

**Punjab National Bank** (Revised)

October 05, 2020

## Ratings

Facilities	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Upper Tier II Bonds	990	CARE AA; Stable [Double A; Outlook: Stable]	Revised from CARE AA- [Double A Minus] (under credit watch with developing implications)
Upper Tier II Bonds	2000*	CARE AA; Stable [Double A; Outlook: Stable]	Revised from CARE AA- [Double A Minus] (under credit watch with developing implications)
Perpetual Bonds (Basel II)	563	CARE AA; Stable [Double A; Outlook: Stable]	Revised from CARE AA- [Double A Minus] (under credit watch with developing implications)
Perpetual Bonds (Basel II)	379.50	CARE AA; Stable [Double A; Outlook: Stable]	Revised from CARE AA- [Double A Minus] (under credit watch with developing implications)
Perpetual Bonds(Basel II)	700*	CARE AA; Stable [Double A; Outlook: Stable]	Revised from CARE AA- [Double A Minus] (under credit watch with developing implications)
Upper Tier II Bonds	1,000*	CARE AA; Stable [Double A; Outlook: Stable]	Revised from CARE AA- [Double A Minus] (under credit watch with developing implications)
Upper Tier II Bonds	3,000	CARE AA; Stable [Double A; Outlook: Stable]	Revised from CARE AA- [Double A Minus] (under credit watch with developing implications)
Basel III Compliant Tier I Bonds	1,500	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Revised from CARE A+ [Single A Plus] (under credit watch with developing implications)
Infrastructure Bonds	2,000	CARE AA+; Stable [Double A Plus; Outlook: Stable]	Revised from CARE AA [Double A ]; Under Credit Watch With Developing implications
Infrastructure Bonds	3,000	CARE AA+; Stable [Double A Plus; Outlook: Stable]	Revised from CARE AA [Double A ] ; Under Credit Watch With Developing implications
Basel III Compliant Tier II Bonds	2,000	CARE AA+; Stable [Double A Plus; Outlook: Stable]	Revised from CARE AA [Double A ]; Under Credit Watch With Developing implications
Certificate of Deposit	60,000	CARE A1+ [A one plus]	Revised from CARE A1+ [A one plus] (under credit watch with developing implications)
Lower Tier II Unsecured Subordinated Basel II compliant Bonds (Series VII tranche 1) #	200	CARE AA+; Stable [Double A Plus; Outlook: Stable]	Assigned
Perpetual Bonds Basel II compliant (Series I)#	300	CARE AA; Stable [Double A; Outlook: Stable]	Assigned
Perpetual Bonds <sup>^</sup>	300	CARE AA; Stable [Double A; Outlook: Stable]	Assigned

<sup>1</sup> Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

Lower Tier II Bonds <sup>^</sup>	300	CARE AA+; Stable [Double A Plus; Outlook: Stable]	Assigned
Upper Tier II Bonds <sup>^</sup>	200	CARE AA; Stable [Double A; Outlook: Stable]	Assigned
Lower Tier II Bonds <sup>^</sup>	725	CARE AA+; Stable [Double A Plus; Outlook: Stable]	Assigned
Basel III Compliant Tier II Bonds <sup>^</sup>	1,000	CARE AA+; Stable [Double A Plus; Outlook: Stable]	Assigned
Basel III Compliant Tier II Bonds <sup>^</sup>	1,000	CARE AA+; Stable [Double A Plus; Outlook: Stable]	Assigned
Basel III Compliant Tier II Bonds <sup>^</sup>	1,000	CARE AA+; Stable [Double A Plus; Outlook: Stable]	Assigned
<b>Total</b>	<b>82,157.50 (Rupees Eighty Two Thousand One Hundred and Fifty Seven Crore Fifty Lacs Only)</b>		

\* PNB has exercised call option for Rs.2,500 crores of Upper Tier-II Bonds and Rs.500 crores of perpetual bonds, debenture trustee certificate is awaited for withdrawal of rating on these instruments.

# Transferred from United Bank of India (UBI) with immediate effect due to amalgamation of UBI with PNB.

<sup>^</sup>Transferred from Oriental Bank of Commerce (OBC) with immediate effect due to amalgamation of OBC with PNB.

