

Punjab National Bank (Revised)
September 30, 2021

Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings	Rating Action
Certificate Of Deposit	60,000	CARE A1+ (A One Plus)	Reaffirmed
Total Short-term Instruments	60,000 (Rs. Sixty thousand crore only)		
Infrastructure Bonds	5,000 (5,000)	CARE AA+; Stable (Double A Plus; Outlook: Stable)	Reaffirmed
Lower Tier II Bonds (Basel II)^	1,025 (1,025)	CARE AA+; Stable (Double A Plus; Outlook: Stable)	Reaffirmed
Lower Tier II Bonds (Basel II)#	200 (200)	CARE AA+; Stable (Double A Plus; Outlook: Stable)	Reaffirmed
Upper Tier II Bonds (Basel II)@	3,890 (7,190)	CARE AA; Stable (Double A; Outlook: Stable)	Reaffirmed
Tier II Bonds (Basel III)&	2,000 (3,000)	CARE AA+; Stable (Double A Plus; Outlook: Stable)	Reaffirmed
Tier II Bonds (Basel III)^&	1,000 (1,000)	CARE AA+; Stable (Double A Plus; Outlook: Stable)	Reaffirmed
Tier II Bonds (Basel III)^&	1,000 (1,000)	CARE AA+; Stable (Double A Plus; Outlook: Stable)	Reaffirmed
Perpetual Bonds (Basel II)@	642.50 (1,942.50)	CARE AA; Stable (Double A; Outlook: Stable)	Reaffirmed
Perpetual Bonds (Basel II)#@	300 (300)	CARE AA; Stable (Double A; Outlook: Stable)	Reaffirmed
Additional Tier I Bonds (Basel III)@@	4,500 (4,500)	CARE AA-; Stable (Double A Minus; Outlook: Stable)	Reaffirmed
Total Long Term Instruments	19,557.50 (Rs. Nineteen thousand five hundred fifty seven crore and fifty lakh only)		

#Transferred from erstwhile United Bank of India (UBI) to Punjab National Bank consequent to amalgamation into Punjab National Bank (PNB)

^Transferred from erstwhile Oriental Bank of Commerce (OBC) to Punjab National Bank consequent to amalgamation into Punjab National Bank (PNB)

Details of instruments in Annexure-1

@CARE Ratings has rated the aforesaid Upper Tier II Bonds and Perpetual Bonds one notch lower than the Lower Tier II Bonds / Tier II Bonds (Basel III compliant) in view of their increased sensitiveness to the Punjab National Banks's Capital Adequacy Ratio (CAR), capital raising ability and profitability during the long tenure of the instruments. The rating factors in the additional risk arising due to the existence of the lock in clause in hybrid instruments. Any delay in payment of interest/principal (as the case may be) following the invocation of the lock-in-clause, would constitute as an event of default as per CARE Ratings' definition

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of default and as such these instruments may exhibit a somewhat sharper migration of rating compared to conventional subordinated debt instruments.

&Tier II Bonds under Basel III are characterized by a 'Point of Non-Viability' (PONV) trigger due to which the investor may suffer a loss of principal. PONV will be determined by the Reserve Bank of India (RBI) and is a point at which the bank may no longer remain a going concern on its own unless appropriate measures are taken to revive its operations and thus, enable it to continue as a going concern. In addition, the difficulties faced by a bank should be such that these are likely to result in financial losses and raising the Common Equity Tier I capital of the bank should be considered as the most appropriate way to prevent the bank from turning non-viable.

@@: CARE Ratings has rated the aforesaid Basel III Compliant Additional Tier-I Bonds after taking into consideration its key features as mentioned below:

- *The bank has full discretion at all times to cancel coupon payments.*
- *The coupon is to be paid out of current year profits. However, if the current year's profits are not sufficient, i.e., payment of such coupon is likely to result in losses during the current year, the balance of coupon payment may be made out of revenue reserves including statutory reserves and/or credit balance in profit and loss account and excluding share premium, revaluation reserve, foreign currency translation reserve, investment reserve and reserves created on amalgamation provided the bank meets the minimum regulatory requirements for Common Equity Tier I [CET I], Tier I and Total Capital Ratios and capital buffer frameworks as prescribed by the Reserve Bank of India [RBI].*
- *The instrument may be written-down upon CET I breaching the pre-specified trigger of 5.5% before March 31, 2019, and 6.125% on and after March 31, 2019, or written-off / converted into common equity shares on occurrence of the trigger event called point of non-viability (PONV). The PONV trigger shall be determined by RBI.*

Any delay in payment of interest/principal (as the case may be) due to invocation of any of the features mentioned above would constitute as an event of default as per CARE Ratings' definition of default and as such these instruments may exhibit a somewhat sharper migration of the rating compared with other subordinated debt instruments.

