

SCHEDULE 18

NOTES ON ACCOUNTS

1 Balancing of Books and Reconciliation

- 1.1 In certain Branches, the balancing / reconciliation of control accounts with subsidiary ledgers is in progress.
- 1.2 Initial matching of debit and credit outstanding of old entries in Inter Branch Account (IBR+DD), pertains prior to CBS System. Adjustments (including old outstanding entries) have been done up to 31.03.2021 and reconciliation is in progress.
- 1.3 Reconciliation of Drafts payable, Debit Note Receivable/ Payable, RTGS/NEFT (Suspense) etc. is in progress. Provisions have been made as per RBI norms. Reconciliation of Nostro accounts has been done as on 31.03.2021.

In the opinion of the management, the impact of the above para 1.1 to 1.3, if any, on the Profit & Loss Account and Balance Sheet though not quantifiable, will not be material.

- 1.4 In terms of Reserve Bank of India guidelines, segregation of Debit and Credit entries in Inter Branch Accounts pertaining to the period up to 30.09.2020 and remained outstanding as on 31.03.2021 has been done which has resulted in either net Debit in some heads or net credit in other heads. Provision is required to be made in respect of Net Debit Entries outstanding for period exceeding 6 months. Similar guidelines have been followed for imprest clearing Account also.

In Inter Branch Account there is net credit balance hence no provision is required to be made.

- 1.5 Credit entries outstanding in Nostro Accounts up to 31.12.2010 amounting to Rs 0.08 Crore shown in Sundry Creditors Unclaimed (Blocked) Account, Blocked Nostro Sundry Account and Blocked Unclaimed Deposit Account (New Blocked account) has been transferred to the DEAF account during Dec 2020 Quarter closing. Credit entries outstanding in Blocked Unclaimed Deposit Account (New Blocked account) for the period 01.01.2011-31.03.2011 amounting to Rs 0.04 Crore has been transferred to DEAF account during quarter ended March 2021. Further the Bank is transferring unreconciled entries pertaining to more than 10 years to DEAF account on quarterly basis.

As on 31.03.2021, un-reconciled credit entries amounting to Rs 0.52 Crore pertain to the period from 01.04.2011 to 31.03.2018 and are outstanding for more than 3 years and hence are transferred to Blocked Unclaimed Deposit Account (New Blocked Account).

2. Legal formalities are yet to be completed in respect of 2 Bank's properties having original cost of Rs 1.00 crore as on 31.03.2021 (Previous year 2 properties costing Rs.1.00 crore).

3. Capital

- 3.1 Government of India has infused Rs.5500 Crore towards preferential allotment of Equity shares. Accordingly, the bank has allotted 335,16,14,868 equity shares of Rs.10/- each fully paid up at an issue price of Rs.16.41 (including premium of Rs.6.41 per equity share).

3.2 Capital to Risk-Weighted Asset Ratio (CRAR)

(Rs. in crore)

Items		2020-21	2019-20
(i)	Common Equity Tier I capital ratio (Basel-III)	12.05%	7.59%
(ii)	Additional Tier I capital ratio (AT-I) (Basel-III)	1.93%	1.99%
(iii)	CRAR – Tier I capital ratio (Basel-III)	13.98%	9.58%
(iv)	CRAR – Tier II capital ratio (Basel-III)	3.08%	3.18%
(v)	Total Capital ratio (CRAR) (Basel-III)	17.06%	12.76%
(vi)	Percentage of the shareholding of the Government of India	97.07%	83.06%
(vii)	Amount of equity capital raised (including share premium)	5500.00	887.00
(viii)	Amount of Additional Tier I capital raised of which PNCPS: IPDI:	NIL NIL NIL	NIL NIL NIL
(ix)	Amount of Tier II capital raised of which Debt capital instrument: Preference Share Capital Instruments: [Perpetual Cumulative Preference Share (PCPS) / Redeemable Non-Cumulative Preference Shares (RNCPS) / Redeemable Cumulative Preference Shares (RCPS)]	NIL NIL NIL	737.30 NIL NIL

4. Investments

4.1 Value of Investments

(Rs. in crore)

Items		2020-21	2019-20
(1)	(i) Gross Value of Investments		
	(a) In India	32518.41	24946.38
	(b) Outside India	Nil	Nil
	(ii) Provisions for Depreciation (including provision for NPA)		
	(a) In India	495.64	387.78
	(b) Outside India	Nil	Nil
	(iii) Net Value of Investments		
(a) In India	32022.77	24558.60	
(b) Outside India	Nil	Nil	
(2)	Movement of provision held towards depreciation on Investments (Including provision for NPAs)		
	(i) Opening balance	394.28	288.39
	(ii) Add: Provisions made during the year	102.30	174.68
	(iii) Less: Write-off/ write-back of excess provisions during the year	0.94	68.79
	(iv) Closing balance	495.64	394.28

4.2 Repo / Reverse Repo Transactions (in face value terms)

4.2.1 Repo / Reverse Repo Transactions (Government Securities)

(Rs. in crore)

Particulars	Minimum Outstanding	Maximum Outstanding	Daily Average Outstanding	Balance as on 31.03.2021
Securities sold under Repos	-	441.00	201.92	-
Securities purchased under Reverse Repos	-	6700.00	2511.31	3600.00

4.2.2 Repo / Reverse Repo Transactions (Corporate Debt Securities)

Particulars	Minimum Outstanding	Maximum Outstanding	Daily Average Outstanding	Balance as on 31.03.2021
Securities sold under Repos	-	-	-	-
Securities purchased under Reverse Repos	-	-	-	-

4.3 Detail of bouncing of SGL Transfer Forms and Quantum of Penalty paid to Reserve Bank of India :

	2020-21	2019-20
i. Number of instances when the SGL transfer form bounced for want of either funds or the securities.	Nil	Nil
ii. Penalty paid to RBI on account of bouncing of SGL transfer form	Nil	Nil

4.4 Non-SLR Investments Portfolio: Issuer Composition as on 31.03.2021

(Rs. in crore)

No	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Un-rated' Securities	Extent of 'Unlisted' Securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
i.	PSUs	8615.90	8331.36	0.00	8353.55	8073.94
ii.	FIs	951.73	14.60	0.00	46.66	14.60
iii.	Banks	1525.02	0.00	0.00	24.90	0.00
iv.	Private Corporate	2049.79	238.64	549.60	286.53	614.29
v.	Subsidiaries/ Joint Ventures					
vi.	Others	49.91	49.91	37.29	49.91	49.91
vii.	Provision held towards depreciation (including NPA)	(495.64)	(229.12)	(495.64)	(258.97)	(258.18)
	Total	12696.71	8405.39	91.25	8502.58	8494.65

4.5 Movement of Non Performing Non SLR Investments

(Rs. in crore)

Particulars	2020-21	2019-20
Opening balance	468.36	382.67
Additions during the year	17.05	141.84
Reductions during the year	0.14	56.15
Closing balance	485.28	468.36
Total Provisions held	485.28	383.11

4.6 Derivatives

Bank under derivatives only deals in merchant forward contract and the value of outstanding Forward contract as on 31.03.2021 is Rs 488.89 Crores. (Previous Year Rs.427.40 Crores)

4.7 Restructured / Rescheduled / Renegotiated - Investments during the year

(Rs. in crore)

Particulars	2020-21	2019-20
Standard assets subjected to restructuring etc.	Nil	Nil

Sub-standard assets subjected to restructuring etc.	Nil	Nil
Doubtful assets subjected to restructuring etc.	Nil	Nil
Total amount of assets subjected to restructuring etc.	Nil	Nil

