

3. Commercial Clients Group (CCG)

A. Commercial Clients

The CCG vertical is headed by the MD and supported by two DMDs, five CGMs, ten CCG Regional offices (CCGROs) and three Direct branches headed by GMs. CCG has 51 Branches in 8 locations, spread across the country. The vertical services the credit needs of large corporate clients. The Vertical also includes Specialized Branches like Branches catering to specific industries as well as capital market. The mandate of the vertical is to cater to all needs of this segment of corporate clients, to manage associated risks and sustain growth.

CGMs in the CCG are assigned as the group relationship owners in order to improve the quality of coverage and enable an integrated view on exposure and earnings amongst others, across the entire group. Your Bank has set up experienced team of 'Structuring Specialists' to support deal structuring for large proposals across lending, bonds, International Banking, and Structured / Mezzanine Finance.



CCG Mar'20 & Mar'21 Levels are as given below:

Levels	(In Crs)	
	Mar'20	Mar'21
Non-food Advances	415,744	408,110
CASA Deposit (%)	26.04	23.64
Avg Business per employee	150.26	168.97
Other Income (excluding income from AUCA recovery)	2,777	3,163
Pre -TPM Operating Profit	33,311	32,623

YONO Business

CCG, along with IT, has launched a digital offering, YONO Business for corporate customers which is designed to provide a best in class, user-friendly platform for transaction banking as well as Trade Finance business. Earlier, there were five customer interfaces viz. Corporate Internet Banking (CINB), Cash Management Product (CMP), e-Trade, e-Forex and Supply Chain Finance (SCF) which have been since re-imagined in a single platform named "YONO Business". Further, for onboarding of customers to digital platform, multiple documents and multi-visits to branches were required, which

was reduced to a single omnibus document with a single visit to the Branch. User Profile management was enhanced to do away with branch visits. To increase wallet share of Trade Finance business, complete digital request for Import LC issuance was launched. LC Amendment, request for closure and View and Manage Transactions, LC Bill Acceptance etc. are also part of the release. Export LC Advising and Unified Export Bill lodgment and Negotiation/ Discounting are being worked upon.

To increase income from Forex business, Forex rate booking including document upload facility for a digital journey

introduced. Customer also has an option to negotiate with the dealer above a predefined threshold. Waiver of physical submission of original/hard copies for certain type of forex booking will be released. e-Forex on mobile is being planned to be released. Digital journeys for Pre-approved Business Loans and request for services have also been rolled out.

API banking services will be released shortly to Corporates for a seamless payment journey. This will enable payments to be made directly from customer's ERP with adequate security including use of multi-factor authentication. We are also smoothening the funds transfer journeys for corporates to match global best in class experience.

The group continues to provide a robust platform to its customers for Trade Finance and Forex business. We are in the process of setting up two centralized processing cells (CPCs) to process all trade finance transactions of the Bank. These CPCs will increase efficiencies in a) Delivery – better TAT, information flow and customer satisfaction – b) Regulatory compliance and c) Housekeeping.

Digital Interface on Pricing and Knowledge (DIPAK) a new pricing tool has been made available to Operating functionaries and Sanctioning Committees to enable data - driven pricing of our Corporate Loans. This has been rolled out in all the branches in CCG.

B. Project Finance and Structuring SBU

Your Bank's Special Business Unit known as Project Finance and Structuring Strategic Business Unit (PF&S SBU) deals with the appraisal and arrangement of funds for large projects in infrastructure and other sectors such as Power, Roads, Ports, Railways, Airports, amongst others. It also covers other non-infrastructure projects in sectors viz. Metals, Fertilisers, Cements, Oil and Gas amongst others, with certain threshold on minimum Project

Cost. PF&S SBU also provides support to other verticals for vetting their large ticket term loan proposals. In order to strengthen the policy and regulatory framework for financing infrastructure, inputs are provided to various Ministries of Government of India and the RBI with respect to lenders views on new policies, Model Concession Agreements and broader issues being faced in infrastructure finance.