Detailed Rationale & Key Rating Drivers

The ratings assigned to the various debt instruments of Punjab National Bank (PNB) factor in majority ownership, demonstrated and expected continued support from the Government of India (GoI), PNB's systemic importance and position in the Indian banking sector being the second-largest public sector bank in terms of business and asset size. The rating continues to derive strength from its strong and established franchise through pan India branch network which helps it to garner low cost and stable Current Account Savings Account (CASA) deposit base with comfortable liquidity and making the liability profile of PNB strong.

Post merger of United Bank of India (UBI) and Oriental Bank of Commerce (OBC) (w.e.f. April 01, 2020), the bank has raised equity capital which has improved the capitalisation levels of the bank enhancing its ability to absorb asset quality pressures as well as support growth in the near term.

The ratings are constrained on account of weak asset quality parameters further impacted on account of Covid-19 stress resulting in high amount of restructured portfolio, higher provisions thereby impacting its profitability and muted growth in advances.

CARE Ratings has withdrawn the rating assigned to Upper Tier II Bonds (Basel III) of Rs.3,300 crore, Tier II Bonds (Basel III) of Rs.1,000 crore and Perpetual Bonds (Basel II) of Rs.1,300 crore as these bonds have been redeemed by the bank.

Rating Sensitivities

Positive factors - Factors that could, individually or collectively, lead to positive rating action/upgrade:

- Improvement in asset quality parameters with Gross non-performing asset (NPA) reducing below 10% or Net NPA ratio of over 4% on a sustained basis.
- Improvement in capitalisation levels with significant cushion over regulatory requirement.

Negative factors: Factors that could, individually or collectively, lead to negative rating action/downgrade:

- Decline in asset quality parameters over with Gross NPA exceeding 15% or Net NPA ratio of over 6% on a sustained basis.
- Decline in profit for a sustained basis leading to deterioration in capitalisation levels over 12.5%.

Detailed description of the key rating drivers

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Key Rating Strengths***Majority ownership and support by GOI and experienced management***

GOI continues to be the majority shareholder holding 73.15% stake in merged PNB (erstwhile Oriental Bank of Commerce or OBC and erstwhile United Bank of India or UBI) as on June 30, 2021 (76.87% as on March 31, 2021).

GOI has been supporting public sector banks (PSBs) with regular capital infusions and steps to improve capitalization, operational efficiency and asset quality.

Considering the systemic importance and the dominant position of the PNB in the domestic banking system, the importance of the bank to GOI has increased and the bank is expected to receive timely and adequate capital and operational support from GOI as and when required.

Long track record of operations and position as one of the largest public sector banks in India with an established franchise and stable deposit profile

Established in 1894, PNB has a long and established operational track record of more than 12 decades and is the one of the largest nationalized banks in terms of business and outreach.

The bank has pan India geographical presence and a strong franchise with a network of 10,643 branches (10,641 domestic and 2 international) and 13,690 ATMs as on June 30, 2021 catering to a customer base of over 18 crore throughout the country.

PNB has a strong resource profile as depicted by the steady improvement of low-cost steady CASA deposits share of 45.15% (domestic) as on June 30, 2021 as against 41.34% as on April 1, 2020. Furthermore, PNB consciously reduced its dependence on bulk deposits by 62% as on June 30, 2021 as compared with April 1, 2020, whereas the retail deposits grew by 21% during the same period. The low-cost granular deposit base and the high share of CASA deposits, has resulted in lowering of cost of deposits at 4.07% for the quarter ended June 30, 2021 as against 4.92% for the quarter ended June 30, 2020 (5.17% for quarter ended March 31, 2020).

Improvement in capitalization levels

PNB has seen improvement in its capitalisation levels with equity capital infusion of Rs.3,788 crore by way of Qualified Institutional Placement (QIP) of equity shares during FY21 (refers to the period April 1 to March 31) and additional equity capital infusion of Rs.1,800 crore during Q1FY22 (refers to the period April 1 to June 30). As a result, the bank reported CAR of 15.19% (Tier I CAR: 12.47%) and Common Equity Tier I (CET I) Ratio of 11.56% as on June 30, 2021.

