

DIGITAL TRANSFORMATION FOR TOMORROW

Taking banking digitisation to the next level.

ANNUAL REPORT 2021-22

DOLLAR VERSION



यूनियन बैंक ऑफ इंडिया  **Union Bank** of India

भारत सरकार का उपक्रम A Government of India Undertaking




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Amrit Mahotsav

Contents

Digital Transformation for Tomorrow	03
About the Bank	04
Transforming to deliver optimal returns	06
Key Financial Trends	08
Delivering the next-generation, digitised consumer financial services	10
Board of Directors	14
Chief Vigilance Officer/ Chief General Manager/ General Manager as on 31.03.2022	20
Organization Structure	21
Capture opportunities as we transition to a low-carbon economy	22
Directors' Report	24
Management Discussion and Analysis	37
Corporate Governance Report	71
Standalone Financial Statements	115
Consolidated Financial Statements	183
Standalone Financial Statements (All figures in US Dollar)	226
Consolidated Financial Statements (All figures in US Dollar)	294

DIGITAL TRANSFORMATION FOR TOMORROW

Taking banking digitisation to the next level.

At Union Bank of India, we want to be much more than a bank: we want to be a digital-forward bank. We want to be the vanguard of the industry in terms of embedding digitization across the full range of banking processes and services.

We are on a well-charted course for modernising our core technologies to become a bank of the future. This started by realizing that we are not just a bank, but also a technology company. Today, we intend to implement best-in-class digitalisation efforts across the board and link them directly to our P&L. We are carefully bifurcating our businesses that lend themselves to the digital segment and the traditional segment, and are accelerating the adoption of digital behaviour at all the right nodes of our overall business. The results are tangible and promising: we can easily see that digital customers have much higher income per customer and cost-to-income ratio compared to the traditional segment – giving us the potential to be a highly productive and efficient bank. We are also becoming digital to the core in terms of our mindsets and organisational culture. This involves a deep indoctrination of our people for each change agenda, and the adoption of customer-journey thinking to understand how they would actually experience our applications.

Over the past few years, we have been doing many things to enhance our return on assets. At every turn, we have always looked to surpass industry excellence standards to improve the bank's lending performance, profitability, asset quality, and the pace of capital generation. A key strategy underpinning this is our undeterred focus on innovation, customer service, and value creation, making us a digital-forward bank. We remain committed to our journey towards strengthening our financial position, while building our future growth through our people and technology.

About the Bank

16.05 crore
Customers

8,870
Domestic Branches

11,200+
ATMs in Service

8,216
Business Correspondent Points

75,201
Employees

₹10,32,392 crore
Global Deposits (31st March 2022)

₹7,16,408 crore
Global Gross Advances
(31st March 2022)



Union Bank of India is India's one of leading public sector banks listed on the Indian stock exchanges, with the Government of India holding 83.49% in the Bank's total share capital. Founded in 1919, we have had a long legacy of serving our stakeholders. Recently, Andhra Bank and Corporation Bank were amalgamated into our fold with effect from 1st April, 2020. We also have 3 branches overseas at Hong Kong, Dubai International Financial Centre (UAE) & Sydney (Australia); 1 representative office in Abu Dhabi (UAE); 1 banking subsidiary at London (UK); 4 para-banking subsidiaries (domestic); 2 other joint ventures (including in life insurance business) and 1 associate - Chaitanya Godavari Gramin Bank.

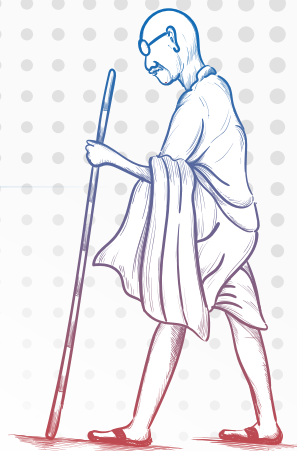
We are the first large public sector bank in the country to have implemented 100% core banking solution. The Bank has received several awards and recognition for its prowess in technology, digital banking, financial inclusion, MSME and development of human resources.

Our Genesis

Union Bank of India was established on 11th November 1919 with its headquarters in Mumbai. It was promoted by Seth Sitaram Poddar. The Head Office building of the Bank in Mumbai was inaugurated by Mahatma Gandhi, the Father of the Nation in the year 1921, and he said on the occasion:

“We should have the ability to carry on a big bank, to manage efficiently crores of rupees in the course of our national activities. Though we have not many banks amongst us, it does not follow that we are not capable of efficiently managing crores and tens of crores of rupees.”

– Mahatma Gandhi (1921)



His prescient words predicted the growth of the Bank that has taken place in the decades that followed.

Services & Solutions

We provide various banking products and services. The Bank operates through four segments:

» Treasury Operations

» Retail Banking Operations

» Corporate and Wholesale Banking, and

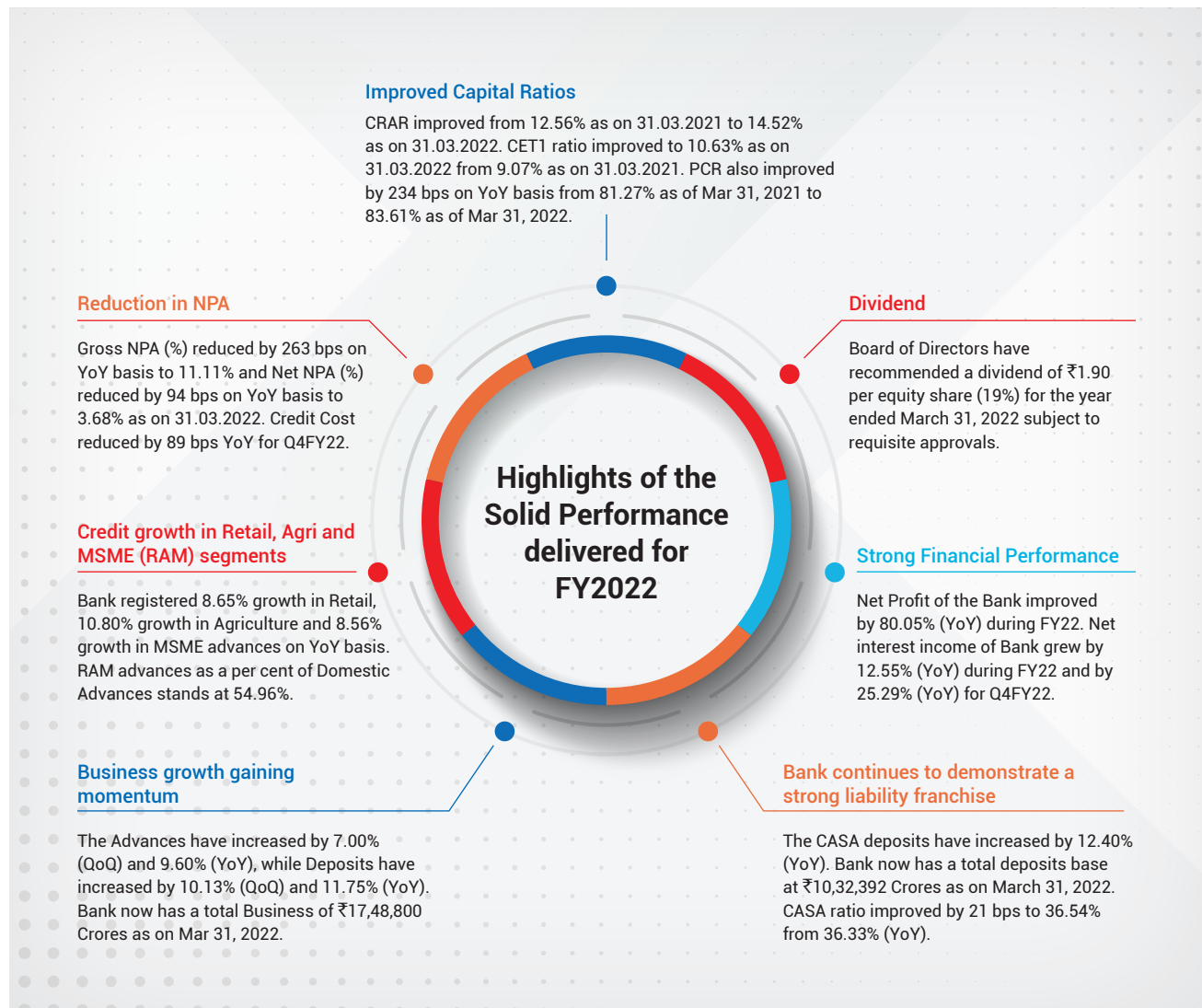
» Other Banking Operations

The Bank offers savings and current accounts; term and recurring deposits; and demat and online trading accounts. It also provides retail loans, including home, vehicle, education, and personal loans; loans against the property; and loans for pensioners, as well as products and loans for micro, small, and medium enterprises. In addition, the company offers mutual funds, life, non-life, health, and general insurance products, and tax saving deposits; government saving schemes, tax collection services, pension products, and departmentalized ministries accounts; short term, long term, and other credit for agricultural/SSI/tertiary sectors; and safe deposit locker and cheque collection services.

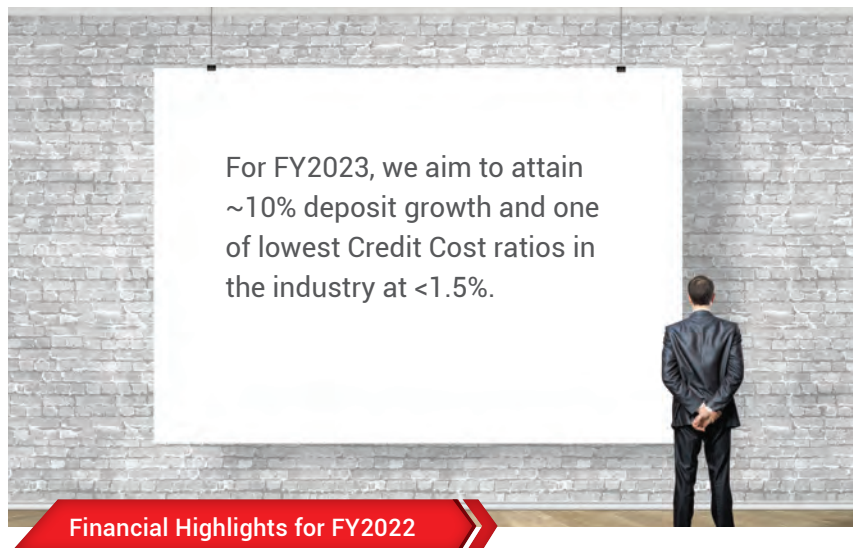
Furthermore, the Bank provides corporate loans comprising Covid emergency line of credit, trade finance, working capital, lines of credit, project financing, and channel finance; debt structuring/restructuring, loan syndication, structured finance, mergers and acquisition advisory, and private equity services; cash management, ECGC cover, and foreign exchange services, as well as derivatives; export and import finance services; NRI banking services; and treasury and other products, and remittance services. Additionally, the company offers app, internet, self-service, ATM, and SMS banking services; point of sale terminals and immediate payment services; and combo, debit, credit, gift, prepaid, and payroll cards.

Transforming to deliver optimal returns

Union Bank demonstrated a clear and sustainable path to growth over the course of FY2022, delivering a Return on Average Assets (ROAA) of 0.47 in FY2022, a marked improvement over an ROAA of 0.27 in FY2021. We will continue to develop the diversified business model that we have established, investing in advanced technology and digital capabilities in our consumer businesses, delivering sustainable growth across our domestic and global operations, and play a meaningful part in aiding the transition to a low-carbon economy.



Building on resilience, consistency and growth.



