Punjab National Bank

October 09, 2019

Ratings

Facilities	**Amount (Rs. crore)**	**Rating[1]**	**Rating Action**
Upper Tier II Bonds	990	CARE AA- [Double A Minus] (under credit watch with developing implications)	Continues to be on credit watch
Upper Tier II Bonds	2000*	CARE AA- [Double A Minus] (under credit watch with developing implications)	Continues to be on credit watch
Perpetual Bonds (Basel II)	563	CARE AA- [Double A Minus] (under credit watch with developing implications)	Continues to be on credit watch
Perpetual Bonds (Basel II)	379.50	CARE AA- [Double A Minus] (under credit watch with developing implications)	Continues to be on credit watch
Perpetual Bonds(Basel II)	700*	CARE AA- [Double A Minus] (under credit watch with developing implications)	Continues to be on credit watch
Upper Tier II Bonds	1,000*	CARE AA- [Double A Minus] (under credit watch with developing implications)	Continues to be on credit watch
Upper Tier II Bonds	3,000	CARE AA- [Double A Minus] (under credit watch with developing implications)	Continues to be on credit watch
Basel III Compliant Tier I Bonds	1,500	CARE A+ [Single A Plus] (under credit watch with developing implications)	Continues to be on credit watch
Infrastructure Bonds	2,000	CARE AA [Double A] (under credit watch with developing implications)	Continues to be on credit watch
Infrastructure Bonds	3,000	CARE AA [Double A] (under credit watch with developing implications)	Continues to be on credit watch
Basel III Compliant Tier II Bonds	2,000	CARE AA [Double A] (under credit watch with developing implications)	Continues to be on credit watch
Certificate of Deposit	60,000	CARE A1+ [A one plus] (under credit watch with developing implications)	Continues to be on credit watch
Total	**77,132.50 (Rupees Seventy Seven Thousand One Hundred and Thirty Two Crore Fifty Lacs Only)**		

* 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.

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.

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

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 the various instruments of Punjab National Bank (PNB) continue to be on credit watch with developing implications following the host of announcement made by the Ministry of Finance (MoF), Government of India (GoI) on August 30, 2019 with respect to the proposed amalgamation of public sector banks, up-fronting of capital infusion earmarked for fiscal 2020 and measures to improve corporate governance standards of public sector banks.

Under the amalgamation process, PNB will act as an anchor bank and will take over Oriental Bank of Commerce **(OBC: CARE A+/CARE A*; under credit watch with developing implications)** and United Bank of India **(UBI: CARE A+/CARE A-*; under credit watch with developing implications)**. The Boards of all three banks have given in-principle approval for the amalgamation. On completion of amalgamation, PNB will be the second largest public sector bank in terms of asset size. The proposed amalgamation plan is currently undergoing various levels of approval processes. In the long term, the banks are expected to benefit from larger scale of operations leading to higher lending capacity, potential operational and cost efficiencies; however, in the short to medium term, the banks may face some operational challenges with respect to integration process.

The ratings of 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, 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 levels and capitalization levels which still remain below the minimum regulatory capital threshold, however expected to improve with ongoing amalgamation process and expectation of significant capital infusion by GOI.
*(For Upper Tier II Bonds & Perpetual Bonds)

Detailed description of the key rating drivers
Key Rating Strengths
Majority ownership by the Government of India (GoI)

Government of India (GOI) is majority shareholder of the bank holding 75.4% stake in the bank as on June 30, 2019 (increased from 62.25% as on March 31, 2018). GoI has been supporting public sector banks (PSBs) with regular capital infusions and other hosts of announcement to improve capitalization, operational efficiency and asset quality of PSBs. As part of its bank recapitalization programme GOI infused capital of Rs.14,155 crores in PNB during FY19 (Rs.5,473 crores in FY18). GoI (Ministry of Finance) has announced capital infusion of Rs 16,000 core in PNB as a part of upfront capital infusion of Rs 55,250 crores in PSBs (out of total capital infusion of Rs.70,000 crores in fiscal 2020). PNB being one of the largest PSBs in terms of its franchise and business size is likely to get continuous support from GOI.

Long track record of operations, strong market position being among the largest PSB
Established in 1894, PNB has a long and established track record of more than 125 years. PNB continues to be one of the largest nationalized banks in terms of business and outreach. The total business of PNB was over Rs.11.41 Lac crore with gross advances of Rs.4.68 Lac crore and deposits of over Rs.6.72 Lac crore as on June-19. Additionally the bank has 3 domestic subsidiaries and 2 international subsidiaries.