*Details of instruments/facilities in Annexure-1*

CARE has rated the aforesaid Upper Tier II Bonds and the Perpetual Bonds (under Basel II) one notch lower than the Tier II Bonds in view of their increased sensitiveness to the bank's Capital Adequacy Ratio (CAR), capital-raising ability and profitability during the long tenure of the instruments. The ratings for these hybrid instruments factor in the additional risk arising due to the existence of the lock-in clause in these instruments. Any delay in payment of interest/principal (as the case may be) following the invocation of the lock-in clause, would constitute an event of default as per CARE's definition of default and as such, these instruments may exhibit a somewhat sharper migration of the rating compared with conventional subordinated debt instruments.

*CARE has rated the aforesaid Basel III Compliant Tier-I Perpetual Bonds after taking into consideration its key features as 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, coupon payment may be paid subject to availability of*
  - i. *Profits brought forward from previous years, and/or*
  - ii. *Reserves representing appropriation of net profits, including statutory reserves, and excluding share premium, revaluation reserve, foreign currency translation reserve, investment reserve and reserves created on amalgamation.*

*The accumulated losses and deferred revenue expenditure, if any, shall be netted off from (i) and (ii) to arrive at the available balances for payment of coupon.*

- However, payment of coupons on PDIs from the reserves is subject to the issuing bank meeting minimum regulatory requirements for CET1, Tier 1 and Total Capital ratios including the additional capital requirements for Domestic Systemically Important Banks at all times and subject to the restrictions under the capital buffer frameworks
- The instrument may be written-down upon CET I breaching the pre-specified trigger of 5.5% before March 31, 2020, and 6.125% on and after March 31, 2020, or written-off on occurrence of trigger event called point of non-viability (PONV). The PONV trigger shall be determined by RBI

Any delay in the 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's definition of default and as such these instruments may exhibit a somewhat sharper migration of the rating compared with the conventional subordinated debt instruments.

#### Detailed Rationale & Key Rating Drivers

The ratings assigned to various instruments of Punjab National Bank (PNB) have been revised following the completion of amalgamation process that was announced on August 30, 2019 by Ministry of Finance (MoF), Government of India (GoI). As per the amalgamation process, PNB is acting as an anchor bank and has taken over Oriental Bank of Commerce (OBC) and United Bank of India (UBI). With the completion of amalgamation, PNB has become the second largest public sector bank in terms of asset size. Accordingly, it is expected, that in the long term, the bank will benefit from larger scale of operations, wider geographic footprint leading to higher lending capacity, potential operational and cost efficiencies.

The ratings on PNB factor in the majority ownership by the Government of India (GoI) with consistent track of capital infusion, long track record of operations with PNB holding strong market presence that has improved further post the amalgamation, healthy resource profile/deposit base and strong liquidity position. The rating strengths are however partially offset by the weak, albeit improving, asset quality profile, weak profitability and capitalization levels

#### Detailed description of the key rating drivers

##### Key Rating Strengths

##### Majority ownership by the Government of India (GoI)

PNB has a majority ownership of GoI that held 85.6% stake in the bank as on June 30, 2020 (up from 83.2% as on March 31, 2020). GoI has been supporting public sector banks (PSBs) with regular capital infusions and steps to improve capitalization, operational efficiency and asset quality of PSBs. Also, on August 30, 2019 GoI announced an upfront capital infusion of Rs.55,250 crores (out of proposed plan of Rs.70,000 crores in fiscal 2020); wherein PNB was allocated around Rs.16,091 crores. As part of its recapitalization programme for PSBs, GoI infused Rs 6,686 crore in fiscal 2019 and Rs 3571 crore fiscal 2018 in e-OBC. On the other hand, received equity infusion of Rs.4,998 crore in FY 19 and further Rs.1,666 crore in Q2FY20 from GoI in e-UBI .

In view of completion of amalgamation exercise, PNB's systemic importance and its dominant market position in the domestic banking system has further risen and hence adequate and timely capital support from GoI is expected to be forthcoming whenever needed.