14.52%

CRAR under Basel III

as on 31.03.2022 as against 12.56% as on 31.03.2021 and as compared to the minimum regulatory requirement of 11.50%

83.61%

Provision Coverage Ratio

as on 31.03.2022 as against 81.27% as on 31.03.2021

₹17,48,800 crore

Global Business

as on 31.03.2022, up by 10.86% from ₹1577490.00 crore as on 31.03.2021

2.94%

Global NIM

for the FY2022

45.74%

Cost to Income Ratio

for FY2022

₹10,32,392 crore

Total Global Deposits

as on 31.03.2022

2.97%

Domestic NIM

for the FY2022

11.11%

GNPA

as on 31.03.2022 as against 13.74% as on 31.03.2021

₹7,16,408 crore

Global Gross Advances

as on 31.03.2022

₹12,525 crore

Other Income

as on 31.03.2022

3.68%

Net NPA Ratio

as on 31.03.2022 as against 4.62% as on 31.03.2021

₹3,77,193 crore

CASA Deposit

as on 31.03.2022

₹21,873 crore

Operating Profit

for FY2022, up by 11.22% from ₹19667 crore for the FY2021

12.20%

Tier 1 Capital

as on 31.03.2022

₹27,786 crore

Net Interest Income

for the FY2022

7.14%

Yield on Advances

for FY2022 as against 7.21% in FY2021

10.63%

CET 1 Capital

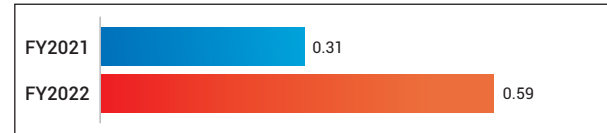
as on 31.03.2022

Key Financial Trends

Employees (NUMBER)



Net Profit per Branch (₹ IN CRORE)



Branches (NUMBER)



Earnings per Share (IN ₹)



Business per Employee (₹ IN CRORE)



Book value per Share (IN ₹)



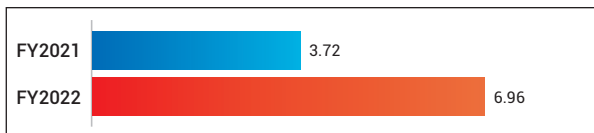
Gross Profit per Employee (₹ IN LACS)



Interest Income / Average Working Funds (IN %)



Net Profit per Employee (₹ IN LACS)



Interest Expenses/AWF (IN %)



Business per Branch (₹ IN CRORE)



Interest Spread /AWF (IN %)



Gross Profit per Branch (₹ IN CRORE)



Non-Interest Income /AWF (IN %)



Operating Expense/AWF (IN %)



Cost of Deposits (IN %)



Cost Income Ratio (IN %)



Credit Deposit Ratio (IN %)



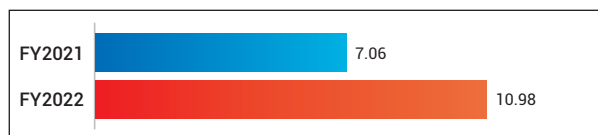
Gross (Operating) Profit /AWF (IN %)



Capital Adequacy Ratio (Basel III) (IN %)



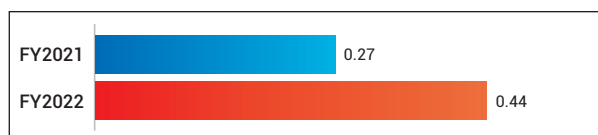
Return on Average Net Worth (IN %)



Tier I Capital (IN %)



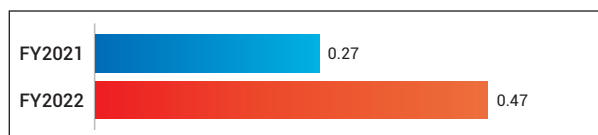
Return on Terminal Assets (IN %)



Tier II Capital (IN %)



Return on Average Assets (IN %)



Dividend Payout Ratio to Net Profit (IN %)



Yield on Advances (IN %)



Key Strategy:

Delivering the next-generation, digitised consumer financial services

The COVID-19 pandemic inevitably brought challenges for our consumer-facing businesses. It also accelerated several existing customer and client behaviour trends that we have seen continue during 2021 and well into 2022, in terms of our clients not requiring a physical branch visit or in-person engagement. A continued significant shift toward digital adoption and demand for digital financial services to meet day-to-day needs has accelerated our digital agenda and focused on creating new business models built around digital customer and client engagement.

One of our core priorities is to deliver next-generation, digitised consumer financial services to ensure we remain competitive and continue to meet the needs of our customers and clients while maintaining our societal obligations to provide access to banking. Union Bank of India is offering a "Digital Experience" to its customers by leveraging and implementing the latest innovations in technology like cloud computing and digital lending, amongst other capabilities. You Bank is transforming the current IT architecture to ensure high-performance access to business systems and cloud-based applications, complying with regulatory norms without compromising security. At the same time, Your Bank is fostering Enterprise Solution Architecture Practices for new applications to support innovations in diverse, dynamic and complex environments.

During FY2021-22, Bank has decided to invest more than ₹1,500 crore on digitization initiatives for bringing next generation digitized consumer financial services.

Progress on Digital Channels

Growth in Digital Channels (figures in crore)

Channels	31.03.2021	31.03.2022	Annual Growth	
			Absolute	(%)
Mobile Banking Users (in crore)	1.22	1.65	0.43	35
Internet Banking Users (in crore)	0.68	0.73	0.05	7

We continue to oversee our evolving consumer businesses as this priority is driven forwards, ensuring we keep the focus on meeting consumer demand and responding to changing behaviour while at the same time ensuring the Bank becomes more efficient in its operations. We talk about this at length in our Management Discussion and Analysis Report.

To ensure we deliver sustainable long-term returns for our investors, the Board and management have contemplated the importance of operating a service model that is responsive to evolving customer and client expectations and enables Union Bank of India to remain competitive and highly relevant to today's consumer desires and behaviour.

Union Bank of India has also continued to play an essential role in using technology and our monitoring capabilities to help manage and maintain the quality of our assets. Read more about our investments in security systems and vigilance that protect against fraud and scams in our Management Discussion and Analysis Report.

Critical to the successful delivery of this priority will be creating the future workforce. We are committed to attracting, developing, and retaining a diverse and inclusive workforce that embeds essential skills, such as digital and technology, and the capabilities needed to succeed. Our Management Discussion and Analysis report on page 309 provide more detail on our talent development work.



Major Strides in Digital Adoption

- » First public sector bank (PSB) to go live on the account aggregator ecosystem
- » First PSB to achieve triple ISO for its IT Systems
- » First PSB to implement End to End auto-renewals of MSME loans up to 10 lacs
- » First PSB to implement multi-language in Finacle, Mobile Banking application and SMS
- » Your Bank is 3rd in UPI transactions among all Public Sector Banks in the country, with monthly transactions of 76+ crore and a technical decline of less than 1%.
- » Your Bank was awarded the IBA award for Best Cloud Adoption in Large Category Bank, IDC Industry Innovation Awards 2021, and Runner Up in Infosys Finacle Innovation Award 2021.
- » Your Bank became part of "Indian Banks Blockchain Infrastructure Company (IBBIC)" to implement Banking related Services in Blockchain Technology to take a new leap in Digitization soon.
- » Your Bank has initiated the setting up of the Analytics Center of Excellence and eyeing complete business modelling through AI/ML in the next three years.
- » Your Bank is partnering with leading RPA based Fintech firms to use RPA to automate processes such as daily report generation, ATM reconciliation, and payment settlement, among others.

Key Strategy:

Delivering the next-generation, digitised consumer financial services

One of our core priorities is to deliver next-generation, digitised consumer financial services to ensure we remain competitive and continue to meet the needs of our customers and clients, while maintaining our societal obligations to provide access to banking.



We want to be the vanguard of the industry in terms of embedding digitization across our full range of banking processes and services.

Customer EASE (Enhanced Access & Service Excellence)

Union Bank of India has established a dedicated Application Performance Monitoring team to ensure proactive issue resolution and 24/7 service availability. The average Uptime of IT systems is 99.90% which is at par with the best in the industry.

Empanelment of FinTechs

Fintech policy of the Bank provides for empanelment of FinTechs to create a pool of companies having developed unique financial services. A readily available collection of FinTechs helps the Bank adopt the required solution within the shortest possible time. Based on the market study and expected requirements of the Bank, 24 FinTechs have been empaneled under various service segments.

During FY2021-22, Bank has decided to invest more than ₹1,500 crore on digitization initiatives for bringing next generation digitized consumer financial services.

Robust and Resilient Infrastructure

During FY2022, your Bank's private Cloud was expanded to currently host 600+ virtual machines, running 130+ applications on Cloud. The Bank also established a robust CBS Infrastructure to support daily financial transaction volume of 5+ crore. Currently, monthly average CBS transactions are 155+ crore. Your Bank also implemented the SD-WAN solution, which will provide a centralised approach to network management, more network automation, simplified operations, reduced change control, standardised email messaging system with advanced security features.



The Digital Conclave at Mumbai

Union Bank of India recently conducted its maiden Digital Conclave to mark its foray into creating a Digital Bank within Bank. During the Conclave, Shri Rajkiran Rai G, MD & CEO, unveiled 'Union SAMBHAV – World of Opportunities', a Future Digital ready transformation project, and its upcoming Super App named Union nxt – Do it Yourself. The main thrust of these digital initiatives is to empower Customers with Smarter Ways of doing Banking across all segments, predominantly Do it Yourself (DIY). With customer experience as the primary objective (Design Thinking), Five Customer-Centric Digital Lending (end to end STP) journeys viz, Pre-approved Personal Loan (PAPL), Union Cash (Pensioner loan), Shishu Mudra Loan, MSME Loan-Auto-renewal, Agri loan (KCC)- Auto-renewal were unveiled during the Digital Conclave including the new data-driven vibrant products & services on Bank's Mobile Banking. The event also witnessed the rolling out of digital applications, viz. SoftPos & CRM Application. Speaking on the occasion, Shri Rajkiran Rai G, MD&CEO, Union Bank of India, remarked that *"With the embark of project 'Sambhav – World of Opportunities' and Super App, I am confident that Union Bank of India will deliver real-world value to its Customers through an accelerated Digital Transformation, both as a business ideology and enterprise imperative."*

Recognition and Awards



EASE 4.0: Your Bank secured **3rd position under the Theme-Tech Enabled Ease of Banking** for the December 21 Quarter in EASE 4.0.



Union Bank of India was awarded the **Best Cloud Adoption in Large Category bank** as Bank has recognised the significant potential of the cloud technology in providing modern infrastructure for Banking at a very early stage and implemented on-premises private Cloud in 2017.



Union Bank of India was awarded **Runner Up in Infosys Finacle Innovation Award 2021 under the Process Innovation Category** for the Bank's innovation strategy, which is centred around customers to provide a superior experience at all stages of the customer journey in every sphere of Banking through exceptional touchpoint experience and agile services.



Union Bank of India was awarded **IDC industry Innovation Awards 2021 under Innovation in Operations** as Bank is architecting the future by driving business growth and creating competitive advantages through emerging technologies and continuous innovations.



As per the rank list released by IBA, Union Bank of India is ranked **3rd among 12 PSBs in the EASE 4.0 Reforms Index for Q1 FY22**. The Bank has been actively adopting the reforms initiatives recommended under the EASE Agenda, enabling it to retain the overall position of the second runner up for the last three consecutive quarters since December 2020. The Bank has also recorded stellar performance under four out of six themes on the agenda. The Bank was adjudged the winner in the themes 'Collaborating for synergistic outcomes' & 'Governance & outcome-centric HR' and bagged the runner-up positions in 'New age 24x7 Banking' & 'Tech-enabled ease of banking' themes.

