Indian Bank

April 01, 2021

Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings	Rating Action
Infrastructure Bonds (Proposed)	-	-	Withdrawn

Details of facilities in Annexure-1

Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE has withdrawn the rating assigned to the proposed infrastructure bonds of Indian bank with immediate effect. The above action has been taken at the request of Indian bank, as the company has not used the rating assigned by CARE for mobilising funds, and there is no amount outstanding under the said issue as on date.

Analytical approach: Not Applicable

Applicable Criteria

Policy on Withdrawal of ratings

About Indian Bank

Indian Bank was established on August 15, 1907, as part of the Swadeshi movement. The Ministry of Finance (MoF), in consultation with Reserve Bank of India (RBI) decided that Indian Bank and Allahabad Bank may consider amalgamation of the Allahabad Bank into Indian Bank, on August 30, 2019, with Indian Bank being the anchor bank. Amalgamation of Allahabad Bank into Indian Bank came into effect on April 1, 2020. The amalgamation of Allahabad Bank into Indian Bank has placed Indian Bank as the seventh-largest bank with a total business of Rs.855,895 crore as on June 30,2020 (Rs. 910,894 crore as on December 31 ,2020).

Post amalgamation, GoI's stake stood at 88.06% in the bank followed by HDFC Trustee Company Limited 1.91%, LIC 1.85% as on June 30, 2020. As on December 31, 2020, GoI continues to hold 88.06 % stake in the bank. The bank had 6,003 branches as on December 31,2020. The bank also has 3 overseas branches located at Singapore, Colombo and Jaffna. The bank has 2 subsidiaries, viz., Indbank Merchant Banking Services Ltd and Indbank Housing Ltd. and two joint ventures, namely, Universal Sompo General Insurance Co Ltd and ARSEC (India) Limited. As on December 31, 2020, the bank had net advances of Rs.362,817 crore and deposits of Rs.521,248 crore.

Brief Financials (Rs. crore)	FY20*	9MFY21(P)
Total operating income	44,099	34,537
PAT	-4643	1,296
Total Assets	5,62,489	6,08,390
Net NPA (%)	4.19	2.35
ROTA (%)	-	0.30

**Combined Indian Bank and Allahabad Bank*

Status of non-cooperation with previous CRA: NA

Any other information: NA

Rating History for last three years: Please refer Annexure-2

Complexity level of various instruments rated for this company: Please refer Annexure-3

Annexure -1: Details of instruments/Facilities

Name of the Instrument	Date of Issuance	ISIN	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Infrastructure Bonds (Proposed)	-	-	-	-	0.00	Withdrawn

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Bonds-Tier II Bonds	LT	1000.00	CARE AAA; Stable	1)CARE AAA; Stable (18-Mar-21) 2)CARE AAA; Negative (30-Sep-20)	1)CARE AAA (CWD) (04-Oct-19) 2)CARE AAA (CWD) (11-Sep-19)	1)CARE AAA; Stable (11-Sep-18)	1)CARE AAA; Stable (07-Jul-17)
2.	Bonds-Tier I Bonds	LT	1000.00	CARE AA; Stable	1)CARE AA; Stable (18-Mar-21) 2)CARE AA; Negative (30-Sep-20)	1)CARE AA+ (CWD) (04-Oct-19) 2)CARE AA+ (CWD) (11-Sep-19)	1)CARE AA+; Stable (11-Sep-18)	1)CARE AA+; Stable (07-Jul-17)
3.	Bonds-Infrastructure Bonds	LT	-	-	1)CARE AAA; Stable (18-Mar-21) 2)CARE AAA; Negative (30-Sep-20)	1)CARE AAA (CWD) (04-Oct-19) 2)CARE AAA (CWD) (11-Sep-19)	1)CARE AAA; Stable (11-Sep-18)	1)CARE AAA; Stable (08-Nov-17)
4.	Bonds-Tier II Bonds	LT	600.00	CARE AAA; Stable	1)CARE AAA; Stable (18-Mar-21) 2)CARE AAA; Negative (30-Sep-20)	1)CARE AAA (CWD) (04-Oct-19) 2)CARE AAA (CWD) (11-Sep-19)	1)CARE AAA; Stable (28-Dec-18)	-
5.	Bonds-Tier II Bonds	LT	2000.00	CARE AAA; Stable	1)CARE AAA; Stable (18-Mar-21) 2)CARE AAA; Negative (30-Sep-20) 3)CARE AAA (CWD) (25-Aug-20)	-	-	-
6.	Bonds-Tier I Bonds	LT	2000.00	CARE AA; Stable	1)CARE AA; Stable (18-Mar-21) 2)CARE AA; Negative (30-Sep-20) 3)CARE AA+ (CWD) (25-Aug-20)	-	-	-
7.	Bonds-Tier II Bonds	LT	1000.00	CARE AAA; Stable	1)CARE AAA; Stable (18-Mar-21)	-	-	-

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
					2)CARE AAA; Negative (30-Sep-20)			

Annexure-3: Complexity level of various instruments rated for this company

Sr. No.	Name of the Instrument	Complexity Level
1.	Bonds-Infrastructure Bonds	Simple

Note on complexity levels of the rated instrument: *CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.*

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

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