The current capitalisation would enable the bank to have credit growth of 8% to 10% during FY22 considering the current credit cost levels. However, more than expected deterioration in asset quality and the consequent provisioning may impact the credit growth for the year. Accordingly, timely and regular support from GOI and the bank's ability to raise capital via capital markets as well as internal accruals to maintain adequate capitalization levels would continue to be a key rating sensitivity going forward.

Key rating weaknesses***Weak asset quality parameters with high amount of restructured portfolio***

PNB's asset quality continues to remain weak with Gross NPA ratio continuing to be at elevated levels of 14.33% as on June 30, 2021 (March 31, 2021 – 14.12%) as compared with 14.11% as on June 30, 2020 (March 31, 2020 – 13.79%). The bank saw rise in slippages during FY21 largely in the corporate, MSME and agriculture segments with a slippage ratio of at 3.90%. The bank witnessed incremental slippages of Rs.10,168 crore translating into slippage ratio of 5.5% (annualised) during Q1FY22 largely on account of the second wave of Covid-19 impacting the MSME and agriculture segment. Despite higher slippages during Q1FY22 as compared with FY21, the GNPA ratio only increased marginally as on June 30, 2021, on account of significant upgradations during the quarter. The provision coverage ratio excluding TWO and Net NPA stood at 62.93% and 5.83%, respectively, as on June 30, 2021 (March 31, 2021: 63.06% and 5.72%, respectively). The Net NPA to Net Worth as on March 31, 2021 stood at 68.44%.

Higher slippages for FY21 required higher provisioning, as a result the credit cost for the bank was high at 1.60% for FY21 thereby impacting its profitability.

Furthermore, the bank had high proportion of restructured book with total restructured book under the RBI Resolution Framework 1.0 and 2.0 amounting to Rs.13,389 crore and standard restructured accounts of Rs.2,356 crore constituting 2.17% of gross advances as on June 30, 2021. Furthermore, the bank's accounts classified as SMA 2 constituted 3.67% of gross advances as on June 30, 2021. The bank has provided (sanctioned) Guaranteed Emergency Credit Line (GECL) to amounting to Rs.13,512 crore as on June 30, 2021.

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With high proportion of restructured and SMA accounts, the asset quality is likely to remain under pressure for the year with significant potential slippages from the book impacting the credit costs and ultimately profitability would be a key rating sensitivity for the bank.

Moderate profitability

During FY21, the bank reported Profit After Tax (PAT) (merged bank) of Rs.2,022 crore on total income of Rs.93,562 crore. The bank's Net Interest Margin (NIM) stood at 2.50% for the year while it reported Pre Provisions Operating Profit (PPOP) of Rs.22,980 crore for the year. Due to higher provisioning requirement on assets on account of higher slippages, the bank made provisions (excluding for income tax) of Rs.19,501 crore which constituted 1.60% of average total assets. The bank's Return on Total Assets (ROTA) for FY21 stood at 0.17% (P.Y. 0.04% (unmerged)).

PNB reported a net profit of Rs.1,023 crore for the quarter ended June 30, 2021 on total income of Rs.22,515 crore as against a net profit of Rs.308 crore for the corresponding quarter during the previous year (improvement is due to lower operating cost).

Considering the asset quality pressure, the credit costs are expected to remain high for FY22.

Muted advances growth

During FY21, the bank's advances (merged) declined by 3% at Rs.7,39,407 crore against industry credit growth of 5.6%, as the bank went slow in disbursements. The bank's corporate, agriculture book and overseas book declined while retail and MSME book increased marginally during the year.

As on March 31, 2021, corporate lending constituted 47% (PY: 49%) of total advances, while Retail constituted 18% (PY: 17%), agriculture constituted 15% (PY: 15%), MSME constituted 17% (PY: 15%) and overseas constituted 3% (PY: 3%) of advances as on March 31, 2021.

As on June 30, 2021, the gross advances book was Rs.7,26,036 crore with composition of segments remaining constant as previous year with corporate lending being the largest at around 45%, Retail and Agriculture each contributing around 18%, MSME at around 17% and overseas credit at around 2%.