There has been step up in investment in Infrastructure sector by the government along with various sectoral reforms and incentives, which has resulted in inflow of new projects particularly in sectors such as City Gas Distribution, Road, Power Renewables among other sectors. Infrastructure sector is expected to experience a fillip with the enhanced Capex expenditure of ₹5.54 lakh crore along with Performance Linked Incentive (PLI) Scheme

for various sectors announced in the February 2021 budget, duly supplemented by introduction of National Infrastructure Pipeline (NIP) with an estimated investment of ₹140 lakh crore for supporting 7,700 infrastructure projects. Your Bank is closely monitoring all the projects under implementation and expect to tide over the impact of the COVID-19 pandemic in a short to medium term.

Marking a shift towards 'Originate to Distribute' business model, Structuring Team has been set up at PF&S SBU to provide customised structuring solutions for financing structure of projects while keeping the Return on Equity from the transaction a priority. Experienced officials have been recruited from different sector and industries to provide Structuring Solutions to our clients.



Watsun Infrabuild Pvt. Ltd.



RSPL (Chemical)



Madhepura Electric Locomotive Pvt Ltd



Swan LNG Private Limited



e- Inauguration of 12 SME branches by MD (R & DB), Shri C.S.Setty

4. Stressed Assets Management

1. The movement of NPAs in the Bank and recovery in Written-off accounts during the last Four Financial years are furnished below:

Levels	₹ in crore				
	FY2017*	FY2018	FY2019	FY 2020	FY2021
Gross NPA	1,77,866	2,23,427	1,72,750	1,49,092	1,26,389
Gross NPA%	9.11%	10.91%	7.53%	6.15%	4.98%
Net NPA%	5.19%	5.73%	3.01%	2.23%	1.50%
Fresh Slippages + Increase in O/s	1,15,932	1,00,287	39,740	54,510	29,332
Cash Recoveries / Up- gradations	32,283	14,530	31,512	25,781	17,632
Write-Offs	27,757	40,196	58,905	52,387	34,403
Recoveries in AUCA	3,963	5,333	8,345	9,250	10,297
PCR	61.53%	66.17%	78.73%	83.62%	87.75%

* Post merger

2. In the backdrop of COVID-19, though it is anticipated to have a large spurt in NPA Level during FY 2020-2021, your Bank is taking all pre-emptive measures by extending assistance to its borrowers to face the new challenges and continue as performing assets. However, the current level of NPA has significantly come down due to the following:
- RBI's 7th June 2019 circular on prudential framework for resolution of high value distressed assets has provided a new avenue for timebound resolution of these accounts (out of NCLT process). Your Bank is actively exploring resolution under this mode.
 - Insolvency and Bankruptcy Code (IBC) 2016 for resolution of Stressed assets has provided Bank with a time bound, transparent, and effective mechanism to tackle stressed assets. Resolution has been achieved in some of high value NPA accounts referred to NCLT under the Code. The cases referred to NCLT for resolution are monitored at a specialized NCLT cell at SARG. A total of 900 cases (whole bank) were referred to NCLT as on 31st March 2021, out of which 707 cases have been admitted. Furthermore, 112 cases have been resolved including some high value accounts from RBI's 1st & 2nd reference lists.
 - OTS/Compromise route is also explored for recovery of sticky loans from eligible cases. Bank's Board approved OTS Scheme for various products, non-discretionary and non-discriminatory, is also offered to all eligible borrowers for maximizing resolutions.
 - In non-NCLT cases, recovery is explored through action under SARFAESI Act, filing of suit in DRTs and Courts. The sale of mortgaged properties is explored through common e-Auction Platform <https://ibapi.in> ("e-Krya" - Indian Banks Auction Properties Information) under the aegis of IBA.
3. Stressed Assets Resolution Group (SARG) for providing focus on resolution of NPAs with sector specific approach. At present, the vertical is headed by Managing Director, supported by Deputy Managing Director and three Chief General Managers overseeing the sector-wise portfolio and a CGM (Operations) monitoring the credit portfolio of accounts with an outstanding upto ₹50 Cr. and accounts under liquidation. The Account Management Teams functioning under the guidance of Six General Managers. As on March 2021, SARG has 17 Stressed Assets Management Branches (SAMBs) and 48 Stressed Assets Recovery Branches (SARBs) across the country, covering 49% and 88% of your Bank's NPAs and AUCA, respectively.