Strong franchise and healthy deposit base
PNB enjoys a strong franchise with a network of 7,036 domestic branches spread across the country with over 10 crore customers as on June 30, 2019. Consequently, given the large retail customer base, the resource profile of the bank remains comfortable with deposits constituting 96% of the overall borrowings of PNB as on Jun-19. The proportion of low cost savings and current deposits stood at 42.84% as on June-19 (43.51% in March 31, 2019) which also translates into lower cost of borrowings (4.89% in FY 19) for the bank.

Key Rating Weaknesses
Weak asset quality
End fiscal 2019, PNB's reported asset quality metrics improved on account of large write-offs, lower slippages coupled with moderate loan growth. For the year ending March 31, 2019, the absolute amount of fresh slippages stood at Rs 16,616 crore as against Rs 40,672 crore an year ago thereby translating into slippage ratio of 5.2% in FY19 vs 11.5% in FY18. This coupled with healthy cash recoveries of Rs.12,165 crores and significant write-offs (Rs 12,253 crore) during the period improved the reported asset quality metrics. Consequently, the bank reported GNPA% and NNPA% of 15.5% and 6.56% respectively as on March 31, 2019 as against 18.4% and 11.24% respectively as on March 31, 2018. The bank's provision coverage ratio (CARE adjusted) stood at 61.7% as on Mar-19 vs 43.8% as on Mar-18.
For the quarter ending June 30, 2019, the asset quality metrics slightly weakened mainly on denominator effect amid loan book contraction. End Q1 FY20 the bank's gross advances declined by 7.5% Q-o-Q to Rs.4.68 lac crores as on Jun-19 (Rs.5.06 lac crores as on Mar-19). As a result, PNB reported GNPA% and NNPA% of 16.5% and 7.16% respectively as on June 30, 2019. End Q1 FY 2020, PNB had Rs.42,502 crores of advances submitted under NCLT and any recoveries from these account would likely to improve bank's profitability as PNB is maintaining a high provision cover of 88.3% on these accounts.

Moderate business growth with weak financial performance in FY19; however reported profits in Q1FY20
Profitability of PNB remained stressed in FY19 as the bank continued to report losses for second year in a row. End fiscal 2019, the bank's net loss stood at Rs 9,975 crores as against Rs 12,283 crore previous fiscal. While the bank's net interest income grew by 15% Y-o-Y on account of margin expansion (NIM at 2.29% in FY19 as against 2.05% in FY18), the bank's credit costs remained elevated (3.78% in FY19 and 4.09% in FY18) has resulted in losses for the bank.

However, during Q1FY20 the bank returned to profitability with net profit of Rs1,019 crores over total income of Rs.15,162 crores. The improvement in quarterly results was largely driven by lower provisioning costs. Profitability of the bank is expected to improve going forward with expected recoveries from NCLT, and synergies derived in the medium term after expansion and consolidation post PNB's merger with OBC & UBI.

In FY19 overall business of PNB grew by modest 6.2% to Rs.11.82 lac crores as in Mar-19 registering 5.3% growth in deposits and 7.4% in gross advances. The bank witnessed significant growth of 21.7% Y-o-Y in retails advances followed by agriculture (17.8%) and corporates & others (including foreign exposure) growing by 3.7%, As on June 30, 2019, the gross advances stood at Rs4.68 lac crores down 7.5% since Mar-19. RAM (retail, agriculture and MSME) advances stood at Rs2.46 lac crores (down 4.8% Q-o-Q) accounting for 52.5% while corporates and others stood at Rs.2.22 lac crores (down 10.2% Q-o-Q) and constituted the remaining 47.5%.

Capital ratios lower than regulatory requirement including CCB; albeit improvement since Mar-18 with reduction in Risk Weighted Assets and substantial capital infusion
PNB's capitalization marginally improved in FY19 post the capital infusion by GOI and capital raising of Rs 649 crores through Employee Stock Purchase Scheme (ESPS). However the capital ratios remain stretched as the bank has reported losses in previous two fiscal years. The bank's risk weighted assets declined by 10.7% Y-o-Y. This was on account on bank increasing its exposure to higher rated portfolio. Also the moderation of NBFC risk weight as per external ratings has also helped the bank in reducing its risk weighted assets
PNB has reported CET-1, Tier-I and CAR of 6.21%, 7.49% and 9.73% respectively as on Mar-19 as against regulatory requirements of 7.375%, 8.875% and 10.875% respectively as on Mar-19 which will increase by 0.625% each by Mar-19. During Q1FY20 marginal improvement in capitalization has seen with CET-1, Tier-I and CAR of 6.35%, 7.64% and 9.77% respectively as on Jun-19. Overall PNB has shortfall of around Rs.7,000 crores in overall CAR% for meeting regulatory norms of Mar-20, however with MoF having announced capital infusion of Rs 16,000 core in PNB as a part of upfront capital infusion of Rs 55,250 crores in PSBs (out of total capital infusion of Rs.70,000 crores in fiscal 2020).

