

No. IFCI/CS/2019- 563

July 05, 2019

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: Revision in Credit Rating

This is to inform that CARE Ratings Limited (CARE) vide Letter No. CARE/DRO/RL/2019-20/1552 dated July 05, 2019 has informed about the Credit Ratings for the facilities and the revised ratings stand as under:

S.No.	Nature of Facility	Ratings	Rating Action
1.	Long Term Instruments	CARE BBB- Outlook: Negative	Downgraded from CARE BBB Outlook: Negative
2.	Subordinate Bonds	CARE BBB- Outlook: Negative	Re-affirmed
3.	Long Term Instruments - NCD	CARE BBB+ (SO) Outlook: Negative	Downgraded from CARE A- (SO) Outlook: Negative

Rationale for Rating Downgrade

The revision in the ratings assigned to the various bank facilities and instruments of IFCI Limited (IFCI) factor in deterioration in capitalization profile of IFCI following an absence of capital infusion from GoI in FY19, net loss reported during FY19 and moderate liquidity profile. IFCI's current capital adequacy levels are significantly below the regulatory requirement and will continue to be a cause for concern in the near term. Also, IFCI's asset quality and profitability also remains under significant stress following very high share of Stage 3 assets of 52.5% as on March 31, 2019. The ratings however, continue to derive strength of majority ownership by the Government of India (GoI) and diversified resource profile.

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LIMITED

आई एफ सी आई लिमिटेड
(A Government of India Undertaking)
(भारत सरकार का उपक्रम)

The rating assigned to the NCD issue of IFCI principally derives comfort from the credit enhancement provided in the form of lien of special Government security (G-Sec) in favour of Trustee such that the total lien amount is expected to be at least 70% of the total liability on the NCD and further supplemented by a structured payment mechanism (SPM).

The complete Credit Rating Report by CARE may also be referred from their website.

This is for your information and record.

Yours faithfully
For **IFCI Limited**

 **(Rupa Sarkar)**
Company Secretary