

# IFCI LIMITED

HEAD OFFICE: IFCI TOWER, 61 NEHRU PLACE, NEW DELHI-110019

WEBSITE: [www.ifcilt.com](http://www.ifcilt.com)



December, 2018

# 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.

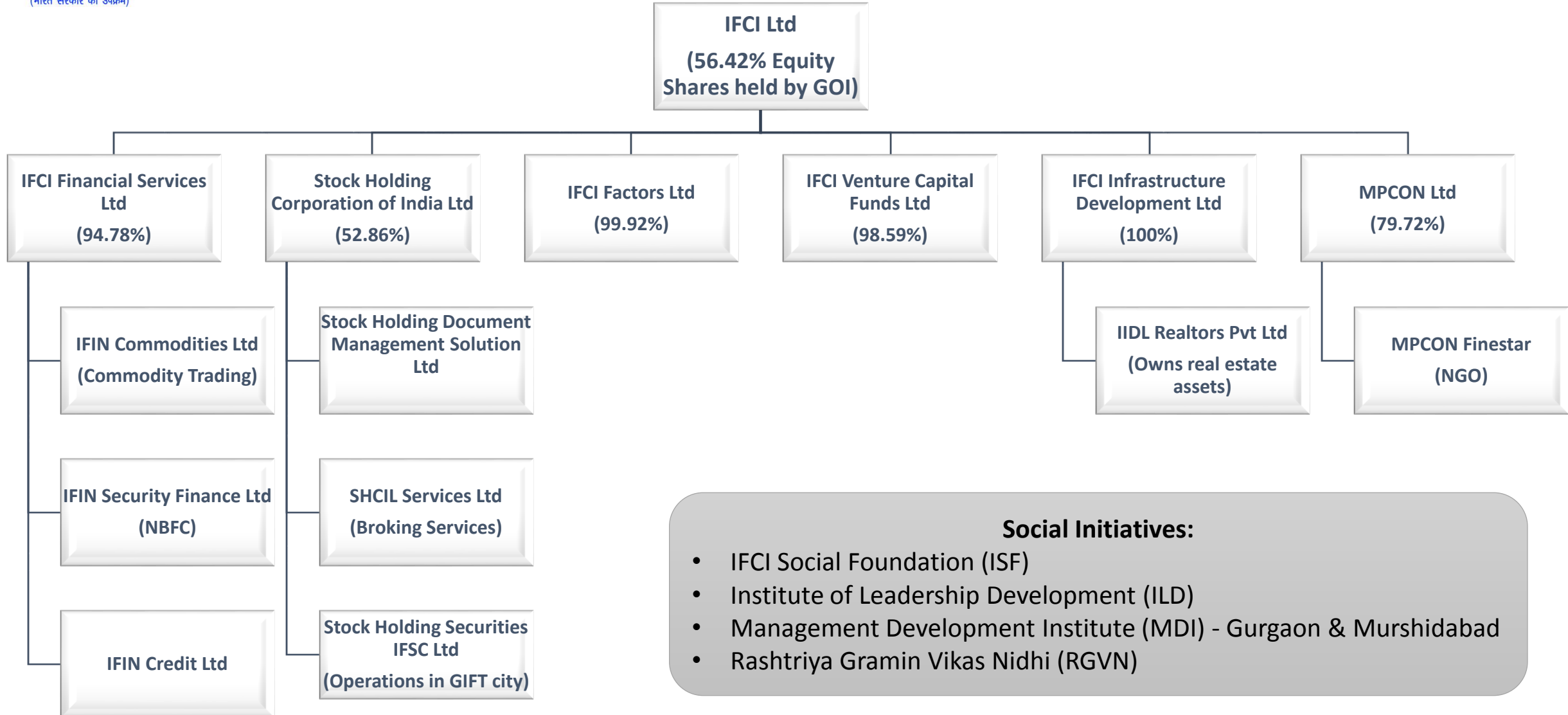
**2015** – Became a Government Company with Government holding of 51.04% in Capital.

