
Basel III- Pillar III Disclosures

June 30, 2020



Table DF – 2: Capital Adequacy

Assessment of Capital Adequacy:

(a) Bank maintains capital to protect the interest of depositors, general creditors and stake holders against any unforeseen losses.

As per the RBI guidelines, Banks have to maintain a Minimum Common Equity Tier 1 (CET 1) of 7.375% (including Capital Conservation Buffer of 1.875%) and minimum CRAR of 10.875%. Bank maintains Common Equity Tier 1 (CET 1) of 10.30 % (Standalone), 10.49% (Consolidated) and CRAR of 13.45%(Standalone), 13.64%(Consolidated).

(b) In line with RBI guidelines, Bank has adopted following risk management approaches for assessing the capital adequacy:

- **Credit Risk:** Standardised Approach
- **Market Risk:** Standardised Duration Approach
- **Operational Risk:** Basic Indicator Approach

(c) Bank projects capital for the next 5 financial years based on business projections, policy guidelines, macro-economic scenarios, risk appetite etc

(d) Under Pillar II, Bank considers following risks while assessing / planning capital:

<ul style="list-style-type: none"> ➤ Credit Concentration Risk ➤ Interest Rate Risk in the Banking Book ➤ Liquidity Risk ➤ Settlement Risk ➤ Compliance Risk ➤ Reputational Risk ➤ Model Risk ➤ Country Risk ➤ Compensation Risk ➤ Legal Risk 	<ul style="list-style-type: none"> ➤ Underestimation of Credit Risk under Standardised Approach ➤ Pension Obligation Risk ➤ Off-Balance sheet exposure Risk ➤ Technology Risk ➤ Outsourcing Risk ➤ Human Resources Risk ➤ Residual Risk ➤ Strategic Risk ➤ Un-hedged Foreign Currency Exposure Risk
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(e) Bank also periodically undertakes stress testing in various risk areas to assess the impact of stressed scenario or plausible events on asset quality, liquidity, interest rate, derivatives and forex on its profitability and capital adequacy.

A comprehensive stress testing framework is put in place. Bank conducts stress test on quarterly basis based on scenarios prescribed by RBI as well as bank specific scenarios. The result of the same is placed to Credit Risk Management Committee (CRMC)/Risk Management Committee (RMC) /Board.

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Quantitative disclosures (as per Basel III guidelines)

(a) Capital requirements for credit risk:

(₹ in Million)

Particulars	Solo (Global)	Consolidated
Portfolios subject to standardized approach	2,64,273.97	2,64,333.78
Securitization exposures	--	--

(b) Capital requirements for market risk:

Standardized duration approach

(₹ in Million)

Particulars	Solo (Global)	Consolidated
Interest Rate Risk	16,917.78	16,917.78
Foreign Exchange Risk (including gold)	90.00	90.00
Equity Risk	3,755.17	3,837.25
Total	20,762.95	20,845.03

(c) Capital requirements for operational risk:

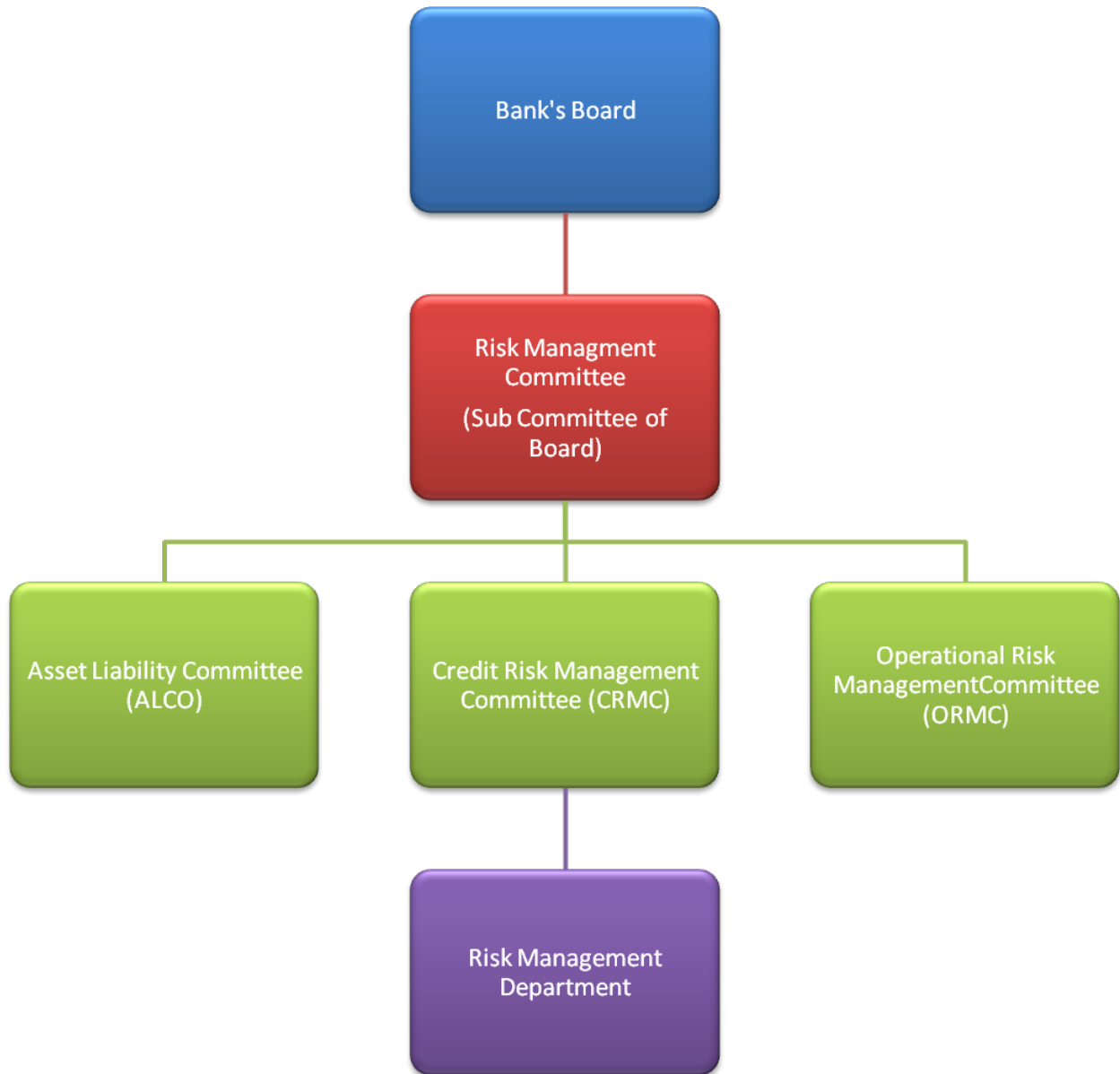
(₹ in Million)

Particulars	Solo (Global)	Consolidated
Basic Indicator Approach	23,718.06	23,771.48

(d) Common Equity Tier 1 (CET 1), Tier 1 and Total capital ratio (as per Basel III guidelines):

Particulars	Solo (Global)	Consolidated
Common Equity Tier 1 (CET 1),	10.30%	10.49%
Tier 1 Capital Adequacy Ratio	10.47%	10.66%
Total Capital Adequacy Ratio	13.45%	13.64%

Organisation Structure:



Risk Management Architecture:

The Bank’s risk management framework is based on clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring. An independent Risk Management Department is functioning for effective Enterprise-Wide Risk Management and responsible for assessment, monitoring and reporting of risk exposures across the bank. All the risks the Bank is exposed to, are managed through following three committees :

- (i) Asset Liability Committee (ALCO)
- (ii) Credit Risk Management Committee (CRMC)
- (iii) Operational Risk Management Committee (ORMC)

These committees work within the overall guidelines and policies approved by the Board.

The Bank has put in place various policies to manage the risks. To analyze the enterprise-wide risk and with the objective of integrating all the risks of the Bank, an Integrated Risk Management policy (including Disclosure, Reputational & Strategic Risk Management) has also been put in place. The important risk policies comprise of Credit Risk Management Policy (part of Credit Policy), Asset Liability Management Policy, Policy on Market Risk Management, Operational Risk Management Policy, Internal Capital Adequacy Assessment Process (ICAAP) Policy,.

All the policies are reviewed at a minimum on annual basis by Risk Management Committee (RMC)/ Board. In order to disseminate the risk management concepts and also to sensitize the field level functionaries, the relevant policies are circulated to the branches, in addition to imparting training at the Bank’s training establishments.

