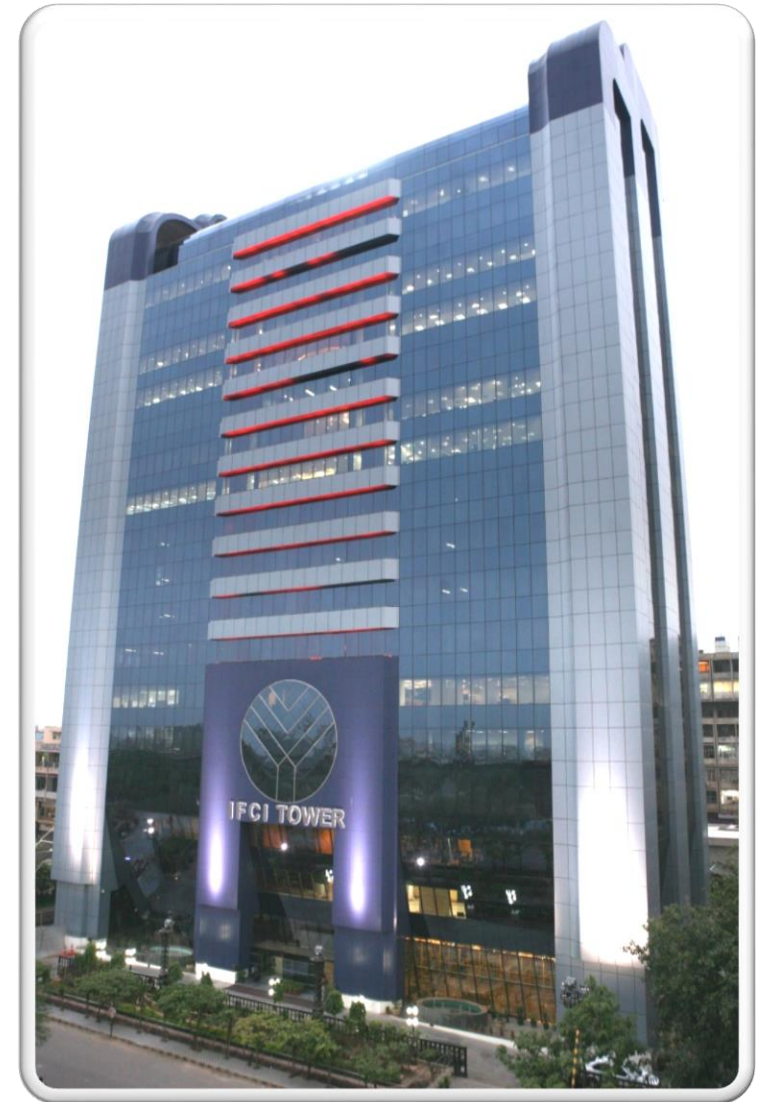


# IFCI LIMITED

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

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

December, 2019



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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.

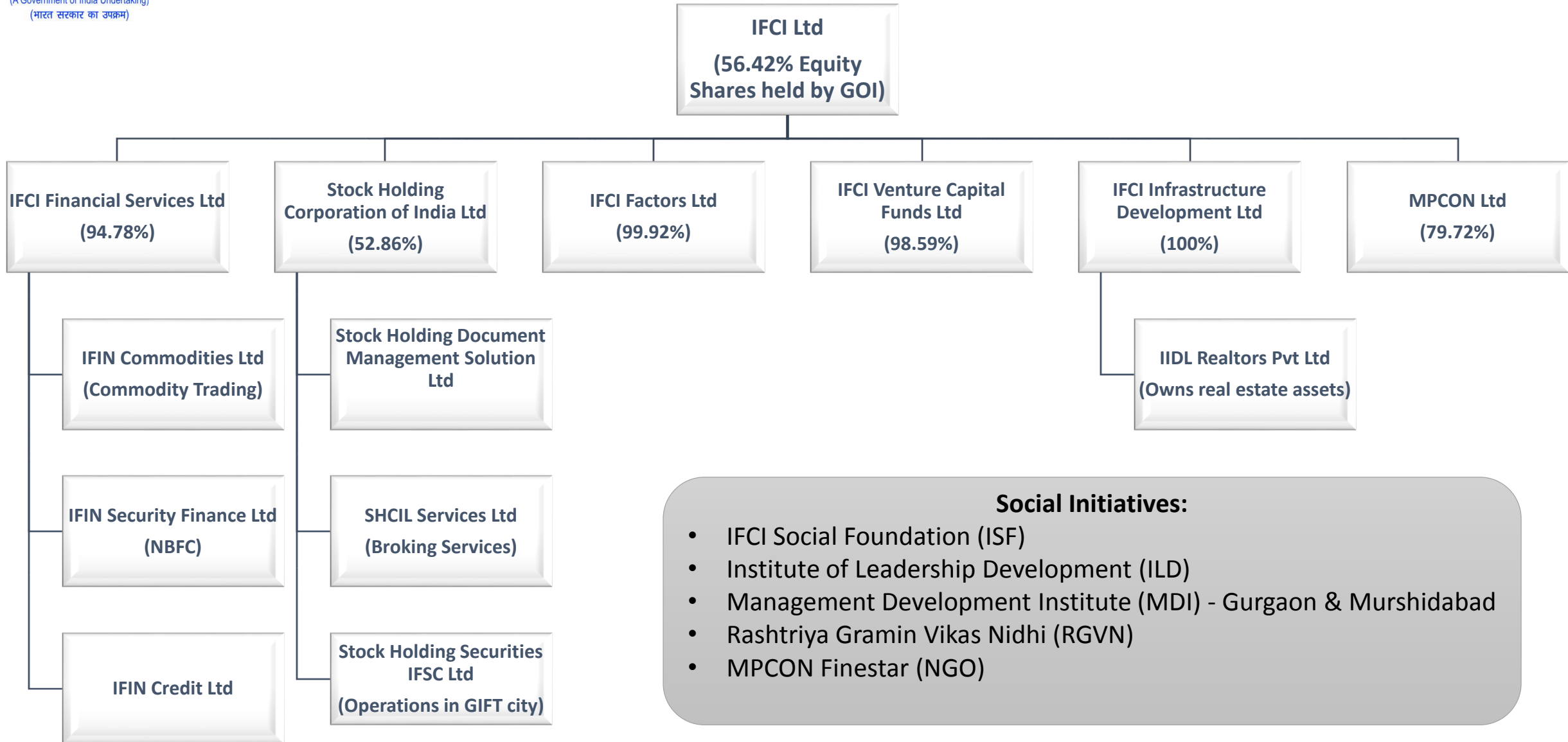
**2015** – Became a Government Company with Government holding of 51.04% in Capital.

