



LIMITED

आई एफ सी आई लिमिटेड

(A Government of India Undertaking)
(भारत सरकार का उपक्रम)

No.: IFCI/Res/Deb/2017-18/- 1235 (A)

Mar 13, 2018

Centbank Financial Services Limited,
Central Bank – MMO Building,
3rd Floor (East Wing),
55, MG Road, Fort
Mumbai – 400 001

Dear Sir,

Re: Quarterly compliance for the period ended December, 2017

The compliance report pertaining to the series 47 (INE039A09LC6), 50 (INE039A09LL7) & 51 (INE039A09LM5) is as under:

1. We have been regular in payment of interest of all the series of bonds. The next date for payment of interest has been shown against each series in the list of bondholders attached (Annexure-I).
2. All the complaints/grievances during the quarter ended 31st December, 2017 have been resolved and no complaint is pending for resolution as on 31st December, 2017.
3. It is also confirmed that Company has complied with the terms of issue of the captioned bonds and there is no event of default.
4. The financial result for the quarter ended December, 2017 is attached as Annexure-II.
5. Revision in our Credit Rating by all three rating agencies are attached as Annexure-III.
6. The company has complied with the relevant clauses of SEBI LODR wherever applicable.
7. There are no outstanding litigations, which would materially affect interest of the bondholders.
8. The above stated debentures are unsecured hence "statement that the assets of the body corporate which are available by way of security are sufficient to discharge the claims of the debenture holders as and when they become due" is not applicable.

This is for your information and record please.

Yours faithfully

(Rajesh Singaria)
Assistant General Manager

Encl: As above

आई एफ सी आई लिमिटेड

पंजीकृत कार्यालय:

आई एफ सी आई टावर, 61 नेहरु प्लेस, नई दिल्ली - 110 019

दूरभाष: +91-11-4173 2000, 4179 2800

फैक्स: +91-11-2623 0201, 2648 8471

वेबसाइट: www.ifcilttd.com

सीआईएन: L74899DL1993GOI053677

IFCI Limited

Regd. Office:

IFCI Tower, 61 Nehru Place, New Delhi - 110 019

Phone: +91-11-4173 2000, 4179 2800

Fax: +91-11-2623 0201, 2648 8471

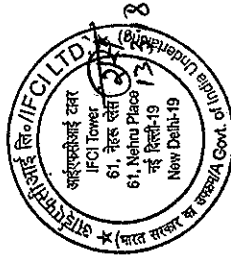
Website: www.ifcilttd.com

CIN: L74899DL1993GOI053677



Annexure-I**IFCI LIMITED, NEW DELHI****Statement as on 31.12.2017**

Sr n o	Name of The Issuer	ISIN	Issue Name	Maturity date DD/MM/YY	Coupon rate	Payment Frequency	Last Payment Date	Next Payment Date	Amount issued in Rs. Crore	Amount O/s in Rs. Crore	Debenture Trustee
1	IFCI Ltd	INE039A09LC6	47	25/01/25	9.75	Yearly	25/01/17	25/01/18	200	200	Centbank Financial Services Ltd.
2	IFCI Ltd	INE039A09LL7	50	04/05/30	9.70	Yearly	04/05/17	04/05/18	250	250	Centbank Financial Services Ltd.
3	IFCI Ltd	INE039A09LM5	51	18/05/30	9.70	Yearly	18/05/17	18/05/18	250	250	Centbank Financial Services Ltd.



ANNEXURE-II

IFCI LTD.
BALANCE SHEET AS AT DECEMBER 31, 2017

(₹ Crore)

	Note No.	As at 31st December, 2017	As at 31st December, 2016	As at 31st March, 2017
I. EQUITY & LIABILITIES				
(1) Shareholders' Funds				
(a) Share Capital	1	1,887.04	1,925.56	1,925.88
(b) Reserves and Surplus	2	4,361.76	5,109.22	4,804.44
(2) Non-current Liabilities				
(a) Long-term Borrowings	3	16,966.07	19,680.16	19,170.10
(b) Long-term Liabilities	4	861.09	763.54	761.45
(c) Long-term Provisions	5	243.18	433.39	238.49
(3) Current Liabilities				
(a) Short-term Borrowings	6	50.00	148.99	-
(b) Trade Payables	7	45.97	38.51	48.56
(c) Other Current Liabilities	8	4,773.50	4,401.33	4,703.68
(d) Short-term Provisions	5	21.93	25.00	21.84
TOTAL		29,210.54	32,525.70	31,674.44
II. ASSETS				
(1) Non-current Assets				
(a) Fixed Assets				
(i) Tangible Assets	9	965.81	1,005.49	992.38
(ii) Intangible Assets	10	2.09	2.29	2.46
(iii) Capital work-in-progress		0.64	0.65	0.64
(b) Non-current Investments	11	5,504.21	5,410.76	5,557.40
(c) Deferred Tax Asset (Net)	12	1,418.38	850.22	985.96
(d) Long-term Loans & Advances				
(i) Loans	13	15,565.60	19,014.55	18,149.81
(ii) Others	14	117.13	36.68	91.64
(e) Other non-current assets	15	5.11	5.42	5.14
(2) Current Assets				
(a) Current Investments	16	299.39	1,154.90	836.14
(b) Trade Receivables	17	74.92	22.83	30.28
(c) Cash and Bank Balances	18	1,140.00	1,189.71	1,181.95
(d) Short-term Loans and Advances				
(i) Loans (Current Maturity of Long-term Loans)	13	3,821.47	3,567.64	3,615.18
(ii) Others	14	136.94	77.51	76.89
(e) Other Current Assets	15	158.85	187.05	148.57
TOTAL		29,210.54	32,525.70	31,674.44

