest on advances</b>	<b>12.23%</b>	<b>11.65%</b>	<b>11.76%</b>	<b>11.82%</b>	<b>11.81%</b>	<b>11.79%</b>
<b>Carrying coupon of borrowings</b>	<b>9.20%</b>	<b>8.93%</b>	<b>8.92%</b>	<b>8.98%</b>	<b>9.18%</b>	<b>9.21%</b>

## External Ratings of IFCI Debt Instruments

Instrument	Rating
Long Term Borrowing (NCDS/ Bonds/ Term Loans)	ICRA BBB+ CARE BBB BWR A-
Structured Secured NCDs	CARE A-(SO) BWR AA-(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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