- 4.8** During the year ending March, 21 the Bank has shifted Govt. securities amounting to Rs. 1767.09 crore (Face value) (B.V. Rs.1724.03Cr) from “Held till Maturity (HTM)” to “Available for Sale (AFS)” category and Rs. 1643.71 crore (Face Value) (B.V. Rs. 1665.25 crore) from “Available for Sale (AFS)” to “Held till Maturity (HTM)” category. There was no MTM loss on shifting of securities from AFS to HTM.
- 4.9.1** The value of shifting/ sales from HTM category(excluding one time transfer and sale under pre-announced OMO auctions and repurchase of Government securities by Government of India) during the year does not exceed 5% of the book value of investments held in HTM category at the beginning of the year.
- 4.9.2** Gross profit (without netting of Taxes) on sale of securities under HTM categories are transferred to Capital Reserve Account.
- 4.9.3** Provisions created on account of depreciation in the ‘AFS’ or ‘HFT’ categories are found to be in excess of the required amount in any year, the excess is credited to the Profit & Loss Account and an equivalent amount is appropriated to an Investment Reserve Account.
- 4.10** During the year ended March 31, 2021, Government of India vide Gazette Notification No. F.No. 7/23/2019-BOA-I dated 10.11.2020 has infused Rs.5500 Crore towards Preferential allotment of equity share capital. Further, the bank subscribed an equivalent amount to Non-Interest bearing (Non-Transferable) Special GOI Security which was issued at par and having date of maturity from December 14, 2030 to December 14, 2035 and held under HTM category as per GOI Notification dated 11.12.2020. The aforesaid securities would not be considered as an eligible investment which the bank is required to make in Government securities in pursuance of any statutory provisions or directions applicable to the bank.

5. Asset Quality

5.1. Non-Performing Assets

		(Rs. in crore)	
Items		2020-21	2019-20
(i)	Net NPAs to Net Advances (%)	4.04	8.03
(ii)	Provisioning Coverage Ratio (PCR) (%)	82.89	66.74
(iii)	Movement of Gross NPAs		
	(a) Opening Balance	8874.57	8605.87
	(b) Additions during the year	1556.71	2908.56
	(c) Reductions during the year	1097.28	2639.86
	(d) Closing balance	9334.00	8874.57
(iv)	Movement of Net NPAs		
	(a) Opening Balance	4684.15	4994.23
	(b) Additions during the year	1244.79	2136.42
	(c) Reductions during the year	3466.99	2446.50
	(d) Closing balance	2461.95	4684.15
(v)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening Balance	4138.79	3563.60
	(b) Add: provisions made during the year	3101.96	805.68
	(c) Less: write off, write back of excess provisions	424.05	230.49
	(d) Closing balance	6816.70	4138.79

5.2 DICGC / CGTMSE/ ECGC claim eligible, lodged and re-lodged have been considered as security for provisioning on advances on the basis that such claims are valid / realizable.

5.3 Divergence in Asset Classification and Provisioning for NPAs

In compliance with the Risk Assessment Report (RAR) for the year ended 2019-20, non-performing assets as per report have duly been classified and additional provision has been made. In conformity with RBI Circular No. BR.BP.BC.NO.63/21.04.018/2016-17 dated 18th April 2017 & DBR.BP.BC.No.32/21.04.018/2018-19 dated April 1, 2019 and SEBI Circular No. CIR/CFD/CMD/80/2017 dated July 18, 2017, the required disclosure is detailed below-

S. No	Particulars	Amount (Rs. in crores)
1.	Gross NPAs as on March 31, 2020* as reported by the bank	8874.57
2.	Gross NPAs as on March 31, 2020 as assessed by RBI	8874.57
3.	Divergence in Gross NPAs (2-1)	Nil
4.	Net NPAs as on March 31, 2020 as reported by the bank	4684.15
5.	Net NPAs as on March 31, 2020 as assessed by RBI	4595.15
6.	Divergence in Net NPAs (5-4)	(89.00)
7.	Provisions for NPAs as on March 31, 2020 as reported by the bank	4138.80
8.	Provisions for NPAs as on March 31, 2020 as assessed by RBI	4227.80
9.	Divergence in provisioning (8-7)	89.00
10.	Reported Net Profit after Tax (PAT) for the year ended March 31, 2020	(990.80)
11.	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2020 after taking into account the divergence in provisioning	(1079.80)

* March 31, 2020 is the close of the reference period in respect of which divergences were assessed.

5.4 Details of Accounts Restructured

PUNJAB & SIND BANK																						
STATEMENT OF DISCLOSURE OF RESTRUCTURED ACCOUNTS AS ON 31.03.2021																						
Sl. No.	Type of Restructuring →		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					TOTAL				
	Asset Classification →		Std.	Sub-Std.	Double-ful	Loss	Total	Std.	Sub-Std.	Double-ful	Loss	Total	Std.	Sub-Std.	Double-ful	Loss	Total	Std.	Sub-Std.	Double-ful	Loss	Total
	Details ↓																					
1	Restructured Accounts as on April 1 of the FY (Opening figures)*	No.of Borrower	-	-	-	-	-	3,985	125	5	-	4,115	111	9	2	-	122	4,096	134	7	-	4,237
		Amt.O/s	-	-	-	-	-	226.43	15.60	0.13	-	242.16	279.35	0.35	61.26	-	340.96	505.78	15.95	61.39	-	583.12
		Prov. thereon	-	-	-	-	-	19.86	2.36	0.04	-	22.26	18.92	0.06	24.50	-	43.48	38.78	2.42	24.54	-	65.74
2	Fresh Restructuring during the year #	No.of Borrower	-	-	-	-	-	4,419	289	16	1	4,725	5,237	1,126	22	2	6,387	9,656	1,415	38	3	11,112
		Amt.O/s	-	-	-	-	-	393.73	47.22	3.57	0.01	444.53	794.44	116.10	1.08	0.02	911.64	1,188.17	163.32	4.65	0.03	1,356.17
		Prov. thereon	-	-	-	-	-	30.92	8.58	1.51	0.01	41.02	100.17	23.66	0.50	0.02	124.35	131.09	32.24	2.01	0.03	165.37
3	Upgradations to restructured Std. Category during the FY	No.of Borrower	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amt.O/s	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Prov. thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured Std. Adv. which cease to attract higher prov. And/or additional risk weight at the end of the FY and hence need not be shown as restructured Std. Advances at the beginning of the next FY	No.of Borrower	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amt.O/s	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Prov. thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Down-gradations of restructured accounts during the FY	No.of Borrower(-)	-	-	-	-	-	-	476	106	2	584	-	26	-	1	27	-	502	106	3	611
		Amt.O/s (-)	-	-	-	-	-	-	35.98	9.83	0.02	45.83	-	4.05	-	0.02	4.07	-	40.03	9.83	0.04	49.90
		Prov. Thereon (-)	-	-	-	-	-	-	6.66	3.17	0.02	9.85	-	0.98	-	0.02	1	-	7.64	3.17	0.04	10.85
6	Write-offs of Restructured accounts during the FY	No.of Borrower	-	-	-	-	-	1,075	156	2	1	1,234	26	-	-	-	26	1,101	156	2	1	1,260
		Amt.O/s (-)	-	-	-	-	-	63.25	17.21	0.01	0.01	80.48	35.91	-	31.74	-	67.65	99.16	17.21	31.75	0.01	148.13
		Prov. thereon	-	-	-	-	-	5.37	2.72	0.01	0.01	8.11	2.85	-	4.70	-	1.85	8.22	2.72	4.69	0.01	6.26
7	Restructured accounts as on Mar. 31 of the FY (Closing figures*)	No.of Borrower	-	-	-	-	-	7,329	734	125	2	8,190	5,322	1,161	24	3	6,510	12,651	1,895	149	5	14,700
		Amt.O/s	-	-	-	-	-	556.91	81.59	13.52	0.02	652.04	1,037.88	120.50	30.60	0.04	1,189.02	1,594.79	202.09	44.12	0.06	1841.06
		Prov. thereon	-	-	-	-	-	45.41	14.58	4.71	0.02	65.02	116.24	24.70	29.70	0.04	170.68	161.65	39.58	34.41	0.06	235.70