Liquidity: Strong

According to Structural Liquidity Statement as on July 08, 2019, the bank has no cumulative mismatches in any of the maturity buckets upto 3 years. During Q1FY20, the bank was maintaining daily average LCR of 121% as against regulatory requirement of 100% effective Jan 01, 2019. The main driver of LCR are High Quality Liquid Assets which includes deposits from retail and small business and have high rollover rate of around 90-95%. PNB's liquidity profile is expected to remain strong on the back of its healthy deposits profile.

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. Post nationalization in 1969, PNB has grown substantially to a bank with 6,989 branches and 9,255 ATMs as on March 31, 2019 throughout the country. Mr. Sunil Mehta, has been appointed as Managing Director and Chief Executive officer from 05th May, 2017. 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) and 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)	FY18 (A)	FY19 (A)
Total Income	56,877	58,688
PAT	-12,283	-9,975
Net Advances	4,33,735	4,58,249
Net NPA (%)	11.24	6.56
ROTA (%)	-ve	-ve
Capital Adequacy Ratio (%)	9.20	9.73

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
Bonds-Perpetual Bonds	INE160A09199	18.01.2008	9.45% (First 10 Years) 9.95% (Subsequent Years)	Perpetual	300	CARE AA- (under credit watch with developing implications)
Bonds-Perpetual Bonds	Proposed				79.5	CARE AA- (under credit watch with developing implications)
Bonds-Perpetual Bonds	**Total**				**379.50**	
Bonds-Perpetual Bonds*	INE160A09280	28.08.2009	9.15% (First 10 Years) 9.65% (Subsequent Years)	Perpetual	500	CARE AA- (under credit watch with developing implications)
Bonds-Perpetual Bonds	INE160A09314	27.11.2009	9.00% (First 10 Years) 9.50% (Subsequent Years)	Perpetual	200	CARE AA- (under credit watch with developing implications)
Bonds-Perpetual Bonds	**Total**				**700**	
Bonds-Perpetual Bonds	Proposed				563	CARE AA- (under credit watch with developing implications)
Bonds-Perpetual Bonds	**Total**				**563**	
Bonds-Upper Tier II*	INE160A09264	21.04.2009	8.80 %(First 10 Years) 9.30% (Last 5 Years)	21.04.2024	500	CARE AA- (under credit watch with developing implications)
Bonds-Upper Tier II*	INE160A09272	04.06.2009	8.37 %(First 10 Years) 8.87% (Last 5 Years)	04.06.2024	500	CARE AA- (under credit watch with developing implications)
Bonds-Upper Tier II*	INE160A09298	09.09.2009	8.60 %(First 10 Years) 9.10% (Last 5 Years)	09.09.2024	500	CARE AA- (under credit watch with developing implications)
Bonds-Upper Tier II	INE160A09306	27.11.2009	8.50 %(First 10 Years) 9.00%(Last 5 Years)	27.11.2024	500	CARE AA- (under credit watch with developing implications)
Bonds-Upper Tier II	**Total**				**2000**	
Bonds-Upper Tier II	INE160A09215	27.03.2008	9.45 % (First 10 Years) 9.95% (Last 5 Years)	28.03.2023	600	CARE AA- (under credit watch with developing implications)
Bonds-Upper Tier II	Proposed				390	
Bonds-Upper Tier II	**Total**				**990**	

