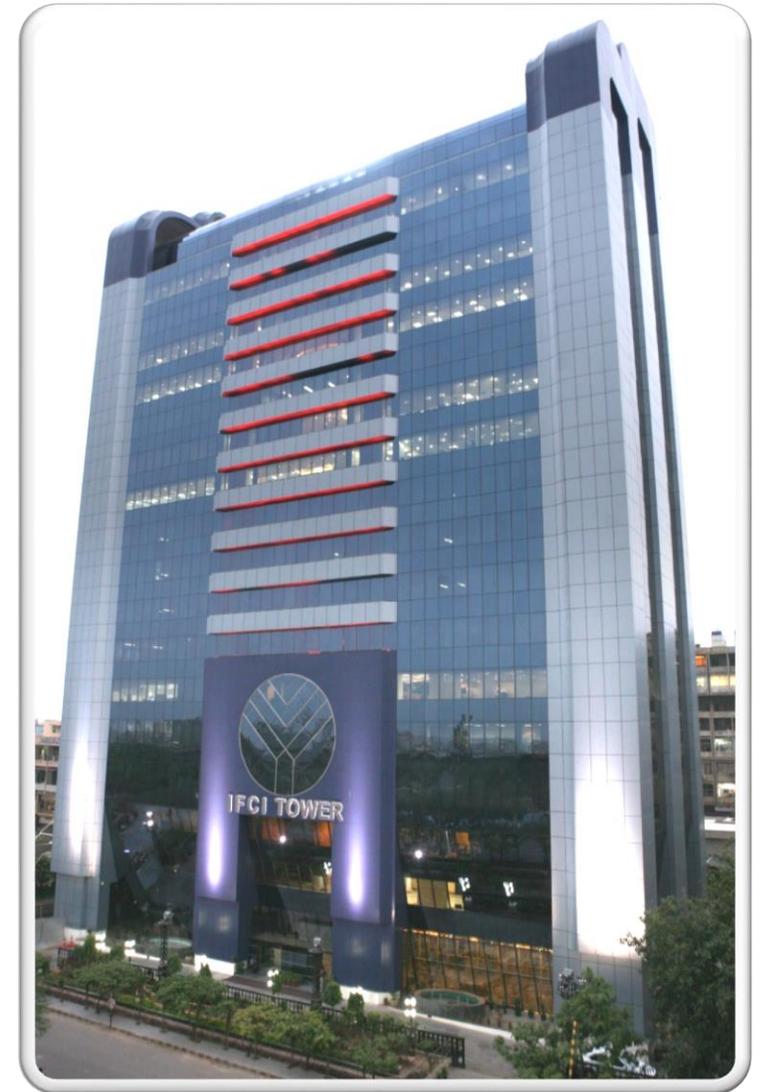


IFCI LIMITED

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September, 2019



DISCLAIMER

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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.

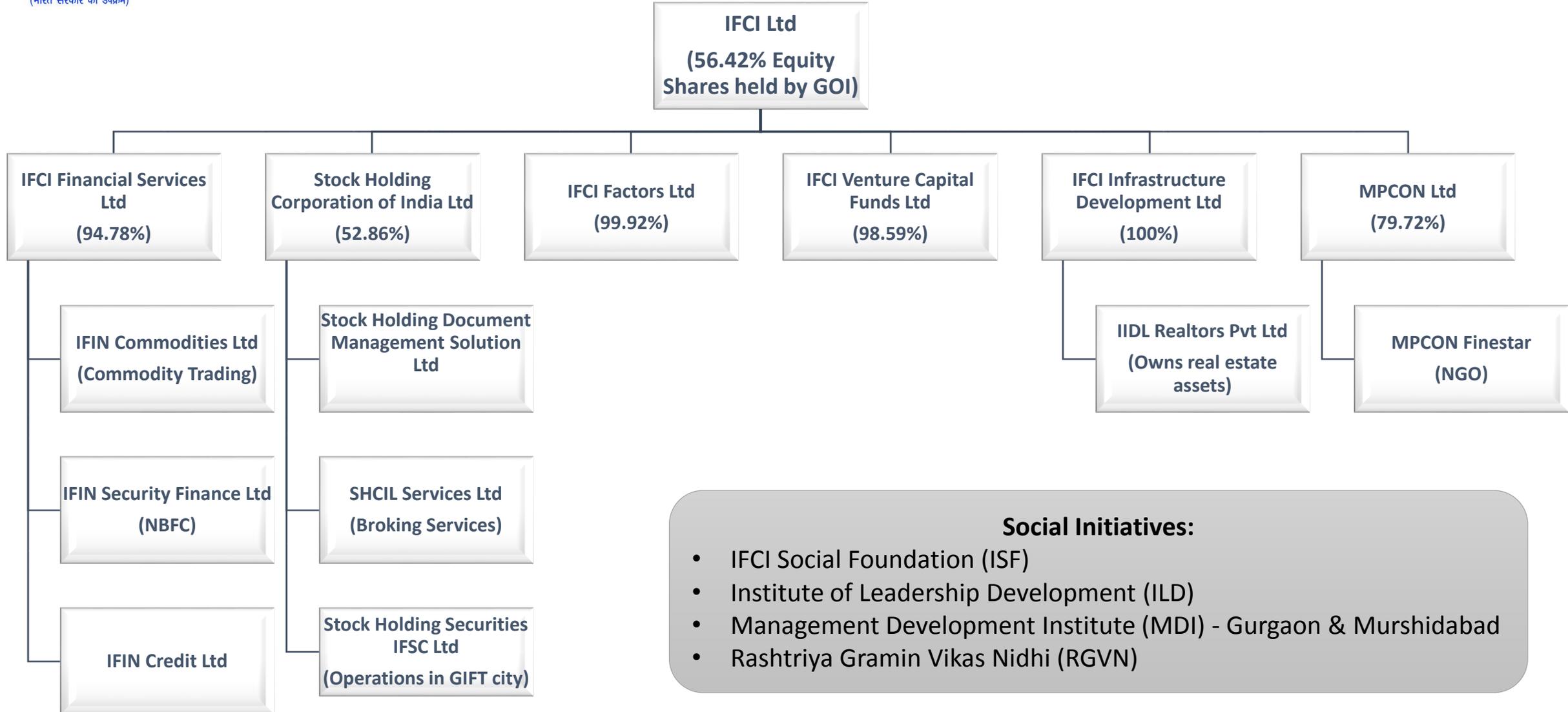
2015 – Became a Government Company with Government holding of 51.04% in Capital.