**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

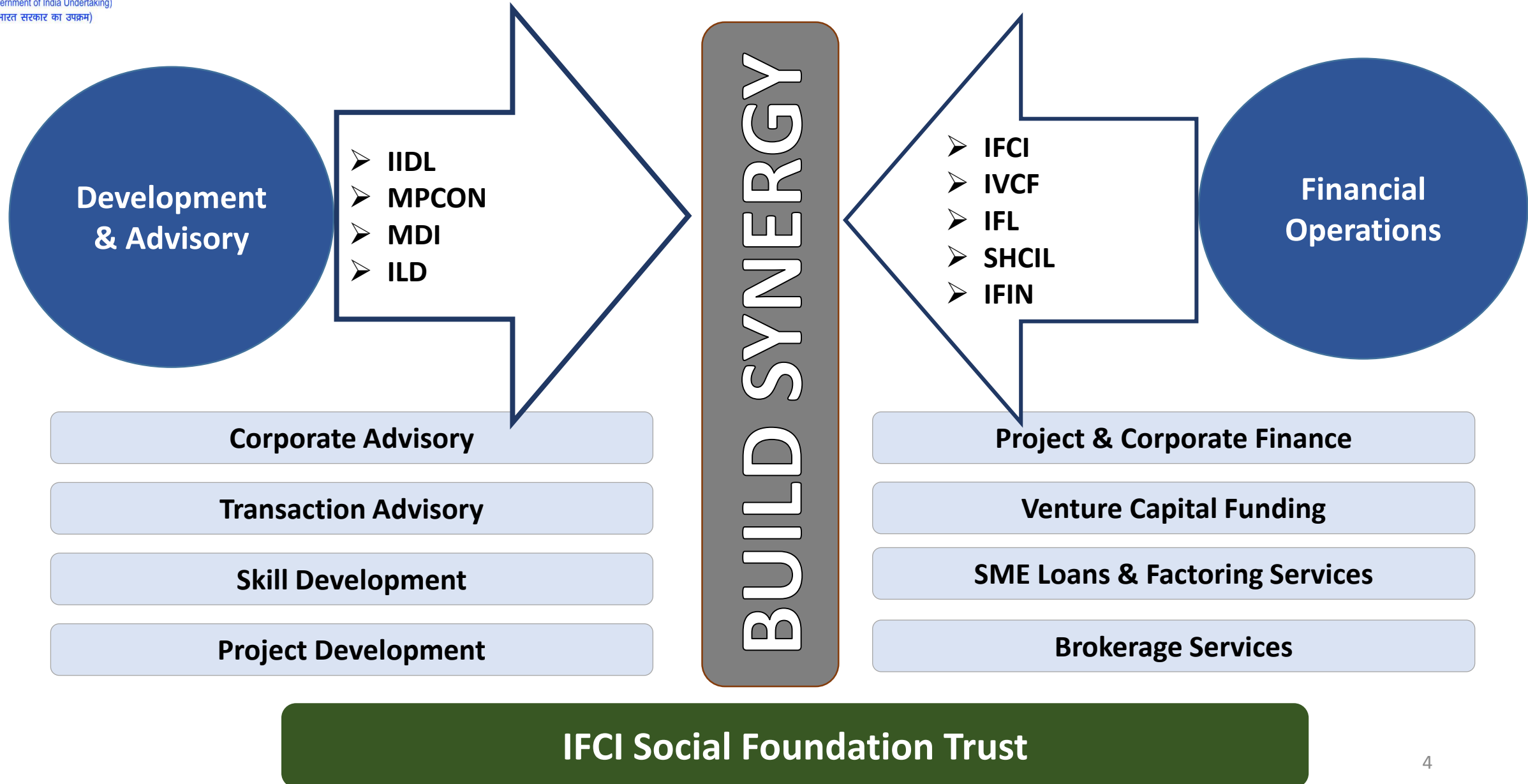
# IFCI GROUP STRUCTURE



### 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



# IFCI GROUP: SYNERGIES

## SHCIL

- Largest Custodian & Leading Depository Participant of the country
- Tie-up with IFIN (another group company) underway

## MPCON

- Strong credentials for conducting techno-economic viability studies, CSR impact assessment Studies
- Executed advisory assignments for PSUs/others in various sectors including power, etc.

## IFL

- Registered as NBFC-Factor
- Cater to SME with Factoring & other financial assistance
- Authorised Dealer for Export Factoring

## ISF

- Supported multiple CSR projects to promote inclusive growth and help the needy
- Expanded reach and touched lives in 22 states

## IVCF

- Managing 5 Venture funds including 2 funds for GoI
- New funds - SME Advantage and Green India Venture Fund –II launched, Affordable Housing Fund being launched

## ILD

- Trained over 2500 youths for skill development in FY-18
- Started new programmes in Solar Energy, Textiles and Management & Leadership

## IIDL

- Developed residential projects at Ghaziabad & Kochi and operating one Service Apartment
- Monetisation of non-core real estate assets in progress

## MDI

- Continues to be amongst top 10 Business Schools in India
- 100% placement achieved with average salary of ₹20 lakh pa in PGP courses

# CONTRIBUTION OF IFCI TO THE NATION



## OPERATIONAL PERFORMANCE: KEY HIGHLIGHTS

### Improvement in Quality of Loan Portfolio

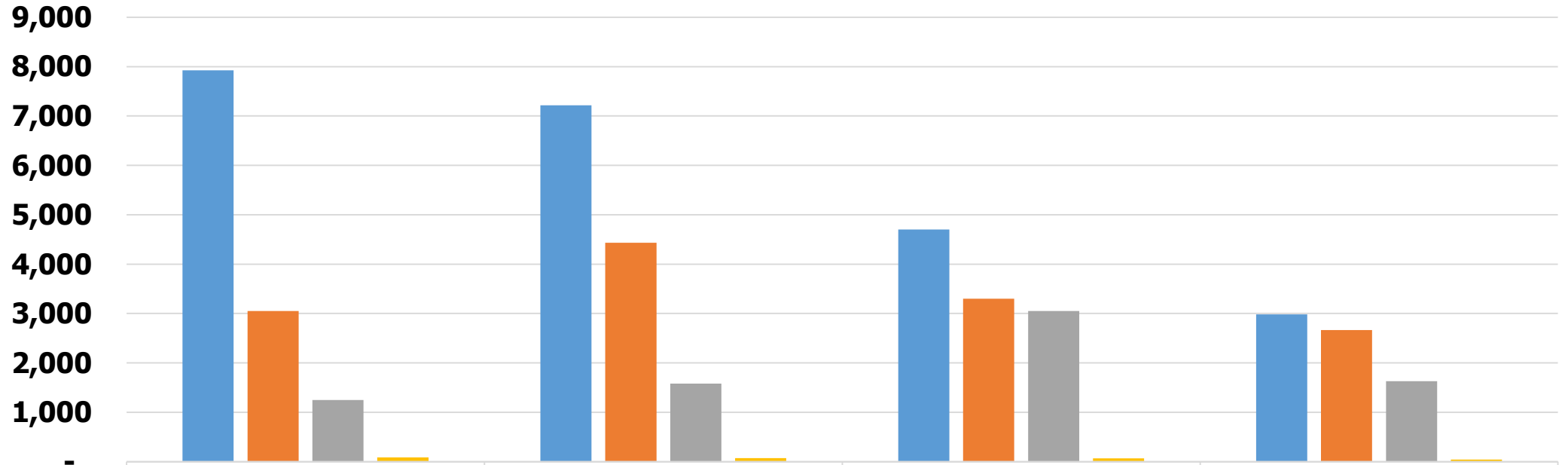
- Improved Credit Rating of fresh sanctions & disbursements
- Intense Focus on Recovery from NPAs & Exit from Long Term Unquoted Project Equity
- Early identification of stressed accounts and resolution thereof

### Divestment of Non-Core Assets

### Focus on enhancing fee based activities

### Strategic alignment of business processes

## OPERATIONAL PERFORMANCE: CREDIT PORTFOLIO



	FY 2016-17	FY 2017-18	April-Dec, 2018 (P) - Budgeted	April-Dec, 2018 (P) - Actual
■ Sanction	7,923	7,216	4,700	2,980
■ Disbursements	3,053	4,434	3,300	2,663
■ Recovery*	1,248	1,579	3,052	1,630
■ Fee Income	88	73	64.92	45

