

Bandhan Bank Limited

September 21, 2021

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Unsecured Subordinated Non-Convertible Debentures	0.00	--	Withdrawn

*Details in Annexure I.

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

CARE has withdrawn the outstanding ratings of 'CARE AA-/Stable'; (Double A minus; Outlook: Stable) assigned to the non-convertible debentures of Bandhan Bank with immediate effect. The above action has been taken at the request of Bandhan Bank and 'No Dues Certificate' received from trustee confirming the repayment that have extended the facilities rated by CARE.

Analytical approach: Not Applicable

Applicable Criteria

[Policy on Withdrawal of ratings](#)

About the Company –

Bandhan Bank Ltd (BBL) was incorporated on Dec.23, 2014, promoted by Bandhan Financial Services Ltd (BFSL) as its step-down subsidiary. BFSL was a NBFC-MFI which was engaged in the business of lending to women borrowers under 'Group based individual lending' model and operated across 22 states & Union Territories of India. BFSL was granted approval by Reserve Bank of India (RBI) on April 2, 2014 to set up a bank under 'Guidelines on Licensing of New Banks in the Private Sector'. Subsequently, on June 17, 2015, RBI granted the license to BBL to carry out the banking business in India. BBL formally commenced its banking operations on Aug.23, 2015 with 501 branches on a pan India basis. In line with the terms of Business Transfer Agreement (BTA) dated Feb.11, 2015 entered between BFSL and BBL, the entire assets/liabilities of BFSL were transferred to BBL.

BBL was listed in March 2018 through an IPO and Rs.3,662 crore was infused in the bank.

Gruh Finance Limited (GFL), a Housing Finance Company, was amalgamated with BBL in October 2019 with appointed date of amalgamation being Jan.1, 2019 and effective date of amalgamation being Oct.17, 2019. GFL had gross loan portfolio of Rs.17,288 crore as on Mar.31, 2019 concentrated mainly in West and Central India with HDFC Limited being the single largest shareholder (57.86%). GFL operated primarily in the rural and semi urban areas of Gujarat and Maharashtra.

The amalgamation was a step towards reducing the promoter holding in BBL as per regulatory requirements and also to diversify the portfolio composition of BBL.

As on March 31, 2021, the combined AUM of GFL and BBL was Rs.87,043 crore (Rs.71,846 crore as on March 31, 2020) spread across 34 states & UTs through 5,310 branches (includes branches, DSCs & GFL centres) & 487 ATMs.

Brief Financials (YTEI) (Rs. crore)	FY19 (A)	FY20 (A)	FY21 (A)
Total income	7,707	12,453	14,633
PAT	1,952	3,024	2,205
Interest coverage (times)	2.78	2.19	2.38
Total Assets	56,442	91,718	1,14,993
Net NPA (%)	0.58	0.58	3.51
ROTA (%)	3.87	4.08	2.13

A: Audited

Status of non-cooperation with previous CRA: NA

Any other information: NA

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

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

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Debt-Subordinate Debt	INE545U08019	September 02, 2014	14.536	September 02, 2021	0	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 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1.	Debt-Subordinate Debt	LT	-	-	1)CARE AA-; Stable (05-Jul-21)	1)CARE AA-; Stable (07-Jul-20)	1)CARE AA-; Stable (06-Jan-20)	1)CARE AA-(CWD) (08-Jan-19) 2)CARE AA-; Stable (10-Oct-18)

Annexure-3: Detailed explanation of covenants of the rated instrument: Not available**Annexure 4: Complexity level of various instruments rated for this company**

Sr. No.	Name of the Instrument	Complexity Level
1.	Debt-Subordinate Debt	Complex

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.

Disclaimer

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