*/ Excluding the figures of Standard Restructured Advances which do not attract higher Provisioning or Risk Weight (if Applicable)

5.5 Application of Flexible Structuring to Existing Loans

(Rs. in Crore)

Period	No. of Borrowers taken up for flexibly structuring	Amount of loans taken up for flexible structuring		Exposure weighted average duration of loans taken up for flexible structuring	
		Classified as Standard	Classified as NPA	Before applying flexile structuring	After applying flexible structuring
Previous Financial Year (2019-20)	-	-	-	-	-
Current Financial Year (2020-21)	-	-	-	-	-

5.6 Strategic Debt Restructuring Scheme (accounts which are currently under the stand-still period)

(Rs. in Crore)

No. of accounts where SDR has been invoked	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity has taken place	
	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA
	Nil	Nil	Nil	Nil	Nil	Nil

5.7 Change in Ownership outside SDR Scheme

(Rs. in Crore)

No. of accounts where banks have decided to effect change in ownership	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares has taken place		Amount outstanding as on the reporting date with respect to accounts where change in ownership is envisaged by issuance of fresh shares or sale of promoters equity	
	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA
	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

5.8 Scheme for Sustainable Structuring of Stressed Assets (S4A).

(Rs. in Crore)

No. of accounts where S4A has been applied	Aggregate amount outstanding	Amount outstanding		Provision held
		In Part A	In Part B	
Classified as Standard –	Nil	Nil	Nil	Nil
Classified as NPA	Nil	Nil	Nil	Nil

5.9 Details of Financial Assets sold to Securitization / Reconstruction Companies for Asset Reconstruction**A. Details of Sales**

(Rs. in crore)

Item		2020-21	2019-20
(i)	Number of Accounts	Nil	1
(ii)	Aggregate Value (net of provisions) of accounts sold to SC/RC	Nil	0
(iii)	Aggregate consideration	Nil	66.62
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
(v)	Aggregate gain/ loss over net book value	Nil	66.62

B. Details of Book Value of Investments in Security Receipts

(Rs. in crore)

Item		2020-21	2019-20
(i)	Backed by NPAs sold by the bank as underlying	37.30	37.62
(ii)	Backed by NPAs sold by other banks / financial institutions / non banking financial companies as underlying	-	-
	Total	37.30	37.62

5.10 Details of non-performing financial assets purchased / sold:**A. Details of non-performing financial assets purchased:**

(Rs. in crore)

Particulars			2020-21	2019-20
1.	(a)	No. of accounts purchased during the year	Nil	Nil
	(b)	Aggregate outstanding	Nil	Nil
2.	(a)	Of these, number of accounts restructured during the year	Nil	Nil
	(b)	Aggregate outstanding	Nil	Nil

B. Details of non-performing financial assets sold:

(Rs. in crore)

Particulars		2020-21	2019-20
1.	No. of accounts sold	Nil	01
2.	Aggregate outstanding	Nil	122.32
3.	Aggregate consideration received	Nil	66.62

5.11 Provisions on Standard Assets

(Rs. in crore)

Item	2020-21	2019-20
Provisions towards Standard Assets	1594.32	309.96
Provision for Diminution in FV Restructured Standard Advances	52.77	13.49

5.12 Provisioning pertaining to Fraud Accounts

(Rs. in crore)					
Year	No of Frauds Reported	Amount Involved	Provision made	Unamortized Amount	Unamortized Amount As on Date
2020-21	144	3825.86	3804.08*	Nil	Nil
2019-20	67	397.28	380.09	17.19	17.19
2018-19	41	412.27	412.27	Nil	Nil
2017-18	23	136.60	136.28	Nil	Nil

*

- (i) The amount is after deducting recoveries of Rs. 38.97 Crores in fraud amount.
- (ii) Unamortized amount of Rs. 17.19 Crores of financial year 2019-20 has been provided during the year.
- (iii) This amount includes Rs. 2667.09 Crores provision / write off already provided upto 31st March 2020.

During the FY 2020-21, bank has fully provided for frauds declared up to 31st March 2021.

5.13.1 As per RBI Circular No.DBR.BP.BC.18/21.04.048/2018-19 dated 1st January 2019 and extended guidelines for the same vide RBI Circular No. DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020 and again extended guidelines for the same vide RBI Notification No. DOR.No.BP.BC.4/21.04.048/2020-21 dated August 6, 2020 on “One time MSME restructuring”, the details of MSME restructured accounts as on 31st March, 2021 are as under

No. of Accounts Restructured	Amount (Rs. in crore)
8251	604.79

5.13.2 In terms of Hon`ble Supreme Court order and necessary guidelines issued by Reserve Bank of India (RBI), the Bank has kept Delhi Airport Metro Express Private Limited (DAMEPL) as standard account. Position as on 31.03.2021 is as under:

(Rs. in crore)		
Amount not treated as per NPA as per IRAC norms	Provisions required to be made as per IRAC norms	Provisions actually held
161.45	40.36	87.06

5.13.3 The Bank is carrying a provision of Rs.10.97 Crore as at 31st March, 2021 being 5% of outstanding food credit availed by the State Government of Punjab as per the RBI letter No. DBR (BP) No! 7201! 21.04.132 /2017 - 18 dated 08.02.2018 issued to SBI the lead bank.

5.13.4 Bank has reported 70 borrowal accounts under borrower fraud category amounting to Rs 3824.83 Crores (including investment of Rs.205.00 Crores) to Reserve Bank of India during the year ended 31st March,2021. The bank is holding provision of Rs.3803.04 Crores (including provision of Rs 2667.09 Crores held as on 31st March 2020) as at March 31, 2021 after adjustment of recoveries of Rs.38.97 Crores and unamortized portion of Rs.17.19 Crores pertaining to year 2019-20.

6 Business Ratios

Items		2020-21	2019-20
(i)	Interest Income as a percentage to average working funds	6.52%	7.25%
(ii)	Non-Interest Income as a percentage to average working funds	0.84%	0.82%
(iii)	Operating Profit as a percentage to average working funds	0.72%	1.00%
(iv)	Return on Assets	(-)2.55%	(-) 0.91%
(v)	Business [Deposits plus Advances] per employee (Rs. in crore)	18.49	16.98
(vi)	Profit per employee (Rs. in lacs)	(-)30.94	(-) 11.14

7. Asset Liability Management

Maturity Pattern of Assets and Liabilities as on 31.03.2021:

(Rs. in crore)

Maturity Pattern (Time Buckets)	Deposits	Loans & Advances	Investments	Borrowings	Foreign Currency	
					Liabilities	Assets
1 day	474.31	2725.77	0.00	0.00	15.20	141.81
2 – 7 days	3204.80	691.09	89.02	0.00	0.74	17.40
8 – 14 days	879.02	563.67	225.90	0.00	3.06	38.81
15 - 30 days	2222.26	1426.93	0.00	0.00	8.37	52.53
31 days to 2 months	6915.01	895.62	10.72	0.00	15.23	61.12
Over 2 months & up to 3 months	6484.38	862.06	514.62	0.00	13.48	65.00
Over 3 months & up to 6 months	11334.87	3285.18	930.44	13.59	29.36	73.93
Over 6 months & up to 1 year	26082.26	2324.11	1853.21	327.18	64.29	9.36
Over 1 year & up to 3 years	16940.38	9900.44	5006.82	65.48	64.31	16.16
Over 3 years & up to 5 years	11069.62	9886.11	4436.95	0.00	13.60	97.75
Over 5 years	10501.25	28380.72	18955.09	2237.30	0.00	0.00
Total	96108.18	60941.70	32022.77	2643.55	227.64	573.86