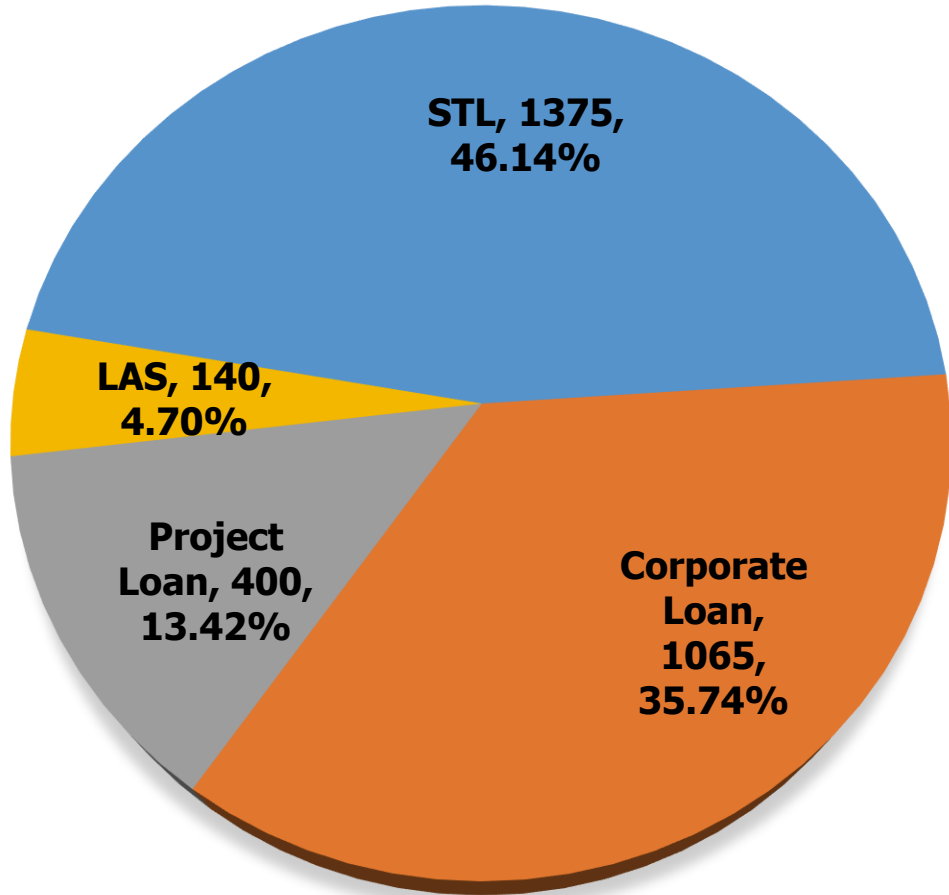
■ Sanction   ■ Disbursements   ■ Recovery\*   ■ Fee Income

*\*Includes NPA Resolution/SR Redemption /Exit from Long Term Unquoted Project Equity/Group Cos./Strategic Investments & Non Core Assets. The actual figures as on 31<sup>st</sup> December, 2018 are provisional figures.*

