

Jammu & Kashmir Bank Limited

March 13, 2020

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Rating Action
Lower Tier-II Bonds	-	-	Withdrawn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CARE has withdrawn the rating assigned to Lower Tier-II Bonds of Jammu and Kashmir Bank Limited with immediate effect, as the bank has repaid the aforementioned Non-Convertible Lower Tier II Bond 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

JKB, a private sector scheduled commercial bank, was incorporated on October 1, 1938, and commenced business from July 4, 1939, from its registered office at Residency Road Srinagar, Kashmir. JKB is the only state government-owned bank in the country, and the Government of J&K (GoJK) holds around 59.23% shareholding in the bank as on June 30, 2019. JKB holds a dominant position in the state of J&K constituting majority of the credit and deposits in the state. As on June 30, 2019, it operated through a network of 944 branches (86% of the branches in the state of J&K) and 1322 ATMs. While predominantly focused in J&K, the bank has spread over 20 states and one union territory. The bank remains largely rural focused with 54% of total branches (as on March 31, 2019) in rural areas, followed by 18% in metro, 17% in semi-urban and remaining 12% in urban locations.

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total Income	7,117	8,488
PAT	203	465
Total Assets	89,688	1,01,406
Net NPA (%)	4.90	4.89
ROTA (%)	0.24	0.49

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	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	INE168A08012	Dec 30, 2009	9%	Dec 30, 2019	0.00	Withdrawn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	-	-	1)CARE AA- (Under Credit watch with Negative Implications) (03-Oct-19) 2)CARE AA- (Under Credit watch with Negative Implications) (13-Aug-19)	1)CARE AA-; Negative (21-Sep-18)	1)CARE AA-; Negative (09-Oct-17)	1)CARE AA-; Negative (20-Mar-17) 2)CARE AA- (Under Credit Watch) (19-Dec-16) 3)CARE AA- (27-Oct-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.

Contact us

Media Contact

Mradul Mishra

Contact no: +91-22-6837 4424

Email ID – mradul.mishra@careratings.com

Analyst Contact

Group Head Name – Mr. Gaurav Dixit

Group Head Contact no.-011-45333235/ +91-9717070079

Group Head Email ID- gaurav.dixit@careratings.com

Relationship Contact

Name: Ms. Swati Agrawal

Contact no: +91-11-4533 3200 / +91-98117 45677

Email ID: swati.agrawal@careratings.com

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 the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. 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. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, 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. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

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