Credit Risk:

Risk Management Systems are in place to identify and analyze the risks at an early stage and manage them by setting and monitoring prudential limits besides taking other corrective measures to face the changing risk environment.

Limit Framework:

In order to limit the magnitude of credit risk and concentration risk, a limit framework has been laid down for following type of exposures:

- Single and group borrower exposure
- Sensitive sector exposure
- Unsecured exposure
- Country-wise exposure
- Internal rating wise exposure
- Term loan exposure
- Industry-wise exposure
- Interbank exposure

These exposure limits are monitored on regular basis and placed to various apex level committees of the Board.

Rating Model: All credit proposals are subject to a rigorous credit risk rating/scoring process to support credit decision making as well as to enhance risk management capabilities for portfolio management, pricing and risk based capital measurement.

Software driven rating mechanism is in place to assign the rating to ensure credit quality besides an entry level scoring system. The output of the rating models is used in decision making i.e. sanction, pricing and monitoring of credit portfolio. In order to ensure robustness of the rating models, the rating models have been subjected to validation by an external agency.

Scoring model: The Bank has developed entry level scoring models. All the fresh sanctions coming under personal loan products are subjected to entry level scoring.

Loan review mechanism and Credit audit system are in place for the periodical review/audit of the large value accounts and bring about qualitative improvements in credit administration of the Bank. In addition, Standard Assets Monitoring Committee reviews the Special Mention Accounts periodically to initiate timely action to prevent slippage of standard assets to non performing assets. As a part of monitoring mechanism, accounts which are downgraded from investment category are identified and monitored closely.

Migration analysis of ratings is done on annual basis. Also weighted average rating of industry-wise portfolio of the Bank is done on quarterly basis. Analysis of rating wise distribution of advances is also carried out on quarterly basis.

Adopting best risk management practices, credit proposals (except schematic loan proposals) coming under sanctioning powers of Corporate Office are scrutinised by the Risk Management Department.

Asset Liability Management:

Asset Liability Management framework facilitates bank to measure, monitor and control liquidity risk and interest rate risk on its balance sheet. This helps in providing suitable strategies for asset liability management. The asset liability management framework consists of the following key components

- Liquidity risk management
- Interest rate risk management
- Balance sheet and Basel III liquidity ratios
- Stress Testing and scenario analysis
- Contingency funding plan

Bank has set in place ALM policy to achieve two primary objectives as listed below:

Short Term Objective:

- To optimize the Net Interest Margin (NIM) of the Bank
- To provide adequate liquidity
- To manage re-pricing risk

Long Term Objective:

- To maximize the shareholder's wealth

Asset Liability Management is the function of Asset Liability Committee (ALCO). It operates under the guidance and supervision of the Board and/or Sub-Committee of Board on Risk Management. It meets at regular intervals to review the interest rate scenario, liquidity position, product pricing for both deposits and advances, maturity profile of the assets and liabilities, demand for Bank funds, cash flows of the Bank and overall Balance Sheet Management.

Liquidity risk is measured and monitored through two approaches-Flow approach and Stock approach. Flow approach involves comprehensive tracking of cash flow mismatches and is done through preparation of Structural liquidity statement on a daily basis. Appropriate tolerance levels/prudential limits have been stipulated for mismatches in different time buckets. Under Stock Approach various balance sheet ratios are prescribed with appropriate limits. The compliance of ratios to the prescribed limits ensures that the Bank has managed its liquidity through appropriate diversification and kept it within the sustainable limit.

For measurement and monitoring of Interest rate risk, currency wise, both Traditional gap approach and Duration gap approaches are followed. The short-term impact of interest rate movements on NIM is worked out through "Earnings at Risk" approach taking into consideration Yield curve risk, Basis risk and Embedded Options Risk. The long-term impact of interest rate movements on Market Value of Equity is also worked out through Duration Gap approach. The monthly interest rate sensitivity statement is reviewed by ALCO and Quarterly interest rate sensitivity is reviewed by RMC.

Stress testing of liquidity risk and interest rate risk is conducted on regular interval as per the RBI defined and internally defined stress scenarios. The results from internal Liquidity stress testing are used to draw contingency funding plan under different liquidity stress scenarios.