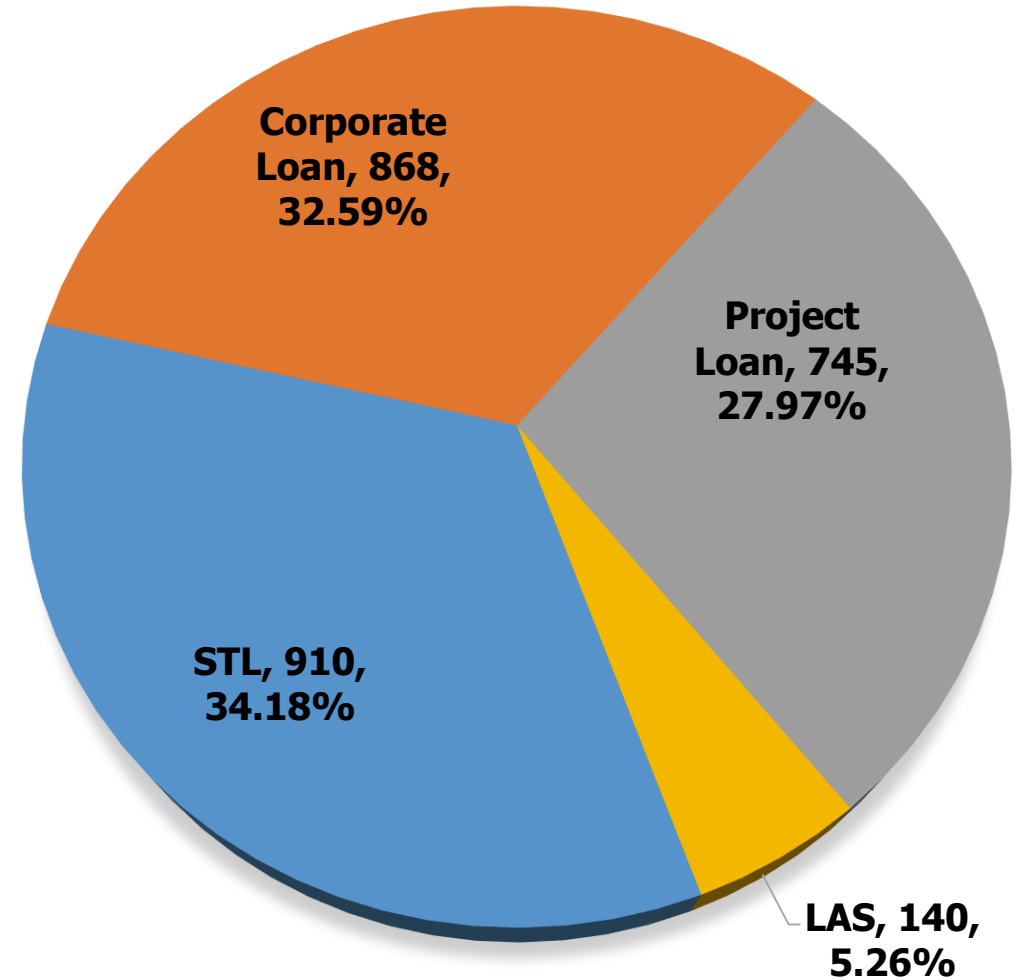


# LOAN TYPE WISE SANCTIONS & DISBURSEMENTS (APR – DEC' 18)

**Gross Sanction during April – December, 2018  
(Rs. in Crore & %)**



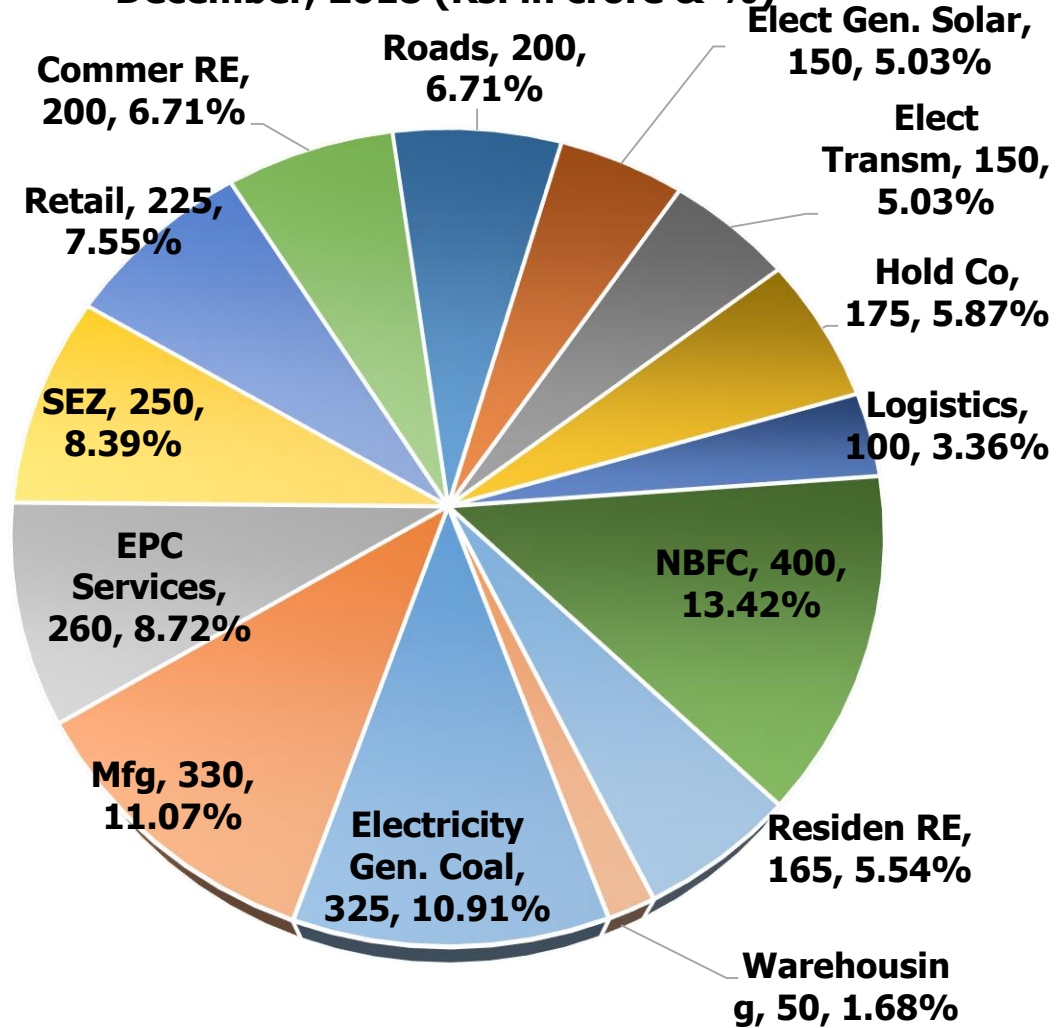
**Disbursed during April-December, 2018 (Rs. Crore & %)**