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating
Bonds-Upper Tier II*	INE160A09256	18.02.2009	9.15 %(First 10 Years) 9.65% (Last 5 Years)	18.02.2024	1000	CARE AA- (under credit watch with developing implications)
Bonds-Upper Tier II	**Total**				**1000**	
Bonds-Upper Tier II	INE160A09322	24.05.2010	8.50 %(First 10 Years) 9.00% (Last 5 Years)	24.05.2025	500	CARE AA- (under credit watch with developing implications)
Bonds-Upper Tier II	Proposed				2500	
Bonds-Upper Tier II	**Total**				**3000**	
Bonds-Tier I Bonds	INE160A08076	13.02.2015	9.15%	Perpetual	1500	CARE A+ (under credit watch with developing implications)
Bonds-Tier I Bonds	**Total**				**1500**	
BASEL III -Tier II Bonds	INE160A08092	05.02.2016	8.65%	05.02.2026	2000	CARE AA [Double A] (under credit watch with developing implications)
Total	**Total**				**2000**	
Infrastructure Bonds	INE160A08068	09.02.2015	8.23%	09.02.2025	1000	CARE AA [Double A] (under credit watch with developing implications)
Infrastructure Bonds	INE160A08084	24.03.2015	8.35%	24.03.2025	1800	CARE AA [Double A] (under credit watch with developing implications)
Infrastructure Bonds	Proposed				200	
Infrastructure Bonds	**Total**				**3000**	
Infrastructure Bonds	Proposed				2000	CARE AA [Double A] (under credit watch with developing implications)
Infrastructure Bonds	**Total**				**2000**	
Certificate Of Deposit		-	**Market Determined**	**<=1 Year**	**60000**	CARE A1+ (under credit watch with developing implications)
Overall Total					**77132.50**	

* PNB has exercised call option and payment for principal and interest amount of these instruments has been done

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-Perpetual Bonds	LT	379.50	CARE AA- (Under Credit watch with Developing Implications)	1)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	1)CARE AA; Stable (13-Dec-16) 2)CARE AA (19-Jul-16)
2.	Bonds-Lower Tier II	LT	-	-	-	-	-	1)Withdrawn (19-Jul-16)
3.	Bonds-Upper Tier II	LT	-	-	-	-	1)Withdrawn (06-Oct-17)	1)CARE AA; Stable (13-Dec-16) 2)CARE AA (19-Jul-16)
4.	Bonds-Perpetual Bonds	LT	-	-	-	-	1)Withdrawn (06-Oct-17)	1)CARE AA; Stable (13-Dec-16) 2)CARE AA (19-Jul-16)
5.	Bonds-Upper Tier II	LT	990.00	CARE AA- (Under Credit watch with Developing Implications)	1)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)	1)CARE AA; Stable (13-Dec-16) 2)CARE AA (19-Jul-16)
6.	Bonds-Perpetual Bonds	LT	700.00	CARE AA- (Under Credit watch with Developing Implications)	1)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)	1)CARE AA; Stable (13-Dec-16) 2)CARE AA (19-Jul-16)
7.	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	1)CARE AA; Stable (13-Dec-16) 2)CARE AA (19-Jul-16)

							(06-Oct-17)	
8.	Bonds-Upper Tier II	LT	1000.00	CARE AA- (Under Credit watch with Developing Implications)	1)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)	1)CARE AA; Stable (13-Dec-16) 2)CARE AA (19-Jul-16)
9.	Bonds-Upper Tier II	LT	3000.00	CARE AA- (Under Credit watch with Developing Implications)	1)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)	1)CARE AA; Stable (13-Dec-16) 2)CARE AA (19-Jul-16)
10.	Bonds-Upper Tier II	LT	2000.00	CARE AA- (Under Credit watch with Developing Implications)	1)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)	1)CARE AA; Stable (13-Dec-16) 2)CARE AA (19-Jul-16)
11.	Bonds-Perpetual Bonds	LT	563.00	CARE AA- (Under Credit watch with Developing Implications)	1)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)	1)CARE AA; Stable (13-Dec-16) 2)CARE AA (19-Jul-16)
12.	Certificate Of Deposit	ST	60000.00	CARE A1+ (Under Credit watch with Developing Implications)	1)CARE A1+ (Under Credit watch with Developing Implications) (11-Sep-19)	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)	1)CARE A1+ (13-Dec-16) 2)CARE A1+ (19-Jul-16)
13.	Bonds-Tier I Bonds	LT	1500.00	CARE A+ (Under Credit watch with Developing Implications)	1)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	1)CARE AA-; Stable (13-Dec-16) 2)CARE AA- (19-Jul-16)

							(06-Oct-17)	
14.	Bonds-Infrastructure Bonds	LT	2000.00	CARE AA (Under Credit watch with Developing Implications)	1)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)	1)CARE AA+; Stable (13-Dec-16) 2)CARE AA+ (19-Jul-16)
15.	Bonds-Infrastructure Bonds	LT	3000.00	CARE AA (Under Credit watch with Developing Implications)	1)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)	1)CARE AA+; Stable (13-Dec-16) 2)CARE AA+ (19-Jul-16)
16.	Bonds-Tier II Bonds	LT	2000.00	CARE AA (Under Credit watch with Developing Implications)	1)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)	1)CARE AA+; Stable (13-Dec-16) 2)CARE AA+ (19-Jul-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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