8. Exposures:

8.1 Exposure to Real Estate Sector

(Rs. in crore)

Category		31.03.2021	31.03.2020
1)	Direct Exposure		
(a)	Residential Mortgages		
i.	Lending fully secured by mortgages of residential property that is or will be occupied by the borrower or that is rented	7084.69	6575.30
ii.	Individual housing loans eligible for inclusion in priority sector advances	4542.00	4536.96
(b)	Commercial Real Estate		

		Lending secured by mortgages of commercial real estates (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc) Exposure would also include non fund based (NFB) limits;	1833.36	2054.98
	(c)	Investments in Mortgage Backed Securities (MBS) and other securitized exposures	Nil	Nil
	a.	Residential	Nil	Nil
	b.	Commercial Real Estate	Nil	Nil
2)	Indirect Exposure [Fund based and Non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)]		3209.37*	4647.32*
Total Exposure to Real Estate Sector			12127.42	13277.60

* includes Rs 1040.67 crore (Previous year Rs. 1256.55 crore) by way of Investment in NHB & Housing Finance Companies.

8.2 Exposure to Capital Market

(Rs. in crore)

Items		31.03.2021	31.03.2020
1.	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	342.20	352.25
2.	Advances against shares/ bonds/ debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	Nil	Nil
3.	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	Nil	Nil
4.	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds/ convertible debentures/ units of equity oriented mutual funds does not fully cover the advances;	Nil	Nil
5.	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	7.35	8.60
6.	Loans sanctioned to corporates against the security of shares/ bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	Nil	Nil
7.	Bridge loans to companies against expected equity flows/ issues;	Nil	Nil
8.	Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	Nil	Nil
9.	Financing to stockbrokers for margin trading;	Nil	Nil
10.	All exposures to Venture Capital Funds (both registered and unregistered)	12.61	4.38
Total Exposure to Capital Market		362.16	365.23

8.3 Risk Category wise Country Exposure

The net country-wise funded exposure of the Bank in respect of Foreign Exchange Transactions in respect of each country is within 1% of the total assets of the Bank. Hence, no provision is required as per RBI guidelines.

8.4 Details of Single Borrower Limit (SGL), Group Borrower Limit (GBL) exceeded by the Bank

During the year 2020-21, the Bank has exceeded the LEF limits set by RBI to single borrower/ group borrower in the following cases:-

(Rs. in crore)

S. No.	Name of the Borrower	Maximum Limit during the year	Limit of Exposure as per LEF(%)	Limit / Liability as on 31.03.2021	Exposure (%) w.r.t. Tier-1 Capital as on 31.03.2020
1.	Nil	Nil	Nil	Nil	Nil

8.5 Unsecured Advances against Intangible Collaterals

(Rs. in crore)

Particulars	As on 31.03.2021	As on 31.03.2020
Total Advances against intangible securities such as charge over the rights, licenses, authority etc.	481.30	520.49
Estimated Value of intangible collateral such as charge over the rights, licenses, authority etc.	477.29	520.49

8.6 Inter-Bank-Participation Certificate (IBPC)

In terms of RBI Guidelines DBOD No. BP.BC.57/62-88 dated December 31,1988, Inter- Bank- Participation Certificate (IBPC) of Rs. 0.00 Crore has been issued on risk sharing basis for maximum period of NIL days. Thereby reducing the Bank,s Total advances as on 31.03.2021 to the same extent.

9.1 Disclosure of penalties imposed by Reserve Bank of India

(Rs. in crore)

Particulars	2020-21	2019-20
A. Penalty imposed by RBI on Bank during the year	0.00	3.87
B. Strictures or Directions by RBI on the basis of adverse findings	NIL	NIL

9.2 Disclosure of Fees/ Remuneration Received in respect of Bancassurance Business

(Rs. in crore)

	2020-21	2019-20
A. Fee/ Remuneration from Life Insurance Business	9.20	5.15
B. Fee/ Remuneration from General Insurance Business	2.67	NIL
C. Commission on APY	1.33	0.89

10 Disclosure as per Accounting Standard (AS)

10.1 AS-5 Net Profit or Loss for the period, prior period items and changes in accounting policies

10.1.1 There are no material prior period items included in Profit & Loss Account required to be disclosed as per AS-5 read with RBI guidelines except those disclosed elsewhere in the notes.

10.2 Pursuant to Accounting Standard – 10, (Revised 2016) on Property Plant & Equipment, applicable from 1st April 2017, depreciation of Rs.5.68 crore for the year on revalued portion of fixed assets has been transferred from Revaluation Reserve to Revenue Reserve during the current year instead of crediting to Profit and Loss Account resulting decrease in profit by Rs.5.68 crore.

10.3 AS-9 Revenue Recognition

Certain items of income are recognized on realization basis as disclosed at point no. 8 – “Revenue Recognition” of **Schedule 17 – Significant Accounting Policies**. However, in terms of RBI guidelines, the said income is not considered to be material.

10.4 AS 15 - Employees Benefit

10.4.1 Provisions for Pension, Gratuity, Leave Encashment and Other long term benefits have been made in accordance with the Revised Accounting Standard (AS - 15) issued by the ICAI.

10.4.2 The summarized position of post employment benefits recognized in the Profit & Loss A/c and Balance Sheet is as under:

10.4.3 Changes in the Present value of the Obligation

(Rs. in crore)

Particulars	Pension (Funded)		Gratuity (Funded)		Leave Encashment (funded)	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Present Value of defined benefit obligation as at 1st April	3629.86	3406.85	278.57	269.15	186.59	148.59
Interest cost	216.20	205.39	17.73	15.81	12.04	8.92
Past Service Cost	0	0	0	0	0	0
Current service cost	167.10	165.89	30.76	14.11	16.69	16.36
Benefits paid	(385.24)	(355.05)	(46.23)	(65.00)	(26.25)	(30.01)
Actuarial loss/ (gain) on obligations	571.51	206.78	44.13	44.50	38.20	42.73
Present value of defined Benefit obligation at 31st March	4199.43	3629.86	324.96	278.57	227.27	186.59

10.4.4 Changes in the Present Value of Plan Assets

(Rs. in crore)

Particulars	Pension (Funded)		Gratuity (Funded)		Leave Encashment (funded)	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Fair value of Plan Assets as at 1st April	3603.70	3384.52	275.19	292.95	145.20	149.24
Expected return of Plan Assets	295.86	292.76	21.90	24.14	10.53	14.11
Contributions	436.27	244.24	60.34	18.00	85.55	12.00
Benefits paid	385.24	(355.05)	(46.23)	(65.00)	(26.25)	(30.01)
Actuarial gain/(loss)	1.79	37.23	1.98	5.10	4.35	(0.14)
Fair value of Plan Assets as at 31st March	3952.38	3603.70	313.18	275.19	219.38	145.20
Actual return on Plan Assets	297.65	329.99	23.88	29.24	14.88	13.97

10.4.5 Net Actuarial Loss/ (Gain)

(Rs. in crore)