Accounting Policies and Notes (1 to 46) form an integral part of financial statements

For and on behalf of Board

(Dr. E S Rao)
Managing Director &
Chief Executive Officer
DIN 05184747

(Prof. Arvind Sahay)
Director
DIN 03218334

(B N Nayak)
Executive Director &
Chief Financial Officer



(Rupa Sarkar)
Company Secretary

Place: New Delhi
Dated: February 05, 2018

IFCI LTD.
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED DECEMBER 31, 2017

		(₹ crore)			
PARTICULARS	Note No.	Period ended 31st December, 2017	Period ended 31st December, 2016	Year ended 31st March, 2017	
I. Revenue from Operations	19	1,966.96	2,162.20	2,739.73	
II. Other Income	20	55.86	115.13	134.51	
III. Total Revenue		2,022.82	2,277.33	2,874.24	
IV. Expenses					
Finance Cost	21	1,561.57	1,753.80	2,289.32	
Employee Benefits Expenses	22	62.80	70.94	95.02	
Depreciation and Amortization *		25.26	10.88	34.19	
Other Expenses	23	31.66	25.82	43.12	
Total Expenses		1,681.29	1,861.44	2,461.65	
V. Profit before NPA Recovery, Provisions/ Write-off		341.53	415.89	412.59	
VI. Less: Provision for Bad & Doubtful Assets and others (Net of Write-off)	24	1,215.86	691.98	1,191.61	
VII. Profit/(Loss) before Tax		(874.33)	(276.09)	(779.02)	
VIII. Tax Expense					
- Current Tax		-	36.02	-	
- Taxation for earlier years		(0.04)	-	(13.27)	
- Deferred Tax (Net)		(432.42)	(171.52)	(307.26)	
IX. Profit/(Loss) for the period		(441.87)	(140.59)	(458.49)	
X. Basic Earnings per share of ₹10.00 each (₹)		(2.66)	(0.85)	(2.76)	
Diluted Earnings per share of ₹10.00 each (₹)		(2.66)	(0.85)	(2.76)	

*Net of transfer from Revaluation Reserve

14.78

Accounting Policies and Notes (1 to 46) form an integral part of financial statements

For and on behalf of Board

(Dr.E S Rao)
Managing Director &
Chief Executive Officer
DIN 05184747



(Prof. Arvind Sahay)
Director
DIN 03218334

(B N Nayak)
Executive Director &
Chief Financial Officer

(Rupa Sarkar)
Company Secretary

Place: New Delhi
Dated: February 05, 2018

IFCI LTD.
CASH FLOW STATEMENT FOR THE PERIOD ENDED DECEMBER 31, 2017

(₹ Crore)

	For the Period ended December 31, 2017	For the year ended March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	(874.33)	(779.02)
Adjustments for:		
Depreciation	25.26	34.19
Provision/ write offs	1,215.86	1,191.61
Bond Issue Expenses charged to Share Premium Account	-	(6.43)
(Profit)/ Loss on Sale of Assets	(13.01)	(19.98)
Employee Stock Option Compensation Cost	-	-
Operating Profit before Working Capital Changes & Operating Activities	<u>353.78</u>	<u>420.37</u>
Adjustments for Operating Activities:		
(Increase)/ decrease in Investments (incl. Current Investments)	703.17	1,525.28
(Increase)/ decrease in Loans & Advances (incl. current maturities of long-term loans & advances)	1,048.83	3,155.81
Increase/ (decrease) in Borrowings (incl. current maturities of long-term liabilities)	(2,018.87)	(4,477.85)
Operating Profit before Working Capital Changes	<u>86.91</u>	<u>623.61</u>
Adjustments for:		
(Increase)/ decrease in Current Assets	(115.87)	190.35
Increase/ (decrease) in Current Liabilities	36.49	(275.52)
Increase/ (decrease) in other bank balances	21.23	(173.60)
Cash Flow before taxation	<u>28.76</u>	<u>364.84</u>
Income Tax (paid)/ refund - Net	(24.52)	19.83
Net cash flow from Operating Activities	4.24	384.67
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of/ Advance for Fixed Assets (including Leased Assets)	(0.38)	(1.70)
Sale proceed of Fixed Assets	14.26	21.53
Net cash flow from Investing Activities	13.88	19.83
C. CASH FLOW FROM FINANCING ACTIVITIES		
Redemption of Preference Shares	(38.84)	-
Issue of Equity Shares on exercise of employee stock options	-	0.45
Share Premium (net of expenses)	-	0.40
Dividend paid	-	(0.26)
Net cash flow from Financing Activities	(38.84)	0.59
Net Increase/ (Decrease) in Cash and Cash Equivalent Flow (A+B+C)	(20.72)	405.09