Board of Directors



Ms. A. Manimekhalai
Managing Director & CEO
 (from 03.06.2022)

Ms. A. Manimekhalai is a seasoned Banker with experience of more than 3 decades. She started her career in erstwhile Vijaya Bank as an Officer in 1988 and rose successively as Branch Head, Regional Head and Functional Head of various Departments at Corporate Office. She was instrumental in devising & implementation of strategic policies covering core areas like strategic planning, setting organizational goals, growth strategies, action plans, compliance, internal control, etc.

Prior to joining Union Bank of India, Ms. A Manimekhalai was an Executive Director at Canara Bank, wherein she oversaw strategic planning, credit & related matters, inspection, marketing and financial inclusion, State Level Lead Bank responsibilities and the functioning of Regional Rural Banks. She played a pivotal role in effecting successful amalgamation of Canara Bank and Syndicate Bank. She has extensive experience as Director on the Board of five other companies namely Canbank Factors Ltd., Canbank Computer Services Ltd., Canara HSBC Oriental Bank of Commerce Life Insurance Co. Ltd., General Insurance Corporation of India, India Infrastructure Finance Company Ltd. and Trustee, Canara Robeco Asset Management Co.

A member of various committees and working groups constituted by Government of India, she has actively contributed towards policymaking, including drawing the future road map of RRBs, Financial Inclusion, Agriculture Value-chain Finance, Banking Correspondent issues and creating synergies for seamless credit flow to Health Care and Education.

Ms. Manimekhalai holds Master of Business Administration (Marketing) from Bangalore University, and a Diploma in Human Resource Management from Narsee Monjee Institute of Management Studies (NMIMS), Mumbai. A beneficiary of various executive development programs at leading institutes of country, she is also a Certified Associate of Indian Institute of Bankers (CAIIB).



Shri Rajkiran Rai G.
Managing Director & CEO
 (till 31.05.2022)

Shri Rajkiran Rai G. was Managing Director & CEO of Union Bank of India since July 1st, 2017. Born on 19th May 1962, Shri Rai has more than three decades of rich banking experience which includes heading Industrial Finance Branch, Regions and Zonal Offices. Starting his career in 1986 as an Agricultural Finance Officer in Central Bank of India, Shri Rai rose through ranks heading various branches at different parts of the country for more than 17 years. On his elevation as General Manager, he was given the responsibility of heading the department of Human Resource Development. He was the Field General Manager of Mumbai Zone of Central Bank of India, when he was elevated to the post of Executive Director of Oriental Bank of Commerce.

He is the Chairman of Union Bank of India (U.K.) Limited, Union Asset Management Company, Star Union Dai-Ichi Life Insurance Company Limited, UBI Services Limited, and Director on the Board of EXIM Bank and United India Insurance Company Limited. Earlier, he has served on the Board of Oriental Insurance Company Limited, Canara HSBC Oriental Bank of Commerce Life Insurance Co. Ltd. Shri Rai also served as Head of the Committee to advise the Banks Board Bureau (BBB) on evolving suitable training & development programs for management personnel in Public Sector Banks.

Shri Rai was the Chairman of Indian Banks' Association (IBA). Of his multiple responsibilities at the IBA, he also served as Chairman, Managing Committee and Chairman, Standing Committee on HR & IR, and Chairman, Wage Negotiation Committee.

Apart from the above, Shri Rai is presently holding the following positions:

- » Chairman, Governing Board of Institute of Banking Personnel Selection (IBPS).
- » Chairman, Committee to study and recommend a uniform system for the banks for classification of various disciplinary cases as Vigilance and Non-vigilance.
- » President, Indian Institute of Banking & Finance (IIBF).
- » President, Bankers' Institute of Rural & Entrepreneurship Development (BIRED).
- » President of the State Level Bankers' Committee (SLBC) in Andhra Pradesh.
- » Member, Advisory Board for Financial Inclusion Fund of NABARD.
- » Member, Governing Council of Bankers Institute of Rural Development (BIRD).
- » Member, Depositor Education and Awareness Fund (DEAF) of Reserve Bank of India.
- » Member, Governing Board of National Institute of Bank Management (NIBM).
- » Member, Search Committee for appointment of new Director of NIBM.
- » Member, Board of Directors of National Credit Guarantee Trust Co Ltd (NCGTC)

Shri Rai is an agricultural science graduate and also a certified member of Indian Institute of Bankers. A vivid learner, he has been benefitted of several executive development programmes at prestigious institutions of the country. A winner of several prestigious industry awards and accolades, Shri Rai is awarded 'CEO with HR Orientation' by World HRD Congress for his distinguished approach to capability building through training and leadership development. He has also been conferred Honorary Fellowship by Indian Institute of Banking & Finance (IIBF) in recognition of his invaluable contribution in the field of banking and finance.



Shri Manas Ranjan Biswal

*Executive Director
(till 30.04.2022)*

Shri Manas Ranjan Biswal assumed the charge as Executive Director of Union Bank of India on 01.03.2019.

Shri Biswal, aged 59 years is a Graduate in science and a Certified Associate of Indian Institute of Bankers (CAIIB). He joined Punjab National Bank (PNB) in 1985 as a Management Trainee and prior to his elevation as Executive Director of Union Bank of India, he was General Manager at the Corporate Office of PNB heading the Resolution and NCLT Division.

Shri Biswal is a seasoned banker with over 36 years of rich experience in various administrative and functional capacities at Branches, Regional Offices, Zonal Offices and Corporate Office Level. He has also worked for more than 3 years as CEO of PNB's Dubai Branch and Middle East operations and as Zonal Head of PNB's Eastern Zone. At Corporate level, he has headed the Credit Monitoring and Review Division, Recovery Division, Resolution and NCLT Division of PNB.

Board of Directors



Shri Nitesh Ranjan
Executive Director

Shri Nitesh Ranjan is the Executive Director of Union Bank of India since March 10, 2021. He is leading digital transformation in the Bank, and spearheading strategic shifts in Balance sheet, Customer experience and People development.

Shri Ranjan has been with the Bank since 2008 where he occupied several important positions in the Bank, namely, Head of Treasury Operations & Strategy, Chief Investor Relations Officer, Chief Economist and Regional Head. He started his career with Food Corporation of India as management trainee, and then moved to Andhra Bank.

He is a member of the Board of Directors of National Payments Corporation of India (NPCI), SUD Life Insurance Company Ltd and UBI Services Ltd. and member of IBA Steering Committee on PSB Reforms. Earlier, he was on the Board of SBI Global Factors Ltd, and FIMMDA (Fixed Income Money Market and Derivatives Association of India). He was also a founding member of India Forex Committee (IFXC).

Shri Nitesh Ranjan is a post-graduate in Economics. He has completed Leadership Development Programme of IIM Bangalore, curated by the Banks Board Bureau in consultation with IBA and Egon Zehnder International Pvt. Ltd. He also dedicated 100 days for imparting 'Spoken English Programme' to underprivileged youth, under Teach-India initiative.



Shri Rajneesh Karnatak
Executive Director

Shri Rajneesh Karnatak was a Chief General Manager of Punjab National Bank posted at Corporate Office. He is a Post Graduate in Commerce (M.Com) and is a Certified Associate from Indian Institute of Bankers (CAIIB).

Shri Karnatak has a rich banking experience of over 27 years and carries varied branch and Administrative office experience. As General Manager in erstwhile Oriental Bank of Commerce, he has headed Large Corporate Credit Branches and verticals such as Credit Monitoring, Digital Banking and Mid Corporate Credit. Post the amalgamation of Oriental Bank of Commerce into Punjab National Bank, he has also headed Credit Review & Monitoring Division and Corporate Credit Division in Punjab National Bank

Shri Karnatak has attended various training and Leadership Development Programs from IIM-Kozikode and JNIDB Hyderabad and has also taken part in Advance Management Programme at IMI (International Management Institute) Delhi & IIBF (Indian Institute of Banking & Finance). He was a part of 1st batch of Senior Officers selected by Banks Board Bureau for Leadership Development Program of IIM Bangalore & Egon Zehnder. He carries with him credit appraisal skills including project funding & working capital funding along with Risk Management with specific reference/special emphasis on Credit Risk.

He has served as Nominee Director on the behalf of Punjab National Bank in the Board of:

1. PNB Housing Finance Ltd. and
2. India SME Asset Reconstruction Company Limited

Also served as Board Trustee on behalf of Punjab National Bank on IAMCL (IIFCL Asset Management Co.Ltd.).

He is presently Nominee Director on the Board of UBI Services Ltd.



Shri Nidhu Saxena
Executive Director

Shri Nidhu Saxena assumed the charge as Executive Director of Union Bank of India on 01.02.2022.

Shri Nidhu Saxena, aged 53 years is a Commerce graduate and also holds a Masters in Business Administration along with CAIB qualification. Prior to his 25 years of banking experience, he had 8 years of corporate exposure in varied sectors. He started his banking career at Bank of Baroda where he worked for 10 years after which he joined UCO Bank.

Throughout his banking career, he has worked at several locations and with different branches including specialised NRI Branch, Centralised Retail Hubs and also administrative offices including Central Office. He donned various roles including Branch Head and Zonal Head. Prior to joining Union Bank of India, he headed the verticals of Retail Credit, MSME and Bancassurance businesses at UCO Bank.



Shri Sameer Shukla
Government Nominee Director

Shri Sameer Shukla is an officer of Indian Administrative Service (IAS) belonging to 2005 batch of Karnataka Cadre.

At present, he is working as Joint Secretary in Ministry of Finance, Department of Financial Services, Government of India.

He has been appointed as Government Nominee Director on the Board of Union Bank of India w.e.f. 08.11.2021. He has done Bachelor's in Electronics Engineering.

Experience in Government of India

Earlier, he has worked in the Ministry of Information and Broadcasting and Ministry of Steel, Government of India.

Experience in Government of Karnataka

- » Deputy Commissioner and District Magistrate in Districts of Bidar, Dharwad and Ballari.
- » Chief Executive Officer Zila Panchayat, Raichur in Rural Development and Panchayati Raj Department.
- » Managing Director of Mysore Minerals Limited in Industries Department.
- » Mission Director in Rural Development.
- » Commissioner in Skill Development, Entrepreneurship & Livelihood Department.

He has also worked in HCL Infosystems, private sector, as network engineer before joining Government Service as an IAS.

Board of Directors



Shri Arun Kumar Singh
RBI Nominee Director

Shri Arun Kumar Singh is currently the head of Department of Information Technology, Reserve Bank of India, Central Office Mumbai, spearheading technological development in the Bank, particularly, in the areas of Currency Management, Government Banking, Payment System, Cyber Security, Data Centre upgradation, Internal Applications, IT Infrastructure, etc.

He has had a wide and rich experience of working in RBI in various capacities in the field of Government Banking, Financial Inclusion, Non-Banking and Banking Supervision, Banking Regulation, Monetary Policy, Information Technology, etc. He was actively engaged in regulation and supervision of non-banking financial companies for long period. He has acted as Principal Inspecting Officer / Senior Supervisory Manager for various commercial banks and has actively participated in first Asset Quality Review (AQR) of banks as well as Risk-based Supervision (RBS) related processes and development. He was also involved in framing banking policies in various capacities. He has also served as nominee director on Regional Rural Bank and assisted in regulatory and development issues under monetary policy formulation process. Just before his current assignment, he was Regional Director for Rajasthan for three years [2019-22] and carried out his Central Banking responsibilities in the areas of currency management, financial inclusion, financial literacy, banking / non-banking development, Government banking, etc. in the state of Rajasthan.

Shri Arun Kumar Singh has done his Graduation in Economics and MBA in Finance and HR. He is also a Certified Associate of the India Institute of Banking (CAIIB).



Shri Suraj Srivastava
Part-Time Non-Official Director

Shri Suraj Srivastava is a Fellow Member of The Institute of Chartered Accountants of India (ICAI) and also a Bachelor of Laws (LL.B.).