##### Long track record of operations, strong market position being among the largest PSB

Established in 1894, PNB has a long and established operational track record of more than 12 decades and is one of the largest nationalised banks in terms of business and outreach. End June 2020, post the amalgamation, PNB reported total assets of Rs 12.3 lakh crore and became the second largest public sector bank in country (by total assets). The merged entity had a customer base of over 18 crore customers and global consolidated business (advances plus deposits) Rs.17.9 lakh crore as at the end of June 20 (up 2.9% Y-o-Y). For amalgamated entity the total gross loans stood at Rs 7.22 lakh crore as on June 30, 2020. Additionally the bank has 3 domestic subsidiaries and 2 international subsidiaries.

##### Strong franchise and healthy deposit base

Post the amalgamation of OBC and UBI with PNB, the pan India presence of PNB has risen substantially with a network of 10,930 domestic branches/13,856 ATMs spread across the country and with over 18 crore plus customers as on June 30, 2020. End June 2020, the amalgamated entity's deposits stood at Rs 10.75 lakh crore,

largely unchanged from last quarter although the CASA deposits increased 2.45% Q-o-Q thereby improving the CASA deposits to constitute 43.45% of total deposits, up from 42% last quarter and 40.6% end June 2019.

### Key Rating Weaknesses

#### Modest asset quality

For the amalgamated PNB, the asset quality stabilised with GNPA and NNPA ratio at 14.1% and 5.4% respectively end June 2020 as against 13.8% and 5.5% respectively as on March 31, 2020 and 15.5% and 6.9% respectively as on June 30, 2019. The merged entity's absolute GNPA stood at Rs 101,849 crore as on June 30, 2020 down 7.6% Y-o-Y driven by lower fresh additions. Slippages during the quarter ended June 20 were at Rs 1,917 crore, down 70% Y-o-Y from Rs 6,400 crore for the corresponding quarter previous year. The amount of write offs remained broadly same at around Rs 4120 crore end June 2020. The CARE adjusted provision coverage ratio stood at 65% as on June 30, 2020. As on March 31, 2020, the bank had 335 accounts amounting to Rs 51,309 crore under NCLT with total provision coverage of 91%. Post the amalgamation, the amount of loans under NCLT stood at Rs 77,763 crore with total provision coverage of 93%.

In line with the RBI's regulatory package for COVID-19, PNB had Rs 1.7 lakh crore or about a third (29%) of its book under moratorium as on June 30, 2020. Sector wise analysis shows that in case of MSME segment, 38% of MSME loans and 33% of agricultural loans are under moratorium. As per management, the overall book under moratorium is expected to be around 20% by end July 2020, though it is still higher compared to private banks. With RBI introducing one-time restructuring of MSME accounts that were standard as on March 1, 2020, there is a possibility that bank may also restructure some proportion of its MSME book. RBI also came out with a resolution framework on August 06, 2020, to address borrower stress concerns on account of Covid-19. Going forward, the ability of the bank to maintain its asset quality and reduce its credit costs especially in view of Covid-19 impact would be critical for the bank's earning profile and profitability.

#### Moderate business growth with half of book towards corporate loans

PNB's standalone business registered a modest growth in FY20 with gross advances and net advances up by 2.12% and 2.96% on Y-o-Y basis and deposit by 4.11% Y-o-Y. For the amalgamated entity, end June 30, 2020, the total gross loans stood at Rs 7.22 lakh crore, almost flat Y-o-Y, though down sequentially, of which about 18% each were towards retail loans and agriculture sector, another 17% towards MSME and the rest 47% towards corporate loans.

### Modest Profitability metrics

The results for quarter ended June 30th, 2020 onwards include operations of erstwhile OBC and UBI. The amalgamation is accounted under the 'pooling of interest' method as prescribed in AS-14 on Accounting for amalgamation to record amalgamation with effect from April 01, 2020. For the quarter ending June 30, 2020, PNB reported profit of Rs 308 crore on operating income of Rs 10436 crore as against net profit of Rs 1210 crore on operating income of Rs 9660 crore for the corresponding quarter for the last year. While the topline registered a resilient 8% Y-o-Y growth, the results were impacted by rise in operating expenses (+14.3% Y-o-Y) and higher provisioning costs (+26.2% Y-o-Y) primarily driven by amalgamation of OBC and UBI