In addition to the above, bank is computing Liquidity Coverage Ratio (LCR) as per latest guidelines issued by RBI and is using it as a risk measurement tool to manage short term liquidity. On a monthly basis LCR statement is reviewed by ALCO.

Market Risk Management:

Market risk is the possibility of loss caused by adverse movements in the market variables. The Bank for International Settlements (BIS) defines market risk as “the risk that the value of ‘on’ or ‘off’ balance sheet positions will be adversely affected by movements in equity and interest rate markets, currency exchange rates and commodity prices”. Thus, Market Risk is the risk to the bank’s earnings and capital due to changes in the market level of interest rates or prices of securities, foreign exchange and equities, as well as the volatilities of those changes. The objective of market risk management is to assist the business units in maximizing the risk adjusted return by providing analytics driven inputs regarding market risk exposures, portfolio performance vis-à-vis risk exposures and comparable benchmarks. Following risks are managed under Market Risk.

- Interest Rate Risk
- Exchange Rate Risk
- Equity Price Risk

The market risk may also arise from changes in commodity prices and volatility. However, Bank does not have any exposure to commodity related markets.

Market Risk Management (MRM) Framework of the bank is as follows:

- a) **Risk Identification:** Setting a framework for identifying, assessing and managing market risk in order to provide clarity on various dimensions of risk identification and recognition to each of the business functions.
- b) **Risk Measurement and Limits:** Bank recognizes that no single risk statistic can reflect all aspects of market risk. Therefore, various statistical and non-statistical risk measures are used to enhance the stability of risk measurement of market risk. Together, these risk measures provide a more comprehensive view of market risk exposure than any single measure. Market risk is managed with various metrics viz. Value at Risk (VaR), Earnings at Risk (EaR), Modified duration (MD), PV01 Limits, Net Overnight Open Position Limits (NOOPL), Individual Gap Limit (IGL) and Aggregate Gap Limit (AGL) currency wise and also through sensitivity analysis. Stress testing is also conducted on a regular basis to monitor the vulnerability of the bank to extreme but plausible unfavourable shocks.
- c) **Risk Monitoring:** Bank monitors and controls its risk, using various internal and regulatory risk limits for trading book which are set based on economic scenario, business strategy, management experience and Bank’s risk appetite. Rate scan is carried out to ensure that transactions are carried out at prevailing market rates.
- d) **Risk Reporting:** Mid Office monitors treasury operations on day to day basis. A daily report is placed to Chief Risk Officer and on monthly basis to ALCO. Stress testing is done for assessing market risk as per framework prescribed in Stress Test Policy and reported to ALCO on Quarterly basis.

Market risk management is governed by comprehensive board approved Policy on Market Risk Management and Stress Testing Policy to ensure that the risks spread across different activities carrying an underlying market risk are within the stipulated risk appetite of the bank. All the policies are benchmarked with industry-best practices and RBI regulations. The risk reporting mechanism in the Bank comprises disclosures and reporting to the various apex level committees.

Operational Risk:

Operational risk is now on the focus of intense interest among industry participants, regulators and other stake holders. The bank has put in place Operational Risk Management Frame work (ORMF) and Operational Risk Management systems (ORMS) to ensure effective governance, risk capture and assessment and quantification of operational risk. Operational risk is well managed by using appropriate qualitative & quantitative methods and established internal control systems in day to day management processes and adopting various risk mitigating strategies. The risk perceptions in various products / processes are critically analysed and corrective actions if required, are initiated.

Bank has implemented CORE to capture, measure, monitor and manage its operational risk.

Operational risk is also monitored through analysis of credit spurt and analysis of frequency and severity of operational losses.

Table DF-3
Credit Risk: General disclosures for all banks

Qualitative Disclosures:

(a) Credit Risk Management:

Credit risk is defined as the possibility of losses associated with diminution in the credit quality of borrowers or counterparties.

Architecture:

In adherence with various guidelines and leading industry practices, the Bank has set up a robust governance structure for the management of credit risk, ensuring an adequate oversight, monitoring and reporting. The framework establishes the responsibilities of the board of directors.

The Bank has established a Board level sub-committee known as 'Risk Management Committee (RMC)' constituted in terms of RBI guidance note on Risk Management system.

