

**BSE Limited**  
Department of Corporate Services  
Phiroze JeeJeebhoy Tower  
Dalal Street, Fort  
Mumbai – 400001

**CODE: 500106**

Dear Sir / Madam,

**Re: Revision in Credit Rating and Rating Rationale**

This is to inform that CARE Ratings Limited (CARE), has revised the ratings of debt instruments of IFCI Limited, as under:-

Long Term Bank Facilities and Long Term Instruments from 'CARE BBB+' to 'CARE BBB', Subordinate Bonds from 'CARE BBB' to 'CARE BBB-', Long Term Instruments - NCD from 'CARE A (SO)' to 'CARE A- (SO)'. The outlook on these Long Term Ratings are negative.

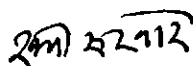
**Rating Rationale:**

The revision in the ratings assigned to the various Bank Facilities and instruments of the Company factors in further deterioration in capitalization profile of IFCI following an absence of capital infusion from Government of India in current fiscal year till date, net loss reported during 9M of FY 19 and continuing adverse impact on net worth on account of implementation of IND AS from current financial year. 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 54% as on December 31, 2018. The ratings however, continue to derive strength from majority ownership by the Government of India (GoI), diversified resource profile and adequate liquidity of the Company, currently in excess of ₹1200 crore.

The ratings assigned to the NCD issue of the Company principally derives the comfort from the credit enhancement provided in the form of lien on 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).

This is for your information and record.

Yours faithfully  
For **IFCI Limited**



(Rupa Sarkar)  
Company Secretary