### Adequate capitalization levels

With modest profit reported in FY20, bank's capitalization at consolidated level has slightly improved with Tier 1 and total CAR at 10.25% and 12.63% respectively end June 30, 2020 as against 9.97% and 12.32% as on 1st April 2020. However, PNB has not received any capital infusion since September 2019. To improve its capitalization, the bank is focused on credit accretive lending and the share of A & above rated entities. Although post the merger, the share of A and above rated entities has come down to 57% end June 2020 from 66% in March 2020. The RBI's move is to align risk weights of bank's exposure to NBFCs based upon latter's credit rating (as announced by RBI in its monetary policy in March 2019) has helped reduce RWA of banks including PNB. Under the revised norms, the AAA, AA and rated NBFCs will be accorded risk weights of 20%, 30% and 50% respectively as against the earlier 100%, thereby shoring up bank's capital ratios. Post the merger, the amalgamated entity's RWA constituted 74% of total advances up from 65% for standalone entity. Accordingly timely and regular support from Gol and bank's ability to raise capital via its internal accruals to maintain adequate capitalization levels will be crucial going forward

### Liquidity: Strong

Under Basel-III framework, RBI has devised Liquidity Coverage Ratio (LCR) which promotes short-term resilience of banks to potential liquidity disruptions by ensuring that they have sufficient high quality liquid assets (HQLAs) to survive an acute stress scenario lasting for 30 days. As on March 31, 2020, bank has maintained Liquidity Coverage ratio (LCR) at 182.02% at consolidated level, against the regulatory requirement 80% mandated by the Reserve Bank of India (RBI) from March 27, 2020 to September 30, 2020.

**Analytical approach:** Standalone; factoring in capital support and majority ownership of Government of India given it being a public sector bank.

### Applicable Criteria

[Criteria on assigning Outlook to Credit Ratings](#)

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

[Criteria for placing rating on credit watch](#)

[Criteria for Short term instruments](#)

[CARE's Rating Methodology for Banks](#)

[Financial Sector –Financial Ratios](#)

[Factoring Linkages in Ratings](#)

[Bank - Rating framework for Basel III instruments \(Tier I & Tier II\)](#)

### About the Company

Punjab National Bank (PNB) was incorporated under the Indian Companies Act, 1882 (Act VI of 1882) in 1894 as Punjab National Bank Limited and commenced operations on April 12, 1895 from Lahore. It is one of India's largest nationalized banks in terms of business and number of branches. On June 29, 1947 the registered office of the Bank was shifted from Lahore to New Delhi. The financial year 2019- 20 was significant in view of the announcement of amalgamation of Public sector Banks (PSBs) wherein Oriental Bank of Commerce (OBC) and United Bank of India (UBI) amalgamated with PNB with effect from April 1, 2020. With the amalgamation, PNB has grown substantially with a pan-India network of 10,910 branches and 13,797 ATMs as on June 30, 2020 and catering to a customer base of over 18 crore throughout the country. The amalgamation has led PNB to become the 2nd largest PSB in the country. Global Business of PNB has increased by 2.7% Y-O-Y to Rs.17,96,612 crore as at the end of June'20 from Rs.17,49,047 crore in June'19. The Bank continues to maintain its low cost CASA deposits with share at 43.45%. The bank has three domestic subsidiaries, namely, PNB Gilts Ltd (74.07% stake), PNB Investment Services Ltd (100% stake), PNB Insurance Broking Pvt. Ltd (81% stake). Additionally, PNB has two international subsidiaries, namely, PNB (International) Ltd., UK (100% stake) and Druk PNB Bank Ltd., Bhutan (51% stake) as on March 31, 2019.

Brief Financials (Rs. crore)	FY19 (A) #	FY20 (A)#	1 <sup>st</sup> April 2020*
Total Income	58,688	63,074	
PAT	-9,975	336	
Net Advances	4,58,249	4,71,828	6,96,848
Net NPA (%)	6.56	5.78	5.45
ROTA (%)	-ve	0.04	
Capital Adequacy Ratio (%)	9.73	14.14	12.32