Particulars	Pension (Funded)		Gratuity (Funded)		Leave Encashment (Funded)	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Actuarial loss/(gain) on Obligation. (A)	571.51	206.78	44.13	44.50	38.20	42.73
Actuarial loss/(gain) on Plan Assets (B)	(1.79)	(37.23)	(1.98)	(5.10)	(4.35)	0.14
Net Actuarial loss/(gain)	569.72	169.55	42.15	39.40	33.85	42.87
Actuarial loss/(gain) recognized in the period	569.72	169.55	42.15	39.40	33.85	42.87
Unrecognized actuarial loss/ (Gain) at the end of the year	NIL	NIL	NIL	NIL	NIL	NIL

10.4.6 Amount recognized in the Balance Sheet

(Rs. in crore)

Particulars	Pension (Funded)		Gratuity (Funded)		Leave Encashment (funded)	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Present value of defined benefit obligation as at 31st March	4199.43	3629.86	324.96	278.57	227.27	186.59
Less: Fair value of Plan Assets as at 31st March	3952.38	3603.70	313.18	275.19	219.38	145.20
Unfunded net Asset / (Liability) Recognized in the balance sheet	(247.05)	(26.16)	(11.78)	(3.38)	(7.89)	(41.39)
Higher Provisioning kept	NIL	Nil	Nil	Nil	Nil	Nil
Transitional liability recognized during the year	---	---	---	---	---	---
Unrecognized transitional liability	---	---	---	---	---	---
Unfunded net Asset / (Liability) Recognized in the balance sheet	(247.05)	(26.16)	(11.78)	(3.38)	(7.89)	(41.39)

10.4.7 Expenses recognized in the Profit & Loss Account

(Rs. in crore)

Particulars	Pension (Funded)		Gratuity (Funded)		Leave Encashment (Funded)	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Current service cost	167.10	165.89	30.76	14.11	16.69	16.36
Past Service Cost	--	--	--	--	--	--
Interest cost	216.20	205.39	17.73	15.81	12.04	8.92
Expected return on plan assets	(295.86)	(292.76)	(21.90)	(24.14)	(10.53)	(14.11)
Net Actuarial (gain)/ loss recognized during the year	569.72	169.55	42.15	39.40	33.85	42.87
Net (benefit)/ expense	657.16	248.07	68.74	45.18	52.05	54.04

10.4.8 Movements in the liability recognized in the Balance Sheet

(Rs. in crore)

Particulars	Pension (Funded)		Gratuity (Funded)		Leave Encashment (Funded)	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Opening net Liability/(Asset)	26.16	22.33	3.38	(23.80)	41.39	(0.65)
Net benefit expense	657.16	248.07	68.74	45.18	52.05	54.04
Less: Contribution paid	436.27	244.24	60.34	18.00	85.55	12.00
Closing liability/(Asset)	247.05	26.16	11.78	3.38	7.89	41.39
Add: Higher Provisioning Kept	Nil	Nil	Nil	Nil	Nil	Nil
Closing liability/(Asset)	247.05	26.16	11.78	3.38	7.89	41.39

10.4.9 Investment percentage maintained by the trust

(in %age)

Particulars	Pension (Funded)		Gratuity (Funded)		Leave Encashment (Funded)	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Central Government Securities	10.40	11.36	--	---	Nil	Nil
State Government Securities	23.95	32.55	22.77	24.34	Nil	Nil
High Safety Bonds/TDRs	23.15	32.61	31.20	36.96	100.00	100.00
Other investments	42.50	23.48	46.03	38.70	Nil	Nil

10.4.10 Principal Actuarial assumptions at the Balance Sheet date

(in %age)

Particulars	Pension (Funded)		Gratuity (Funded)		Leave Encashment (funded)	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Discount rate	6.29	6.36	6.94	6.68	6.94	6.68
Expected rate of return on plan assets	8.21	8.65	7.96	8.24	7.25	9.46
Rate of escalation in salary	5.00	5.00	5.00	5.00	5.00	5.00
Attrition rate	1.00	1.00	1.00	1.00	1.00	1.00
Method used	PUC	PUC	PUC	PUC	PUC	PUC

10.4.11 Basis of Actuarial Assumptions considered

Particulars	Basis of assumption
Discount rate	Discount rate has been determined by reference to market yield on the balance sheet date on Government Bonds of term consistent with estimated term of the obligation.
Expected rate of return on plan assets	The expected return on Plan assets is based on market expectation, at the beginning of the period, for returns over the entire life of the related obligation.
Rate of escalation in salary	The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion, and other relevant factor, such as supply and demand in employee market.
Attrition rate	Attrition rate has been determined by reference to past and expected future experience and includes all type of withdrawals other than death but including those due to disability.

10.4.12 Other long term employee benefit (Non funded)

(Rs. in crore)

Particulars	LTC/LFC Encashment *		Silver jubilee Bonus		Medical Benefits *		Retirement Gifts	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Present Value of Obligation	6.37	6.28	1.26	1.22	0.76	0.598	1.39	1.45
Transitional Liability	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Transitional liability recognized during the year	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Unrecognized transitional liability	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Higher Provisioning kept	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Liability recognized in the Balance Sheet	6.37	6.28	1.26	1.22	0.76	0.598	1.39	1.45

* As assessed by the management

10.5 AS 17 – Segment Reporting:

Part A : Business Segment:

(Rs. in Lacs)

Particulars	Year ended	
	31.03.21 (Audited)	31.03.20 (Audited)
1. Segment Revenue		
a) Treasury	228877	239532
b) Corporate/ Wholesale Banking	328231	403037
c) Retail Banking	229262	239519
d) Other Banking Operations	1302	604
Total	787672	882692
2. Segment Result		
a) Treasury	96227	72770
b) Corporate/ Wholesale Banking	28456	53713
c) Retail Banking	19876	31921
d) Other Banking Operations	1302	604
Total	145861	159008
3. Unallocated Expenses	68739	49317
4. Operating Profit	77122	109691
5. Provisions & Contingencies	417545	261928
6. Income Tax	-67133	-53157
7. Extra Ordinary Profit/ Loss	0	0
8. Net Profit	-273290	-99080
Other Information:		

9. Segment Assets		
a) Treasury	3251517	2500578
b) Corporate/ Wholesale Banking	4430960	4593134
c) Retail Banking	3094929	2729632
d) Other Banking Operations	0	0
e) Unallocated Assets	270783	227037
Total Assets	11048189	10050381
10. Segment Liabilities		
a) Treasury	3077443	2415041
b) Corporate/ Wholesale Banking	4193743	4436017
c) Retail Banking	2929238	2636260
d) Other Banking Operations	0	0
e) Unallocated Liabilities	11464	3424
Total Liabilities	10211888	9490742

Note: For the purpose of segment reporting in terms of AS-17 of ICAI and as prescribed in RBI guidelines, the business of the Bank has been classified into four segments i.e. a) Treasury Operations, b) Corporate/Wholesale Banking, c) Retail Banking and d) Other Banking Operations.

Segmental Revenue, Results, Assets & Liabilities in respect of Corporate / Wholesale and Retail Banking segment have been bifurcated on the basis of exposure to these segments.

Part B : Geographical Segment:

Since the Bank does not have any overseas branch, reporting under Geographic Segment is not applicable.