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.

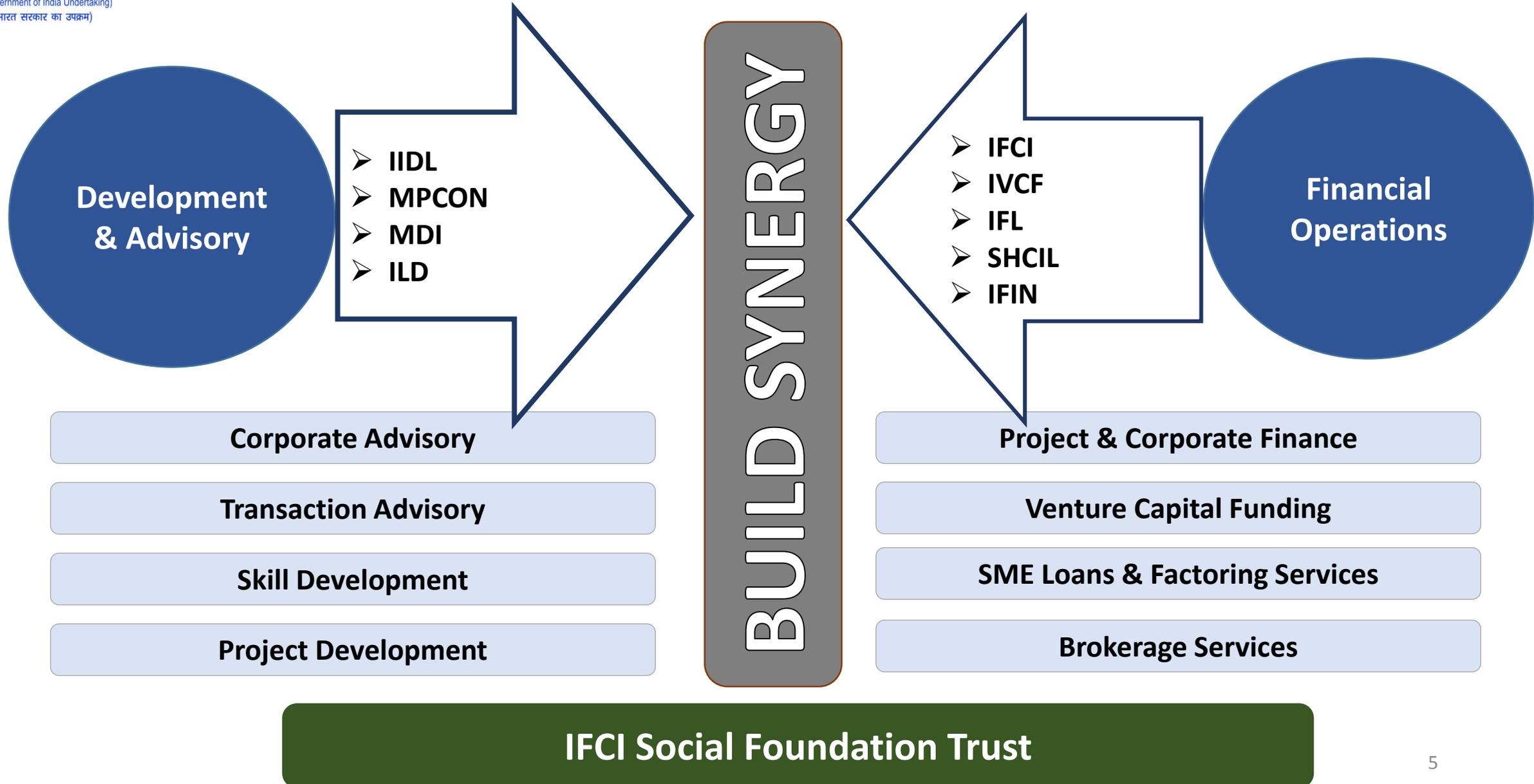
IFCI GROUP STRUCTURE



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

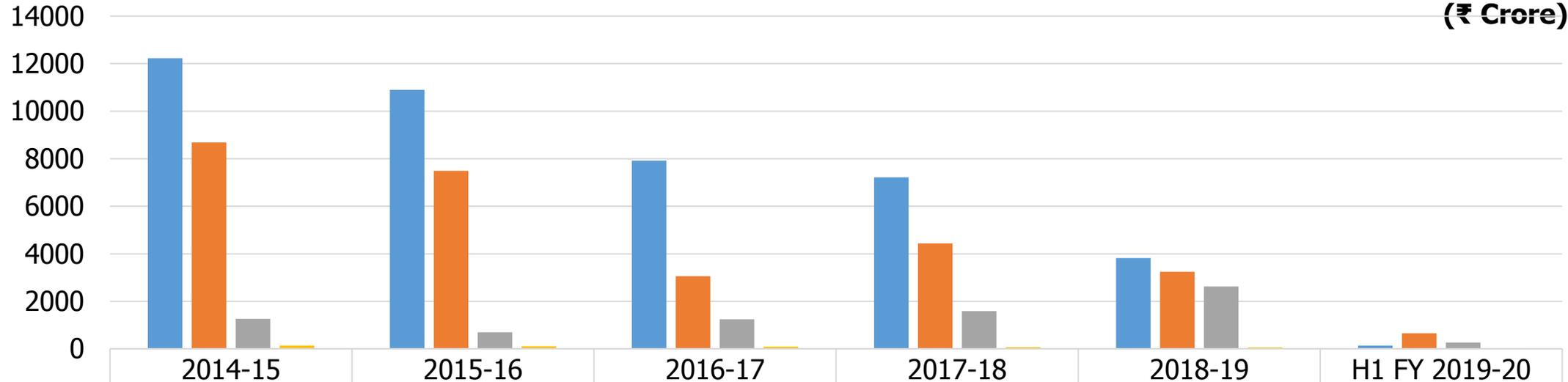
Divestment of Non-Core Assets

Focus on enhancing fee based activities

Strategic alignment of business processes

OPERATIONAL PERFORMANCE: CREDIT PORTFOLIO – H1 OF FY 2019-20

(₹ Crore)