A: Audited

#Standalone

\*Amalgamated entity

**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
Bonds-Perpetual Bonds	INE160A09199	January 18,2008	9.45% (First 10 Years) 9.95% (Subsequent Years)	Perpetual	300.00	CARE AA; Stable
	PROPOSED				79.50	
<b>TOTAL</b>					<b>379.50</b>	
Bonds-Upper Tier II	INE160A09215	March 27, 2008	9.45 % (First 10 Years) 9.95% (Last 5 Years)	28.03.2023	600.00	CARE AA; Stable
	PROPOSED				390.00	
<b>TOTAL</b>					<b>990.00</b>	
Bonds-Perpetual Bonds	INE160A09280*	August 28,2009	9.15% (First 10 Years) 9.65% (Subsequent Years)	Perpetual	500.00	CARE AA; Stable
	INE160A09314	November 27, 2009	9.00% (First 10 Years) 9.50% (Subsequent Years)	Perpetual	200.00	
<b>TOTAL</b>					<b>700.00</b>	
Bonds-Upper Tier II	INE160A08068	September 10, 2019	8.23%	09.02.2025	1000.00	CARE AA; Stable
Bonds-Upper Tier II	INE160A09322	May 24, 2020	8.50 % (First 10 Years) 9.00% (Last 5 Years)	24.05.2025	500.00	CARE AA; Stable
	PROPOSED				2,500.00	
<b>TOTAL</b>					<b>3,000.00</b>	
Bonds-Upper Tier II	INE160A09264*	April 21, 2009	8.80 % (First 10 Years) 9.30% (Last 5 Years)	21.04.2024	500.00	CARE AA; Stable
	INE160A09272*	June 04, 2006	8.37 % (First 10 Years) 8.87% (Last 5 Years)	04.06.2024	500.00	
	INE160A09298*	September 09, 2009	8.60 % (First 10 Years) 9.10% (Last 5 Years)	09.09.2024	500.00	
	INE160A09306	November 27, 2009	8.50 % (First 10 Years) 9.00%(Last 5 Years)	27.11.2024	500.00	
<b>TOTAL</b>					<b>2,000.00</b>	
Bonds-Perpetual Bonds	PROPOSED				563.00	CARE AA; Stable
Bonds-Tier I Bonds	INE160A08076	September 10, 2019	9.15%	Perpetual; Call option 13.02.2025	1500.00	CARE AA-; Stable
Bonds-Infrastructure Bonds	PROPOSED				2000.00	CARE AA+; Stable
Bonds-Infrastructure	INE160A08068	February 09, 2015	8.23%	09.02.2025	1,000.00	CARE AA+;

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Bonds	INE160A08084	March 24, 2015	8.35%	24.03.2025	1,800.00	Stable
	PROPOSED				200.00	
<b>TOTAL</b>					<b>3,000.00</b>	
Bonds-Tier II Bonds	INE160A08092	February 05, 2016	8.65%	05.02.2026	2000.00	CARE AA+; Stable
Bonds-Lower Tier II	INE695A09087	December 28, 2011	9.20%	28-12-2021	200.00	CARE AA+; Stable
Debt-Perpetual Debt	INE695A09095	December 05, 2012	9.27%	Perpetual; Call Option on 05-12-2022	300.00	CARE AA; Stable
Bonds-Perpetual Bonds	INE141A09116	September 17, 2010	9.05% p.a. for 10 years and 9.55% p.a. if call option not exercised	Perpetual; Call Option: 17.09.2020	300.00	CARE AA; Stable
Bonds-Upper Tier II	INE141A09124	September 20, 2010	8.68% p.a. for 10 years and 9.18% p.a. if call option not exercised	20.09.2025	200.00	CARE AA; Stable
Bonds-Lower Tier II	INE141A09132	November 30, 2012	8.93%	30-11-2022	725.00	CARE AA+; Stable
Bonds-Tier II Bonds	INE141A08019	October 27, 2014	9.20%	27.10.2024	1000.00	CARE AA+; Stable
Bonds-Tier II Bonds	INE141A08035	October 26, 2015	8.34%	26.10.2025	1000.00	CARE AA+; Stable
Bonds-Tier II Bonds	INE141A08043	June 24, 2016	9.05%	24.06.2026 Call option: 24.06.2021	1000.00	CARE AA+; Stable
Certificate Of Deposit	-	September 10, 2019	Market Determined	<=1 year	60000.00	CARE A1+