Liquidity Profile: Strong

The bank's liquidity profile is supported by the bank's strong retail and CASA depositor base. The asset liability maturity (ALM) profile as on March 31, 2021, had no negative cumulative mismatches as per the ALM above in time buckets up to one year. Liquidity Coverage Ratio for the quarter ended June 30, 2021 stood at 188.47%, as against the minimum regulatory requirement of 100%. SLR for the fortnight ended June 30, 2021 was in excess of statutory requirements by 11.50%. Furthermore, the bank has access to systemic liquidity like RBI's Liquidity Adjustment Facility (LAF) and Marginal Standing Facility along with access to refinance from NHB, NABARD, etc and access to call money markets.

Analytical approach: The ratings are based on standalone profile of the bank (merged entity) and continue to factor in strong support from Government of India (GOI) which holds majority shareholding in the bank.

Applicable Criteria

[CARE's Policy on Default Recognition](#)

[Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings](#)

[Rating Methodology: Notching by factoring linkages with Government](#)

[Rating Methodology - Banks](#)

[Financial Ratios – Financial Sector](#)

[Criteria for Short Term Instruments](#)

[Criteria for Rating Basel III - Hybrid Capital Instruments issued by Banks](#)

About the Bank

Punjab National Bank Limited (PNB) is the second-largest bank in India with global business of Rs.18,45,739 crore and Total Assets of Rs.12,26,062 crore, respectively, as on March 31, 2021. Government of India (GOI) is the majority shareholder holding 73.15% stake as on June 30, 2021 (76.87% as on March 31, 2021). As on June 30, 2021, the bank had a network of 10,643 branches (10,641 domestic and 2 international) and catering to a customer base of over 18 crore throughout the country. The bank had a network of 13,690 ATMs as on June 30, 2021.

The bank has three domestic and 2 international subsidiaries as on June 30, 2021, namely, PNB Gilts Ltd (74.07% stake), PNB Investment Services Ltd (100% stake), PNB Cards and Services Ltd (100% stake), PNB (International) Ltd., UK (100% stake) and Druk PNB Bank Ltd., Bhutan (51% stake).

PNB reported a net profit of Rs.1,023 crore for the quarter ended June 30, 2021 on a total income of Rs.22,515 crore.

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Brief Financials (Rs. crore)*	FY20 (A) (Unmerged)	FY21 (A) (Merged)
Total operating income	63,074	93,562
PAT	336	2,022
Total Assets	8,05,815	12,26,062
Net NPA (%)	5.78	5.72
ROTA (%)	0.04	0.17

A: Audited;

Note: All Analytical ratios are as per CARE's calculations.

Total Assets exclude deferred tax assets and are net of revaluation reserve

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

Covenants of rated instrument: Detailed explanation of covenants of the rated instruments is given in Annexure-3

Complexity level of various instruments rated for this company: Annexure 4

Annexure I- Instrument Details

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Certificate Of Deposit	Proposed				60,000.00	CARE A1+
Tier II Bonds (Basel III)	INE160A08092	February 5, 2016	8.65%	February 5, 2026	1,500.00	CARE AA+; Stable
Tier II Bonds (Basel III)	Proposed				500.00	CARE AA+; Stable
Tier II Bonds (Basel III)^	INE141A08019	October 27, 2014	9.20%	October 27, 2024	1,000.00	CARE AA+; Stable
Tier II Bonds (Basel III)^	INE141A08035	October 26, 2015	8.34%	October 26, 2025	1,000.00	CARE AA+; Stable
Tier II Bonds (Basel III)	INE141A08043				-	Withdrawn
Infrastructure Bonds	INE160A08068	February 9, 2015	8.23%	February 9, 2025	1,000.00	CARE AA+; Stable
Infrastructure Bonds	INE160A08084	March 24, 2015	8.35%	March 24, 2025	1,800.00	CARE AA+; Stable
Infrastructure Bonds	Proposed				200.00	CARE AA+; Stable
Infrastructure Bonds	Proposed				2,000.00	CARE AA+; Stable