**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.

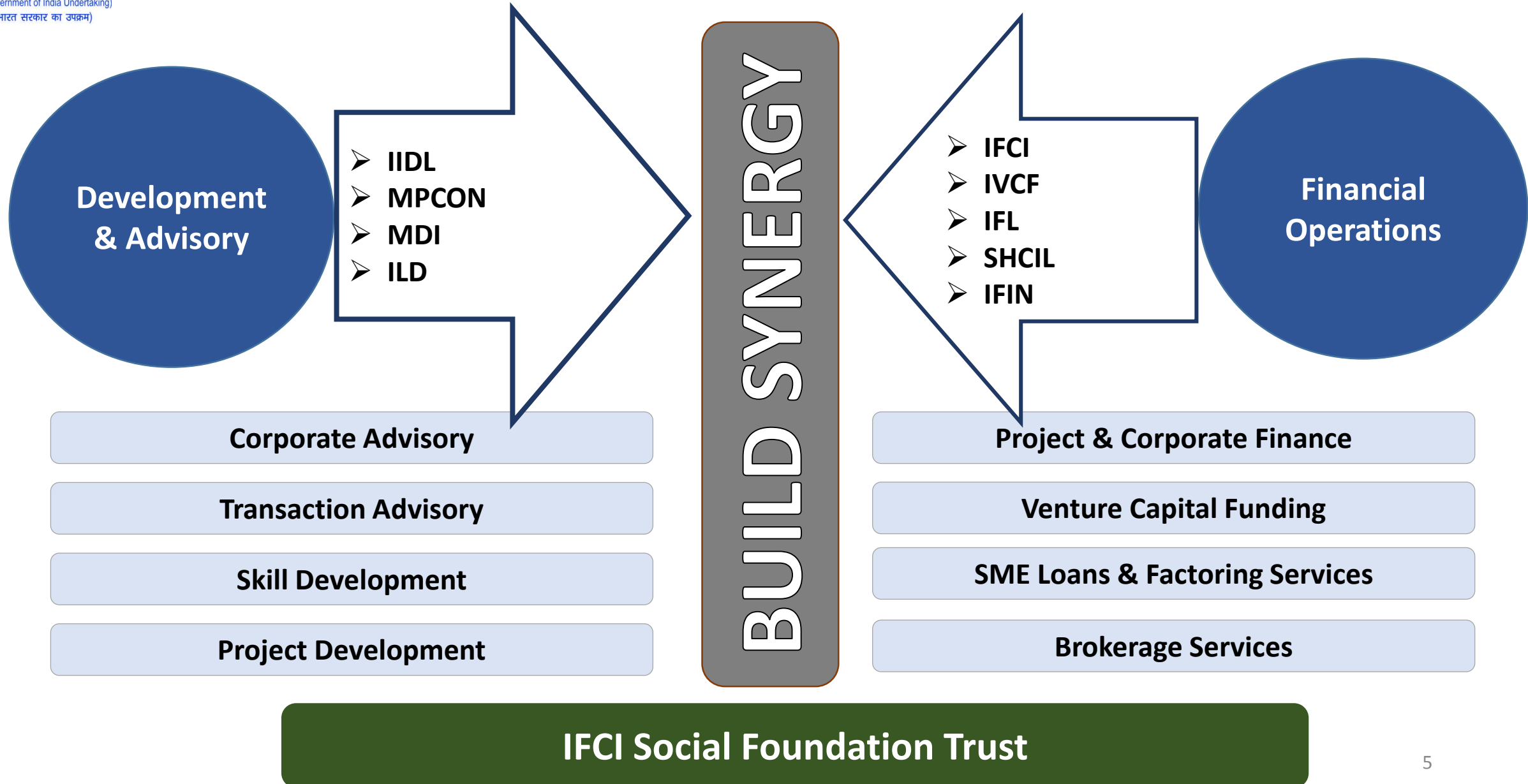
# IFCI GROUP STRUCTURE



## Social Initiatives:

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

# 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

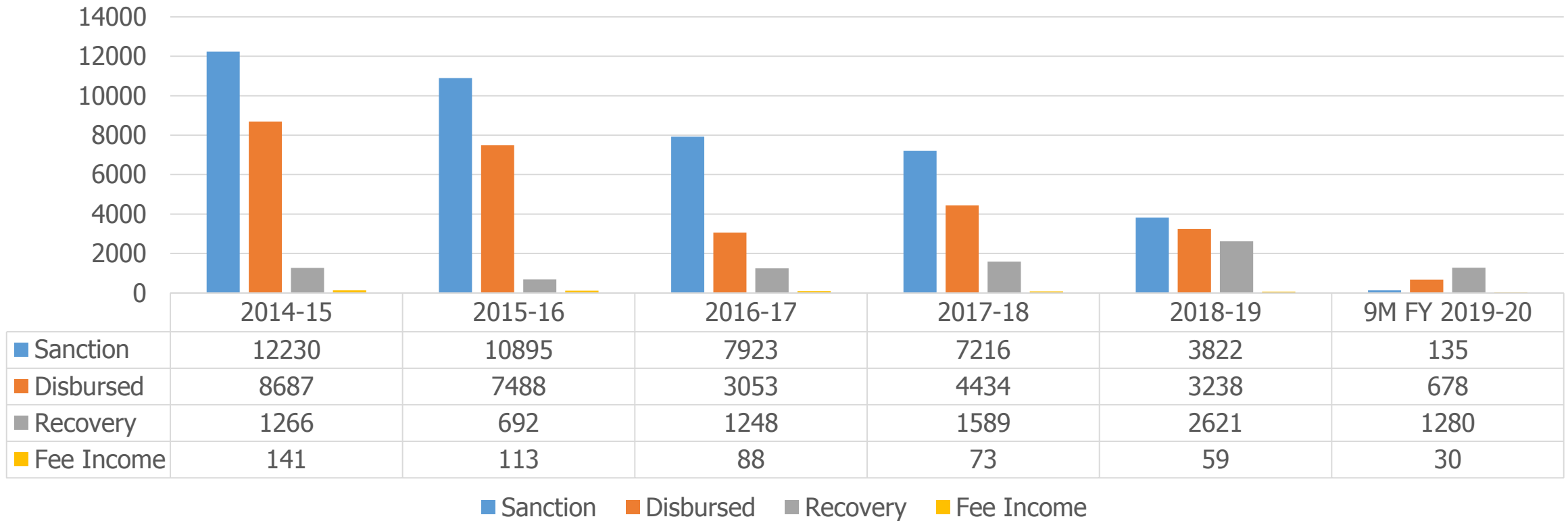
### Divestment of Non-Core Assets

### Focus on enhancing fee based activities

### Strategic alignment of business processes

# OPERATIONAL PERFORMANCE: CREDIT PORTFOLIO – 9M OF FY 2019-20

(₹ Crore)