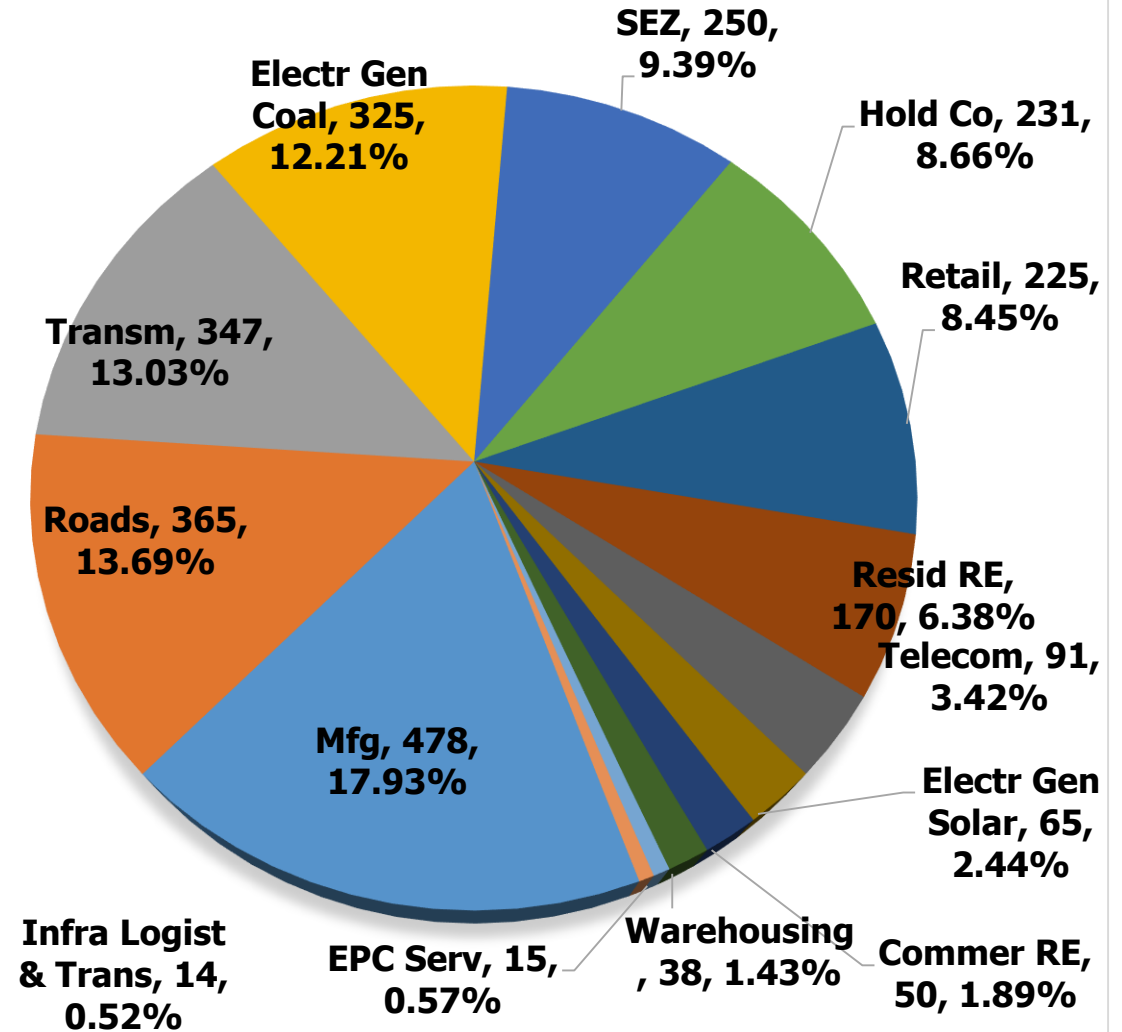
**Gross Sanctions & Disbursements were to the Tune of ₹2,980 crore & ₹ 2,784 crore, respectively**