Shri Srivastava has a rich professional experience of over 16 years as a practicing Chartered Accountant in taxation and audit practice. As a partner of M/s Batra Sagra & Co., Shri Srivastava has done statutory audits, concurrent audits and branch audits of various Public Sector Banks, Public Sector Undertakings and other Companies.

Shri Srivastava has also completed Information Systems Audit (ISA) Assessment test from ICAI.



Shri Laxman S Uppar
Part-Time Non-Official Director

Shri Laxman S Uppar assumed the charge as the Director of Union Bank of India on March 21, 2022.

Shri Uppar has done Bachelor's in Engineering. He is a noted Educationist, Philanthropist and Founder of Karnataka Classic Education Private Ltd., Dharwad. He has also started Spardha Spoorti Publishers & Printers Pvt. Ltd., Dharwad in 2012, which publishes books and magazines for various competitive examinations.

Currently, he is the Chairman of the Classic International Public School and also Classic Little Buds, Classic PU & Degree College, Dharwad.

Shri Uppar besides giving donations to orphanage centres, educational institutions and religious organisations also helps students having rural and poor background.

Shri Uppar has been bestowed with many National level awards for his service to educational and social sector.



Dr. Jayadev Madugula
Shareholder Director

Dr. Jayadev Madugula has been elected as Shareholder Director of the Bank w.e.f. 28.06.2021 for a period of three years. He is Post Graduate in Commerce and Ph.D. in Business Management. Presently, he is Professor of Finance & Accounting at IIM, Bangalore.

Dr. Jayadev has rich experience of teaching not only in premier institutions in India but also as a Visiting Professor in various universities abroad. He has published various books and research articles in national and international journals and has won various awards and accolades in the field of education. He was the Shareholder Director of the Bank from June 28, 2018 to June 27, 2021.



Smt. Priti Jay Rao
Shareholder Director

Smt. Priti Jay Rao is M.Sc (Mathematics) from IIT Bombay with specialization in Computer Science. She is a passionate advocate of amplifying business value, leveraging Technology, Human Resources and Process Automation.

She has to her credit, 24 Years of diverse experience in building and delivering range of IT services for customers located across all the five continents. During her stint in various Companies, she played a pivotal role in supporting IT teams, delivering software services and managing large scale recruitment, training and assimilating large employee base.

She is inclined towards a leadership skill that requires both knowledge and vision of technology with the ability to envisage how technology might affect organizational dynamics to help organisations accelerate technology adoption.

She is the member of Board of Directors of Public and Private companies related to various aspects of technology services and products for last several years.

She is also actively engaged in CSR activities with being chairperson and founder of Aatmaja Foundation, with a mission to provide financial assistance, special coaching, counselling, other requisite support to deserving bright young girls from disadvantaged background to enable them to grow into empowered, confident professionals with strong values.

Chief Vigilance Officer/ Chief General Manager/ General Manager

As on 31.03.2022

Chief Vigilance Officer

Shri Umesh Kumar Singh

Chief General Manager

Shri S.K. Mohapatra
Shri Sundara Prasad S.V.S.
Shri Ashok Chandra
Shri K. Bhaskara Rao
Shri M V Balasubramanyam
Shri A K Vinod
Shri P. Satyanarayana
Shri Lal Singh
Shri C. M. Minocha
Shri V. B. Reddy
Shri Pravin Sharma
Shri Abhijit Basak
Shri Shailesh Kumar Singh
Shri B S Venkatesha

General Manager

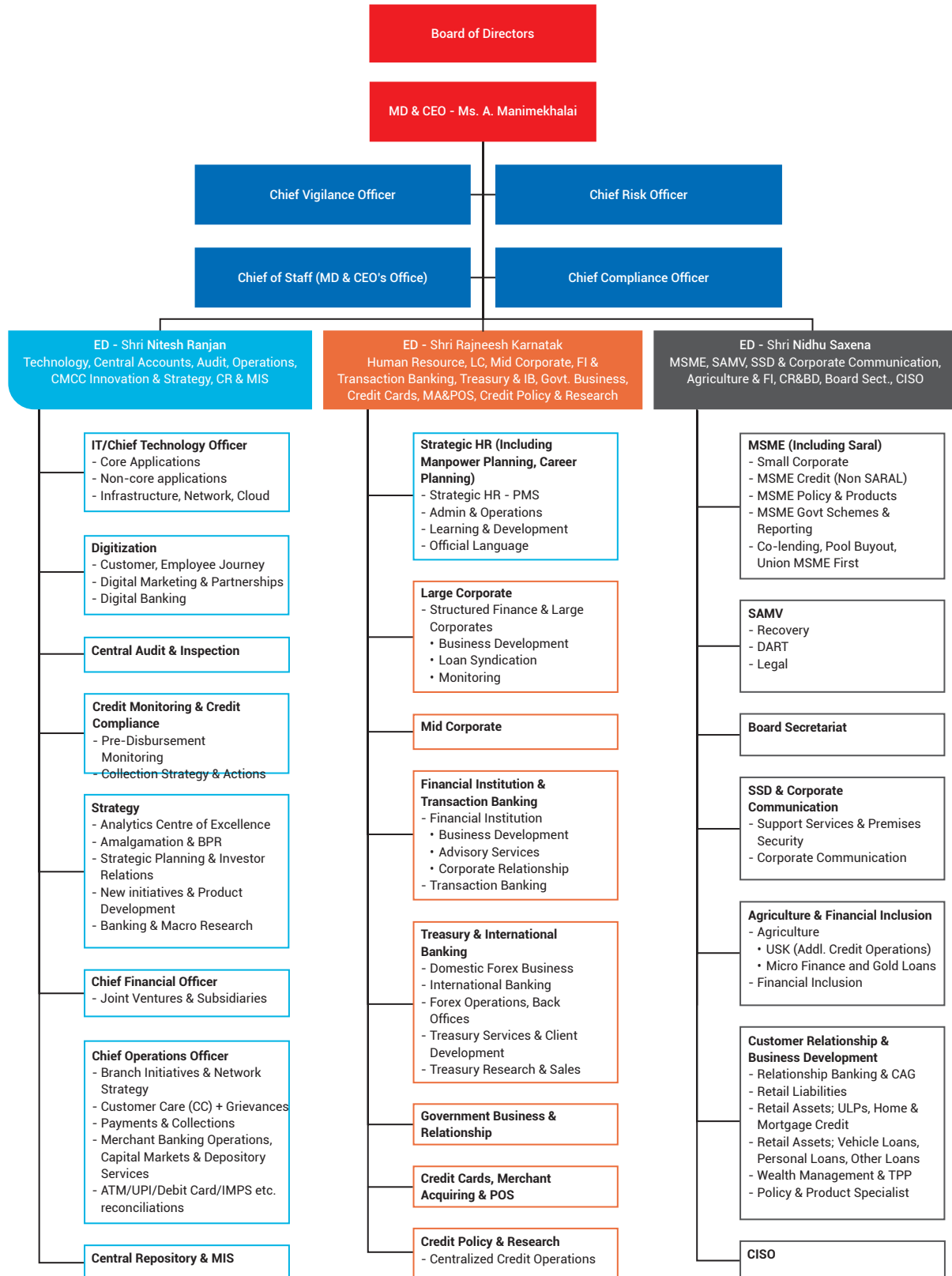
Shri S. N. Kaushik
Dr. K. L. Raju
Shri M. Venkatesh
Shri Laxminarayan Rath
Shri B. Sreenivasa Rao
Shri K. T. Venumadhav
Shri K.S.D.S.V. Prasad
Shri Yogendra Singh
Shri B. Uma Sankar
Shri Jagmohan Singh
Shri D. Chandra Mohan Reddy
Shri S.V. Biju
Shri C.V. Raghunath
Shri Tata Venkat Venugopal
Shri R. Pradhan

General Manager contd.

Shri S. C. Teli
Shri Anil Kuril
Shri Pramod Kumar Soni
Shri Arun Kumar
Shri Sudarshana Bhat
Shri Rajiv Mishra
Shri Prafulla Kumar Samal
Shri Pramod Kumar Gupta
Shri Pawan Kumar Das
Shri A. R. Raghavendra
Shri P. Rama Krishna Chowdary
Smt. S. Annapurna
Shri M. H. Padmanabham
Smt. Beena Vaheed
Shri B. Srinivasa Setty
Shri R. Ratheesh
Shri Amarendra Kumar
Shri M. Venkateswara Swamy
Shri Binod Kumar Pattanaik
Shri Gyana Ranjan Sarangi
Shri Ram Kumar Jaglan
Shri R. P. Sivaram
Shri S. K. Dash
Shri R.L. Pattanayak
Shri Naveen Jain
Shri M. Babu Ravindra
Shri Sumit Srivastava
Shri Bhalchandra Raman
Rao Akolkar
Shri Alok Kumar
Shri Kabir Bhattacharya
Shri Sanjay Narayan
Shri G.K. Sudhakar
Shri Navneet Kumar
Shri C. V. Manjunatha
Shri R. Viswesvaran
Shri Sarvesh Ranjan
Shri B. Janaki Ram
Shri Vikash Kumar
Shri Roop Lal Meena
Shri Manoj Kumar
Shri Gokulananda Das
Shri Rajiv Sharma
Shri Arun Kumar

Organization Structure

w.e.f. 06.06.2022



Bank Overview

Statutory Reports

Financial Statements

ESG Impact

Capture opportunities as we transition to a low-carbon economy

Our approach to environmental and social issues is becoming increasingly integrated in the work we do across our business and is subject to the governance and oversight of our management and Board structures. From a customer and client point of view, we support our customers and clients execute their sustainability strategies, including de-carbonising their business models. For Union Bank of India, support for customers and clients will include advising clients as they adapt their business models to make them more sustainable; and using our expertise to help build low-carbon energy capacity, through facilitating green finance. Progress will continue to be made in the coming months and beyond. We intend to identify, accelerate and promote the development of climate and sustainable finance growth opportunities for the benefit of our customers and clients across all our businesses, products and services.



Environment

Union Green Deposit
₹264.46 Crore
 mobilized as on
 31.03.2022

Union Green Miles
₹33.95 Crore
 sanctioned as on 31.03.2022

₹7,164 Crore
 Credit facility extended to
 Renewable Energy Sector
 as on 31.03.2022

Committed towards Environment

Union Bank of India has become the founding member of Indian Green Building Council (IGBC), a premier green rating organization promoted by Confederation of Indian Industry(CII)

Social

Micro Loans

» Svanidhi

Bank has sanctioned total 3.54 lakh applications amounting to ₹381.68 crores as on 31.03.2022

» Shishu Mudra

Total 3.50 lakh applications amounting to ₹714.53 crore sanctioned in FY21-22.

Women Empowerment

» Women SHGs

Total 6.42 lakh loans amounting ₹41,059.92 Crores sanctioned to SHGs out of which 5.61 lakh loans amounting ₹36,237.73 crores sanctioned to women SHGs

» Union Nari Shakti Scheme

Scheme exclusively for women entrepreneurs: Total 1,113 applications amounting to ₹149.92 crore have been sanctioned in FY21-22.

Knowledge Dissemination

» Bank has established 30 RSETI Centres and trained 2.56 lakh people with the objectives of providing self-employment training programmes.

Governance

Gender Parity

Gender Diversity on Board

Ms. A. Manimekhalai appointed as MD & CEO w.e.f. 03.06.2022

Ms. Priti Jay Rao elected as one of the Board of Directors representing shareholders.

The Bank has established following policies

Business

Code of Conduct (CoC) for Directors & Senior Management

Ensures transparency and high ethical standards in managing the affairs of the bank.

Sustainable Development & Business Responsibility Policy

Directs bank's sustainability strategy and integrate it with business strategy.