10.6 AS 18 – Related Party Disclosures

Key Managerial Personnel:

(i)	Mr. S. Krishnan	Managing Director & CEO w.e.f. 04.09.2020
(ii)	Mr. Kollegal V Raghvendra	Executive Director w.e.f. 10.03.2021
(iii)	Mr. Ajit Kumar Das	Executive Director w.e.f. 01.04.2020 upto 31.03.2021
(iv)	Mr. S. Harisankar	Managing Director & CEO w.e.f. 20.09.2018 upto 03.09.2020
(v)	Mr. Fareed Ahmed	Executive Director w.e.f. 17.02.2017 upto 31.07.2020
(vi)	Mr. Govind N. Dongre	Executive Director w.e.f. 10.10.2017 upto 31.3.2020

a) Remuneration Paid to Key management personnel :

(Rs. in lacs)

Name and Designation	2020-21	2019-20
Mr. S. Krishnan, Managing Director & CEO	16.58	-
Mr. Kollegal V Raghvendra, Executive Director	1.47	-
Mr. Ajit Kumar Das, Executive Director	26.15	-
Mr. S. Harisankar,	12.78	29.37

Mr. Fareed Ahmed	9.12	26.42
Mr. Govind N. Dongre	-	26.04

b) Loans granted to Key Managerial Personnel & their relatives:

Particulars	As on 31.03.2021	As on 31.03.2020
Loans outstanding	NIL	NIL

10.7 AS 20 - Earning Per Share

Particulars	(Rs. in crore)	
	2020-21	2019-20
Net Profit After tax available for equity Shareholders	-2732.90	-990.80
Weighted Average Number of Equity Shares in crore	76.53	62.89
Basic and Diluted Earnings per Share (Rs.)	-35.71	-15.76
Nominal Value per Share (Rs.)	10.00	10.00

10.8 AS 21 – Consolidated Financial Statement

The Bank does not have any subsidiary/associate and as such AS 21 is not applicable.

10.9 AS 22 – Accounting for Taxes on Income

10.9.1 The Bank has accounted for Income Tax in compliance with Accounting Standard-22 ‘Accounting for taxes on Income’ issued by ICAI.

10.9.2 Major components of deferred tax assets/liabilities are as under:

Head	(Rupees in crore)			
	Deferred Tax Assets		Deferred Tax Liabilities	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
1 Depreciation on Fixed Assets		-	19.43	21.89
2 Provision for wage revision	-	85.17	-	-
3 Special Reserve u/s 36(1)(viii)	-	-	67.05	70.10
4 Provision for NPA on Investments	169.58	133.87	-	-
5 Provision for Bad & Doubtful Debts (NPAs)	1964.86	1618.50	-	-
6 Provision for diminution in FV of Restructured Standard Assets	18.44	4.72	-	-
7 Accumulated loss	249.58	-	-	-
Total	2402.46	1842.26	86.48	91.99

10.9.3 Provision for Income Tax and Deferred Tax held by the Bank is considered adequate taking into account the opinion of legal experts and favorable judicial pronouncements.

10.9.4 Review made by the bank on reasonable certainty of availability of future taxable income on which timing differences arising on account of provision for bad and doubtful debt, that can be realized and accordingly

during the year 2020-21, the Bank has recognized Deferred Tax Asset of Rs. 346.36 crore on the above timing differences.

10.9.5 No provision has been considered necessary in respect of disputed demands of Income aggregating to Rs.595.48 crore (Previous year Rs.595.48 crore) in view of decisions of appellate authorities / judicial pronouncements / opinions of legal experts.

10.9.6 The Government of India, vide the Taxation Laws (Amendment) Act, 2019, inserted section 115BAA in the Income Tax Act 1961 w.e.f. April 1, 2019. The Bank has evaluated the options available under section 115BAA of The Income Tax Act, 1961 and opted to continue to recognize the Taxes on Income for the quarter and year ended 31.03.2021 as per the earlier provisions.

10.10 AS 23 – Accounting for Investments in Associates in consolidated Financial Statements

The Bank does not have any subsidiary/associate and as such AS 23 is not applicable.

10.11 AS 26 – Intangible Assets

The application software in use in the Bank has been developed in house and has evolved over a period of time. Hence, the costs of software is essentially part of Bank's operational expenses like wages etc. and as such are charged to the respective heads of expenditure in the Profit and Loss Account.

10.12 Accounting Standard 28 - Impairment of Assets

Fixed Assets possessed by Bank are treated as 'Corporate Assets' and not 'Cash Generating Units' as defined by AS-28. In the opinion of the Management, there is no impairment of the 'Fixed Assets' of material amount as of 31.03.2021, requiring recognition in terms of AS-28 issued by the ICAI. The impairment of other assets has been provided for as per Prudential Norms prescribed by the Reserve Bank of India.

10.13 Accounting Standard 29 - Provisions, Contingent Liability and Contingent Assets

10.13.1 As per AS-29 - Provisions, Contingent Liabilities and Contingent Assets, issued by the Institute of Chartered Accountants of India, the Bank recognizes no provision for -

- a) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank, or
- b) Any present obligation from the past events but is not recognized because
 - It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as contingent liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

10.13.2 Movement of Provision against Contingent Liabilities:

Particulars	Opening Balance		Additions during the year		Reduction during the year		Closing Balance	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Claims against the Bank not acknowledged as Debt	24.35	25.55	0.93	1.82	0.70	3.02	24.58	24.35
Invoked Bank Guarantees	7.62	7.62	0.00	0.00	0.00	0.00	7.62	7.62
L.C Devolved	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

10.14 Other significant accounting policies has been disclosed at the appropriate places in the Notes forming part of the accounts.

11.1. Additional disclosures:

(Rs. in crore)		
Break up of 'Provisions & Contingencies' shown under the head Expenditure in Profit & Loss Account	2020-21	2019-20
Provision for Non Performing Advances	2677.90	2308.30
Provision for Standard Assets	1284.38	40.15
Provision for diminution in FV Restructured (Standard)	39.27	5.16
Provision for Non Performing Investments	102.17	230.79
Provision for Depreciation in the value of Investments	-0.81	-12.64
Other Provisions	72.56	47.51
Provision for Taxation:		
Current Tax	0.00	188.62
Deferred Tax	-565.71	-637.19
MAT Credit Entitlement–Current Year	-105.63	-82.99
MAT Credit Entitlement Reversed	0.00	0.00
Previous Year Tax Expenses	0.00	0.00
Total	3504.12	2087.71

11.2 Movement of Floating Provisions

(Rs. in crore)		
	2020-21	2019-20
Opening Balance	Nil	Nil
Additions during the year	Nil	Nil
Draw down during the year	Nil	Nil
Closing Balance	Nil	Nil

11.3 Draw down from Reserve

A sum of Rs NIL during Financial year ended 31.03.2021 has been drawn from the General Reserve on account of payment to the claimant of old entries.

11.4 Customer's Complaints:

		2020-21	2019-20
a)	No. of Complaints pending at the beginning of the year	139	60
b)	No. of Complaints received during the year	14449	22291
c)	No. of Complaints redressed during the year	14492	22212
d)	No. of Complaints pending at the end of the year	96	139

11.5 Awards Passed by the Banking Ombudsman:

		2020-21	2019-20
a)	No. of unimplemented Awards at the beginning of the year	1	1
b)	No. of Awards passed by Banking Ombudsman during the year	0	1
c)	No. of Awards implemented during the year	0	1
d)	No. of unimplemented Awards pending at the end of the year	1	1

11.6.1 Concentration of Deposits

(Rs. In crore)

	31.03.2021	31.03.2020
Total Deposits of twenty largest depositors	14835.83	14429.59
Percentage of Deposits of twenty largest depositors to Total Deposits	15.44%	16.09%

11.6.2 Concentration of Advances

(Rs. in crore)

	31.03.2021	31.03.2020
Total Advances to twenty largest borrowers	15380.41	18320.00
Percentage of Advances to twenty largest borrowers to Total Advances	22.68%	29.28%

11.6.3 Concentration of Exposures

(Rs. in crore)

	31.03.2021	31.03.2020
Total Exposure to twenty largest borrowers/ customers	21125.35	19644.82
Percentage of Exposure to twenty largest borrowers/ customers to Total Exposure of the bank on borrowers/ customers	27.35%	22.41%