# SECTOR-WISE SANCTIONS & DISBURSEMENTS (APR' -DEC' 18)

**Sector-wise Gross Loan Sanctioned During April, - December, 2018 (Rs. in crore & %)**

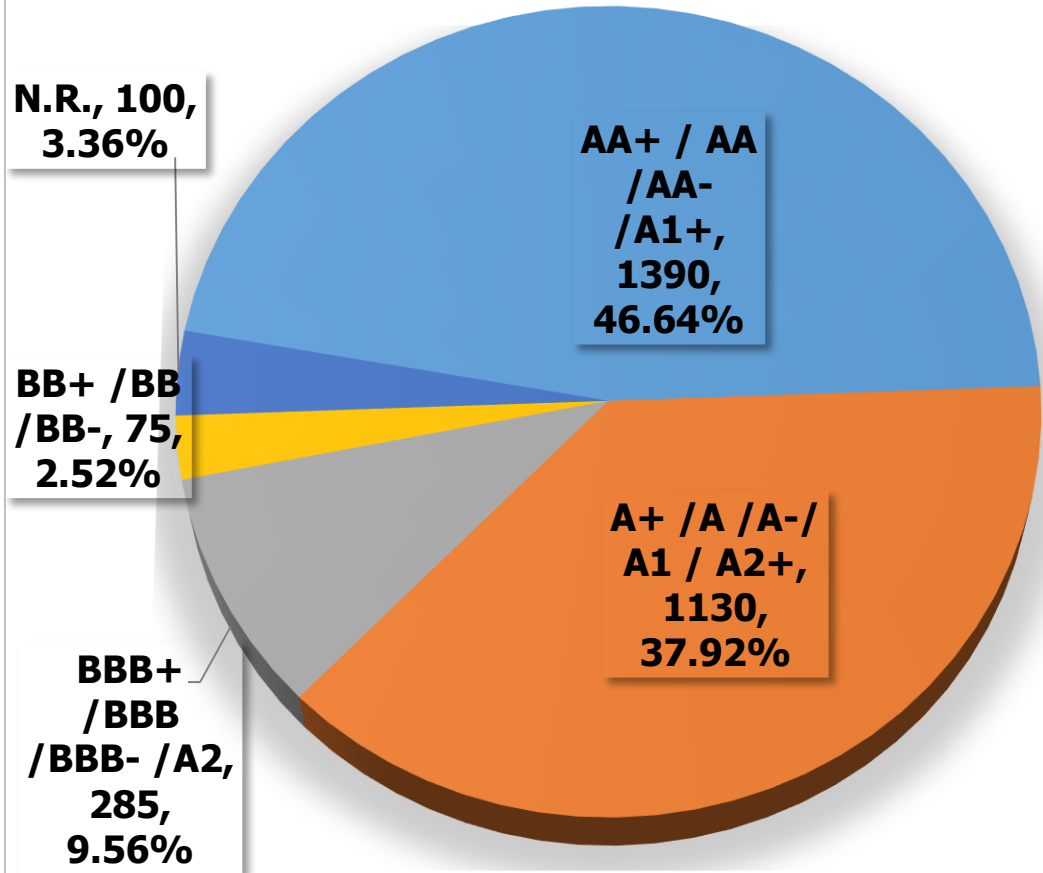


**Sector-wise Disbursements during April-December, 2018 (Rs. in Crore & %)**

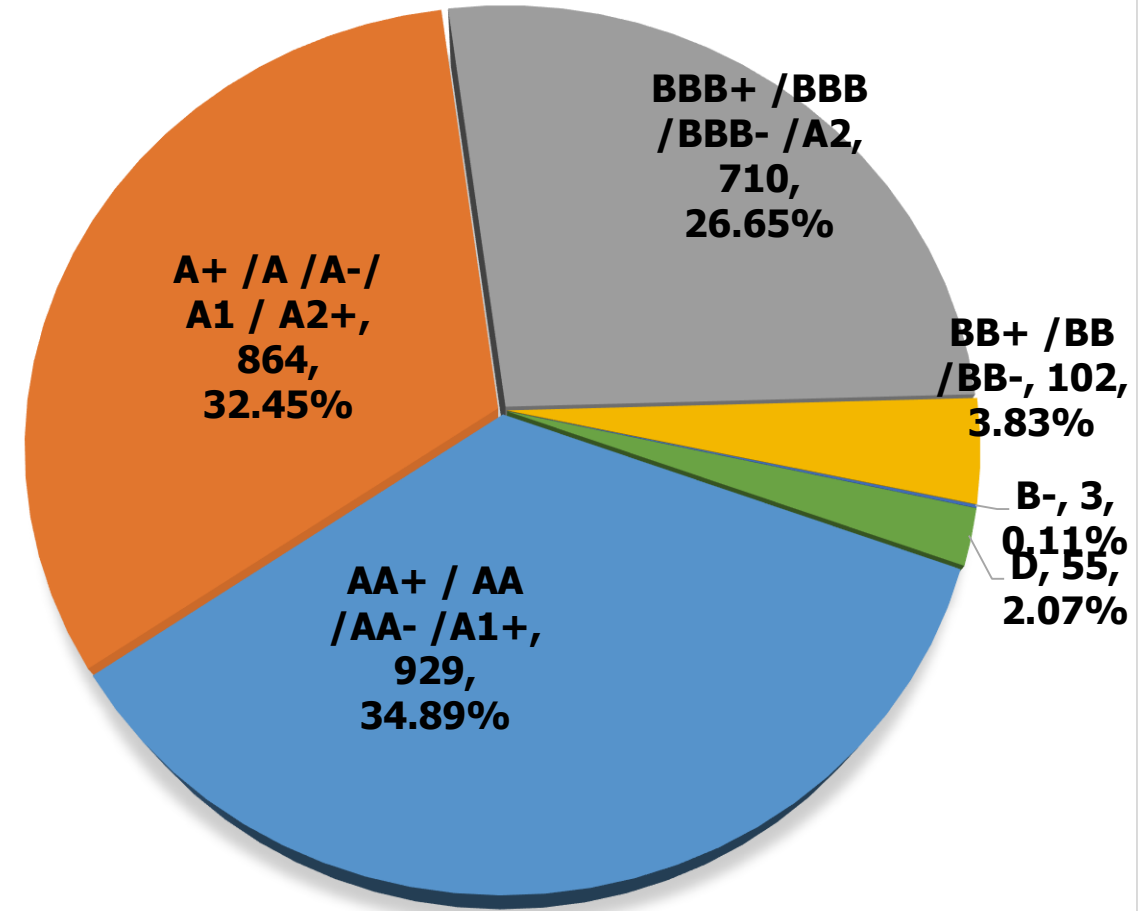


# EXTERNAL RATING WISE SANCTIONS & DISBURSEMENTS (APR - DEC'18)

**External Rating of Gross Sanctions during April-December, 2018 of FY 2018-19 (Rs. in crore & %)**



**External Rating Wise Disbursed during April-December, 2018 (Rs. & %)**



# AVG. INTERNAL AND EXTERNAL RATINGS OF SANCTIONS IN A YEAR (BY NUMBER OF CASES SANCTIONED)

## Average Internal Rating



## Average External Rating

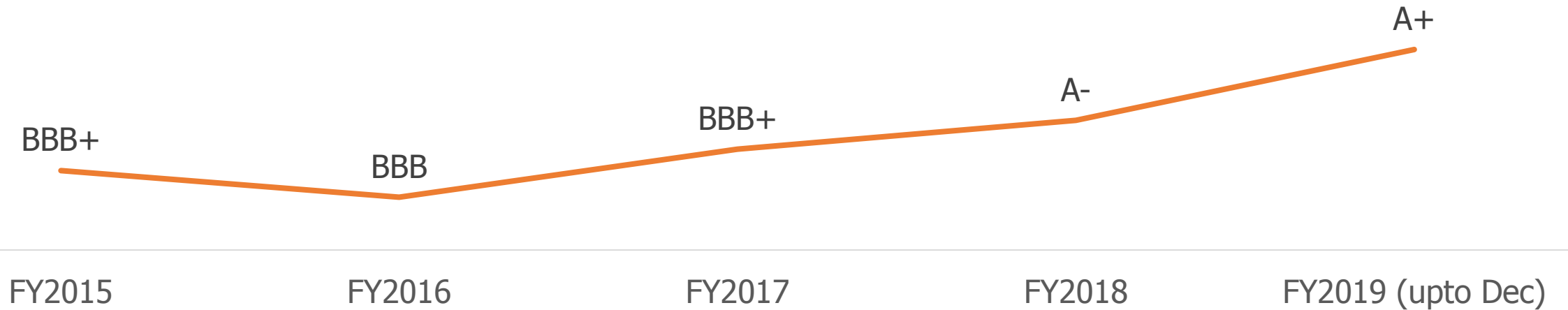


# WTD. AVG. INTERNAL & EXTERNAL RATINGS OF SANCTIONS IN A YEAR (BY VOLUME OF ASSISTANCE SANCTIONED)

## Weighted Average Internal Rating

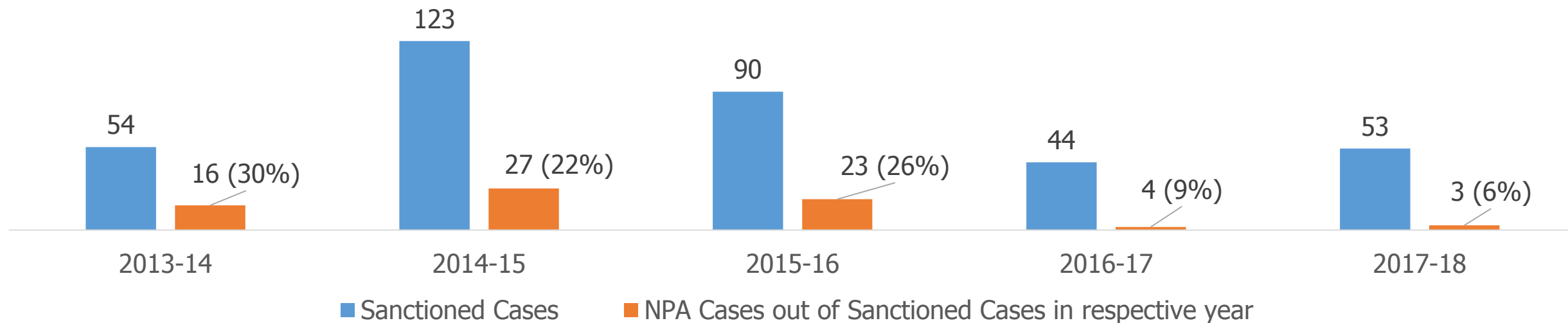


## Weighted Average External Rating

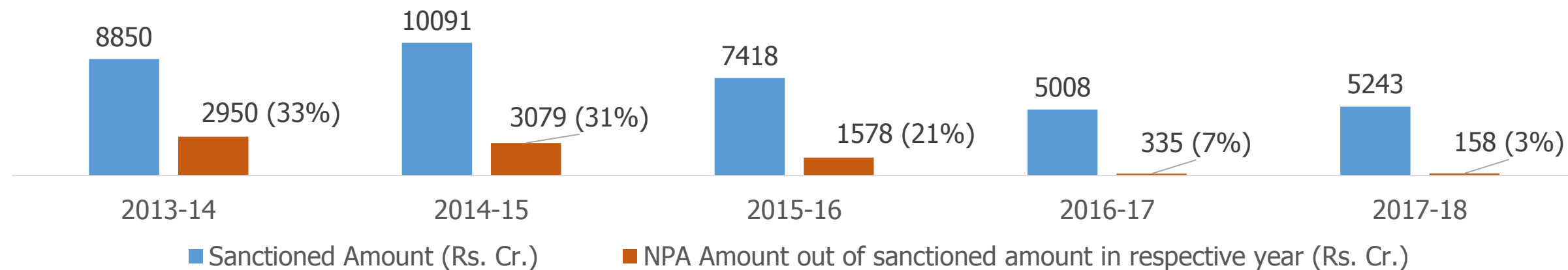


# NPA OUT OF YEAR-WISE SANCTIONS (LAST 5 YEARS, UPTO DEC 2018)

No. wise – NPAs out of year-wise Sanctions



Amount Wise (Rs. Cr.) – NPAs out of year-wise Sanctions



# FINANCIAL RESULTS – INDIAS

Particulars (₹ crore)	Dec-18 (Q3FY19)	Sep-18 (Q2FY19)	Jun-18 (Q1FY19)	Dec-17 (Q3FY18)	Dec-18 (9MFY19)	Dec-17 (9MFY18)
Income from Operations	628.66	432.94	641.68	379.75	1,703.28	1,737.75
Net gain on fair value changes	-	-	-	212.24	-	518.30
Other Income	(39.36)	296.76	31.51	38.45	288.91	47.43
Total Income	589.30	729.70	673.19	630.44	1,992.19	2,303.48
Finance Costs	431.65	448.82	469.69	500.53	1350.16	1590.66
Net loss on fair value changes	116.37	81.60	18.46	-	216.43	-
Employee Cost	22.90	27.79	17.95	26.60	68.64	62.84
Administration Expenses	16.18	18.56	21.46	17.75	56.20	57.85