No. CARE/DRO/RR/2017-18/1534

Mr. B.N. Nayak
Executive Director
IFCI Limited,
IFCI Tower, 61, Nehru Place,
New Delhi - 110019

July 07, 2017

Dear Sir,

Credit rating for bank facilities and Instruments

Please refer to our letter dated June 30, 2017 on the above subject.

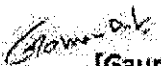
2. The rationale for the rating(s) is attached as an Annexure - I. Kindly note that the rationale would be published in the forthcoming issue of our monthly journal, 'CAREVIEW'.
3. A write-up (brief rationale) on the above rating(s) is proposed to be issued to the press shortly. A draft of this is enclosed for your perusal as Annexure - II.
4. We request you to peruse the annexed documents and offer your comments, if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by July 10, 2017 we will proceed on the basis that you have no comments to offer.

If you have any further clarifications, you are welcome to approach us.

Thanking you,

Yours faithfully,


[Akanksha Gupta]
Deputy Manager
akanksha.gupta@careratings.com


[Gaurav Dixit]
Assistant General Manager
gaurav.dixit@careratings.com

Encl: As above



CARE Ratings Limited
(Formerly known as Credit Analysis & Research Limited)

Rating Rationale

IFCI Limited

Ratings

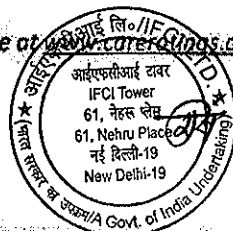
S. No.	Facilities	Amount (Rs. crore)	Rating ¹	Remarks
I	Long term Bank Facilities	7,825 (Rupees Seven Thousand Eight Hundred and Twenty Five crore only)	CARE A-; Negative (Single A Minus; Outlook: Negative)	Revised from CARE A; Negative (Single A; Outlook: Negative)
II	Long term Instruments	2,655 (Rupees Two Thousand Six Hundred Fifty Five crore only)	CARE A-; Negative (Single A Minus; Outlook: Negative)	Revised from CARE A; Negative (Single A; Outlook: Negative)
III	Subordinated Bonds	1045 (Rupees One Thousand Forty Five crore only)	CARE BBB+; Negative (Triple B Plus; Outlook: Negative)	Revised from CARE A-; Negative (Single A Minus; Outlook: Negative)
IV	Short term Instruments – Commercial Paper	500 (Rupees Five Hundred crore only)	CARE A1 (A One)	Revised from CARE A1+ (A One Plus)
V	Long term Instruments – NCD*	575 (Rupees Five Hundred Seventy Five crore only)	CARE A+ (SO); Negative (Single A Plus [Structured Obligation]; Outlook: Negative)	Revised from CARE AA- (SO); Negative (Double A Minus [Structured Obligation]; Outlook: Negative)

*based on credit enhancement in the form of lien of Special Government security (G-sec) in favor of trustee such that the total lien amount is at least 70% of the total liability on the NCD and supplemented by a structured payment mechanism (SPM)

Rating Rationale

The revision in the ratings assigned to the various bank facilities and instruments of IFCI Ltd (IFCI) factor in the sharp deterioration in the asset quality parameters as on March 31, 2017 and decline in profitability with net loss in FY17 (refers to the period April 01 to March 31). The rating revision also factors in de-growth in the loan portfolio and vulnerability of asset quality on account of client concentration. The ratings however, continue to derive strength from the majority ownership by Government of India (GOI), adequate capitalization, adequate liquidity and diversified resource profile of the company.

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.