11.6.4 Concentration of NPAs

(Rs. in crore)

	31.03.2021	31.03.2020
Total Exposure to top four NPA Accounts	1916.53	1911.98

11.7 Sector-wise Advances /NPA

(Rs. in crore)

	Sector*	31.03.2021			31.03.2020		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A	Priority Sector						
1	Agriculture and allied activities	10637.51	917.79	8.63%	9824.86	993.99	10.12%
2	Advances to industries sector eligible as priority sector lending	4351.80	849.22	19.51%	2945.45	619.83	21.04%
3	Services	7208.23	1253.02	17.38%	8156.64	1278.10	15.67%
4	Personal loans	4842.40	434.10	8.96%	4635.40	303.22	6.54%
	Sub-total (A)	27039.94	3454.13	12.77%	25562.35	3195.14	12.50%
B	Non Priority Sector						
1	Agriculture and allied activities	0	0	0%	0	0	0%
2	Industry	16338.44	2545.11	15.58%	13168.20	2207.56	16.76%
3	Services	20142.82	3093.44	15.36%	19748.27	3110.48	15.75%
4	Personal loans	4289.97	241.32	5.63%	4085.38	361.39	8.85%
	Sub-total (B)	40771.23	5879.87	14.42%	37001.85	5679.43	15.35%
	Total (A+B)	67811.17	9334	13.76%	62564.20	8874.57	14.18%

*Banks may also disclose in the format above, sub sectors where the outstanding advances exceeds 10 percent of the outstanding total advances to that sector. For instance, if a bank's outstanding advances to the mining industry exceed 10 percent of the outstanding total advances to 'Industry' sector it should disclose details of its outstanding advances to mining separately in the format above under the 'Industry' sector.

11.8 Movement of NPAs

(Rs. in crore)

Particulars	31.03.2021	31.03.2020
Gross NPAs as on 1st April (Opening Balance)	8874.57	8605.87
Additions (Fresh NPAs) during the year	1556.71	2908.56
Sub-total (A)	10431.28	11514.43
Less: (i) Up-gradations	148.07	394.39
(ii) Recoveries (excluding recoveries made from up-graded accounts)	878.64	464.60
(iii) Technical/ Prudential Write-offs	0.00	1733.11
(iv) Write-offs other than those under (iii) above	70.57	47.76
Sub-total (B)	1097.28	2639.86
Gross NPAs as on 31st March (closing balance) (A-B)	9334.00	8874.57

(Rs. in crore)

Particulars	31.03.2021	31.03.2020
Opening balance of Technical / Prudential written-off accounts as at April 1	5210.17	3712.52
Add : Technical / Prudential write-offs during the year	0.00	1733.11
Sub-total (A)	5210.17	5445.63
Less : Recoveries made from previously technical / prudential written-off accounts including rebate allowed and up gradation during the year (B)	151.60	235.46
Closing balance as at March 31 (A-B)	5058.57	5210.17

11.9 Overseas Assets, NPAs and Revenue

(Rs. in crore)

Particulars	31.03.2021	31.03.2020
Total Assets	106.00	52.71
Total NPAs	0	0
Total Revenue	0.31	2.34

11.10 Off-Balance Sheet SPVs sponsored by Banks

(Rs. in crore)

Name of the SPV sponsored			
Domestic		Overseas	
31.03.2021	31.03.2020	31.03.2021	31.03.2020
Not Applicable	Not Applicable	NIL	NIL

11.11 Intra-Group Exposures

S.No.	Particulars	31.03.2021		31.03.2020	
		Sanc Loan/limit	Balance O/s	Sanc Loan/limit	Balance O/s
(a)	Total amount of intra-group exposures	Nil	Nil	Nil	Nil
(b)	Total amount of top-20 intra-group exposures	Nil	Nil	Nil	Nil
(c)	Percentage of intra-group exposures to total exposure of the bank on borrowers / customers	Nil	Nil	Nil	Nil
(d)	Details of breach of limits on intra-group exposures and regulatory action thereon, if any.	Nil	Nil	Nil	Nil

11.12 Transfers to Depositor Education and Awareness Fund (DEAF)**(Rs. in crore)**

Particulars	31.03.2021	31.03.2020
Opening balance of amounts transferred to DEAF	215.37	187.51
Add : Amounts transferred to DEAF during the year	103.42	30.35
Less : Amounts reimbursed by DEAF towards claims	2.14	2.49*
Closing balance of amounts transferred to DEAF	316.65	215.37

*Principal

11.13 Un-hedged Foreign Currency Exposure

In terms of RBI circular DBOD.No.BP.BC.85/21.06.200/2013-14 dated January 15, 2014, the Bank has made provision for Unhedged Foreign Currency and a sum of Rs. 0.17 Crore is outstanding as on March 31, 2021.

12 Liquidity Coverage Ratio

		Rs. In Lakhs		Rs. In Lakhs		Rs. In Lakhs		Rs. In Lakhs	
		30.06.2020		30.09.2020		31.12.2020		31.03.2021	
		Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets		2042765.76		1976896.33		2062988.09		2353523.36
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which	5614165.69	559146.61	5692396.62	566953.39	5846386.23	580962.58	5978580.40	593385.78
(i)	Stable Deposits	45447.63	2272.65	45773.13	2291.04	73520.80	3676.04	89451.84	4472.93
(ii)	Less stable deposits	5568718.06	556873.97	5646623.49	564662.35	5772865.43	577286.54	5889128.56	588912.86
3	Unsecured wholesale funding of which	953771.83	488936.81	866671.96	433336.99	842467.94	430903.84	1161975.51	541577.90
(i)	Operational Deposits (all counterparties)	11590.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii)	Non -operational deposits (all counterparties)	942181.29	488936.81	866671.96	433336.99	842467.94	430903.84	1161975.51	541577.90
(iii)	Unsecured debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Secured wholesale funding		0.00		0.00		0.00		0.00
5	Additional requirements, of which	120422.90	16805.39	0.00	15597.70	0.00	21054.15	0.00	44025.89
(i)	Outflows related to derivative exposures and other collateral requirements	0.00	0.00	0.00	0.00	0.00	0.00	36090.37	36090.37
(ii)	Outflows related to loss of funding on debt product	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii)	Credit and liquidity facilities	120422.90	16805.39	97174.37	15597.70	208967.11	21054.15	135707.88	7935.52
6	Other contractual funding obligations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7	Other contingent funding obligations	1254577.15	57126.29	1338985.54	59503.73	1326148.31	60264.09	1299695.67	57698.10
8	Total Cash Outflows		1122015.10		1075391.81		1093184.67		1236687.67
Cash Inflows									
9	Secured lending (e.g.reverse repos)	173104.48	0.00	109204.23	0.00	233584.29	0.00	475322.86	0.00
10	Inflows from fully performing exposures	185683.35	128317.41	171539.71	110736.99	150220.00	76800.74	151838.51	71941.15
11	Other Cash Inflows	68970.15	68522.39	64644.37	64644.37	35742.86	35742.86	53950.00	84409.31
12	Total Cash Inflows	427757.98	196839.80	345388.30	175381.35	419547.14	112543.60	681111.37	156350.47
13	TOTAL HQLA		2042765.76		1976896.33		2062988.09		2353523.36
14	Total Net Cash Outflows		925175.30		900010.45		980641.07		1080337.21
15	Liquidity Coverage Ratio (%)		220.80%		219.65%		210.37%		217.85%

13. Disclosures in Terms of MSMED Act 2006

Guideline given in Micro, Small and Medium enterprises development act 2006 have been complied with for purchases made during FY ended March 2021 in FY 2020-21 and payments have been made to the vendors in time as per Act. Since there had been no delay in payment, therefore no penal interest had been paid during FY ended March 2021.