	2014-15	2015-16	2016-17	2017-18	2018-19	H1 FY 2019-20
Sanction	12230	10895	7923	7216	3822	135
Disbursed	8687	7488	3053	4434	3238	654
Recovery	1266	692	1248	1589	2621	263
Fee Income	141	113	88	73	59	30

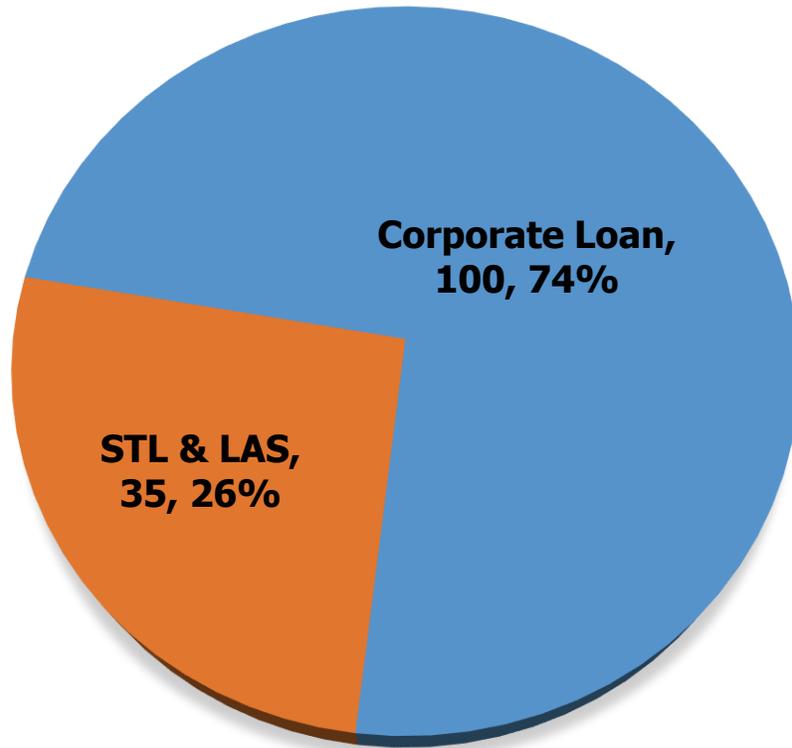
■ Sanction ■ Disbursed ■ Recovery ■ Fee Income

- 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 13.30%

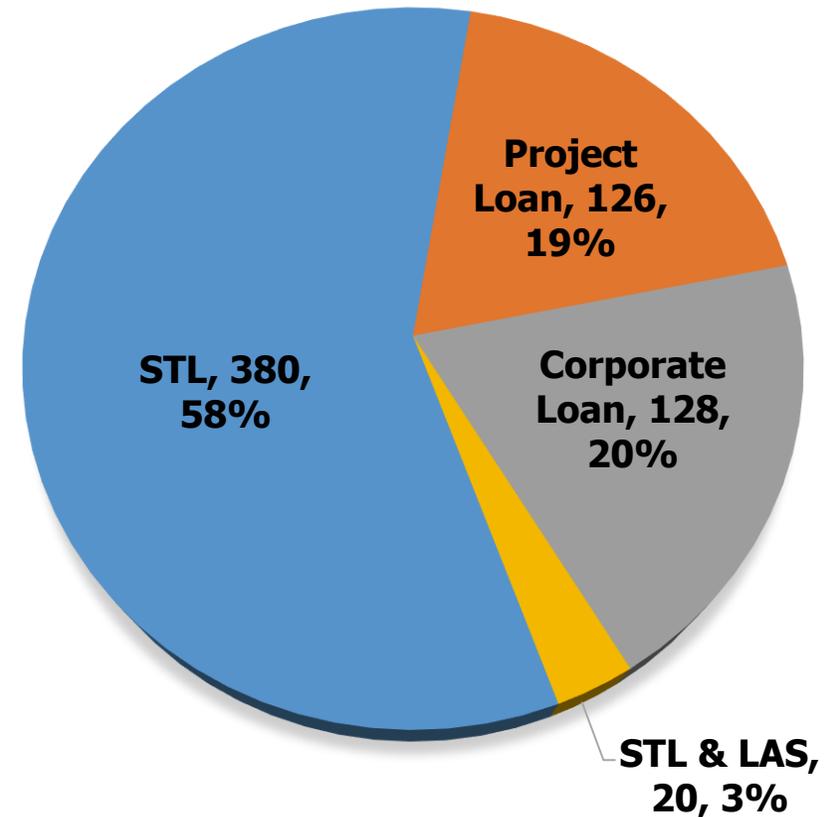
LOAN TYPE WISE SANCTIONS & DISBURSEMENTS (H1 OF FY 2019-20)