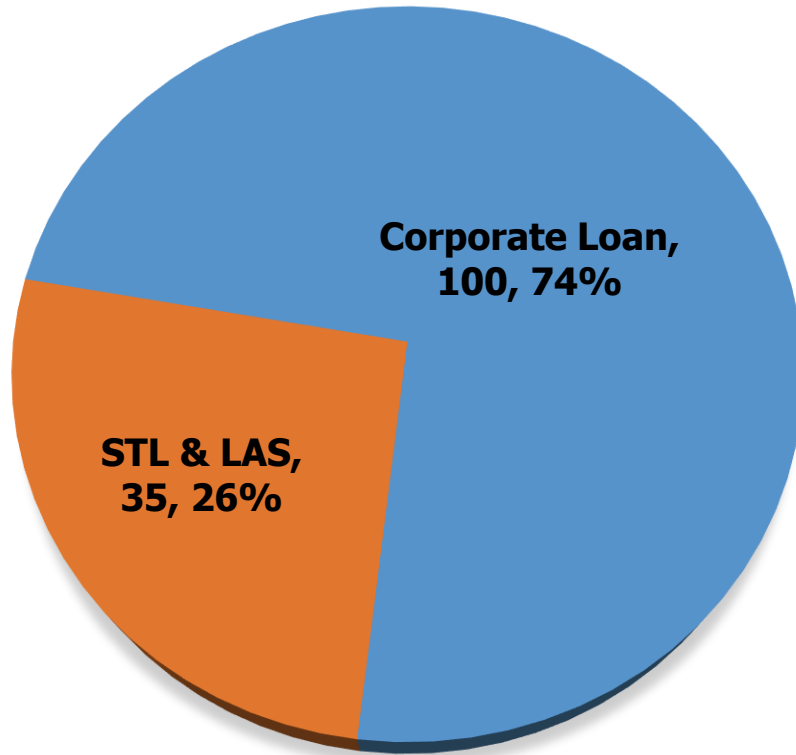


- Financial sanctions and disbursements are consciously being kept low, following a cautious approach in the present market conditions.
- Sanctions were accorded only to better quality business and with improved appraisal & due diligence.
- Attempts were made to strengthen balance sheet and improve capital adequacy, which currently stands at 15.18%

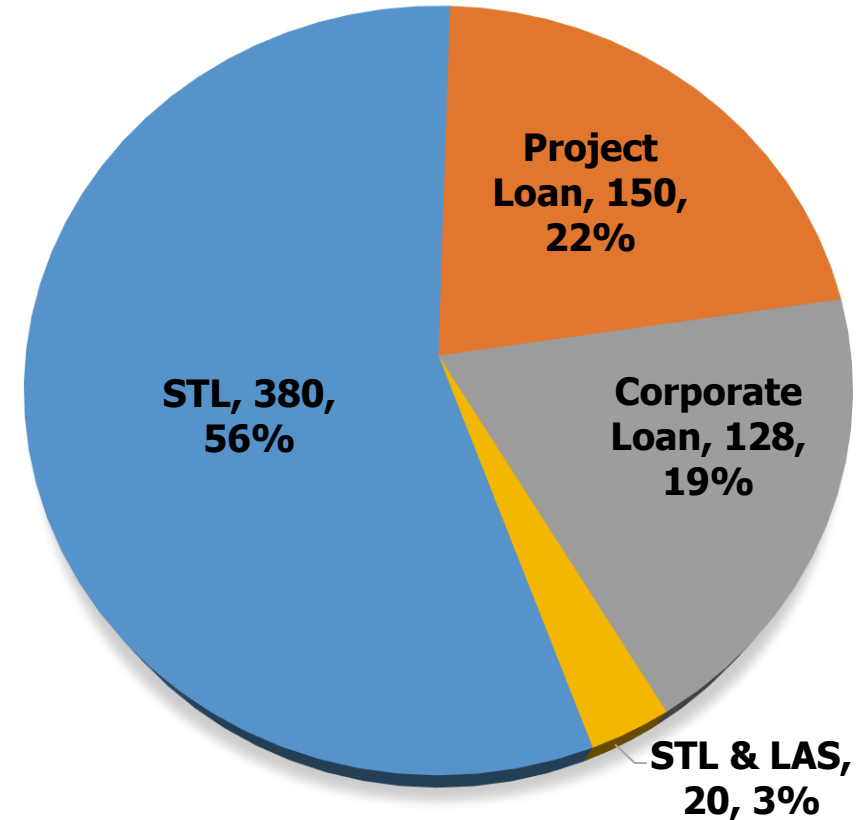
# LOAN TYPE WISE SANCTIONS & DISBURSEMENTS (9M OF FY 2019-20)

