

No. IFCI/CS/2018- 506

June 28, 2018

National Stock Exchange of India Limited

Exchange Plaza

Plot No. C/1, G Block, Bandra Kurla Complex

Bandra (East)

Mumbai – 400 051

CODE: IFCI

Dear Sir / Madam,

Re: Assigning of Credit Rating and Rating Rationale

This is to inform that the Rating Agency, Brickwork Ratings India (P) Ltd. (BWR), has assigned "BWR A1" rating to the Commercial Paper (CP) Programme of IFCI Limited up to an amount of Rs. 500 Crore. The Credit Rating is valid for 1 year.

Rating Rationale:

BWR has essentially relied upon the audited financial results up to FY18, publicly available information and information and clarifications provided by the Company.

The rating for the CP Issue takes into account the comfortable short term liquidity position of the company and the cushion available from unutilised portion of the company's working capital limits.

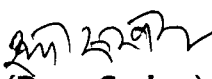
The rating continues to remain constrained due to worsening of the asset quality indicators leading to high provisioning requirements, losses & deterioration in capital adequacy and consistent shrinkage in the loan portfolio. These constraints are partially offset by virtue of majority shareholding by the GoI, various measures taken by the company towards recoveries, comfortable short term liquidity position and monetization of non-core investments. While the company divested its stake in certain non-core assets at a significant profit, it was not sufficient to cover up the losses. However, IFCI has informed that they will continue to liquidate such investments during FY19 to improve its financials.

BWR has also taken note that the company expects resolution of many accounts under the NCLT during FY19 and has already made the required provisions for the same.

Going forward, the Company's ability to bring down the ratio of stressed assets (NPA + Restructured Accounts), minimise losses and improve capital adequacy above the regulatory minimum, shall remain key rating sensitivities.

This is for your information and record.

Yours faithfully
For **IFCI Limited**


(Rupa Sarkar)
Company Secretary

आई एफ सी आई लिमिटेड

प्रमुख कार्यालय:

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