₹ in Crore & %

Gross Sanction



Disbursed

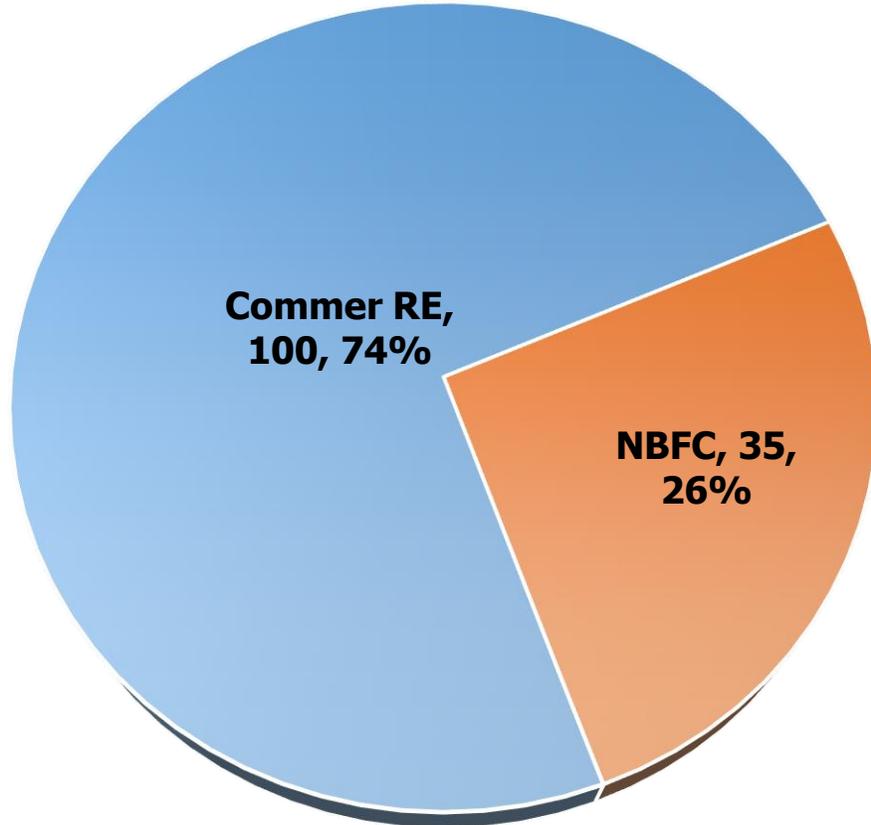


- As a conscious strategy, more standalone and less consortium loans were considered, based on past experience in debt servicing and recovery rates.
- Conscious efforts are being made to increase the share of short term loans while reducing level of project loans.

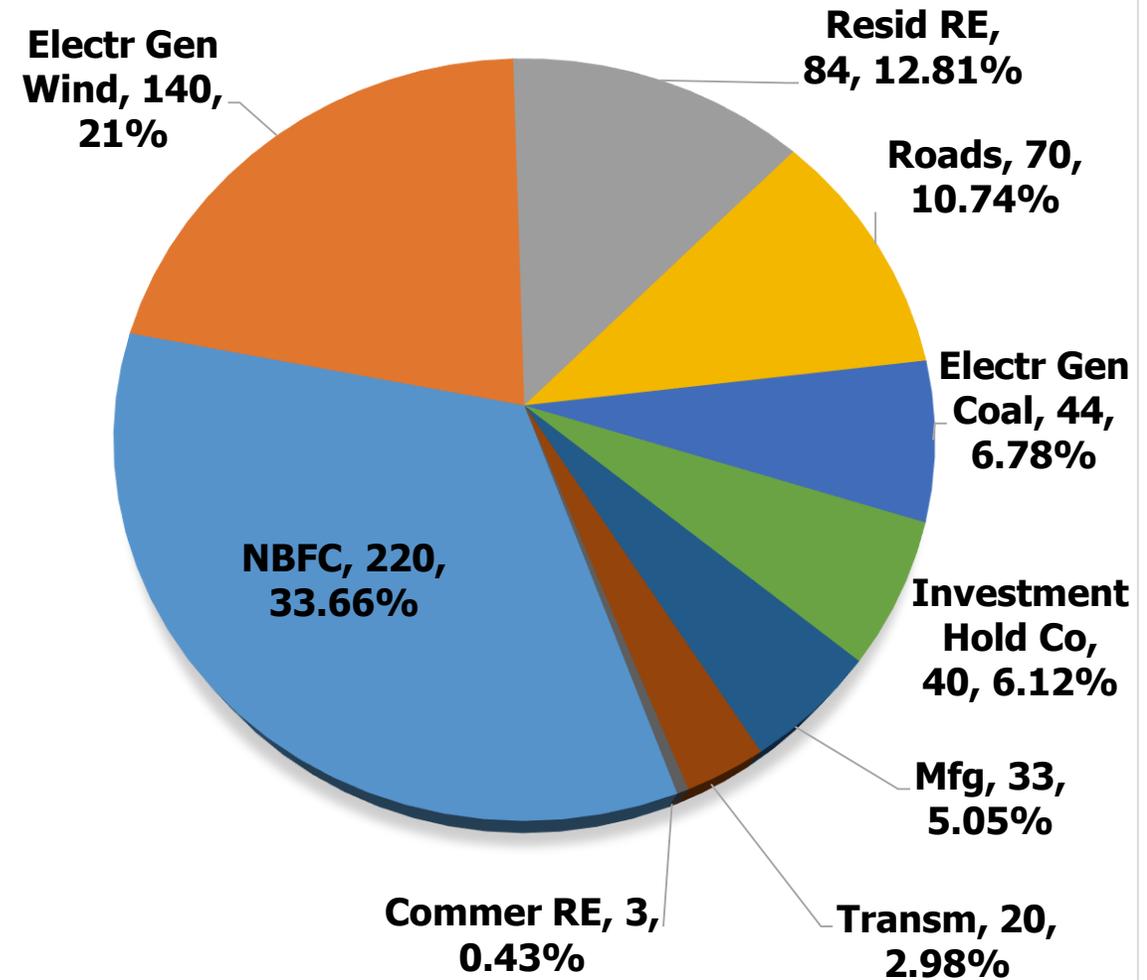
SECTOR-WISE SANCTIONS & DISBURSEMENTS (H1 OF FY 2019-20)