₹ in Crore & %

### Gross Sanction



### Disbursed



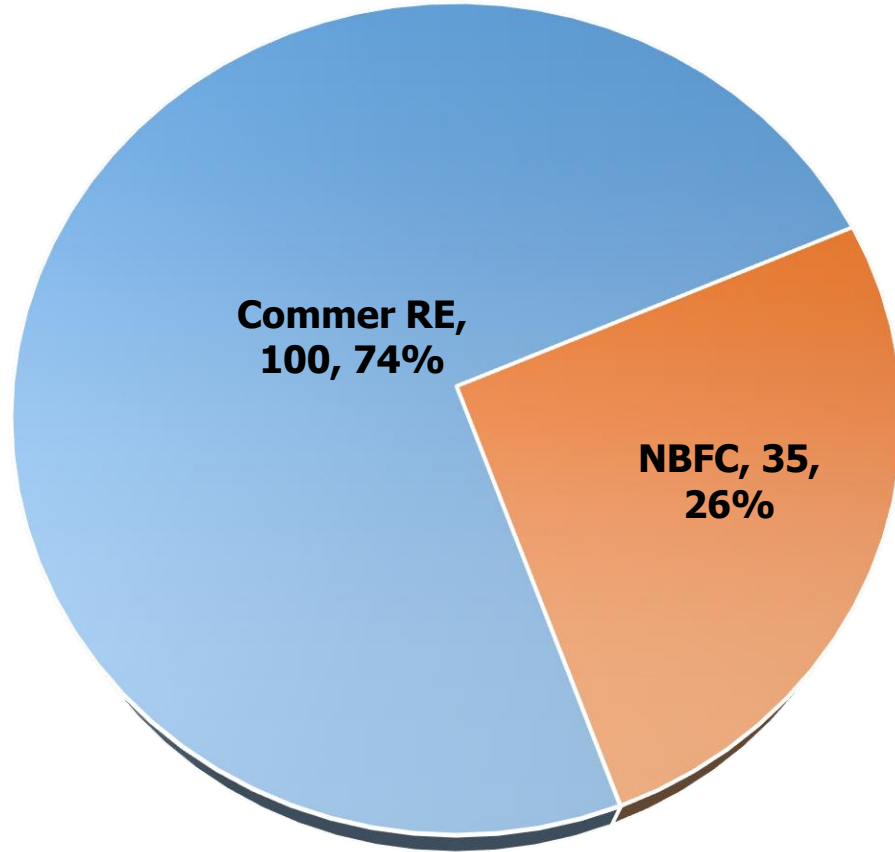
- As a conscious strategy, more standalone and less consortium loans were considered, based on past experience in debt servicing and recovery rates.
- Conscious efforts are being made to increase the share of short term loans while reducing level of project loans.



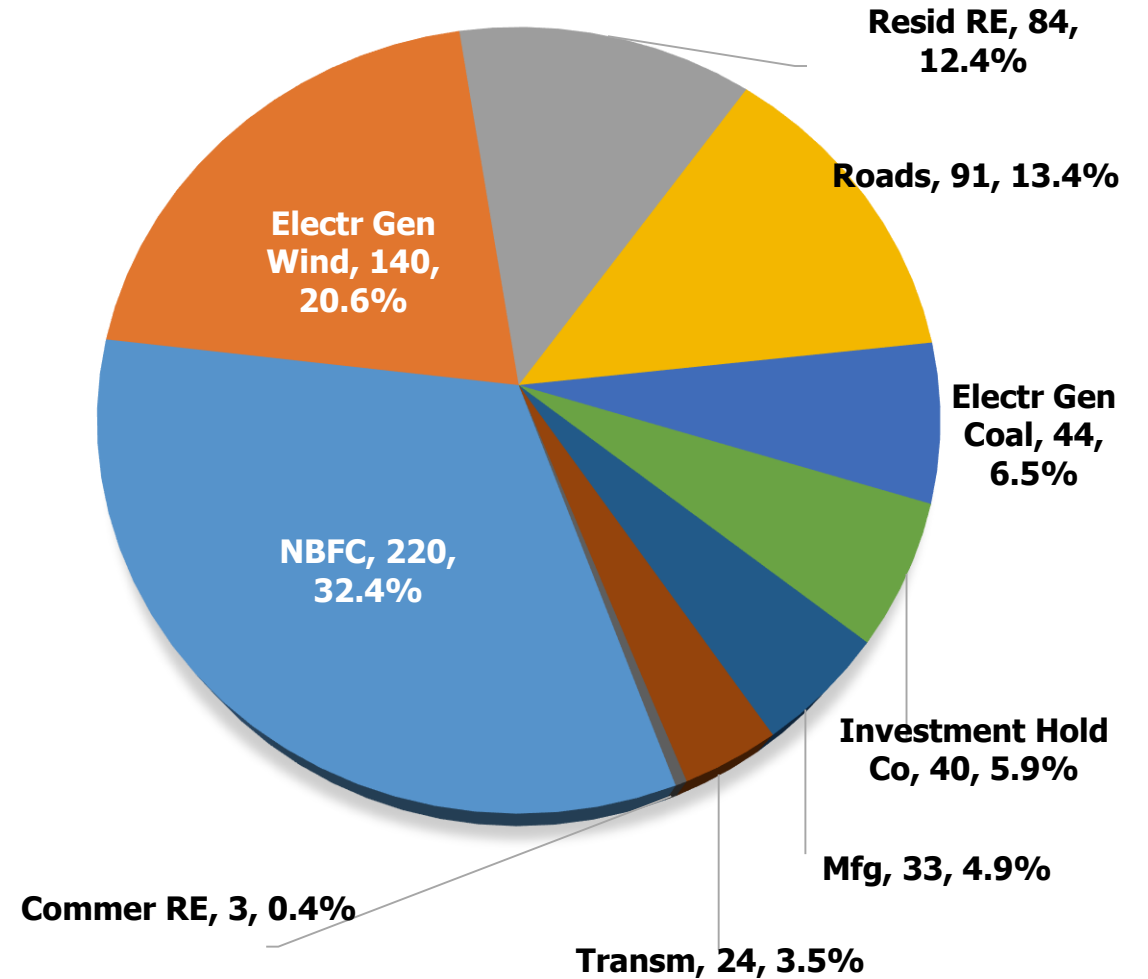
# SECTOR-WISE SANCTIONS & DISBURSEMENTS (9M OF FY 2019-20)