Risk Management Committee (RMC):

The RMC evaluates overall risks faced by the Bank and is responsible for the establishment of an effective system to identify measure, monitor and control risk and recommend to the Board for its approval, clear policies, strategy, risk appetite and credit standards.

The Board has delegated authority to the RMC for credit risk related responsibilities.

The committee oversees credit risk management and ensures that the principal credit risks facing the Bank have been properly identified and are being appropriately managed. The committee approves and periodically reviews the overall risk appetite and credit risk management strategy. The committee reviews the risk management policies, the Bank's compliance with risk management guidelines stipulated by the RBI.

The risk committee also reviews credit risk profile and any major development, internal and external, and their impact on portfolio and as a whole on the bank

Credit Risk Management Committee (CRMC):

CRMC deals with the issues relating to credit policy and procedures, and analyzes, manages and controls credit risk on a bank wide basis.

Loan Review Management Committee: (LRMC):

As a part of Credit risk management process, Loan Review Management Committee (LRMC), at Corporate Office, has been constituted to undertake review of borrowal accounts sanctioned by various Committees at CO and Zonal Credit Committee.

Definitions of past due and impaired (for accounting purpose)

Bank has adopted the definitions of the past due and impaired (for accounting purposes) as defined by RBI for Income Recognition and Asset Classification norms.

The policy of the bank for classifying bank's loan assets is as under:

Non Performing Asset (NPA): A non performing asset (NPA) is a loan or an advance where:

- Interest and/ or installment of principal remain overdue for a period of more than 90 days in respect of a term loan,
- The account remains 'out of order' in respect of an Overdraft/Cash Credit (OD/CC)
- The bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted,
- The installment of principal or interest thereon remains overdue for two crop seasons for short duration crops,

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- The installment of principal or interest thereon remains overdue for one crop season for long duration crops.

An OD/CC account is treated as '**out of order**' if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power for more than 90 days. In cases where the outstanding balance in the principal operating account is less than the sanctioned limit/drawing power, but there are no credits continuously for 90 days as on the date of Balance Sheet or credits are not enough to cover the interest debited during the same period, these accounts are treated as '**out of order**'.

Non Performing Assets of the Bank is further classified in to three categories as under:

- **Sub standard Assets**

A sub standard asset is one which has remained NPA for a period less than or equal to 12 months.

- **Doubtful Assets**

An asset would be classified as doubtful if it has remained in the sub standard category for 12 months.

- **Loss Assets**

A loss asset is one where loss has been identified by the bank or by internal or external auditors or the RBI inspection.

In accordance with RBI guideline relating to Covid-19 Regulatory package dated 27th March 2020, 17th April 2020 and 23rd May 2020 and clarification issued by RBI through Indian Bankers Association, dated 6th May 2020 the Bank has granted moratorium on payment of instalments and/or interest, as applicable falling due between 1st March 2020 and 31st August 2020 (Moratorium period) to eligible borrowers classified as standard, even if overdue, as on 29th February 2020 without considering the same as restructuring. In accordance with RBI guideline Moratorium period where ever granted, is excluded by the Bank from the number of days past-due for purpose of asset classification under RBI's Income Recognition and Asset Classification norms. The Bank holds provision as at 30th June 2020 against the potential impact on covid-19 based on the information available up to a point in time. The following are the details of such accounts and provisions made by the Bank:

(₹ in Million)

Particulars	As at 30.06.2020
Advance outstanding in SMA/overdue categories, where the moratorium/deferment was extended as per Covid-19 Regulatory package	31084
Advance outstanding where asset classification benefit is extended	31084
Provision made during Q1 of FY2020-21	1124
Total provision held on 30.06.2020	6322*
Provision adjusted during Q1 of FY 2020-21	Nil

* Provision@15% aggregating to Rs.4369 Million against the accounts withstanding of Rs.29131 Million (Principal amount) which were standard as on 29.02.2020 but would have slipped to NPA/Sub-standard category as on 30.06.2020 had the RBI debt servicing relief as above not been reckoned.

* In respect of the above accounts, interest income aggregating Rs.1952 Million has been reckoned in operating profit and prudent measure an equal amount has been made as additional provision against those assets.

