

## IFCI reports Q1net loss of ₹110 cr

K. R. Srivats

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*Slippages in some high-value accounts drag bottomline*

New Delhi, Aug 6:

IFCI Ltd's rough patch continued in the June quarter with the State-owned non-banking finance company recording a net loss of ₹110 crore, as higher non-performing loan provisioning weighed on bottomline.

This bottomline performance followed a net loss of ₹101 crore reported in previous quarter ended March 31, 2016.

IFCI had reported a net profit of ₹101 crore in the April-June period last year.

Total income from operations for the quarter under review declined to ₹822 crore (₹886 crore).

### **Three-account drag**

Commenting on the first quarter performance, Malay Mukherjee, Managing Director and CEO, said the bottomline performance was weighed down by higher provisioning on slippage of some large-value accounts.

Slippages in three accounts — two of infrastructure companies and one from the automobile industry — were the main reasons for the pain during the quarter under review.

Of the total NPA provisioning of ₹387 crore for the quarter under review, as much as ₹275 crore related to these three accounts, Mukherjee said. The NPA provisioning for the June quarter last fiscal stood at ₹130 crore.

### **'Unexpected slippages'**

"These three accounts going bad was unexpected. Had these three accounts not slipped, I would have had a different performance story to tell you today," Mukherjee told a press conference after the Board meeting.

In the case of a Hyderabad-based infrastructure company, which formed part of the three companies, IFCI opted for accelerated provisioning and provided ₹170 crore. The aggregate provisioning in respect of the other two large accounts (a diversified infrastructure player and automobile industry) stood at ₹105 crore.

### **'Still manageable'**

Despite the worsened non performing asset situation, Mukherjee maintained that things have not gone out of control and asset quality was in "manageable" position.

While gross NPA as a percentage of advances stood at 19.1 per cent, net NPAs stood at 13.1 per cent as on end June this year.

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