₹ in Crore & %

### Gross Sanction



### Disbursed

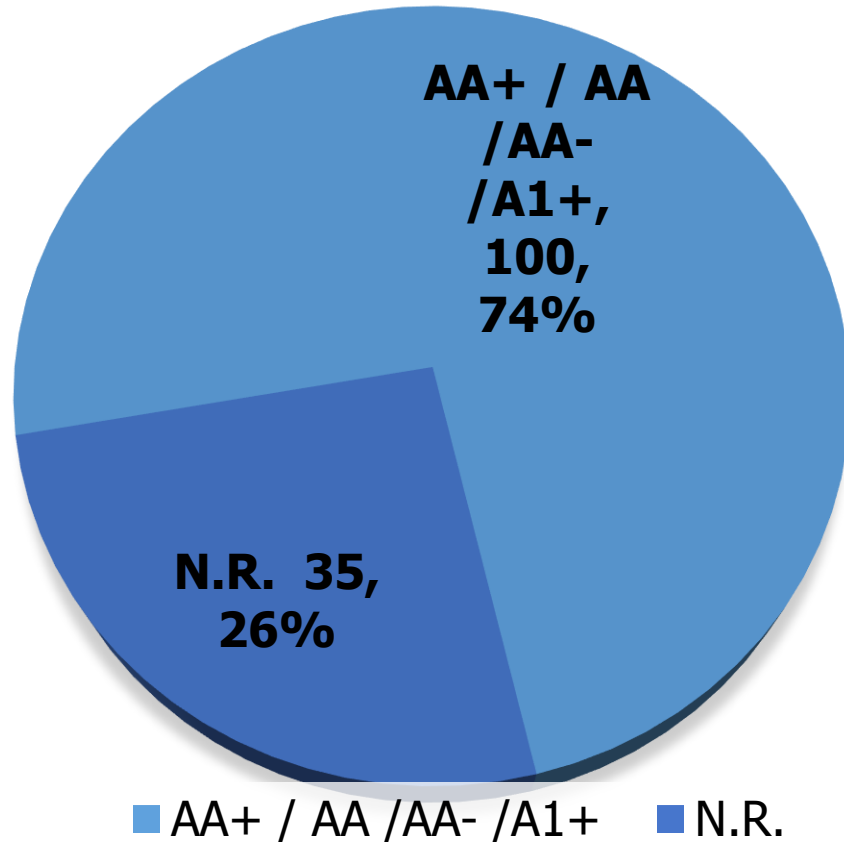


Disbursements are being made across well diversified sectors.

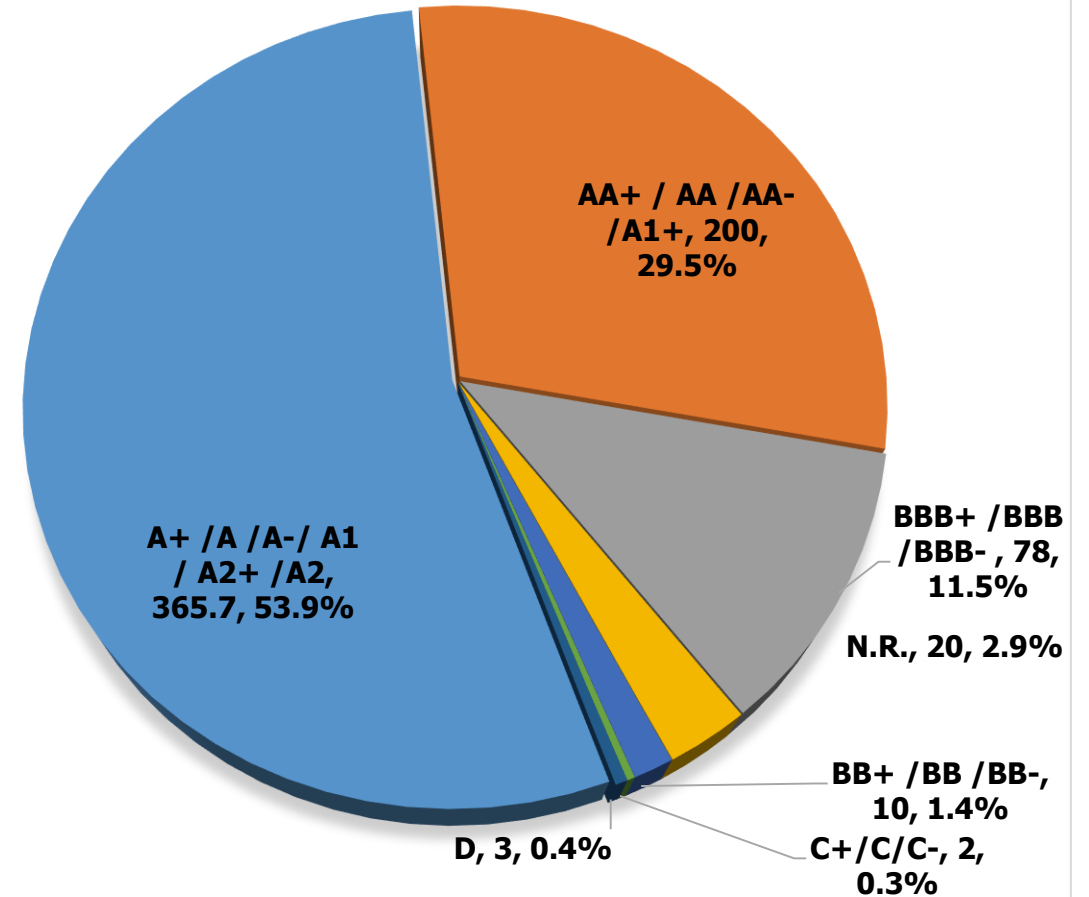
# EXTERNAL RATING-WISE SANCTIONS & DISBURSEMENTS (9M OF FY 19-20)

₹ in Crore & %

## Gross Sanctions



## External Rating Wise Disbursements

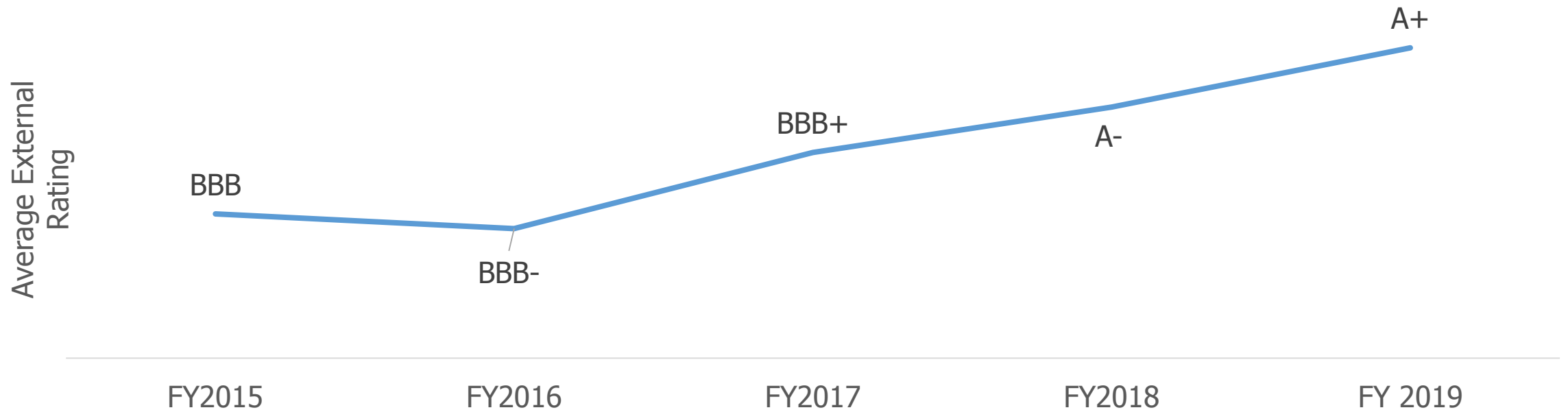


83% of the cases disbursed in 9M of FY 2019-20, carried external ratings of A, or higher.