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-Perpetual Bonds	LT	379.50	CARE AA; Stable	-	1)CARE AA- (Under Credit watch with Developing Implications) (09-Oct-19) 2)CARE AA- (Under Credit watch with Developing Implications) (11-Sep-19)	1)CARE AA-; Negative (19-Feb-19) 2)CARE AA-; Negative (23-May-18)	1)CARE AA (Under Credit watch with Developing Implications) (20-Feb-18) 2)CARE AA; Stable (06-Oct-17)
2.	Bonds-Upper Tier II	LT	-	-	-	-	-	1)Withdrawn (06-Oct-17)
3.	Bonds-Perpetual Bonds	LT	-	-	-	-	-	1)Withdrawn (06-Oct-17)
4.	Bonds-Upper Tier II	LT	990.00	CARE AA; Stable	-	1)CARE AA- (Under Credit watch with Developing Implications) (09-Oct-19) 2)CARE AA- (Under Credit watch with Developing Implications) (11-Sep-19)	1)CARE AA-; Negative (19-Feb-19) 2)CARE AA-; Negative (23-May-18)	1)CARE AA (Under Credit watch with Developing Implications) (20-Feb-18) 2)CARE AA; Stable (06-Oct-17)
5.	Bonds-Perpetual Bonds	LT	700.00	CARE AA; Stable	-	1)CARE AA- (Under Credit watch with Developing Implications) (09-Oct-19) 2)CARE AA- (Under Credit watch with Developing Implications) (11-Sep-19)	1)CARE AA-; Negative (19-Feb-19) 2)CARE AA-; Negative (23-May-18)	1)CARE AA (Under Credit watch with Developing Implications) (20-Feb-18) 2)CARE AA; Stable (06-Oct-17)
6.	Bonds-Upper Tier II	LT	-	-	-	-	1)Withdrawn (19-Feb-19) 2)CARE AA-; Negative (23-May-18)	1)CARE AA (Under Credit watch with Developing Implications) (20-Feb-18) 2)CARE AA; Stable (06-Oct-17)



7.	Bonds-Upper Tier II	LT	1000.00	CARE AA; Stable	-	1)CARE AA- (Under Credit watch with Developing Implications) (09-Oct-19) 2)CARE AA- (Under Credit watch with Developing Implications) (11-Sep-19)	1)CARE AA-; Negative (19-Feb-19) 2)CARE AA-; Negative (23-May-18)	1)CARE AA (Under Credit watch with Developing Implications) (20-Feb-18) 2)CARE AA; Stable (06-Oct-17)
8.	Bonds-Upper Tier II	LT	3000.00	CARE AA; Stable	-	1)CARE AA- (Under Credit watch with Developing Implications) (09-Oct-19) 2)CARE AA- (Under Credit watch with Developing Implications) (11-Sep-19)	1)CARE AA-; Negative (19-Feb-19) 2)CARE AA-; Negative (23-May-18)	1)CARE AA (Under Credit watch with Developing Implications) (20-Feb-18) 2)CARE AA; Stable (06-Oct-17)
9.	Bonds-Upper Tier II	LT	2000.00	CARE AA; Stable	-	1)CARE AA- (Under Credit watch with Developing Implications) (09-Oct-19) 2)CARE AA- (Under Credit watch with Developing Implications) (11-Sep-19)	1)CARE AA-; Negative (19-Feb-19) 2)CARE AA-; Negative (23-May-18)	1)CARE AA (Under Credit watch with Developing Implications) (20-Feb-18) 2)CARE AA; Stable (06-Oct-17)
10.	Bonds-Perpetual Bonds	LT	563.00	CARE AA; Stable	-	1)CARE AA- (Under Credit watch with Developing Implications) (09-Oct-19) 2)CARE AA- (Under Credit watch with Developing Implications) (11-Sep-19)	1)CARE AA-; Negative (19-Feb-19) 2)CARE AA-; Negative (23-May-18)	1)CARE AA (Under Credit watch with Developing Implications) (20-Feb-18) 2)CARE AA; Stable (06-Oct-17)
11.	Certificate Of Deposit	ST	60000.00	CARE A1+	-	1)CARE A1+ (Under Credit watch with Developing Implications) (09-Oct-19) 2)CARE A1+ (Under Credit watch with Developing Implications)	1)CARE A1+ (19-Feb-19) 2)CARE A1+ (23-May-18)	1)CARE A1+ (Under Credit watch with Developing Implications) (20-Feb-18) 2)CARE A1+ (06-Oct-17)