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Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Lower Tier II Bonds (Basel II)^	INE141A09132	November 30, 2012	8.93%	November 30, 2022	1,025.00	CARE AA+; Stable
Lower Tier II Bonds (Basel II)#	INE695A09087	December 28, 2011	9.20%	December 28, 2021	200.00	CARE AA+; Stable
Upper Tier II Bonds (Basel II)	INE160A09264				-	Withdrawn
Upper Tier II Bonds (Basel II)	INE160A09272				-	Withdrawn
Upper Tier II Bonds (Basel II)	INE160A09298				-	Withdrawn
Upper Tier II Bonds (Basel II)	INE160A09306				-	Withdrawn
Upper Tier II Bonds (Basel II)	INE160A09215				-	Withdrawn
Upper Tier II Bonds (Basel II)	Proposed				390.00	CARE AA; Stable
Upper Tier II Bonds (Basel II)	Proposed				1,000.00	CARE AA; Stable
Upper Tier II Bonds (Basel II)	INE160A09322				-	Withdrawn
Upper Tier II Bonds (Basel II)	Proposed				2,500.00	CARE AA; Stable
Upper Tier II Bonds (Basel II)	INE141A09124				-	Withdrawn
Perpetual Bonds (Basel II)	INE160A09199				-	Withdrawn
Perpetual Bonds (Basel II)	Proposed				79.50	CARE AA; Stable
Perpetual Bonds (Basel II)	INE160A09280				-	Withdrawn
Perpetual Bonds (Basel II)	INE160A09314				-	Withdrawn
Perpetual Bonds (Basel II)	Proposed				563.00	CARE AA; Stable
Perpetual Bonds (Basel II)	INE141A09116				-	Withdrawn

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Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Perpetual Bonds (Basel II)#	INE695A09095	December 05, 2012	9.27%	Perpetual; Call Option on December 05, 2022	300.00	CARE AA; Stable
Additional Tier I Bonds (Basel III)	INE160A08076	February 13, 2015	9.15%	Perpetual	1,500.00	CARE AA-; Stable
Additional Tier I Bonds (Basel III)	Proposed				3,000.00	CARE AA-; Stable

#Transferred from erstwhile United Bank of India (UBI) to Punjab National Bank consequent to amalgamation into Punjab National Bank

^Transferred from erstwhile Oriental Bank of Commerce (OBC) to Punjab National Bank consequent to amalgamation into Punjab National Bank

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	Bonds-Perpetual Bonds	LT	79.50	CARE AA; Stable	-	1)CARE AA; Stable (05-Oct-20)	1)CARE AA- (CWD) (09-Oct-19)2)CARE AA- (CWD) (11-Sep-19)	1)CARE AA-; Negative (19-Feb-19)2)CARE AA-; Negative (23-May-18)
2	Bonds-Upper Tier II	LT	390.00	CARE AA; Stable	-	1)CARE AA; Stable (05-Oct-20)	1)CARE AA- (CWD) (09-Oct-19)2)CARE AA- (CWD) (11-Sep-19)	1)CARE AA-; Negative (19-Feb-19)2)CARE AA-; Negative (23-May-18)
3	Bonds-Perpetual Bonds	LT	-	-	-	1)CARE AA; Stable (05-Oct-20)	1)CARE AA- (CWD) (09-Oct-19)2)CARE AA- (CWD) (11-Sep-19)	1)CARE AA-; Negative (19-Feb-19)2)CARE AA-; Negative (23-May-18)
4	Bonds-Upper Tier II	LT	-	-	-	-	-	1)Withdrawn (19-Feb-19)2)CARE AA-; Negative (23-May-18)

CARE Ratings Ltd.

