

threshold on minimum project cost. The PF&S SBU also supports other verticals for vetting their significant ticket term loan proposals. To strengthen the policy and regulatory framework for financing infrastructure, it provides advice 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 a step up in investment in the infrastructure sector by the government along with various initiatives, sectoral reforms and incentives, such as the National Infrastructure Pipeline (NIP), National Monetization Plan (NMP), Performance Linked Schemes (PLI), Disinvestment of Public Entities, Sustainable Lending, Gati Shakti, and National Single Window Systems (NSWS). This has resulted in an inflow of new projects, particularly in sectors such as City Gas Distribution, Road, Power Renewables, Metro Rail, Green Hydrogen, and Warehousing, among others.

Based on sustained liaising with Government Ministries, Authorities, and specialised Marketing endeavours, your Bank is well poised to garner more business opportunities and maintain a leadership position in the infrastructure lending space. Your Bank is closely monitoring all the projects under implementation and expects to tide over the impact of the COVID-19 pandemic through the short to medium term.

Your Bank has also set up an experienced team of 'Structuring Specialists' to support deal structuring for significant proposals across lending, bonds, International Banking, and Structured/Mezzanine Finance.

8. Stressed Assets Management

Today, SARG stands as one of the most important verticals of your Bank, and the GNPA of your Bank is on a course of a downward journey. Resolution of stressed assets by SARG presents the following latent income generating avenues for your Bank:

- Cash recovery in NPAs and AUCA
- Reduction in loan loss provisions
- Contribute to your Bank's bottom line.
- Unlocking the capital for credit extension.



Triumph Offshore Private Limited



Toll Operate Transfer



Ramagundam Fertilizer and Chemical Limited



Hindustan Urvarak and Rasayan Limited



Nayara Energy Pvt Ltd

The movement of NPAs in the Bank and recovery in written-off accounts during the last five financial years:

(₹ in crore)

Particulars	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Gross NPA	2,23,427	1,72,750	1,49,092	1,26,389	1,12,023
Gross NPA	10.91%	7.53%	6.15%	4.98%	3.97%
Net NPA	5.73%	3.01%	2.23%	1.50%	1.02%
Fresh Slippages + Increase in O/s	1,00,287	39,740	54,510	29,332	26,776
Cash Recoveries / Up- gradations	14,530	31,512	25,781	17,632	21,437
Write-Offs	40,196	58,905	52,387	34,403	19,705
Recoveries in AUCA	5,333	8,345	9,250	10,297	7,782
PCR (Incl. AUCA)	66.17%	78.73%	83.62%	87.75%	90.20%
PCR (Excl. AUCA)	50.38%	61.86%	65.21%	70.88%	75.04%

Coming out of challenges posed by pandemic aftermath, your Bank is taking all pre-emptive measures by extending assistance to its borrowers to face the new challenges & continue as performing assets. However, the current level of NPA has significantly come down over the years due to consistent recovery efforts including:

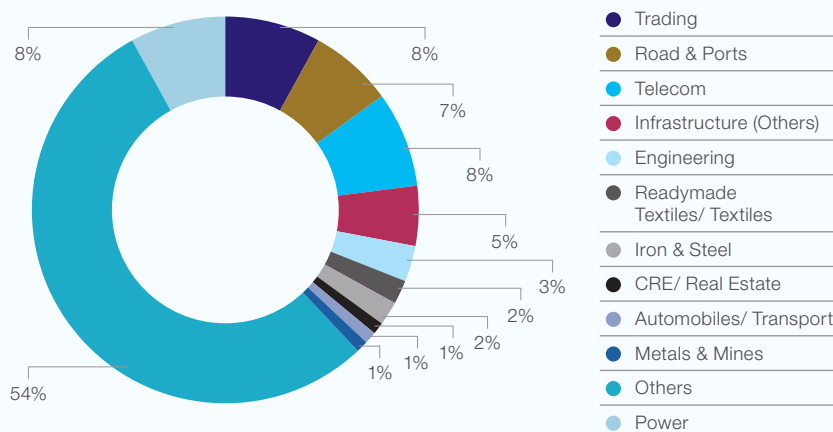
- Insolvency and Bankruptcy Code (IBC) 2016 for resolution of stressed assets has provided Bank with a time-bound, transparent, and effective mechanism to tackle stressed assets. Resolutions have been achieved in some of the high-value NPA accounts referred to the NCLT under the code. The cases referred to NCLT for resolution are monitored at a specialised NCLT cell at SARG. A total of 994 cases (whole Bank) were referred to the NCLT on 31st March, 2022, out of which 773 cases have been admitted. Furthermore, 152 cases have been resolved, including some high-value accounts from RBI's 1st & 2nd reference lists.
- The OTS/Compromise route is also explored to recover sticky loans from eligible cases. Bank's Board approved OTS scheme for various products, non-discretionary and non-discriminatory, is also offered to all qualified borrowers for maximising resolutions.
- RBI's 7th June, 2019 circular on a prudential framework for resolution of high-value distressed assets has provided a new avenue for time-bound resolution of these accounts. Your Bank is actively exploring resolution under this model.

- In non-NCLT cases, recovery is explored through action under the SARFAESI Act and suit filing in DRTs and courts. The sale of mortgaged properties is explored through the common e-Auction platform <https://ibapi.in> ('eBKray – Indian Banks Auctions Mortgaged Properties Information) under the aegis of IBA.