Treating Customers Fairly

Customer Rights Policy

Documents basic rights of Customer.

Compensation Policy

Establishes a system whereby Bank compensates customer for financial losses due to deficiency in services or any act of omission or commission on its part.

Employee

Whistle Blower Policy

Provides an avenue for employees to raise concerns on any violation or non-compliance of regulatory or legal requirements.

Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women Employees at Workplace

Provides fair, safe and harmonious work environment to female employees.

Physical Security & Fire Safety Policy

Lays out safe and secure work environment enabling the staff to provide quality service and builds lasting customer relations.

Union Bank of India Equal Opportunity Policy

Provides equal opportunities, without any discrimination on the grounds of age, color, disability, marital status, nationality, religion etc.

DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors are pleased to present the 103rd Annual Report of the Bank for the Financial Year 2021-22 together with the 'Audited Balance Sheet', 'Profit & Loss Account', 'Cash-Flow Statement' and the report on 'Management Discussion & Analysis'. The 'Corporate Governance Report' and 'Business Responsibility & Sustainability Report' also form part of the Annual Report 2021-22.

1. Highlights:

- 1.1 India's economic growth remained resilient in FY 2021-22, as the lifting of most virus containment measures boosted demand, keeping war-induced price pressures from dampening the recovery. A slew of data, from services activity to bank credit pointed to the return of demand in the second half of FY 2021-22. Consumer activity were encouraging, with bank credit growth at 9.6% in FY 2021-22, up from 5.6% in FY 2020-21. Liquidity conditions also continued to remain in surplus. Having achieved the milestone of over US\$ 400 billion of merchandise exports in FY 2021-22, the country is aiming for an ambitious export target of approximately US\$ 800 billion for both goods and services for the next year, nearly 19.5% higher than that achieved in 2021-22.
- 1.2 The COVID-19 pandemic will go down in history as one of the worst health crises the world has ever faced. Its economic impact may linger for many more years and confront us challenges of rebuilding livelihoods, safeguarding businesses and reviving the economy. Economic activity has barely recovered to pre-COVID levels even after two years. India's economic rebound faces difficult challenges from the legacy of deep-rooted structural bottlenecks as well as the scars of the pandemic. The Russia-Ukraine conflict has also dampened the momentum of recovery, with its impact transmitting through record-high commodity prices, weaker global growth outlook, and tighter global financial conditions. Concerns surrounding de-globalization impacting future trade, capital flows and supply chains have amplified uncertainties for the business environment. The RBI in its latest Report on Currency and Finance, has stated that it may take 12 years for the Indian economy to recover from the losses incurred during Covid-19 pandemic.
- 1.3 The global economy is in the midst of a geo-political debacle, with heightened uncertainty complicating the outlook. International commodity prices, which were already on an upward spiral amidst demand-supply imbalances, hardened precipitously in early March 2022 and remained volatile at elevated levels thereafter. India too is experiencing tremors from these developments. The fallout of the war and retaliatory sanctions is already evident in inflation prints and balance of payments developments.
- 1.4 The IMF in its World Economic Outlook had slashed global growth projections from 6.1% in 2021 to 3.6% in both 2022 and 2023. Reasons ascribed include the Ukraine war that has resulted in considerable economic damage coupled with worldwide spillovers through commodity markets, trade, and financial channels. Elevated inflation levels are another looming challenge complicating the trade-offs that central banks are faced with, between containing inflation and boosting economic growth. The war and lockdowns in China have worsened supply disruptions, narrowing the limited fiscal space for countries.
- 1.5 Notwithstanding economic uncertainties triggered by the Russia-Ukraine war it is quite clear from all accounts that India will remain the fastest growing economy in the world. According to National Statistical Organisation (NSO) estimate, India is projected to grow 8.9% in 2021-22. The Reserve Bank has pegged the economic growth rate for 2022-23 at 7.2%, while IMF in its latest report projected India's growth at 8.2% for 2022-23 and 6.9% for 2023-24. Given the reforms undertaken by the government and the various supportive measures by the RBI, a very strong foundation is being laid for further rapid increase in economic growth in the coming years. The Union Budget 2022-23 has provided for a sharp increase in public investment and capital expenditure. The various government initiatives are seen to be supporting growth and credit demand is expected to further pick up in FY 2022-23. As per RBI, sustained thrust on capital expenditure by the government, push to digitalization and growing opportunities for new investment in areas like e-commerce, start-ups, renewables, and supply chain logistics could, in turn, contribute to step up the trend growth while closing the formal-informal gap in the economy.

2. Bank's Performance

Established in the year 1919, your Bank has 8870 branches and 3 overseas branches, 11,232 ATMs across 29 States and 5 Union Territories and 75201 employees as on March 31, 2022.

Key achievements during FY 2021-22:

- Net Interest Income for FY 2021-22 stood at ₹ 27,786 crore.
- Operating profit for FY 2021-22 stood at ₹ 21,873 crore.
- PCR stood at 83.61% as on March 31, 2022
- Net NPA ratio stood at 3.68% as on March 31, 2022.

During FY 2021-22, your Bank has undergone many transformations/adopted new processes as given below.

2.1 EASE (Enhanced Access and Service Excellence)

Enhanced Access and Service Excellence (EASE) was launched by Government of India in the financial year 2018-19 to increase efficiency of PSBs across every domain and to measure the performance on a common index on a quarterly basis. Your Bank has registered third rank in EASE 3.0 annual index.

EASE Agenda under its fourth iteration primarily required PSBs to expand their digital portfolio, establish a robust IT infrastructure and onboard strategic partners to leverage their expertise within the overall sphere of banking activities.

Your Bank has continuously striven to adopt & adapt to the reforms recommended by EASE Agenda. To upgrade the banking experience for its customers and embrace the digital transformation as envisioned, the major developmental goals accomplished by your Bank in FY 2021-22 are :

- Retail & MSME portfolio under the straight through processing (STP) channel has been expanded for easy & quick disbursement of loans. Agriculture STP has been launched on a pilot basis to make farm credit easily accessible.
- Under co-lending model, your Bank has tied up with several NBFCs in the Retail & MSME segments. The aim is to leverage their reach to expand our loan book.

- Your Bank has adopted industry leading IT infrastructure to offer uninterrupted banking services.
- While fine-tuning the credit lead generation models, your Bank has further strengthened its analytics-based capabilities to identify potential customers for several non-credit related investment product offers.
- Your Bank has deployed 'EASE Banking Outlets' under the banner 'Digiconnect'. These outlets offer round-the-clock basic banking services. Multi-functional kiosks have been deployed to offer digital banking, cheque deposit, passbook printing & non-financial transactions facilities apart from cash deposits & withdrawal.
- With a mammoth workforce of over 70,000 employees, your Bank has taken several initiatives on the human resources front. It includes quarterly appraisal process to monitor performance throughout the year and a digital Performance Management Tool to lend transparency to the system, amongst others.
- To strengthen compliance mechanism, individual level compliance monitoring tool has been introduced which has been completely developed using in-house IT capabilities.

In the latest EASE 4.0 index for Q3 FY 2021-22, your Bank stood fourth amongst all PSBs. Your Bank was the runner-up in two out of six themes and has registered the third best performance in one theme.

True to the idea of EASE, your Bank is taking concerted efforts to improve financial inclusion, leverage technology to simplify banking experience and effectively monitor asset portfolio by digitalizing collections actions for cleaner loan books. Through active digital adoption, your Bank has geared up to keep up with the rapidly evolving banking landscape.

2.2 Strategy –Business Process Re-engineering (BPR)

Bank embraced the amalgamation process and successfully achieved the harmonisation of products, processes and policies, reorganisation of structure of Central Office as well as field, rollout of various CPCs, communication support to field functionaries for effective integration and road map for realisation of

cost synergy etc. Amalgamation related exercise was carried out by the bank under "Project Samarth".

The Bank during the year endeavored to focus towards designing, implementing and driving the new initiatives required for the process improvements across the Bank in the post amalgamation scenario under Project Samarth 2.0

Brief initiatives undertaken by Bank during the FY 2021-22 are enumerated below:

Project Samarth 2.0

To carry out various post amalgamation transformation initiatives, Project SAMARTH 2.0 has been undertaken. The objective of the project includes Digitization of various products, processes and back offices to achieve operational & cost efficiency along with enhanced customer experience and services. Through these initiatives, Bank aim to create a brand of Digital Union Bank.

The overall scope of work under Project Samarth 2.0 is grouped under 7 Work Streams (WS) as under:

WS-I	• Continued support and strategy for synergy realization
WS-II	• Digitization of Customer Journey across asset and liability products segment
WS-III	• Revamping the CAPS, POS, Credit card business model and implementation to derive benefits
WS-IV	• Designing new branch model for smaller, sales-oriented and digital branches, touch points and Business Banking Branches for MSME advances and revamping of BC Model.
WS-V	• Digitization of Back-office operations and entire reconciliation activities
WS-VI	• Strengthening of the Organization Structure
WS-VII	• Design technology architecture and a roadmap for implementation of ML, AI, and Robotics Process

2.3 Continued support and strategy for synergy realization

The bank achieved great milestones in the amalgamation journey. Post amalgamation the focus is on long-term business strategies and leveraging the expanded size to re-tune the entire products and processes on par with emerging competition for desired level of business growth and process efficiency.



Long term synergy plan for the Bank – For getting long term synergy, 15 niche areas in 10 segments have been identified with the help of respective verticals for achieving substantial growth in the selected segments.

Digital adoption enhancement

With the objective to enhance digital adoption by customers on various platforms and payment systems (IB, MB, UPI etc) many new changes have been implemented in U-Mobile (Bank's Mobile banking platform) to enhance user interface and experience. Further, 2 successful campaigns have been launched and complemented with hand in hand marketing efforts which included bulk SMS, Social Media Channels, websites and offline channels like poster & banners for creating awareness. During these campaigns 1.5 million customers were onboarded on U-Mobile.

Redesigning Central Processing Centres (CPC)

For redesigning SARAL, ULP & USK model, multi-prong interventions have been suggested for optimization of process and implementation has been initiated, which includes

- Digitization of processes and transfers between Branch, CPC & borrower
- Optimization of query solving through direct contact between CPC and borrower
- Larger role in compliance monitoring & lead generation
- Optimizing resources and changes in processing to optimize TAT

Collections Improvement

A hybrid model of collection has been launched in our Bank with dedicated structure to take care of end-to-end collections process with Call Centre & Feet on street and Regional Collection Centre structure. "Regional Collection Centres (RCoC)" have been opened across all 125 Regional Offices, with deployment of 600+ internal staff at these centres to have focused approach on collections.

Pilot of 'Feet on Street' (FOS) Model of collections has been launched in 5 FGMOs viz Pune, Vijayawada, Bangalore, Vishakhapatnam & Hyderabad, under which 60 external FOS has been deployed in five zones for affecting collections.

2.4 Digitization of Customer Journey across asset and liability products segment

The main objective has been to create a road map for end-to-end digital journeys across asset and liability products and design the digital journey for assets and liability products. The end-to-end digital journeys aim at substantial reduction in TAT, enhanced customer experience and reduced operational cost.

Retail Asset Journey

Pre-Approved Personal Loan (PAPL) phase-I was launched in September 2021 where offers were sent to eligible salaried customers on pilot basis. Based on the learnings from Phase-I, new BRE rules have been framed to expand our customers base by covering non-salaried customers also. Subsequently PAPL phase 2 has been launched on 10.03.2022.

The digital journey design for Personal loan, Education loan & Vehicle loan has been completed and implementation is under way.