# 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.

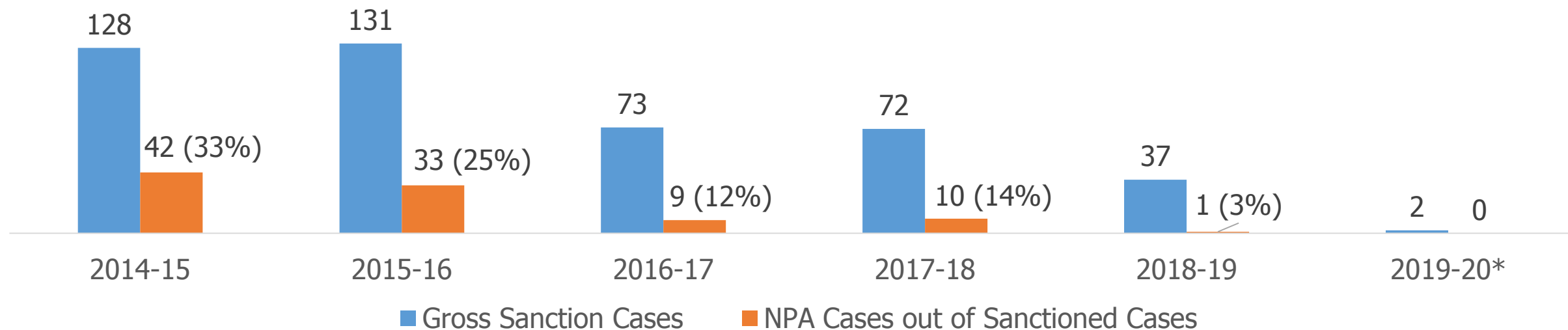
**Wtd avg External Rating of year-wise sanctions**



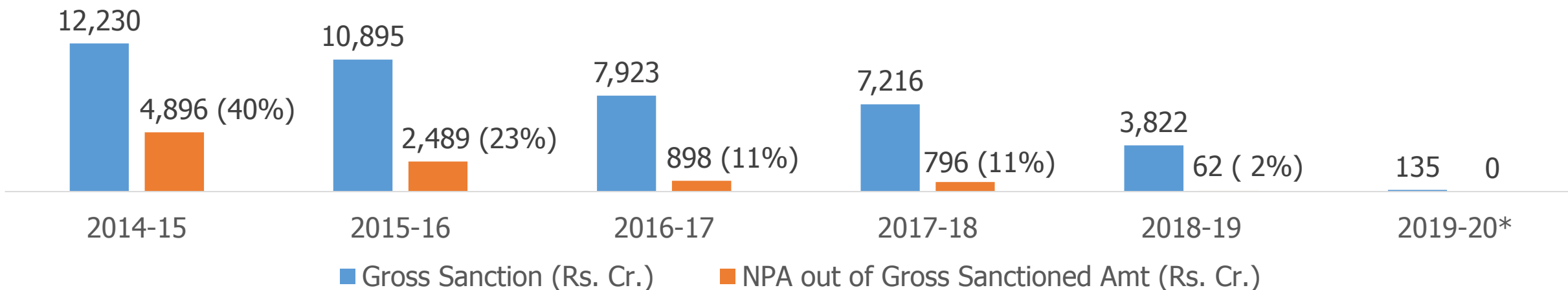
Two cases ( Cumulative Rs. 135 Crore) have been sanctioned in 9M FY2020. One case is rated AA-(SO) while the other is unrated.

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

## No. wise - Sanctions and NPAs



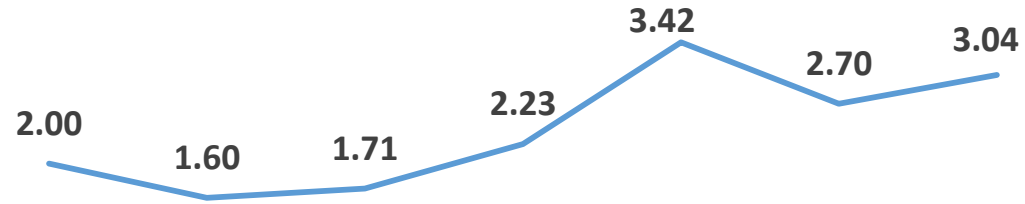
## Amount wise (Rs. Crore) - Sanctions and NPAs



\* Up to December 31, 2019

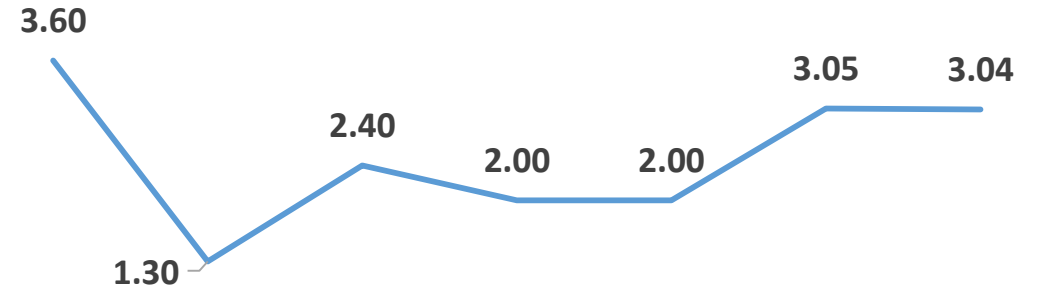
## IMPROVING PERFORMANCE OF CREDIT PORTFOLIO