Credit Risk Management Policy:

The Bank has put in place the Credit Risk Management Policy (part of Credit Policy) and the same has been circulated to all the branches. The main objective of the policy is to ensure that the operations are in line with the expectation of the management and the strategies of the top management are translated into meaningful directions to the operational level. The Policy stipulates prudential limits on large credit exposures, standards for loan collateral, portfolio management, loan review mechanism, risk

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concentrations, risk monitoring and evaluation, provisioning and regulatory / legal compliance.

The Bank identifies the risks to which it is exposed and applies suitable techniques to measure, monitor and control these risks.

While the Board / Risk Management Committee of the Board devises the policy and fixes various credit risk exposures, Credit Risk Management Committee implements these policies and strategies approved by the Board / RMC, monitors credit risks on a bank wide basis and ensures compliance of risk limits.

Bank considers rating of a borrower as an important tool to measure the credit risk associated with any borrower and accordingly implemented rating software.

(b) Total gross credit risk exposures, Fund Based and Non-fund based separately.

(₹ in Million)

Particulars	Solo (Global)	Consolidated
Gross Credit Risk Exposures		
Fund Based		
Loans and Advances	3667867.62	3667867.64
Investments	968748.04	968750.27
Other Assets	741763.24	742407.93
Total Fund Based	5378378.90	5379025.84
Non Fund Based including contingent credit, contracts and derivatives*	1315208.73	1315457.13
Total Credit Risk Exposure	6693587.63	6694482.96

*includes notional principles of derivatives exposures, fund based unavailed limits, LC, acceptances Guarantees

(c) Geographic distribution of credit risk exposures Fund based and Non-fund based (solo) separately

(₹ in Million)

Geographical Region	Fund Based	Non Fund Based including contingent credit, contracts and derivatives	Total
Overseas	114160.69	37920.49	152081.18
Domestic	5264218.20	1277288.24	6541506.45
Total	5378378.90	1315208.73	6693587.63

(d) Industry-wise distribution of exposures (solo) as on 30.06.2020

(₹ in Million)

S.No.	Major Industries/Sectors	FB Exposure	NFB Exposure	Total Exposure
1	Chemicals & Chemical Products			
1.1	Drugs and Pharmaceuticals	15442.76	1228.73	16671.49
1.2	Fertilizers	12553.60	2464.08	15017.68
1.3	Other Chemicals & Chemical Products	18571.93	6825.89	25397.82
2	Engineering			
2.1	General Engineering Machinery and Goods	39357.76	39272.73	78630.49
2.2	Electrical Machinery and Goods	14763.93	19350.89	34114.82
2.3	Electronic Machinery, Goods and Software	13040.44	2830.25	15870.70
3	Food Manufacturing and Processing			
3.1	Edible oil and Vanaspati	9235.87	20727.33	29963.21
3.2	Rice Mills, Flour Mills and Dal Mills	30337.64	4685.03	35022.67
3.3	Sugar	18185.38	415.16	18600.54
3.4	Tea and Coffee	5544.43	41.77	5586.20
3.5	Other Food Manufacturing and Processing	60023.62	3859.29	63882.90