MSME Journey

To give boost to MSME lending and reduce TAT of loan sanction, following 3 journeys have been prioritized for end-to-end digitization

- Renewal of MSME Loans upto ₹ 10.00 lacs (WC & Term Loans)
- Union GST Gain (Traders Working Capital) upto ₹ 2.00 cr
- Union Mudra under 'Kishor' and 'Tarun' Category Post pilot launch in 4 regions, the STP journey of MSME renewals upto ₹ 10.00 lacs is planned to be launched pan India in April 2022. The scheme envisages no/minimal manual intervention to complete the review/renewal of Working Capital as well as Term Loan accounts of MSMEs having combined credit limits upto ₹ 10.00 Lakh. The product has been designed to provide much needed relief to the MSMEs by waiving submission of Balance Sheet and assessing the credit limits on the basis of cash flow.

The digital journey design for Union GST Gain & Union Mudra under 'Kishor' and 'Tarun' Category has been completed and implementation is under way.

Agriculture Journey

Two Agri products, KCC and SHG have been prioritized for end-to-end digitization journeys. The Journey design and Screen field design for these products have been finalized.

For KCC renewal journey upto ₹ 1.60 lacs, vendor has been onboarded, pilot has been initiated and pan India launch is expected by June 2022. The journey includes features like farm assessment through satellite imagery, auto assessment of limit based on Satellite data & SOF, digitized land record integration with Government portal, etc. The STP journey is expected to reduce the TAT and the workload of Branches as approx. 17 lacs KCC accounts would be eligible under this.

2.5 Cyber Security Operation Centre (CSOC): Bank has implemented cyber security framework and instituted Cyber Security Operation Centre. A dedicated skilled team is deployed to manage the CSOC. The CSOC helps to identify, detect, protect & prevent the cyber threats.

2.6 Cyber Security Centre of Excellence (CCoE): Bank has established the CCoE (Cyber Security Centre of Excellence) with a vision to create the best in the industry new generation cyber security technologies to protect the Bank and focus on comprehensive awareness & education program for its employees & customers.

3. Revamping the Collection & Payment Services (CAPS), POS, Credit Card business model and implementation to derive the benefits

During harmonisation and rationalization of processes during amalgamation, certain strengths of eCB and eAB were identified such as CAPS, POS and Credit Card Business. Going forward, need was felt to revamp these models to cater the larger customer base by creating a strong and sustainable business model with digital solutions for operational efficiency and synergy.

Collection & payment System (CAPS)

To create a sustainable CAPS business model, Sales acceleration pitching programme has been launched for 1200 plus Corporate Customers and 154 new clients have been onboarded till now. Besides this training has been provided to the CAPS Branches and Tracking template has also been designed as a part of review mechanism. API development for Collection & payment services started for the Corporate clients

Point of Sale (POS)

To Design and implement a sustainable and profitable POS business model with end-to-end digitisation and centralisation of processes, Soft POS product has been launched which provides multiple modes of payment options for merchant (tap to pay, QR scanning, payment through SMS link) with value added services such as Kirana, Khata book etc

Credit Card

To Design and drive implementation of a sustainable and profitable Credit Card business model with end-to-end digitisation of processes including sourcing, analytics-based lead generation, risk profiling, early warning signals, collection, recovery, dispute management and increase the penetration, various initiatives have been taken.

Under the initiative new variant of Credit card, Uni-Carbon Credit card (co-branded with HPCL) has been launched which has shown good traction. Further Pre-approved Credit Card (PACC) has been launched in 2 phases, showing good conversion rate of more than 2.5%.

For Enhancing the customer onboarding journey, pilot of end to end STP journey has been launched and journey will be launched pan India shortly.

4. Designing new branch model for smaller, sales-oriented and digital branches, touch points and Business Banking Branches for MSME advances and revamping of BC Model

Digi Connect & Digi Connect Pro Outlets

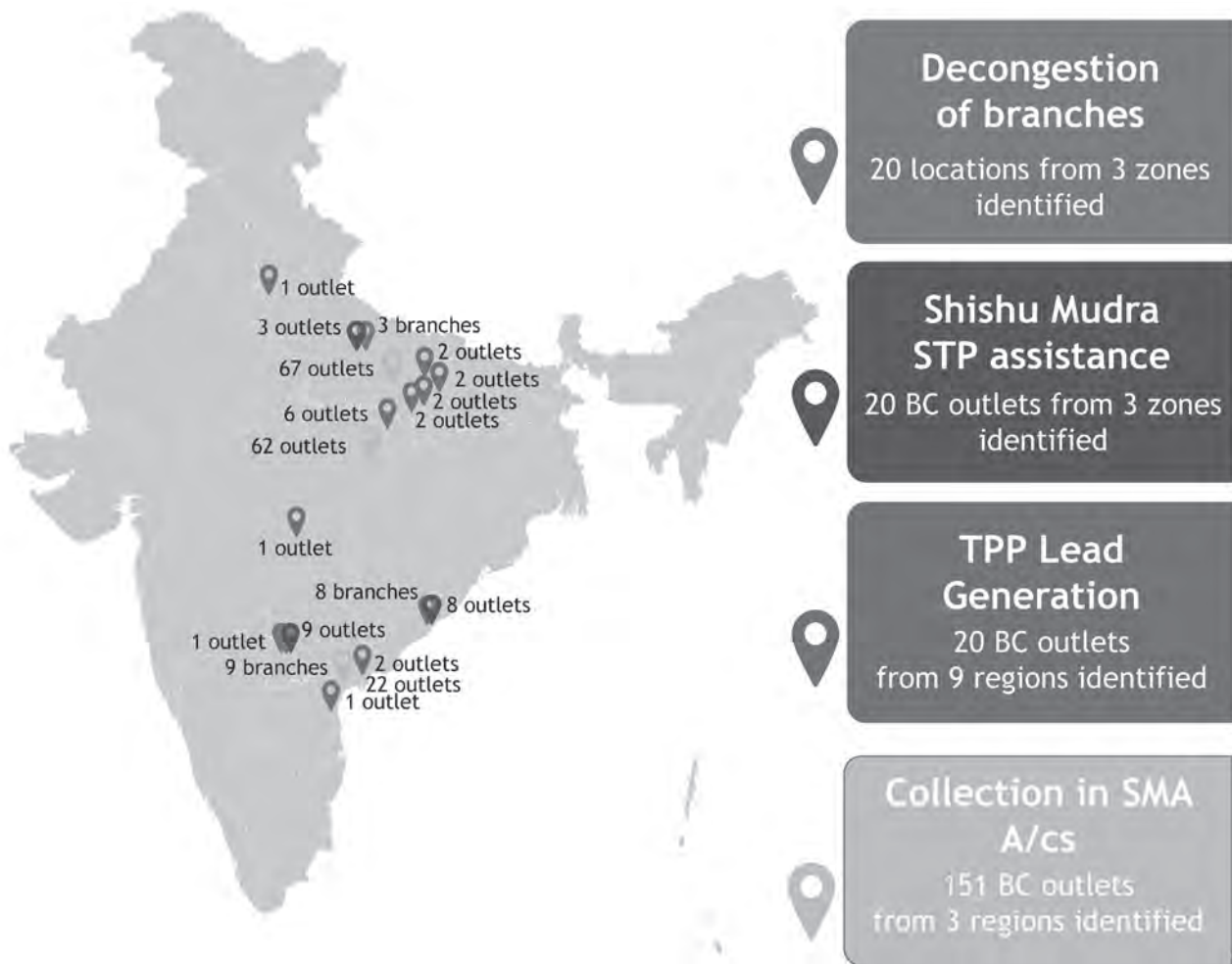
As a part of long-term synergy, need was felt to adopt lean branches to reduce the cost and increase the efficiency. Accordingly, Bank identified redesigning and digitizing the branch formats as one of the primary avenues of transformation. With changed scenario in banking and adoption of technology, bank expanded its footprints by opening '**smaller, sales-oriented and digital branches**' which are named as Digi-Connect & Digi-Connect Pro outlets.

As of now, Bank has launched 5 Digi Connect Pro outlets and 1 Digi Connect outlet at different locations as a pilot. These Outlets are in line with the guidance of Government for opening 75 Digital Banking Branches unit in 75 districts of the country.

Union MSME First Branches

(UMFBs) have been designed to have supreme focus on providing customized service to valued MSME customers efficiently as well as cater to the needs of mid and large corporate accounts in the absence of MCBs and IFBs, by suitably modifying the Business Banking Branch model.

UMFB will cater to the needs of MSME customers by providing all services like MSME loans, deposits, forex services, LC/BG, credit cards, insurance products, etc., under one roof dedicated to bringing the synergic value to the customers. These branches have dedicated Relationship Managers who work closely with customers to fulfill their banking needs. The location of these branches has been finalized based on advanced analytics done to determine the MSME potential of the area along with field expertise. As per the aspiration of Bank, already 50 UMFBs have been opened during the Financial Year. These UMFBs are proactively scouting for MSME proposals.



Revamped BC Model

To strengthen the BC channel, additional services have been identified for implementation at BC points under the project. These additional services include-

- Lead generation of third party products
- Assistance of BCs for Mobilizing Shishu Mudra Loans
- Introduction of Fixed BC Points for decongestion of branches
- Collection of SMA Loans

Pilot for the above processes have been launched and showing good traction. Based on the input of the pilot, the initiatives will be launched pan India

5. Digitization of Back Office and Reconciliation Processes

Under Project Samarth 2.0, initiatives have been undertaken to create, design and implement a digitised process for back-office operations which currently employ large manpower for doing routine jobs, so as to release the manpower and to improve the operational efficiency in terms of cost, TAT, tracking capabilities and contain operational risk.

28 Reconciliation activities and 8 Back-office processes from various verticals have been taken up for digitization, in alignment with respective verticals. For Government Business Vertical, their various reports are automated and now the report is generated by single click. For E-Kuber reconciliation process, automation has resulted in saving of time and effort.

6. Strengthening of the Organization Structure

The Revamped Organization Structure needs to be strengthened with digitation of operating models, which should result in increased efficiency and reduced manpower.

Accordingly, more than 98 internal activities of 27 verticals have been taken up for digitization. A strong operating model with clear SOP and process flow has been suggested for these activities which includes use of technology and best practices to increase efficiency of the structure and release the manpower. This automation will potentially save 70-80% man hours for the identified activities with improved TAT and enhanced tracking mechanism.

7. Design technology architecture and a roadmap for implementation of ML, AI, and Robotics Process

Keeping in view the technological advancement and digital interventions in Banking sector, Bank has taken up the initiative of creating a road map for digital architecture considering next 10 years journey with agility to adopt the changed scenarios during the process. Presently the existing API gateway, ESB, EAI, Infrastructure, Digital, CBS, external integration, CRM and other Core applications of the Bank were reviewed and Post review implementation is underway.

Change in Organization Structure

The organization structure is periodically assessed and based on the suggestion of Top management, verticals, committees the desired changes in the structure are being implemented. One such major reorganization was taken up during September'21 where realignment of verticals/functions of verticals for better coordination, monitoring and further strengthening of verticals.

Further Centralized Credit Operations Back-office has been formed to monitor loan accounts opening in Finacle and periodical data management pertaining to credit like CRILIC Cell, BG e-Confirmation, CERSAI Cell, NeSL Cell and Interest table and Limit Node maintenance.

Customer Surveys

BPR vertical has taken up the activity of conducting Periodical customer surveys to assess the customer opinion, feedback and actionable recommendations based on suggestions to improve the products, process and systems.