### Credit Spread



Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19
FY 2018-19				FY 2019-20		

### NIM



Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19
FY 2018-19				FY 2019-20		

### Yield on Advances

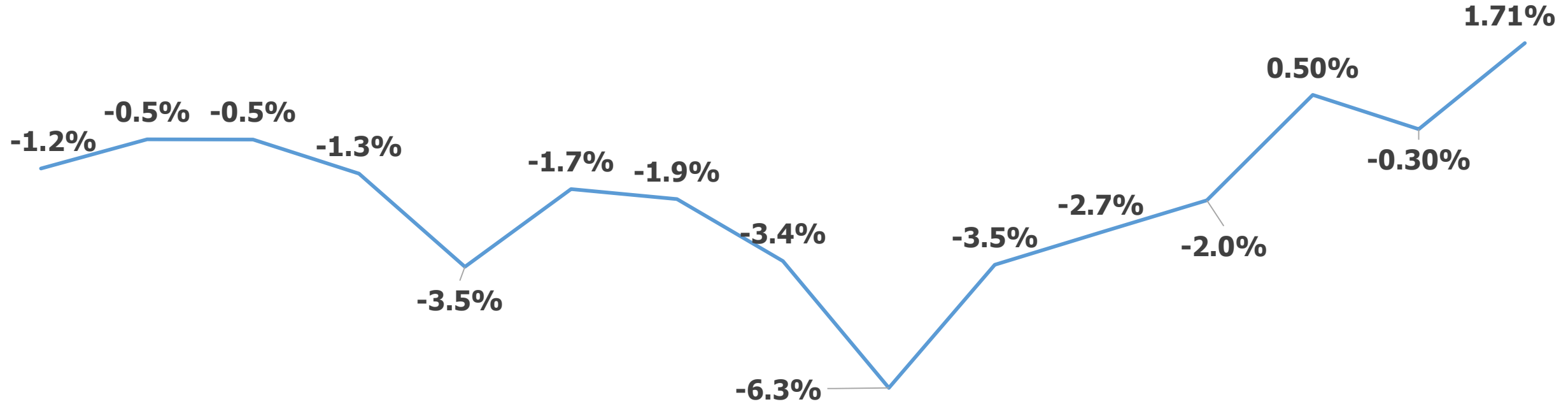


Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19
FY 2018-19				FY 2019-20		

The management efforts towards adding quality asset are culminating into improvement in the credit spread and overall performance of the credit portfolio.

## IMPROVING RETURN ON ASSETS

### ROA

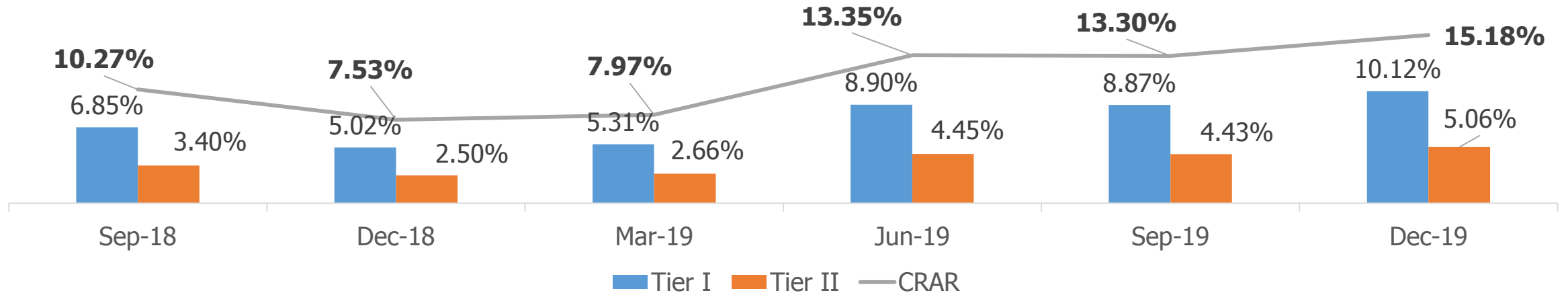


	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19
— ROA	-1.2%	-0.5%	-0.5%	-1.3%	-3.5%	-1.7%	-1.9%	-3.4%	-6.3%	-3.5%	-2.7%	-2.0%	0.50%	-0.30%	1.71%

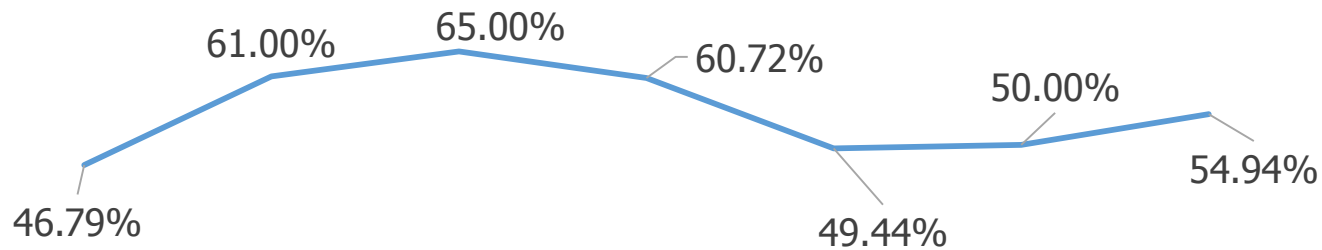
ROA of IFCI has been registering an improving trend and improved from -3.5% in FY17-18 to -2.0% in FY18-19 and further to 1.71% in Q3FY19-20.

# SOUND FUNDAMENTALS: CAPITAL ADEQUACY & PROVISION COVERAGE

### Capital Adequacy Ratio (%)



### PCR %



- CRAR of IFCI has registered consistent improvement in the last 3 quarters and stands at over 15%, much above the regulatory requirement.
- PCR for IFCI has also improved to about 55%, as on Dec 31, 2019.

Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19
FY 2018-19			FY 2019-20			

# KEY OPERATIONAL & FINANCIAL PARAMETERS – (STANDALONE)

Parameter (Rs. in crore)	Dec. 2019 (9 M)	Dec. 2018 (9 M)	Mar 2019
Sanctions	135	2,980	3,822
Disbursements	678	2,663	3,238
Recovery from NPA + Divestment + Sale of Non core assets	1,280	1,630	2,621
Total Income	1,515	1,940	2466
Net Profit/ Loss	312	(406)	(444)
Total Comprehensive Income	269	(509)	(483)
Net Interest Income	313	289	307
Net Worth	4,494	4,163	4,225
Net Stage 3 Assets	6,422 (54.5%)	5,251 (38.3%)	5,104 (38.9%)
Net NPA	3,853	5,310	4,069
Impairment Allowance on Stage 3 Assets	44.2%	65.2	60.5%
Capital to Risk Weighted Assets Ratio (CRAR)	15.2%	7.5%	7.8%
Debt to Equity Ratio	2.9	4.1	3.8