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4	Infrastructure			
4.1	Power			
4.1.1	Power Generation	130657.61	23896.88	154554.50
4.1.2	Power Transmission and Distribution	89755.36	6618.15	96373.50
4.1.3	Renewable Energy	7966.36	519.91	8486.27
4.2	Transport			
4.2.1	Ports and Roads	133887.20	14439.87	148327.07
4.2.2	Shipping	1717.58	44.57	1762.15
4.2.3	Logistics	10460.11	3284.38	13744.49
4.3	Telecommunication	13914.14	25392.51	39306.66
4.4	Educational Institution	49596.70	3221.85	52818.55
4.5	Hospital	21561.45	751.97	22313.42
4.6	Hotels (Three Star and above)	12470.03	255.37	12725.40
4.7	Other Infrastructure	287292.78	15622.50	302915.28
5	Textiles			
5.1	Cotton Textile	32125.55	4099.41	36224.96
5.2	Natural Fibre Textile	2389.88	75.07	2464.95
5.3	Handloom Textile and Khadi	2713.18	45.06	2758.24
5.4	Other Textile	63160.88	4389.07	67549.96
6	NBFC/HFC/MFI			
6.1	Non Banking Financial Companies (NBFC)	299938.64	1750.00	301688.64
6.2	Micro Finance Institutions (MFI)	18984.68	0.00	18984.68
6.3	Housing Finance Companies (HFC)	231926.79	0.00	231926.79
7	Metal and Metal Products			
7.1	Iron and Steel	135116.10	24682.46	159798.55
7.2	Other Metals and Metal Products	26718.04	7307.34	34025.38
8	Trade			
8.1	Wholesale Trade	306453.23	25844.76	332297.99
8.2	Retail Trade	176846.77	8457.95	185304.72
9	Automobiles	26958.90	1047.80	28006.70
10	Aviation	2346.00	1550.15	3896.15
11	Beverages and Tobacco	7184.79	163.25	7348.05
12	Cement and Cement Products	35524.34	4055.77	39580.10
13	Capital Market Exposure (CME)	16869.14	172.50	17041.64
14	Commercial Real Estate (CRE)	61638.10	1442.97	63081.07
15	Construction Contractors	109025.01	155538.49	264563.50
16	Gems and Jewellery	14265.50	739.35	15004.85
17	Glass and Glass Ware	5918.11	4998.66	10916.77
18	Leather and Leather Products	3624.01	215.90	3839.91
19	Media and Entertainment	5317.71	4102.70	9420.40
20	Mining and Quarrying	8121.96	4278.18	12400.14
21	Paper and Paper Products	17282.78	3786.27	21069.05
22	Petroleum and Petroleum Products	108243.69	36929.48	145173.17
23	Printing and Publishing	8087.82	1638.07	9725.89
24	Rubber, Plastic and their Products	30838.40	9875.10	40713.50
25	Wood and Wood Products	7271.98	2590.28	9862.25
26	Other Industries	258041.60	8901.89	266943.49

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As on 30.06.2020, the Bank's exposure to the industries stated below was more than 5% of the total gross credit exposure

Sl.No	Industry Classification	Percentage of the total gross credit exposure
1	Infrastructure	16.18%
2	NBFC / HFC / MFI	10.48%
3	Construction Contractors	5.02%

(e) Residual contractual maturity break-up of advances and investments
(₹ in Million)

	Investments*	Advances
1 day	373614.80	35705.24
2-7 days	19066.30	64570.09
8 -14 days	15617.80	88899.04
15 to 30 days	34141.40	68717.53
31 Dto 2M	23370.60	158250.40
2M to 3 months	31841.90	200038.99
Over 3 months to 6 months	64408.90	208871.78
Over 6 months to 1 year	94051.70	328590.77
Over 1 year to 3 years	233749.70	1234919.15
Over 3 years to 5 years	94787.00	356899.94
Over 5 years	626592.86	649352.45
Total	1611242.96	3394815.38
*Excludes 50% of listed equities of Rs. 4105.81 Million		

(₹ in Million)

(f)	Amount of NPAs (Gross) – (Solo-Global)	399650.25
	➤ Substandard	62815.61
	➤ Doubtful 1	93427.18
	➤ Doubtful 2	92929.97
	➤ Doubtful 3	49391.72
	➤ Loss	101085.76
(g)	Net NPAs	127547.38
(h)	NPA Ratios	
	➤ Gross NPAs to gross advances	10.90%
	➤ Net NPAs to net advances	3.76%
(i)	Movement of NPAs (Gross)	
	➤ Opening Balance (01.04.2020)	419977.07
	➤ Additions	6060.85
	➤ Reductions	26387.68
	➤ Closing Balance (30.06.2020)	399650.25
(j)	Movement of provisions for NPAs	
	➤ Opening Balance (01.04.2020)	272742.60
	➤ Provisions made during the period	16210.80
	➤ Write Off / Write-back of excess provisions	21903.50
	➤ Closing balance (30.06.2020)	267049.90

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(k)	Amount of Non-Performing investments	17002.97
(l)	Amount of Provisions held for non-performing investments	8010.14
(m)	Movement of provisions for depreciation on investments	
	➤ Opening balance (01.04.2020)	18508.44
	➤ Provisions made during the period	3894.10
	➤ Write-off	0.00
	➤ Write-back of excess provisions	83.19
	➤ Closing balance (30.06.2020)	22319.35

Write off and recoveries that have been booked directly to the income statement:

(₹ in Million)

Recovery in Accounts under collection	232.60
Memorandum of Interest / legal charges / Recovery in written off accounts	17.00