₹ in Crore & %

Gross Sanction



Disbursed

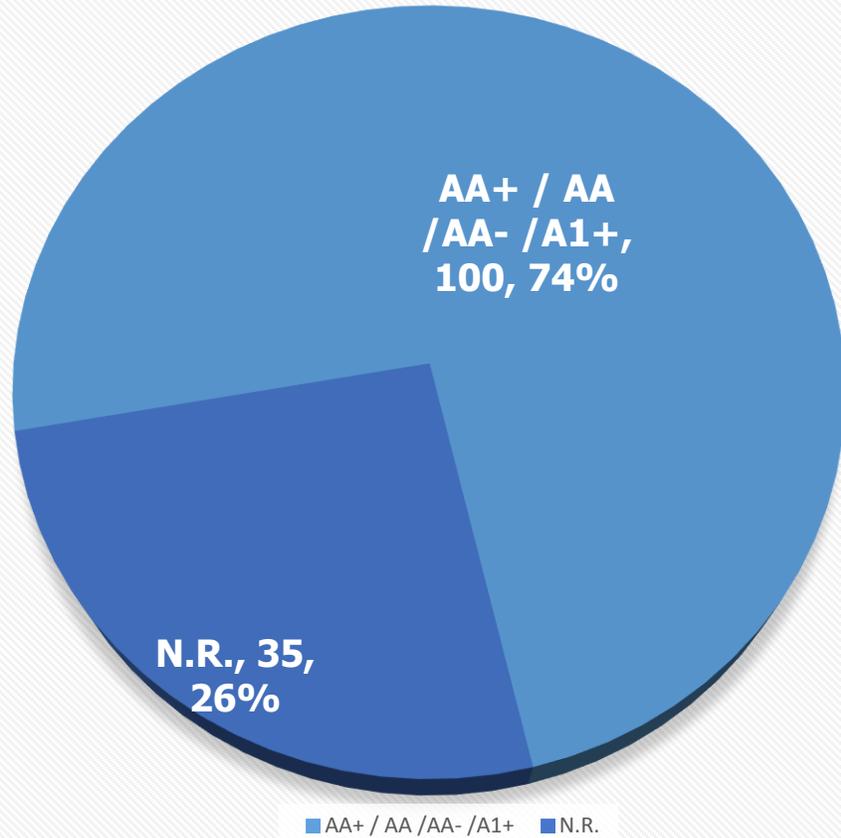


Disbursements are being made across well diversified sectors.

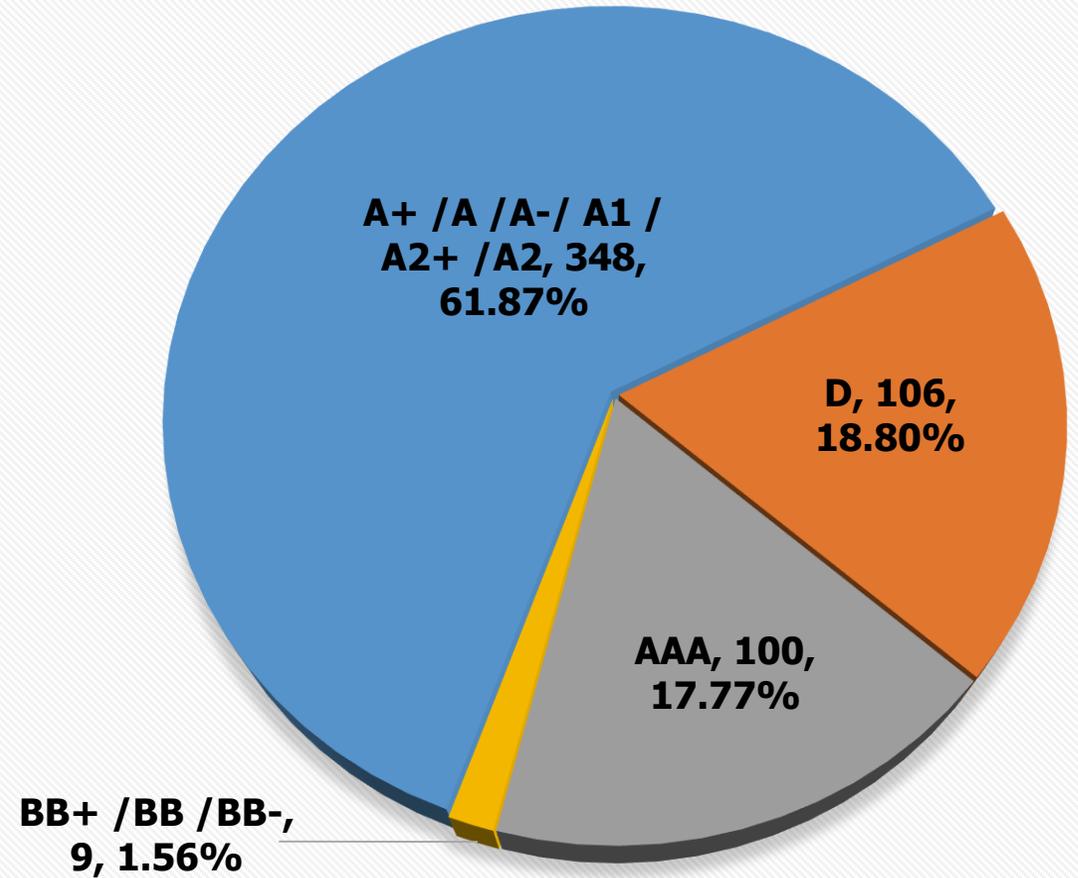
EXTERNAL RATING-WISE SANCTIONS & DISBURSEMENTS (Q1 FY 2019-20)

₹ in Crore & %

Gross Sanction



Disbursed

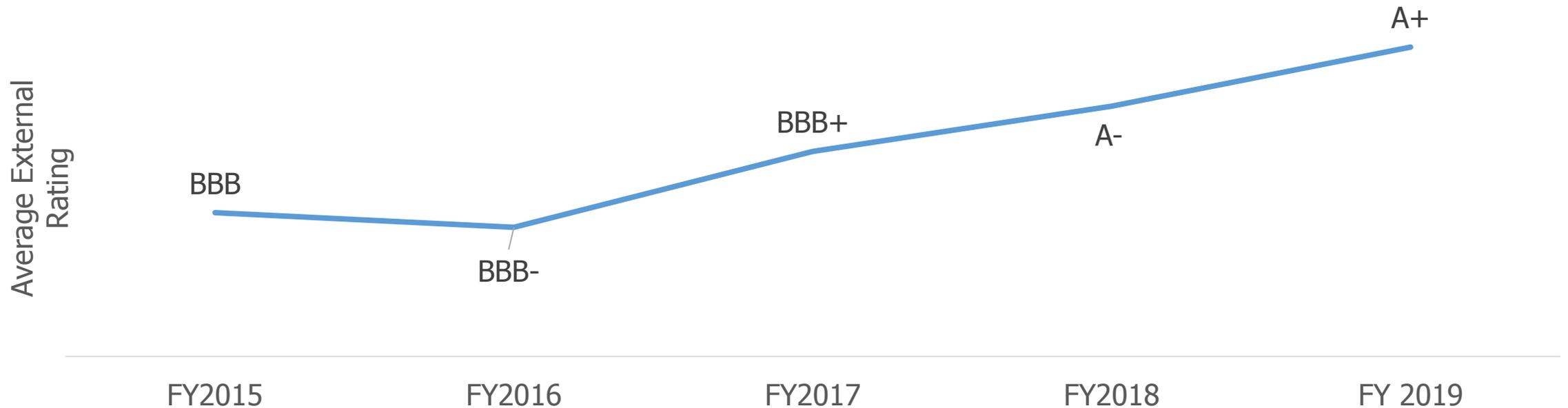


Over 80% of the cases disbursed in H1 of FY 2019-20, carried external ratings of A, or higher.