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
5	Bonds-Upper Tier II	LT	1000.00	CARE AA; Stable	-	1)CARE AA; Stable (05-Oct-20)	1)CARE AA-(CWD) (09-Oct-19)2)CARE AA- (CWD) (11-Sep-19)	1)CARE AA-; Negative (19-Feb-19)2)CARE AA-; Negative (23-May-18)
6	Bonds-Upper Tier II	LT	2500.00	CARE AA; Stable	-	1)CARE AA; Stable (05-Oct-20)	1)CARE AA-(CWD) (09-Oct-19)2)CARE AA- (CWD) (11-Sep-19)	1)CARE AA-; Negative (19-Feb-19)2)CARE AA-; Negative (23-May-18)
7	Bonds-Upper Tier II	LT	-	-	-	1)CARE AA; Stable (05-Oct-20)	1)CARE AA-(CWD) (09-Oct-19)2)CARE AA- (CWD) (11-Sep-19)	1)CARE AA-; Negative (19-Feb-19)2)CARE AA-; Negative (23-May-18)
8	Bonds-Perpetual Bonds	LT	563.00	CARE AA; Stable	-	1)CARE AA; Stable (05-Oct-20)	1)CARE AA-(CWD) (09-Oct-19)2)CARE AA- (CWD) (11-Sep-19)	1)CARE AA-; Negative (19-Feb-19)2)CARE AA-; Negative (23-May-18)
9	Certificate Of Deposit	ST	60000.00	CARE A1+	-	1)CARE A1+ (05-Oct-20)	1)CARE A1+ (CWD) (09-Oct-19)2)CARE A1+ (CWD) (11-Sep-19)	1)CARE A1+ (19-Feb-19)2)CARE A1+ (23-May-18)
10	Bonds-Tier I Bonds	LT	1500.00	CARE AA-; Stable	-	1)CARE AA-; Stable (05-Oct-20)	1)CARE A+ (CWD) (09-Oct-19)2)CARE A+ (CWD) (11-Sep-19)	1)CARE A+; Negative (19-Feb-19)2)CARE A+; Negative (23-May-18)
11	Bonds-Infrastructure Bonds	LT	2000.00	CARE AA+; Stable	-	1)CARE AA+; Stable (05-Oct-20)	1)CARE AA (CWD) (09-Oct-19)2)CARE AA (CWD) (11-Sep-19)	1)CARE AA; Negative (19-Feb-19)2)CARE AA; Negative (23-May-18)
12	Bonds-Infrastructure Bonds	LT	3000.00	CARE AA+; Stable	-	1)CARE AA+; Stable (05-Oct-20)	1)CARE AA (CWD) (09-Oct-19)2)CARE AA (CWD) (11-Sep-19)	1)CARE AA; Negative (19-Feb-19)2)CARE AA; Negative (23-May-18)

CARE Ratings Ltd.

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
13	Bonds-Tier II Bonds	LT	2000.00	CARE AA+; Stable	-	1)CARE AA+; Stable (05-Oct-20)	1)CARE AA (CWD) (09-Oct-19)2)CARE AA (CWD) (11-Sep-19)	1)CARE AA; Negative (19-Feb-19)2)CARE AA; Negative (23-May-18)
14	Bonds-Lower Tier II	LT	200.00	CARE AA+; Stable	-	1)CARE AA+; Stable (05-Oct-20)	-	-
15	Debt-Perpetual Debt	LT	300.00	CARE AA; Stable	-	1)CARE AA; Stable (05-Oct-20)	-	-
16	Bonds-Perpetual Bonds	LT	-	-	-	1)CARE AA; Stable (05-Oct-20)	-	-
17	Bonds-Lower Tier II	LT	300.00	CARE AA+; Stable	-	1)CARE AA+; Stable (05-Oct-20)	-	-
18	Bonds-Upper Tier II	LT	-	-	-	1)CARE AA; Stable (05-Oct-20)	-	-
19	Bonds-Lower Tier II	LT	725.00	CARE AA+; Stable	-	1)CARE AA+; Stable (05-Oct-20)	-	-
20	Bonds-Tier II Bonds	LT	1000.00	CARE AA+; Stable	-	1)CARE AA+; Stable (05-Oct-20)	-	-
21	Bonds-Tier II Bonds	LT	1000.00	CARE AA+; Stable	-	1)CARE AA+; Stable (05-Oct-20)	-	-
22	Bonds-Tier II Bonds	LT	-	-	-	1)CARE AA+; Stable (05-Oct-20)	-	-
23	Bonds-Tier I Bonds	LT	3000.00	CARE AA-; Stable	-	1)CARE AA-; Stable (17-Nov-20)	-	-

* Long Term / Short Term

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Annexure -3: Detailed explanation of covenants of the rated instrument: NA
Annexure-4: Complexity level of various instruments rated for this company

Sr. No.	Name of the Instrument	Complexity Level
1.	Bonds-Lower Tier II	Complex
2.	Bonds-Perpetual Bonds	Highly Complex
3.	Bonds-Tier I Bonds	Highly Complex
4.	Bonds-Tier II Bonds	Complex
5.	Bonds-Upper Tier II	Highly Complex
6.	Bonds-Infrastructure Bonds	Simple
7.	Certificate Of Deposit	Simple

Note on complexity levels of the rated instrument: CARE Ratings 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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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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