CARE Ratings Limited
(Formerly known as Credit Analysis & Research Limited)



August 23, 2017

IFCI Limited

Summary of Rated Instruments

Instrument*	Rated Amount (in crore)	Rating Action
Fund Based Bank Limits	10,000.00	Downgraded to [ICRA]A- (Negative) from [ICRA]A (Negative)
Long-term Bonds (including Subordinated Debt)	4,488.45**	Downgraded to [ICRA]A- (Negative) from [ICRA]A (Negative)
Bonds/NCD Programme (Public issue)	2000.00	Downgraded to [ICRA]A- (Negative) from [ICRA]A (Negative)
Commercial Paper Programme	500.00	Downgraded to [ICRA]A1 from [ICRA]A1+

*Instrument details are provided in Annexure-1

** Outstanding amount as on December 31, 2016

Rating Action

ICRA has downgraded the long-term rating on the Rs. 10,000.00 crore long-term bank borrowings, the Rs. 8,000.00 crore (outstanding Rs. 4,488.45 crore) long-term bond programme and the Rs. 2,000.00 crore NCD programme of IFCI Limited (IFCI) from [ICRA]A (pronounced ICRA A)¹ to [ICRA]A- (pronounced ICRA A minus). ICRA has downgraded the short-term rating on to the Rs. 500.00 crore² commercial paper programme of IFCI to [ICRA]A1 (pronounced ICRA A one) from [ICRA]A1+ (pronounced ICRA A one plus). The outlook on the long-term ratings has been retained at 'negative'.

The rating downgrades take into account the continued deterioration in IFCI's profitability and capitalisation ratios. With a negative net interest income (NII) during Q1FY2018 and elevated credit provisions, IFCI continued to report net losses in Q1FY2018.

Though the company reported overall capitalisation of 15.2% as on June 30, 2017, but its Tier I capital at 9.92% was lower than the regulatory minimum of 10% as neither the expected capital infusion from the Government of India (GoI) nor the divestment of non-core investments have materialised so far during the current fiscal. The negative outlook on the ratings reflects ICRA expectations that the entity's asset quality is likely to weaken further and its NII will remain under pressure given the capital constraints to expand the portfolio. Further, with elevated credit provisions, the overall profitability and capitalisation will remain dependent on the extent of recoveries, divestments and fresh capital infusion. Also, IFCI's ability to borrow at competitive rates will be critical for it to extend competitive lending rates, and for the sustainability and growth of its business. Slower progress on above issues will be a rating negative that could lead to a further downgrade in ratings. Conversely, the rating outlook may change to stable if IFCI is able to demonstrate large recoveries, raise funds through divestments or improve its capital ratios sufficiently above regulatory levels to fund growth in advances and improve operating profitability.

¹ For complete rating scale and definitions, please refer to ICRA's website (www.icra.in) or other ICRA rating publications.

² 100 lakh = 1 crore = 10 million





BWR/NCD/HO/ERC/MM/0743/2016-17

March 31, 2017

Mr. B N Nayak
Executive Director
IFCI Limited
IFCI Tower, 61 Nehru Place
New Delhi-110 019

Dear Sir,

Sub: Review of Ratings of various Debt issues of IFCI Limited rated by Brickwork Ratings

On a review of **IFCI Limited's** performance based on the information and clarifications provided by your company, as well as information available in public sources, we inform You that Brickwork Ratings has revised the ratings of the Long-Term Debt and reaffirmed the rating of the Structured Secured NCD as detailed below:

Issue	Issue Size (₹ Cr)	O/S as of 29-Mar-2017	Tenure	Rating History (Feb-2016)	Rating ¹
Structured Secured NCD	575	575	Long Term	BWR AA+ (SO) Outlook: Stable	BWR AA+ (SO) Outlook: Stable (Reaffirmed)
Long Term Debt	2000	1972.26	Long Term	BWR AA- Outlook: Stable	BWR A+ Outlook: Negative (Revised)
Long Term Debt	700	7879.84			
Long Term Debt	3,000				
Long Term Debt	Up to 10,000				

¹ Please refer to BWR website: www.brickworkratings.com for definition of the ratings assigned.

The Rating is valid up to March 30, 2018 and subject to the terms and conditions that were agreed in your mandates, our rating letters and other correspondence, if any, and Brickwork Ratings' standard disclaimer appended below.



Brickwork Ratings India Pvt. Ltd.

Corporate Office: 3rd Floor, Raj Alkaa Park, Kalena Agrahara, Bannerghatta Road, Bengaluru - 560 076

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CIN: U67190KA2007PTC043591




IFCI Limited

Brickwork Ratings would conduct surveillance every year till maturity/redemption of the instrument. Please note that Brickwork Ratings would need to be kept informed of any information/development that may affect your Company's finances/performance without any delay.

Kindly acknowledge.

Best Regards,




MSR Manjunatha
Director-Ratings

Note: In case of all valid Ratings, respective Rating Rationale is published on Brickwork Ratings website. Interested persons are well advised to refer to our website www.brickworkratings.com, if they are unable to view the rationale, they are requested to inform us on brickworkhelp@brickworkratings.com

Disclaimer: Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