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.

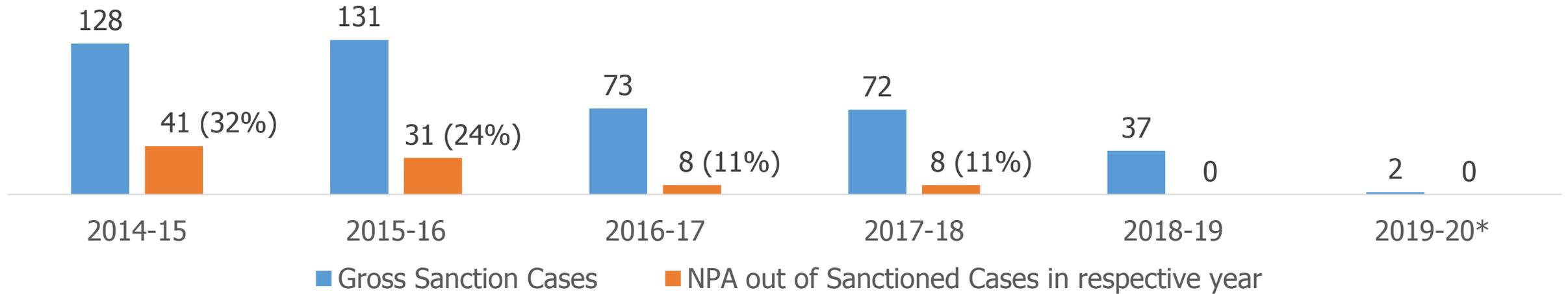
Wtd avg External Rating of year-wise sanctions



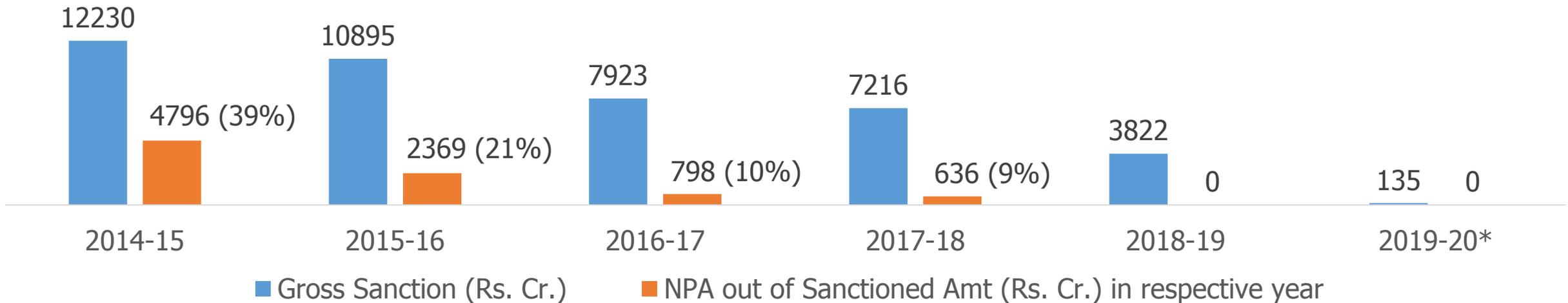
Two cases (Cumulative Rs. 135 Crore) have been sanctioned in HY-1, FY2020. One case is rated AA-(SO) while the other is unrated.

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

No. wise - Sanctions and NPAs



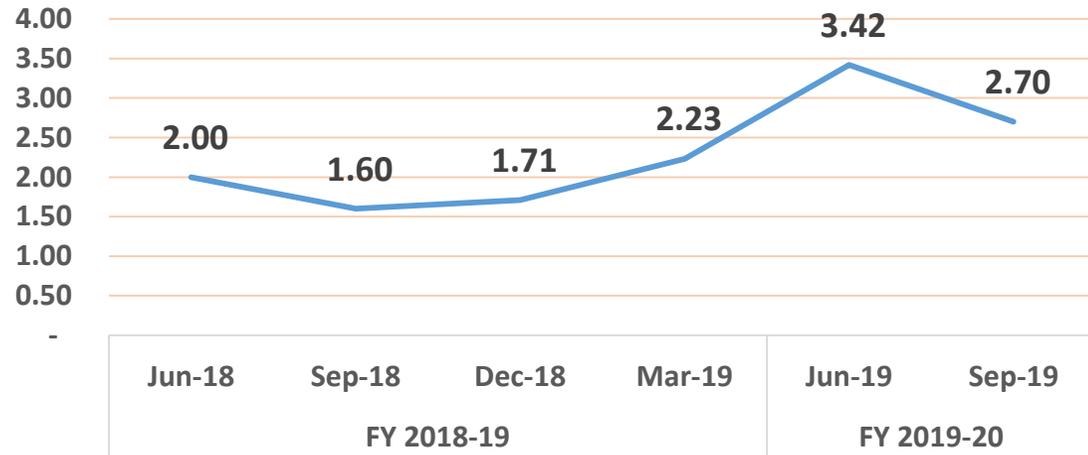
Amount wise (Rs. Cr.) - Sanctions and NPAs