Sector Specific Targeted Approach:

The Stressed Assets Resolution Group (SARG) focussed on prioritising the resolution of NPAs through a sector-specific approach. Currently, the vertical is headed by the Deputy Managing

Director and overseen by the Managing Director (R, C & SARG) and two Chief General Managers overseeing the sector-wise portfolio and a CGM (Operations) monitoring the credit portfolio of accounts with an outstanding up to ₹50 crore and accounts under liquidation. The Account Management Teams function under the guidance of six General Managers. As of March, 2022, SARG has 17 Stressed Assets Management Branches (SAMBs) and 47 Stressed Assets Recovery Branches (SARBs) across the country, covering 56% and 88% of your Bank's NPAs and AUCA, respectively.

Industry-wise percentage distribution of the NPA portfolio (as of 31st March 2022)

Compromises and NCLT: Apart from normal recovery, a significant portion of the recovery at SARG comes from compromises and NCLT. The vertical also introduces special OTS schemes (non-

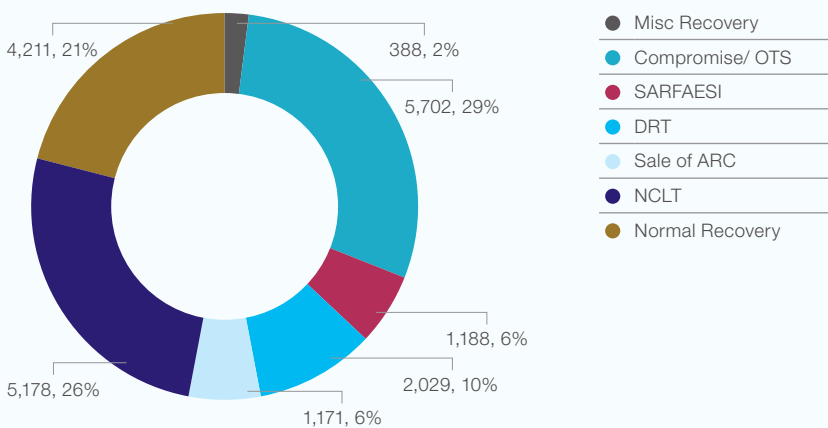
discretionary and non-discriminatory) from time to time. A team has been set up to look after the sale of assets to Asset Reconstruction Companies (ARCs) on a Cash or Security Receipts (SR) basis.

period of the Covid Pandemic. The human capital of your Bank has demonstrated high motivation and spirit to face the new age challenge on the front of technology.

The Human Resources (HR) policies focus on making your Bank an employee-oriented, profitable and growing business organisation over a more extended period of time.

The summarised HR Profile of the Bank as of 31st March 2022 is as under:

Recovery (₹ In Crore) Made Through Various Modes & Percentage Share In Total Recovery (31.03.2022)



Category	FY2021	FY2022
Officers	1,08,772	1,11,549
Associates	1,00,796	99,259
Subordinate staff & Others	36,084	33,442
Total	2,45,652	2,44,250

Innovation in the Resolution of Stressed Assets: SARG introduced specific innovative methods and gave first-mover advantage to your Bank in areas such as arranging mega e-Auction of a large number of properties on a Pan-India basis. For this purpose, the Bank is also making extensive use of a common landing platform for PSBs (<https://ibapi.in> in 'eBKray' - Indian Banks Auctions Mortgaged Properties Information).

Resolution under IBC is a market-oriented mechanism where a higher number of bidders for a particular stressed corporate debtor result in better valuation and maximisation of recovery for lenders. Hence, a marketing team has been set up at SARG to reach out to a broader investor base and showcase our stressed asset undergoing resolution under/ outside IBC.

The transfer of eligible assets to NARCL is also being monitored at SARG with requisite enablers already implemented to ensure the smooth migration of

identified assets. Around 22 accounts with aggregate exposure of approximately ₹17,000 crore are proposed to be transferred to NARCL in phases.

Various new IT initiatives have been rolled out, including LITMAS (Litigation Management System), to better monitor legal recourses undertaken in the stressed accounts for expediting recovery. It will further strengthen the transparency and efficiency of the process.

IV. Support and Control Operations

1. Human Resources and Training

A. Human Resources

Your Bank believes in and acknowledges the critical role of its employees in achieving its present and future organisational goals. SBI recognises the employees' focussed efforts to steer the Bank's performance to greater heights even during the turbulent

Productivity Enhancement Initiatives

Your Bank adopts a branch-based model for manpower planning to ensure optimal utilisation of Human Resources. The model is based on the productivity parameters at the branches like identified work drivers of operations, transaction load factors, number of advance accounts, feedback from the operating units and organisational structure, among others.

Your Bank has streamlined its promotion and transfer process, and these are now completed in the first quarter of a financial year. This gives the branches and other units the required assurance and stability to actively focus on business activities during the major part of the year. In FY2022, despite the challenges posed by the Covid-19 pandemic, the promotion process was completed within the stipulated time.

Your Bank's Career Development System (CDS) under project "Saksham" ensures a transparent, credible data-backed performance evaluation process for the assessment of employee performance. The system ensures accountability, performance, visibility, and greater alignment between individual and organisational goals.

Specialised skills are critical to success for a bank with a large footprint and diversified