						(11-Sep-19)		
12.	Bonds-Tier I Bonds	LT	1500.00	CARE AA-; Stable	-	1)CARE A+ (Under Credit watch with Developing Implications) (09-Oct-19) 2)CARE A+ (Under Credit watch with Developing Implications) (11-Sep-19)	1)CARE A+; Negative (19-Feb-19) 2)CARE A+; Negative (23-May-18)	1)CARE AA- (Under Credit watch with Developing Implications) (20-Feb-18) 2)CARE AA-; Stable (06-Oct-17)
13.	Bonds-Infrastructure Bonds	LT	2000.00	CARE AA+; Stable	-	1)CARE AA (Under Credit watch with Developing Implications) (09-Oct-19) 2)CARE AA (Under Credit watch with Developing Implications) (11-Sep-19)	1)CARE AA; Negative (19-Feb-19) 2)CARE AA; Negative (23-May-18)	1)CARE AA+ (Under Credit watch with Developing Implications) (20-Feb-18) 2)CARE AA+; Stable (06-Oct-17)
14.	Bonds-Infrastructure Bonds	LT	3000.00	CARE AA+; Stable	-	1)CARE AA (Under Credit watch with Developing Implications) (09-Oct-19) 2)CARE AA (Under Credit watch with Developing Implications) (11-Sep-19)	1)CARE AA; Negative (19-Feb-19) 2)CARE AA; Negative (23-May-18)	1)CARE AA+ (Under Credit watch with Developing Implications) (20-Feb-18) 2)CARE AA+; Stable (06-Oct-17)
15.	Bonds-Tier II Bonds	LT	2000.00	CARE AA+; Stable	-	1)CARE AA (Under Credit watch with Developing Implications) (09-Oct-19) 2)CARE AA (Under Credit watch with Developing Implications) (11-Sep-19)	1)CARE AA; Negative (19-Feb-19) 2)CARE AA; Negative (23-May-18)	1)CARE AA+ (Under Credit watch with Developing Implications) (20-Feb-18) 2)CARE AA+; Stable (06-Oct-17)
16.	Bonds-Lower Tier II	LT	200.00	CARE AA+; Stable	-	-	-	-
17.	Debt-Perpetual Debt	LT	300.00	CARE AA; Stable	-	-	-	-
18.	Bonds-Perpetual Bonds	LT	300.00	CARE AA; Stable	-	-	-	-
19.	Bonds-Lower Tier II	LT	300.00	CARE AA+; Stable	-	-	-	-

20.	Bonds-Upper Tier II	LT	200.00	CARE AA; Stable	-	-	-	-
21.	Bonds-Lower Tier II	LT	725.00	CARE AA+; Stable	-	-	-	-
22.	Bonds-Tier II Bonds	LT	1000.00	CARE AA+; Stable	-	-	-	-
23.	Bonds-Tier II Bonds	LT	1000.00	CARE AA+; Stable	-	-	-	-
24.	Bonds-Tier II Bonds	LT	1000.00	CARE AA+; Stable	-	-	-	-

**Annexure-3: Complexity Levels**

Sr. No.	Name of the Instrument	Complexity Level
1.	Bonds-Infrastructure Bonds	Simple
2.	Bonds-Lower Tier II	Complex
3.	Bonds-Perpetual Bonds	Complex
4.	Bonds-Perpetual Bonds	Highly Complex
5.	Bonds-Tier I Bonds	Highly Complex
6.	Bonds-Tier II Bonds	Complex
7.	Bonds-Upper Tier II	Complex
8.	Bonds-Upper Tier II	Highly Complex
9.	Certificate Of Deposit	Simple
10.	Debt-Perpetual 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](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

**Contact us**

**Media Contact**

Mradul Mishra

Contact no: +91-22-6837 4424

Email ID – [mradul.mishra@careratings.com](mailto:mradul.mishra@careratings.com)

**Analyst Contact**

Group Head Name – Mr. Gaurav Dixit

Group Head Contact no.-011-45333235

Group Head Email ID- [gaurav.dixit@careratings.com](mailto:gaurav.dixit@careratings.com)

**Relationship Contact**

Name: Ms. Swati Agrawal

Contact no: +91-11-4533 3200

Email ID: [swati.agrawal@careratings.com](mailto: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.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**