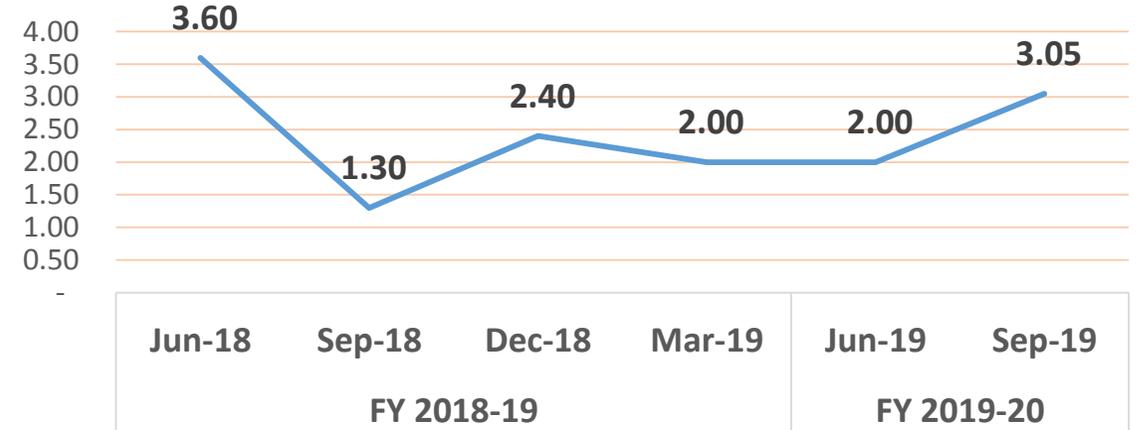
* Up to September 30, 2019

IMPROVING PERFORMANCE OF CREDIT PORTFOLIO

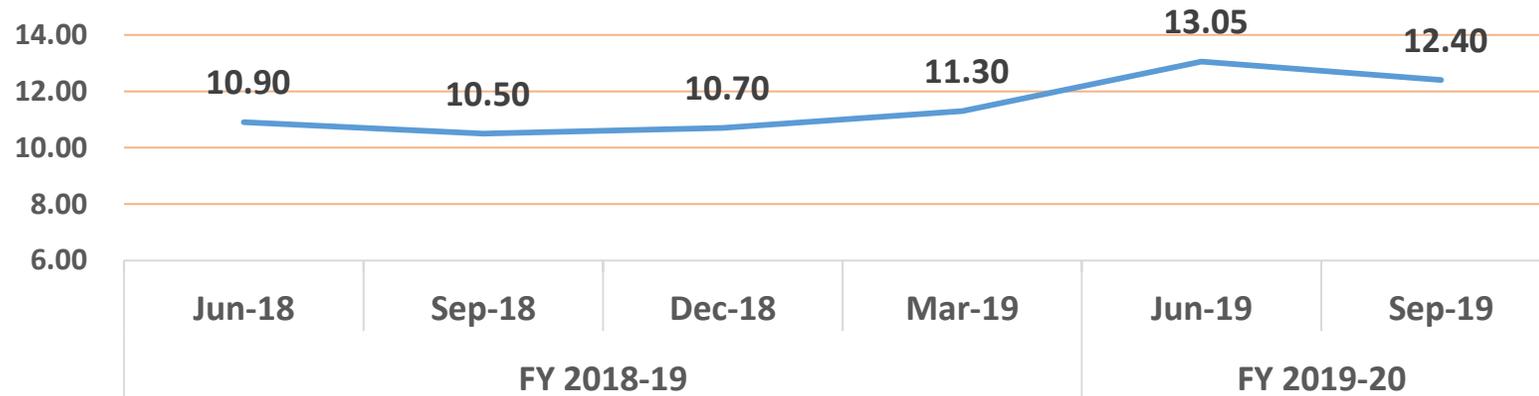
Credit Spread



Net Interest Margin

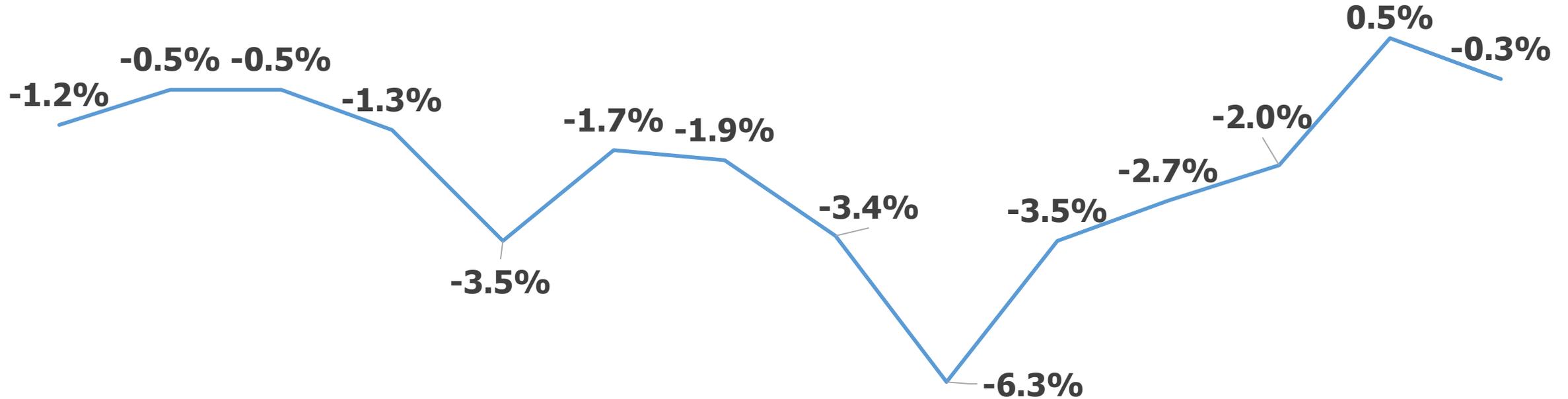


Yield on Advances



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



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
FY 2016-17				FY2017- 18				FY2018- 19				FY2019-20	

ROA of IFCI has been registering an improving trend and improved from -3.4% in FY17-18 to -2.0% in FY18-19 and further to 0.52% in Q1FY19-20.