Total Expenses (excl. Impairment)	587.10	576.77	527.56	544.88	1,691.43	1,711.35
Profit/(Loss) before Impairment	2.20	152.93	145.64	85.56	300.76	592.13
Impairment on financial instruments	135.74	208.32	664.29	968.30	1,008.35	1,656.61
Profit/(Loss) before tax	(133.54)	(55.39)	(518.66)	(882.74)	(707.59)	(1,064.48)
Tax Expense	(84.69)	(38.84)	(177.89)	(336.70)	(301.42)	(501.84)
Net Profit/(Loss) for the period- (A)	(48.85)	(16.55)	(340.77)	(546.04)	(406.17)	(562.64)
-Fair value changes on FVTOCI - Equity securities	(30.59)	76.48	(68.86)	21.81	(22.97)	(11.33)
-Gain/(loss) on sale of FVTOCI - Equity securities	-	(90.37)	-	-	(90.37)	-
-Actuarial gain/(loss) on Defined benefit obligation	(1.65)	0.94	1	-	0.29	0.04
-Fair value changes on FVTOCI - Debt securities	17.25	21.98	(43.91)	(2.69)	(4.68)	(9.01)
-Tax Expense on OCI	4.16	(6.95)	18.18	18.2	15.38	20.38
Other Comprehensive Income – (B)	(10.83)	2.08	(93.6)	37.32	(102.35)	0.08
Total Comprehensive Income – (A+B)	(59.68)	(14.47)	(434.37)	(508.72)	(508.52)	(562.56)



## BALANCE SHEET – IND AS

<b>ASSETS (₹ Crore)</b>	<b>Dec-18</b>	<b>Dec-17</b>
<b>Financial Assets</b>		
(a) Cash and cash equivalents	179.40	530.35
(b) Other Bank Balance	534.25	626.04
(c) Derivative financial instruments	16.14	21.50
(d) Receivables	0.89	74.67
(e) Loans	13,707.27	16,461.94
(f) Investments	3,511.93	4,571.10
(g) Other Financial assets	105.06	185.06
<b>Non-financial Assets</b>		
(a) Investment in subsidiaries	1,403.72	1,361.78
(b) Equity accounted investees	0.04	0.04
(c) Current tax assets (Net)	93.6	52.96
(d) Deferred tax Assets (Net)	2,154.63	1879.83
(e) Property, Plant and Equipment	925.38	921.90
(f) Capital work-in-progress	-	0.64
(g) Other Intangible assets	1.68	2.09
(h) Assets held for sale	440.19	639.62
(i) Other non-financial assets	11.65	9.22
<b>Total</b>	<b>23,085.83</b>	<b>27,338.74</b>