# HIGHLIGHTS OF FINANCIAL RESULTS – (STANDALONE)

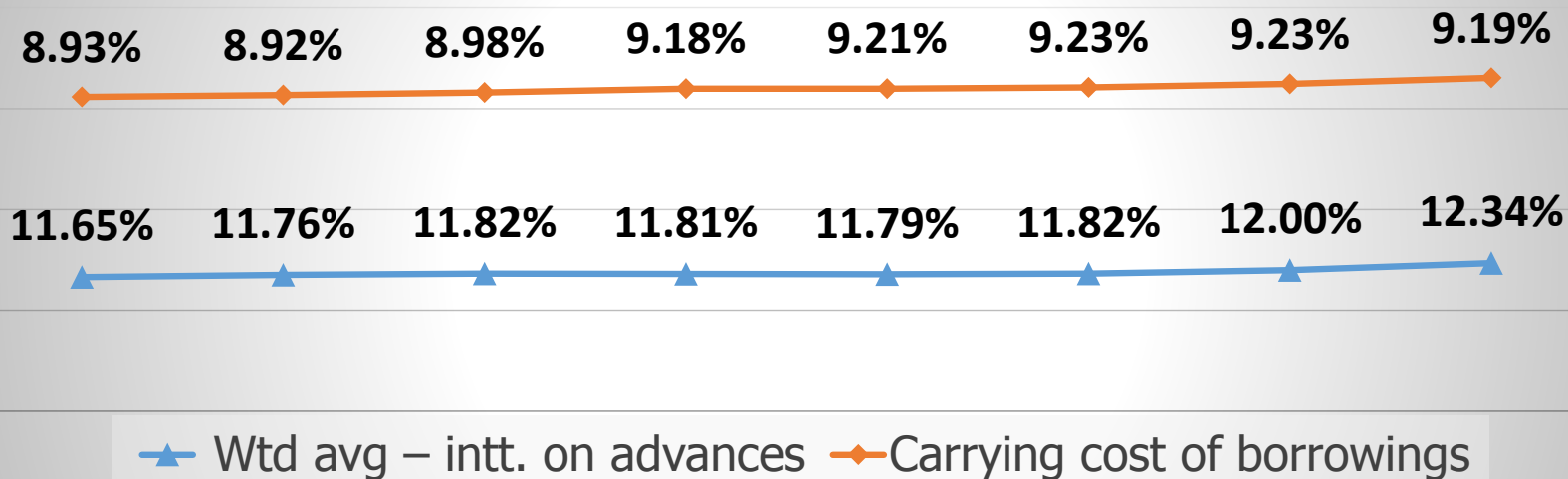
Particulars	Dec.-19	Dec.-18	Sept.-19	Dec.-19	Dec.-18	FY 18-19
(₹ crore)	Q3FY20	Q3FY19	Q2FY20	9M	9M	
Income from Operations	488.07	628.66	528.23	1,496.68	1,703.28	2,157.23
<b>Total Income</b>	<b>488.55</b>	<b>586.15</b>	<b>536.97</b>	<b>1,514.75</b>	<b>1,940.39</b>	<b>2,466.20</b>
Finance Costs	345.67	431.65	366.73	1,097.53	1,350.16	1,756.14
Net Loss on fair value changes	(68.69)	116.37	193.99	176.94	216.43	112.81
Other Expenses	44.23	39.08	49.55	171.04	124.84	203.71
<b>Total Expenses (excl. Impairment)</b>	<b>321.31</b>	<b>587.10</b>	<b>610.27</b>	<b>1,445.51</b>	<b>1,691.43</b>	<b>2,072.66</b>
Impairment on Financial Instruments	182.41	132.59	(59.79)	(305.12)	956.55	1,084.83
<b>Profit/(Loss) before Tax for the period</b>	<b>(15.17)</b>	<b>(133.54)</b>	<b>(13.51)</b>	<b>374.36</b>	<b>(707.59)</b>	<b>(691.29)</b>
<b>Net Profit/(Loss) for the period- (A)</b>	<b>313.48</b>	<b>(48.85)</b>	<b>8.69</b>	<b>311.80</b>	<b>(406.17)</b>	<b>(443.83)</b>
Other Comprehensive Income – (B)	(11.45)	<b>(10.83)</b>	(72.77)	(42.65)	(102.35)	(39.35)
<b>Total Comprehensive Income – (A+B)</b>	<b>302.03</b>	<b>(59.68)</b>	<b>(64.08)</b>	<b>269.15</b>	<b>(508.52)</b>	<b>(483.18)</b>

# BALANCE SHEET – (STANDALONE)

ASSETS (₹ Crore)	Dec.-19	Dec.-18	Mar-19
<b>Financial Assets</b>			
(a) Cash, Bank Balances, Derivative financial instruments & Receivables	1,478.62	730.68	957.21
(b) Loans	11,792.22	13,707.27	13,109.49
(c) Investments & Other Financial assets	2,060.51	3,616.99	3,620.76
<b>Non-financial Assets</b>	4,473.93	5,030.89	4,568.09
<b>Total</b>	<b>19,805.28</b>	<b>23,085.83</b>	<b>22,255.55</b>
<b>LIABILITIES AND EQUITY</b>			
(a) Trade Payables and other Financial liabilities	1,877.75	1,800.42	1,851.98
(b) Debt Securities	8,332.52	9,304.68	9,226.79
(c) Borrowings (Other than Debt Sec)	3,668.51	6,386.84	5,553.71
(d) Subordinated Liabilities	1,313.30	1,313.30	1,313.30
<b>Non-Financial Liabilities (Provisions)</b>	118.76	117.46	84.47
<b>Equity</b>			
(a) Equity Share capital	1,695.99	1,695.99	1,695.99
(b) Other Equity	2,798.45	2,467.14	2,529.31
<b>Total</b>	<b>19,805.28</b>	<b>23,085.83</b>	<b>22,255.55</b>

# IFCI: YIELD ON ADVANCES AND FINANCING COST

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



Description	Mar 31, 2018	Jun 30, 2018	Sep 30, 2018	Dec 31, 2018	Mar 31, 2019	Jun 30, 2019	Sep 30, 2019	Dec 31, 2019
Wtd. avg – intt. on advances	11.65%	11.76%	11.82%	11.81%	11.79%	11.82%	12.0%	12.34%
Carrying cost of borrowings	8.93%	8.92%	8.98%	9.18%	9.21%	9.23%	9.23%	9.19%

## 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) CARE BBB (SO)
Subordinate Bonds	ICRA BBB- CARE BBB-
Short Term Borrowing (Incl. Commercial Paper)	BWR A2+ ICRA A3

# 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**

***IFCI LTD.  
(IN DEVELOPMENT OF THE NATION SINCE 1948)***

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