KEY OPERATIONAL & FINANCIAL PARAMETERS

Parameter (Rs. in crore)	Sept. 2019 (HY)	Sep. 2018 (HY)	Mar 2019
Sanctions	135	1,840	3,760
Disbursements	653	2,146	3,238
Recovery (NPA+Divestment+Sale of Non core assets)	263	519	2,621
Total Income	1,026.20	1,354.24	2466.20
Net Profit/ Loss	(1.68)	(357.22)	(443.83)
Total Comprehensive Income	(32.88)	(448.84)	(483.18)
Net Interest Income	85	108	307
Net Worth	4,192	4,609	4,225
Net Stage 3 Assets	6,134 (49.10%)	5,755 (39.39%)	5,104 (38.93%)
Impairment Allowance on Stage 3 Assets	49.99%	46.36%	60.45%
Capital to Risk Weighted Assets Ratio (CRAR)	13.30%	10.27%	7.97%
Debt to Equity Ratio	3.43	3.88	3.81

HIGHLIGHTS OF FINANCIAL RESULTS – IND AS

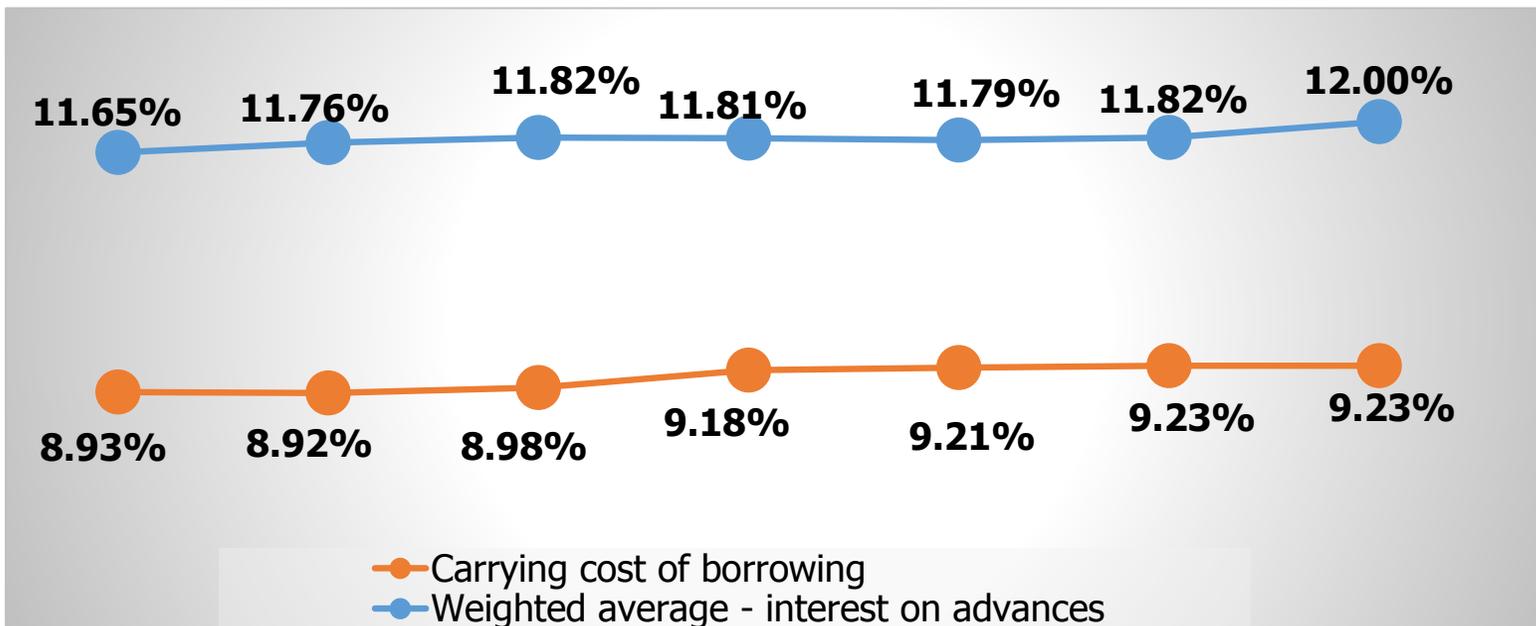
Particulars	Sept.-19	Sept.-18	June-19	Sept.-19	Sept.-18	FY 18-19
(₹ crore)	Q2FY20	Q2FY19	Q1FY20	HY	HY	
Income from Operations	528.23	432.93	480.38	1008.61	1,074.62	2,157.23
Total Income	536.97	702.33	489.23	1,026.20	1,354.24	2,466.20
Finance Costs	366.73	448.82	385.13	751.86	918.51	1,756.14
Net Loss on fair value changes	193.99	81.60	51.54	245.53	100.06	112.81
Other Expenses	49.55	46.35	77.26	126.81	85.76	203.71
Total Expenses (excl. Impairment)	610.27	576.77	513.93	1,124.20	1,104.33	2,072.66
Impairment on Financial Instruments	(59.79)	180.95	(427.74)	(487.53)	823.96	1,084.83
Net Profit/(Loss) for the period- (A)	8.69	(16.55)	(10.37)	(1.68)	(357.32)	(443.83)
Other Comprehensive Income – (B)	(72.77)	2.08	41.57	(31.20)	(91.52)	(39.35)
Total Comprehensive Income – (A+B)	(64.08)	(14.47)	31.20	(32.88)	(448.84)	(483.18)

BALANCE SHEET – IND AS

ASSETS (₹ Crore)	Sept.-19	Sept.-18	Mar-19
Financial Assets			
(a) Cash, Bank Balances, Derivative financial instruments & Receivables	1,052.49	840.61	957.21
(b) Loans	12,493.27	14,610.80	13,109.49
(c) Investments & Other Financial assets	2,948.93	4,451.92	3,620.76
Non-financial Assets	4,101.99	4,590.05	4,568.09
Total	20,596.68	24,493.38	22,255.55
LIABILITIES AND EQUITY			
(a) Trade Payables and other Financial liabilities	1,899.90	1,864.71	1,851.98
(b) Debt Securities	8,786.78	9,426.08	9,226.79
(c) Borrowings (Other than Debt Sec)	4,263.24	7,173.90	5,553.71
(d) Subordinated Liabilities	1,313.30	1,305.23	1,313.30
Non-Financial Liabilities (Provisions)	141.06	113.92	84.47
Equity			
(a) Equity Share capital	1,695.99	1,695.99	1,695.99
(b) Other Equity	2,496.41	2,913.55	2,529.31
Total	20,596.68	24,493.38	22,255.55

IFCI: YIELD ON ADVANCES AND FINANCING COST

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



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+

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

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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