Amount of NPA by Major Industry type:

(₹ in Million)

Industry	Gross NPA	Provision	Net NPA
Basic Metals and metal products	41120.00	40874.74	245.26
Infrastructure including Power	67030.00	41632.83	25397.17
Textiles	12320.00	9028.13	3291.87
All engineering	12200.00	11369.70	830.30
Coal and mining	930.00	313.09	616.91

Technical write off during quarter: Rs. 21663.65 million

Geography-wise NPA

(₹ in Million)

	Domestic	Overseas	Global
Amount of NPAs (Gross)			
➤ Substandard	60726.30	2089.31	62815.61
➤ Doubtful 1	91712.89	1714.29	93427.18
➤ Doubtful 2	91391.12	1538.86	92929.97
➤ Doubtful 3	49346.79	44.92	49391.72
➤ Loss	100603.95	481.82	101085.76
Total	393781.05	5869.19	399650.25

Analysis of ageing of past-due loans

(₹ in Million)

Details	Gross NPA
Less than 1 year (Sub Standard)	62815.61
1-2 Years (D1)	93427.18
2-3 Years(D2- 1 st Year)	44678.73
3-4 Years(D2- 2 nd Year)	48251.24
More than 4 years	150477.48

Table DF – 4

Credit Risk: disclosures for portfolios subject to the standardized approach

Qualitative Disclosures:

(a)The Bank uses ratings assigned by the seven Rating Agencies approved by the Reserve Bank of India namely a) CRISIL, b) ICRA, c) CARE, d) India Ratings, e) BRICKWORKS f) Acuite and g) INFOMERICS for the eligible exposures such as Corporate, Public Sector Enterprises, Capital Market Exposures etc. according to the Basel III framework. For overseas credit exposure, bank accepts rating of Standard &Poor, Fitch, & Moody's.

The Bank has used the solicited ratings assigned by the above approved credit rating agencies for all eligible exposures, both on balance sheet and off balance sheet, whether short term or long term, in the manner permitted in the RBI guidelines on Basel III capital regulations.

Ratings published by the rating agencies on their website are used for this purpose. Only ratings which are in force as per monthly bulletin published in the website of the concerned rating agencies are taken into account.

For assets in the Bank's portfolio that have contractual maturity up to one year, short term ratings accorded by the chosen credit rating agencies are considered relevant. For other assets, which have a contractual maturity of more than one year, long term ratings accorded by the chosen credit rating agencies are considered relevant.

Long term/short term ratings issued by the chosen domestic credit rating agencies have been mapped to the appropriate risk weights applicable as per the standardised approach under Basel III capital regulations.

Use of multiple rating assessment:

- If there are two ratings accorded by chosen credit rating agencies that map into different risk weights, the higher risk weight are applied
- If there are three or more ratings accorded by chosen credit rating agencies with different risk weights, the ratings corresponding to the two lowest risk weights should be referred to and the higher of those two risk weights should be applied. i.e., the second lowest risk weight

Quantitative Disclosures:

(b)The total credit risk exposure (Solo-Global) bifurcated after the credit risk mitigation under Standardized Approach is as under:

(₹ in Million)

Solo (Global)	Book Value	Risk Weighted value
Below 100% Risk weight	5003447.01	1128483.76
100% Risk weight	952423.90	636084.12
Above 100% Risk weight	737716.72	665537.55
Total	6693587.63	2430105.44

Basel III-Pillar III Disclosures

The total credit risk exposure (Consolidated) bifurcated after the credit risk mitigation under Standardized Approach is as under:

(₹ in Million)

Consolidated	Book Value	Risk Weighted value
Below 100% Risk weight	5003917.01	1128515.67
100% Risk weight	952787.35	636447.58
Above 100% Risk weight	737778.60	665692.25
Total	6694482.96	2430655.49

Leverage Ratio

The Basel III Leverage Ratio is defined as the Capital Measure (Tier-1 Capital) divided by the Exposure Measure. As per RBI Guidelines, the Basel III Leverage Ratio for the Bank at the consolidated level as on June 30, 2020 is as follows

(₹ in Million)

Capital and total exposures		
A	Tier 1 capital	318609.81
B	Total exposures	6254294.99
Leverage ratio		
	Basel III leverage ratio A/B	5.09%