- 14** In terms of Reserve Bank of India (RBI) circular DBR.No.BP.BC.1/21.06.201/2015-16, dated July 1, 2015, on 'Basel III Capital Adequacy' and RBI circulars DBR.No.BP.BC.80/21.06.201/2014-15 dated March 31, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standard Amendments', Banks are required to make Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III framework which are being made available on the Bank's website. The Disclosures have not been subjected to audit by Statutory Central Auditors of the Bank. These details are being made available on our website www.psbindia.com.
- 15.** As per the Reserve Bank of India directions for initiating Insolvency Process- Provisioning Norms, vide letter No. DBR. No. BP.15199/21.04.048/2016-17 dated June 23, 2017, and DBR. No. BP.1906/21.04.048/2017-18 dated August 28, 2018 respectively, the bank is holding the provisioning of Rs. 481.59 Crores as against the balance outstanding of Rs. 481.59 Crores as on 31.03.2021 in respect of borrowal accounts referred in aforesaid circular. Further, the provisions held in respect of total borrowal accounts referred to NCLT stood at Rs.4601.31 Crores as against the balance outstanding of Rs.5076.76 Crores as at 31.03.2021.
- 16.** COVID-19 continues to spread across the globe and India resulting in significant volatility in the global and Indian economy. The extent to which the COVID-19 pandemic will impact the Bank's result will depend on future development which are highly uncertain including among other things the severity of the second wave of the COVID-19 pandemic and action to contain its spread or mitigate impact including further stimulus and regulatory packages, if any. While there has been an improvement in the economic activity since the easing of the lockdown measures, in the opinion of management, there would not be significant impact on bank's financials.
- In accordance with the COVID-19 Regulatory Packages announced by the RBI on March 27, 2020, April 17, 2020 and May 23, 2020 the Bank, in accordance with the Board approved policy, offered a moratorium on the repayment of installments and / or interest, as applicable, due between March 1, 2020 and August 31, 2020 to all the eligible borrowers classified as standard, even if overdue, as on February 29, 2020. The asset classification in the moratorium granted accounts have been kept static during the moratorium period.
- 17.** In accordance with the COVID-19 Regulatory Package announced by the RBI on March 27, 2020 and April 17, 2020 with regard to providing relief to borrowers' on account of COVID-19 pandemic whose accounts were standard as on February 29, 2020, the bank has permitted moratorium of three months on all term loan installments falling due between March 1, 2020 and May 31, 2020, deferred the recovery of interest on working capital facilities sanctioned in the form of cash credit/ overdraft accounts from March 1, 2020 to May 31, 2020 including relaxation in certain parameters, to all eligible borrowers, without considering the same as restructuring. Further on May 22, 2020, RBI has permitted the Banks to extend such benefits to eligible borrowers for another three months from June 1, 2020 to August 31, 2020. In accordance with RBI's guidelines, the Bank is required to make provision @ 10% of the outstanding

advances over two quarters beginning with the quarter ended March 31, 2020 in respect of such borrowal accounts where assets classification benefit has been granted as per RBI Guidelines. The disclosure requirements as per RBI circular dated 17.04.2020 are as under.

S.No.	Particulars	Amount (Rs. in Crore)
i.	Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended (O/s as on 31.03.2021)	4868.10
ii.	Respective amount where asset classification benefits is extended (O/s as on 31.03.2021)	862.65
iii.	Provisions made in terms of para 5 of the circular	88.02
iv.	Provisions adjusted in terms of para 6 of the circular	88.02
v.	Residual provisions o/s as on 31.3.2021 in terms of para 6 of the circular	Nil

18. The Bank has made an additional standard asset provision in terms of RBI Circular DBR No. BP.BC.45/21.04.048/2018-19 dated 7th June, 2019 on prudential framework for resolution of Stressed Assets amounting to Rs. 585.88 Crore.
19. The Hon'ble Supreme Court in Writ petition (CIVIL) No 825 of 2020 by Gajendra Sharma Vs Union of India & Anr and other connected matters vide its interim order dated September 03, 2020 has directed Banks that the accounts which were not declared NPA till August 31, 2020 shall not be declared NPA till further orders, pending disposal of the cases by the Hon'ble Supreme Court. The bank made contingency provision of Rs. 609.95 Crores as at December 31, 2020 for such borrowal accounts not classified as non performing. The Hon'ble Supreme Court of India vacated the interim relief granted not to declare accounts of borrower as NPA vide its judgement on 23rd March 2021. Accordingly, the Bank has classified borrowers as NPA in accordance with Instructions contained in paragraph 5 of the RBI circular dated 7th April, 2021.
20. In accordance with the instructions in RBI circular dated April 07, 2021 the bank is required to refund / adjust 'interest of interest' to all the borrowers including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. As required by the RBI notification, the methodology for calculation of such 'interest on interest' has been circulated by the Indian Banks Association (IBA). The Bank is in the process of suitably implementing this methodology and pending finalization, has created a liability towards estimated Interest relief of Rs 30 Crores and has reduced the same from interest earned for the quarter and year ended 31st March 2021.
21. In accordance with Resolution Framework for COVID-19 announced by RBI vide its circular no. DOR.No.BP.BC/3/21.04.048/2020-21 dated 6th August, 2020, the Bank has implemented one-time restructuring for certain eligible borrowers and such borrowers are classified as Standard in accordance with the above framework. The disclosure requirements as required by RBI circular for the year ended 31st March 2021 is given below:-

Type of borrower	(A) No of accounts where RP has been implemented under the window	(B) Exposure to account mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loan	5577	492.27	-	-	56.43
Corporate Persons	5113	539.01	-	-	56.21
Of which MSMEs	5101	342.84	-	-	28.44
Others	673	35.45	-	-	5.45
Total	11363	1066.73	-	-	118.09

Corporate persons as defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

22. During the year, Bank has migrated to the mortality table IALM 2012-2014, with respect to the employee terminal benefits. Accordingly, the bank has made an additional provisioning of Rs.369.27 crore during the year ended 31st March 2021.
23. The spread of COVID-19 pandemic across the globe has resulted in decline in economic activities. In this situation, bank is gearing up itself on all fronts to meet the challenges. Major challenges for the Bank could be from extended working capital cycles, fluctuating cash flow trends and probable inability of the borrowers to meet their repayments obligations. A definitive assessment of the impact of COVID-19 is dependent upon circumstances as they evolve in the subsequent period. To mitigate the risk of recovery in ensuing quarters, the bank has proactively made an additional provision of Rs.178.49 Crores during the quarter ended March 31, 2021.
- Further, the bank has also made an additional standard asset provisioning of Rs.45.00 Crores on account of restructuring to be done under resolution framework.
- The aforesaid provisions are in addition to the provisions held as per RBI guidelines as regards loan provisions.
24. The bank has exposure of Rs.1274.49 Crores with 2 borrowers accounts of the same Group. In terms of NCLT Order dated 21st October 2020, these accounts were not to be declared as NPA and bank is required to maintain status quo of standard asset classification until further orders. The bank along with other banks have filed an appeal against the NCLT Order. Pending outcome of the appeal, as a prudence, bank has created standard asset provision of Rs.405.95 Crores as on March 31, 2021.
25. Bank has sold 8520 units under Priority Sector Lending certificates (PSLCs) to the tune of Rs.2130 Crore under Micro Enterprises and earned commission income of Rs.26.34 Crore during the year ended 31.3.2021.
26. The figures of the previous year have been re-grouped / re-arranged wherever necessary except where information was not available.