## BALANCE SHEET – INDIAN AS

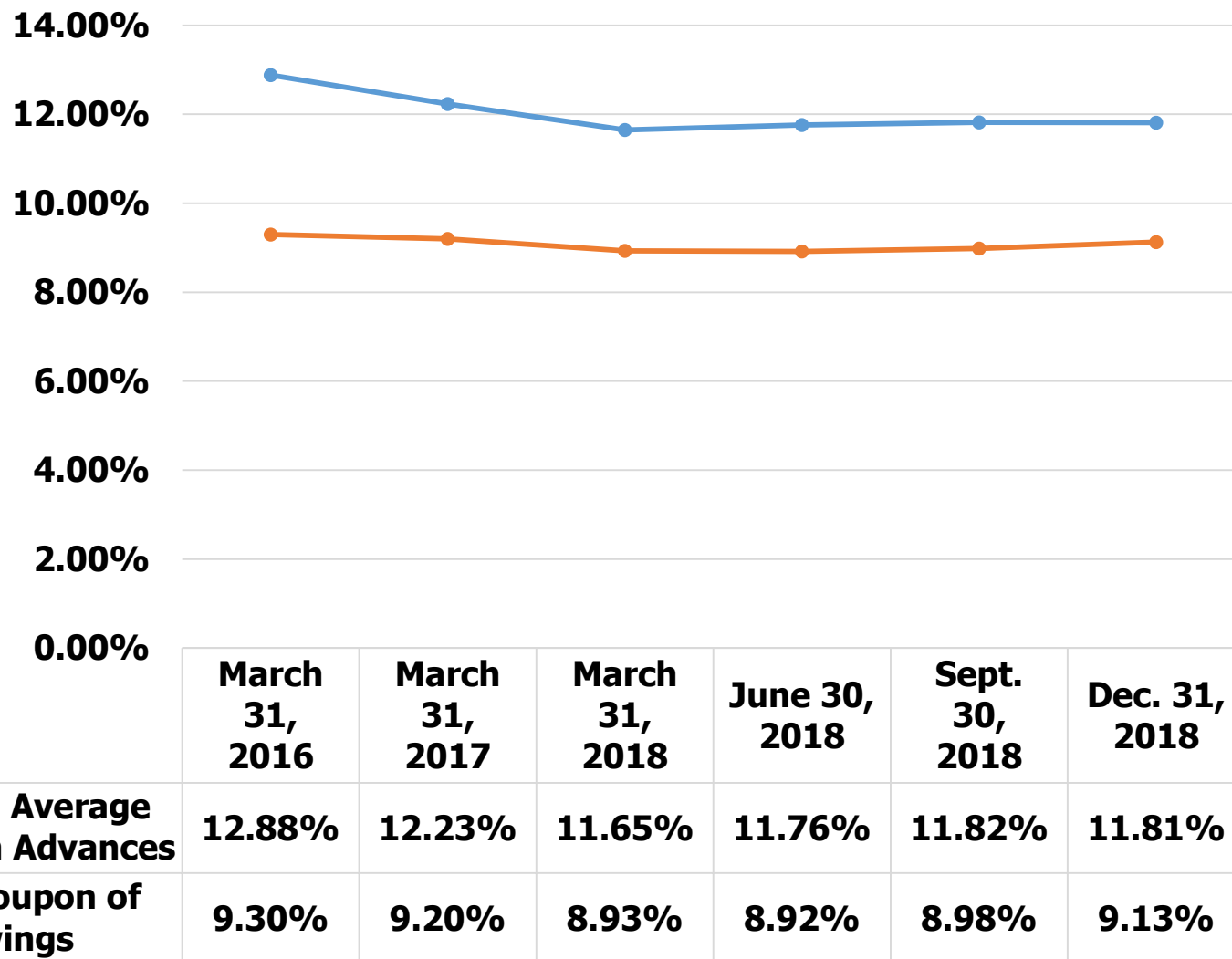
<b>LIABILITIES AND EQUITY (₹ Crore)</b>	<b>Dec-18</b>	<b>Dec-17</b>
Financial Liabilities		
(a) Trade Payables	86.04	42.10
(b) Debt Securities	9,304.68	9,623.43
(c) Borrowings (Other than Debt Sec)	6,386.84	9,727.29
(d) Subordinated Liabilities	1,313.30	1,509.42
(e) Other financial liabilities	1,714.38	1,868.10
Non-Financial Liabilities		
(a) Provisions	116.07	112.20
(b) Other non-financial liabilities	1.39	1.88
Equity		
(a) Equity Share capital	1,695.99	1,662.04
(b) Other Equity	2,467.14	2,792.28
<b>Total</b>	<b>23,085.83</b>	<b>27,338.74</b>

# KEY OPERATIONAL & FINANCIAL PARAMETERS

Parameter	Dec 2018 (9M)	Sep 2018 (HY)	June 2018 (Q1)
	(₹ crore)	(₹ crore)	(₹ crore)
Sanctions	2,980	1,840	1,240
Disbursements	2,663	2,146	534
NPA Recovery	618	520	321
Fresh Slippages (As per RBI)	1,884	1,576	1,275
Gross Stage 3 Assets	15,086	14,807	13,089
Net Stage 3 Assets	5,250	5,755	6,965
Impairment Allowance on Stage 3 Assets	65%	61%	47%
Net Worth as on date	4,163	4,609	5,608
Net Interest Income (NII)	281	108	157
Capital to Risk weighted Assets Ratio (CRAR)	7.53%	10.27%	19.50%
Debt to Equity Ratio as on date	4.08	3.9	3.4
Cost to Total Income	77%	80%	76%
Total Income	1992	1403	673
Net Profit	(406)	(357)	(341)
Total Comprehensive Income	(509)	(449)	(434)

# IFCI YIELDS ON ADVANCES AND FINANCING COSTS

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



## EXTERNAL RATINGS OF IFCI INSTRUMENTS (As on 27-Feb-2019)

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 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	IN PROCESS
	Effective Corporate Communications for Brand & Image building with stakeholders	IN PROCESS

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**IN DEVELOPMENT OF THE NATION SINCE 1948**