

Central Bank of India

May 24, 2019

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Upper Tier II Bond – Series II	-	-	Withdrawn

Details of instruments/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CARE has withdrawn the rating assigned to the Upper Tier II Bond – Series II issue of Central Bank of India with immediate effect, as the company has repaid Upper Tier II Bond – Series II issue in full and there is no amount outstanding under the issue as on date.

Analytical approach: Not Applicable

Applicable Criteria

[Policy on Withdrawal of ratings](#)

About the Company

CBI was founded on December 21, 1911 by Sir Sorabjee Pochkhanawalla. CBI is one of the major players in the Indian banking system with an asset base of Rs.3,30,718 crore as on March 31, 2019. Government of India (GoI) is the major shareholder with 91.20% stake as on March 31, 2019 (March 31, 2018 – 86.40%). The bank had a network of 4,666 branches and 3,887 ATMs as on December 31, 2018. The Bank has two subsidiaries, namely, Centbank Home Finance Ltd. (64.4% ownership) and Centbank Financial Services Ltd. (100% ownership). Its Joint Venture in Zambia named Indo Zambia Bank Ltd. is promoted jointly by Government of Zambia and three Indian Banks, viz, Central Bank of India, Bank of Baroda and Bank of India. Each Indian bank is holding 20% equity and the Government of Republic of Zambia holds the balance 40% equity.

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	24,036	22,639
PAT	-5,105	-5,641
Interest coverage (times)	0.55	0.49
Total Assets	3,26,225	3,30,718
Net NPA (%)	11.10	7.73
ROTA (%)	-1.57	-1.76

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Bonds – Upper Tier II – Series II	-	-	-	-	Withdrawn

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

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 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Bonds-Lower Tier II	LT	-	-	-	-	-	-
2.	Bonds-Lower Tier II	LT	-	-	-	-	1)Withdrawn (03-Aug-17) 2)CARE A+; Negative (11-Apr-17)	1)CARE AA-; Negative (29-Dec-16) 2)CARE AA- (23-Aug-16)
3.	Bonds-Upper Tier II	LT	-	-	-	1)CARE A-; Stable (02-Jan-19)	1)CARE A-; Stable (05-Feb-18) 2)CARE A-; Negative (15-Dec-17) 3)CARE A-; Negative (11-Aug-17) 4)CARE A; Negative (03-Aug-17) 5)CARE A; Negative (11-Apr-17)	1)CARE A+; Negative (29-Dec-16) 2)CARE A+ (23-Aug-16)
4.	Bonds-Lower Tier II	LT	-	-	-	1)Withdrawn (25-May-18)	1)CARE A; Stable (05-Feb-18) 2)CARE A; Negative (15-Dec-17) 3)CARE A; Negative (11-Aug-17) 4)CARE A+; Negative (03-Aug-17) 5)CARE A+; Negative (11-Apr-17)	1)CARE AA-; Negative (29-Dec-16) 2)CARE AA- (23-Aug-16)
5.	Bonds-Upper Tier II	LT	500.00	CARE A-; Stable	-	1)CARE A-; Stable (02-Jan-19)	1)CARE A-; Stable (05-Feb-18) 2)CARE A-; Negative (15-Dec-17) 3)CARE A-; Negative (11-Aug-17) 4)CARE A; Negative (03-Aug-17) 5)CARE A;	1)CARE A+; Negative (29-Dec-16) 2)CARE A+ (23-Aug-16)

							Negative (11-Apr-17)	
6.	Bonds-Upper Tier II	LT	500.00	CARE A-; Stable	-	1)CARE A-; Stable (02-Jan-19)	1)CARE A-; Stable (05-Feb-18) 2)CARE A-; Negative (15-Dec-17) 3)CARE A-; Negative (11-Aug-17) 4)CARE A; Negative (03-Aug-17) 5)CARE A; Negative (11-Apr-17)	1)CARE A+; Negative (29-Dec-16) 2)CARE A+ (23-Aug-16)
7.	Bonds-Upper Tier II	LT	1000.00	CARE A-; Stable	-	1)CARE A-; Stable (02-Jan-19)	1)CARE A-; Stable (05-Feb-18) 2)CARE A-; Negative (15-Dec-17) 3)CARE A-; Negative (11-Aug-17) 4)CARE A; Negative (03-Aug-17) 5)CARE A; Negative (11-Apr-17)	1)CARE A+; Negative (29-Dec-16) 2)CARE A+ (23-Aug-16)

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

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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