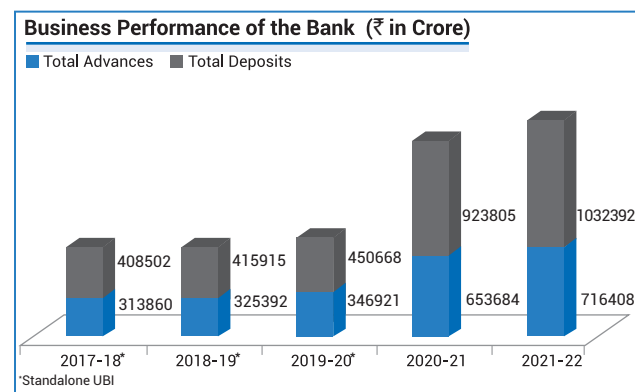
Bank has empaneled 5 Market Research Agencies in FY 2021-22 for conducting various surveys and 4 Surveys have been conducted during the Financial Year:

1. Customer Satisfaction Survey to assess the satisfaction level of our customers
2. Customer Experience Survey to assess the quality of services provided by Marketing Officers of the Bank to Retail Loan customers.
3. Brand Penetration Survey to access the Brand Penetration of the bank across Country
4. Customer Exit survey to understand the pain points of customer who have closed their Saving Accounts during FY 2021-22.

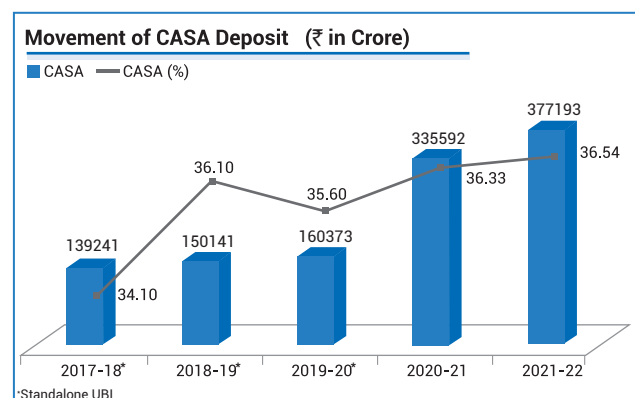
The insights emerging out of these surveys are being acted upon for better customer experience.

8. Business Highlights:

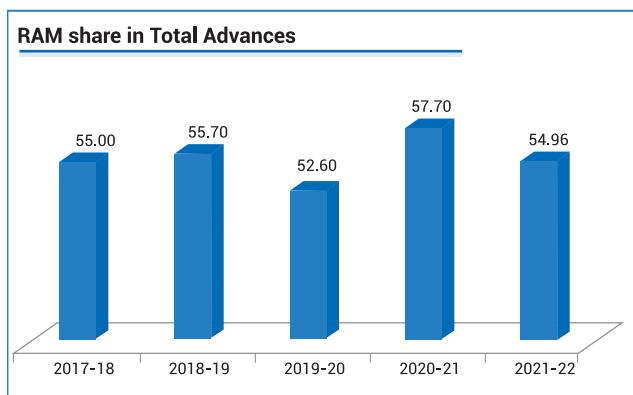
- 8.1 The global business of the Bank stood at ₹ 17,48,800 crore as on March 31, 2022.



- 8.2 Total Deposits increased to ₹ 10,32,392 crore as on March 31, 2022. Out of this, CASA share (current account and saving account) stood at 36.54 % as on March 31, 2022.



8.3 Gross Advances stood at ₹ 7,16,408 crore as on March 31, 2022. The RAM (Retail, Agriculture and MSME) sector stood at ₹ 3,84,339 crore as on March 31, 2022 compared to ₹ 3,51,459 crore as on March 31, 2021. RAM Sector as a whole grew at an annual rate of 9.36%.



8.4 Overseas business of the Bank stood at ₹ 17,429 Crore as on March 31, 2022 compared to ₹ 18,191 Crore as on March 31, 2021. Your Bank has three overseas branches at Hong Kong, DIFC (Dubai) and Sydney (Australia). Your Bank also operates in the United Kingdom through its wholly owned subsidiary, Union Bank of India (UK) Ltd.

9. Income and Expenditure:

Table 1: Income and Expenditure Statement

(₹ in crore)

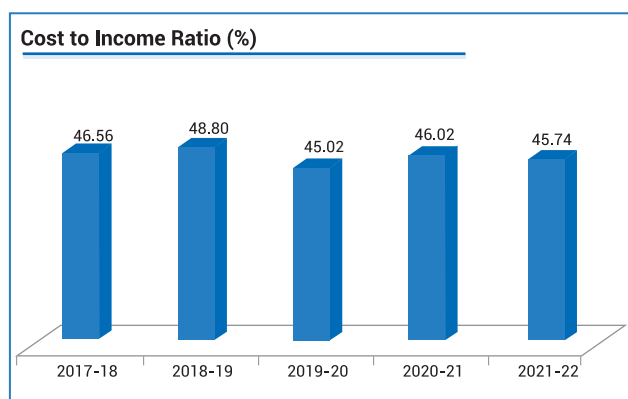
Sr. No.	Particulars	FY 2021-22	FY 2020-21
1	Interest Earned	67944	68767
2	Other Income	12525	11744
3	Total Income (1+2)	80469	80512
4	Interest Expended	40157	44079
5	Net Interest Income (1-4)	27786	24688
6	Operating Expenses	18438	16766
	w/w Establishment Expenses	10115	9284
7	Total Expenditure	58596	60845
8	Operating Profit (3-7)	21873	19667
9	Provisions	16641	16761
10	Net Profit/Loss	5232	2906
11	Earnings per share (in ₹)	7.73	4.54

10. Profitability and Efficiency:

10.1 Your Bank reported an Operating Profit of ₹ 21,873 crore in FY 2021-22 as compared to ₹ 19,667 crore in FY 2020-21.

10.2 Net profit of the Bank stood at ₹ 5,232 crore in FY 2021-22.

10.3 Cost-to-income ratio of your Bank stood at 45.74% in FY 2021-22.



10.4 During FY 2021-22, Return on Average Assets stood at 0.47%, whereas Return on Equity stood at 10.11%.

Table 2: Efficiency Ratios

Parameter (%)	FY 2021-22	FY 2020-21
Return on Average Assets	0.47	0.27
Return on Equity	10.11	6.68

10.5 The following are the key productivity ratios of the Bank for FY 2021-22.

Table 3: Productivity Ratios

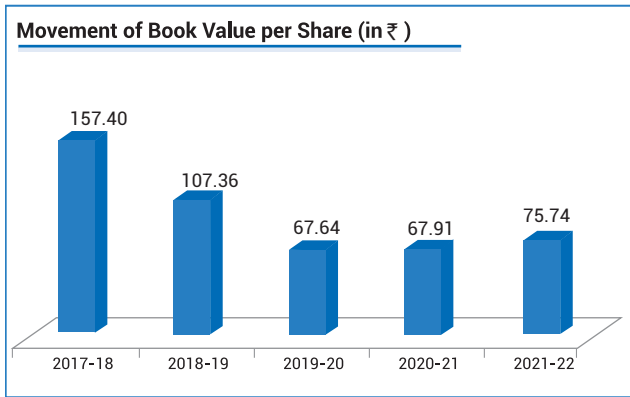
Parameter	FY 2021-22	FY 2020-21
Business per Employee (₹ in crore)	23.26	20.17
Business per Branch (₹ in crore)	198.91	169.35
Gross Profit per Employee (₹ in lakh)	29.09	25.15

10.6 Dividend:

Board of the Bank has recommended dividend of ₹ 1.90 per equity share of face value ₹ 10 each for FY 2021-22.

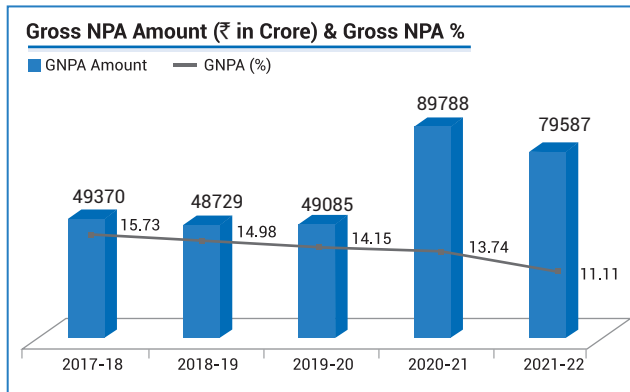
11. Shareholders' Return:

11.1 The Bank's net worth was ₹ 51,765 crore as on March 31, 2022.

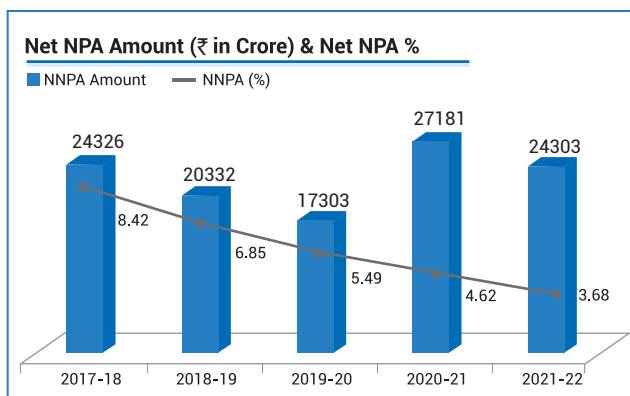


12. Asset Quality:

12.1 Gross Non-Performing Assets (GNPA) of the Bank stood at ₹ 79,587 crore as on March 31, 2022. GNPA as per cent to gross advances stood at 11.11% as on March 31, 2022.



12.2 Net NPA of the Bank stood at ₹ 24,303 crore as on March 31, 2022 and the Net NPA ratio stood at 3.68% as on March 31, 2022.



13. Capital Adequacy

13.1 The Capital Adequacy Ratio as per BASEL III norms stood at 14.52% as on March 31, 2022. Common Equity Tier I (CET I) capital of the Bank stood at 10.63% in March 2022

Table 4: Capital Adequacy Ratios - Basel III
(₹ in crore)

Parameters	RBI Minimum Benchmark March 31, 2022	March 31, 2022	March 31, 2021
Total Risk Weighted Assets		5,45,923	5,51,521
Total Capital Funds	NA	79,281	69,263
CET 1 Capital		58,049	50,001
Tier 1 Capital		66,589	57,091
CRAR (%)	11.50	14.52	12.56
CET 1 (%)	8.00	10.63	9.07
Tier 1 (%)	9.50	12.20	10.35
Tier 2 (%)	NA	2.32	2.21

13.2 Capital raised by the Bank

Bank has raised equity capital of ₹ 1,447.17 Crore on allotment of 42,79,03,111 equity shares under Qualified Institutions Placement.

Further, the Bank has issued and allotted Basel III compliant Tier 1 Bonds of ₹ 5,000 Crore and Tier II Bonds of ₹ 2,000 Crore during the FY2021-22.

14. Network

Branch Network of your Bank is widely spread across the country with 8870 branches and 3 overseas branches (Hongkong, Sydney, Dubai) as on March 31, 2022. Out of these 57 percent of the branches are located in rural and semi-urban centers.

15. Awards & Accolades

During FY 2021-22, your Bank received various awards for its new initiatives taken in Digitization, Financial Inclusion, HR management, Customer Service etc.

Award	Category	Year
Appex India HR & Business Excellence Awards 2020	Best Strategy in HR 2020	Apr-21
	HR Oriented CEO Award 2020	

Award	Category	Year
ET Best Place to work for Women 2021	ET Best place to work for Women 2021	May-21
Golden Peacock	HR Excellence Award - 2020	Jun-21
Ease 3.0 Reform	Governance & outcome-centric HR	Aug-21
	Deepening Financial Inclusion & customer Protection	
	Smart lending	
	Tech enabled ease of banking	
	Best improvement category	
	Ease Reform Index Award 2021	
Rajbhasha Kirti Puraskar	1st prize in Nationalized bank Category for Implementation of hindi for 2019-20	Sep-21
	3 rd prize in Nationalized bank Category for Implementation of hindi for 2020-21	
	2 nd prize in House Magazine Category for "Union Srijan" for 2018-19	
	2 nd prize in House Magazine Category for "Rajbhasha Sarita" for 2018-19	
	2 nd prize in Town official language Implementation committee (TOLIC) Vishakhapatnam of Union Bank of India for 2019-20	
Award for highest percentage of digital Payment transactions	Digital Payment Utsav	Dec-21

Award	Category	Year
Infosys finacle Innovation award 2021	Application Programming Interface Management Under Process Innovation category	Jan-22
IDC Industry innovation awards	Application Programming Interface Management (APIM) under Innovation in Operations category.	Jan-22

16. Social Media

Your bank is extending services through its official handles on all major social media platforms viz. Facebook, Twitter, Instagram, YouTube and LinkedIn. Users were engaged in business interactions through conversation sessions, customer care, contests, educating posts/ videos, organizing online events etc. User interactions were used to understand brand perception and gained competitive intelligence to increase business prospects through social media.

Your bank has thrived on cost-effective brand publicity through social media and posted dynamic content with attractive static/ video posts, bringing customer awareness of the products, services and offers. Awareness was also created through posts on cyber security, urging customers to be aware of frauds, cyber scams and other social engineering, social causes, remembering personalities, significant days/ events etc.

Your bank is available 365x24x7 on all handles which are very responsive and reply instantly. In the last year, 1.37 lakhs queries from social media users were responded ensuring timely guidance, proper redirections and complaint redressal resulting in customer delight. Your bank brand was well received by the public at large, justified with a whopping 399.13 lakhs impressions and 14.17 lakhs engagements.

Your bank has a huge follower base on social media presence which has grown to 24.33 lakhs as on 31st March 2022 against 19.51 lakhs last fiscal scaling a growth of 24.06% YoY.

Your bank is continuously measuring the overall sentiment about existing or new products, collecting feedback about initiatives, customer interest to meet the expectations of customers in product offerings and services rendered.

Your bank has run more than 100+ Digital Marketing campaigns on social media handles and targeted ad campaigns on Google Ads creating buzz for maximum reach on products/ services/ offers and roped in new customers along with improved search engine visibility and enhanced website traffic.

Your bank has made e-commerce business tie-ups across hospitality, entertainment and health sectors with key market players like MakeMyTrip, Swiggy, Zomato, BookMyShow, Apollo Pharmacy etc. and encouraged card holders to embrace cashless payments thereby remaining with digital banking ecosystem.

17. Changes in the Directors on the Board of the Bank

The following changes took place in the Board of directors of your Bank during the financial year 2021-22.

- Shri Laxman S. Uppar has been appointed as a Part-Time Non-Official Director on the Board of the Bank on March 21, 2022.
- Shri Nidhu Saxena has been appointed as an Executive Director on the Board of the Bank on February 1, 2022.
- Shri Gopal Singh Gusain, Executive Director of the Bank has completed his term in the office on January 31, 2021 upon superannuation.
- Shri Suraj Srivastava has been appointed as a Part-Time Non-Official Director on the Board of the Bank on December 21, 2021.
- Shri Sameer Shukla has been appointed as a Government Nominee Director of the Bank on November 08, 2021.
- Shri Rajneesh Karnatak has been appointed as an Executive Director of the Bank on October 21, 2021.
- Shri Dinesh Kumar Garg, Executive Director of the Bank has completed his term in the office on September 30, 2021 upon superannuation.

18. Directors' Responsibility Statement

The Directors confirm that in the preparation of the annual accounts for the year ended 31st March, 2022:

- The applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any.
- Accounting Policies had been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Bank at the end of the financial year and of the profit and loss of the Bank for that period.
- Proper and sufficient care was taken for the maintenance of adequate Account Records in accordance with the provisions of the relevant Acts for safeguarding the assets of the bank and for preventing and detecting fraud and other irregularities.
- The Annual Accounts were prepared on a going concern basis.
- Internal financial controls had been laid down to be followed by the bank and that such internal financial controls are adequate and were operating effectively. Explanation.—For the purposes of this clause, the term “internal financial controls” means the policies and procedures adopted by the Bank for ensuring the orderly and efficient conduct of its business, including adherence to Bank’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.
- Proper systems were in place to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

19. Corporate Governance

The Board of the Bank is committed to adopt good Corporate Governance practices in letter and spirit. A detailed report on Corporate Governance is given in a separate section of the Annual Report. The Corporate Governance report for financial year 2021-22 has no audit qualifications.

20. Corporate Social Responsibility (CSR)

20.1 Union Bank of India has been in the forefront in meeting its CSR commitments. Towards this the Bank has established Union Bank Social Foundation Trust (UBSFT) in the year 2006 as an extended arm for carrying out the CSR activities of the Bank. UBSFT has been incorporated aiming to support initiatives towards Social upliftment & improving lives of underprivileged segments. The major CSR activities of the Bank are now being carried out through the UBSFT. Its Board is headed by the Bank's Managing Director & CEO with Executive Directors as Vice Chairman Trustees, other trustees include the Bank's General Managers and one independent trustee. The UBSFT Board provides directions in accordance with the Bank's thrust areas and undertakes review every quarter. The directions of the Board are executed by the Chief Executive of UBSFT. While the Registered office of UBSFT is at Bengaluru, the administrative office is at Mumbai.

20.2 The CSR activities undertaken by the Bank/UBSFT in 2021-22

UBSFT has approved 28 projects involving an amount of ₹ 547.36 lacs during the year 2021-22 under various sectors like Education, Health care, Community Development, Skill Development etc. details of some major projects undertaken by Bank/UBSFT are given below:

- Bankers Institute for Rural & Entrepreneurship Development, Hyderabad have been approved an amount of ₹ 26.80 lacs towards sharing of revenue expenses.
- Swarna Bharat –Soma Institute of Technical training, Venkatachalam have been approved an amount of ₹ 39.73 lacs towards sharing of revenue expenses
- SBT-MRGI –Skill Development Institute, Muchintal have been approved an amount of ₹ 9.75 lacs towards sharing of revenue expenses.
- Corporation Bank Centenary Public Library, Mangalore have been approved an amount of ₹ 25.00 lacs towards meeting the revenue expenses of the Library.
- Corporation Bank Heritage Museum, Udupi have been approved an amount of ₹ 17.00 lacs towards meeting the revenue expenses of the Museum
- Supported District administration Udupi for setting up an Oxygen plant at district hospital at a cost of ₹ 46.25 lacs for treating COVID 19 patients.
- Supported National Health Mission Ranchi for purchasing one Ambulance at a cost of ₹ 19.21 lacs for transportation of patients.
- Supported Mangalore Jesuit Education Society for procuring educational research equipments for St. Aloysius College, Mangaluru at a cost of ₹ 25.00 lacs.
- Supported King George Hospital, Visakhapatnam for procuring one Doppler machine at a cost of ₹ 29.50 lacs.
- Supported Akshayapatra Foundation, Bangalore for purchase of two food distribution vehicles (custom built) for supporting food distribution (mid day meal scheme) to schools at Mangalagiri, Vijayawada at a cost of ₹ 23,36,320/-.
- Saraswati Education & Welfare Trust, Meghalaya have been approved donation of ₹ 24.00 lacs for construction of 3 class rooms in Saraswati Vidya Mandir, Kongong.
- Supported Shraddha Foundation Mumbai for purchase of a mini bus for transportation of cancer patients from shelter to AIIMS Bhubaneswar at a cost of ₹ 20.90 lacs.
- Devbhumi Siksha Prasar Samiti, Rudrapur, Udham Singh Nagar have been approved donation of ₹ 20.00 lacs towards construction of multi purpose hall in their college of pharmacy.

21. Acknowledgements

21.1 The Directors thank the shareholders, valued customers, well-wishers, Share Transfer Agent and correspondents of the Bank in India and abroad for their goodwill, patronage and support.

21.2 The Directors acknowledge with gratitude the valuable and timely advice, guidance and support received from Government of India, Government of Maharashtra, Reserve Bank of India, Securities & Exchange Board of India, Insurance Regulatory and Development Authority of India, Central Vigilance Commission, BSE, NSE, financial institutions, correspondent Banks and Statutory Central Auditors of the Bank, in the functioning of the Bank.

21.3 The Directors place on record their deep appreciation for the dedicated service and valuable contribution made by members of staff in the overall performance of the Bank during the year and look forward to their

continued co-operation in the realisation of the corporate goals of the Bank in the years ahead.

21.4 The Directors also express that the staff members stay safe, healthy and maintain good health.

For and on behalf of the Board of Directors



(Rajkiran Rai G.)
Managing Director &
Chief Executive Officer

Place : Mumbai
Date : 30.05.2022

MANAGEMENT DISCUSSION AND ANALYSIS

1 Global Economy

- 1.1 The global economic prospects have weakened significantly during FY 2021-22, with a sequence of events from the Omicron wave, prolonged global supply chain disruptions, persistent container shortages, multi-decadal inflation highs in major advanced economies (AEs) forcing their central banks to quicken the pace of monetary policy normalization and more recently by the escalating geopolitical tensions. Amidst persisting global supply chain disruptions, elevated energy and input prices, tighter labour markets and apprehensions of heightened global financial and commodity market volatility come together in a perfect storm. Supply disruptions, restrained workforce participation, risks from new variants of the virus and the Russia-Ukraine war have emerged as fresh dampeners to global growth outlook.
- 1.2 Brent crude prices have been hovering in the US\$ 100-120 range since mid-March, posing the higher risk to India's economic prospects and putting the global recovery at heightened risk. Global food prices were at an all-time high during March 2022 and are expected to harden further in view of potential supply disruptions. With inflation turning out to be persistent and broad-based, major Advanced Economies (AEs) quickened the pace of unwinding of their ultra-accommodative monetary policies. A number of emerging market economies (EMEs) has been in a tightening mode since 2021, and more are expected to follow. Sovereign bond yields in major AEs have hardened substantially in anticipation of a faster and steeper tightening of policy rates. Currency markets have turned highly volatile in response to these developments, as the US dollar index touching new heights due to flight to safety.
- 1.3 Global financial markets remained largely buoyant, although policy pivots towards quicker normalisation caused sharp shifts in Q4:2021. Geopolitical tensions, however, took centre stage in Q1:2022, plunging them into a tailspin. Stock markets in a few AEs and EMEs scaled fresh peaks in September but slid subsequently in most countries. The EME financial markets, unlike in 2013, did not experience a major upheaval in Q3:2021 despite taper guidance by the US Federal Reserve. Equity markets in most AEs and a few EMEs, shed the resilience of Q4:2021 and went into a downswing for most part of Q1:2022 before recouping some ground from mid-March. Russian stocks plummeted by more than 30% after the outbreak of war, following which trading was halted for almost a month before resuming gradually from March 24. For most other EME markets, optimism on intermittent peace talks revived confidence from mid-March, resulting in a modest rise.
- 1.4 Bond yields across major AEs broadly rose in Q4:2021, as investors tussled with prolonged inflation risks and withdrawal of monetary accommodation by major central banks. The increase was particularly sharp at the front end of the curve. As a result, the yield curve (10-year over 2-year) which was steepening till September, flattened since Q4. The significant hardening in bond yields since mid-December, however, reversed briefly in end-February and early March on flight to safety. Subsequently, Bond yields shifted higher in response to hawkish signals from the US Fed. The US dollar strengthened on Fed's hawkish statements and safe haven demand, while EME currencies broadly weakened until mid-March.
- 1.5 In its latest World Economic Outlook report, the IMF has projected global growth to slow from an estimated 6.1% in 2021 to 3.6% in 2022 and 2023. This is 0.8 and 0.2 percentage points lower for 2022 and 2023 than projected in January. Beyond 2023, global growth is forecast to decline to about 3.3% over the medium term. War-induced increase in commodity price and broadening price pressures have led to 2022 inflation projections of 5.7% in AEs and 8.7% in emerging market and developing economies—1.8 and 2.8 percentage points higher than projected last January.
- 1.6 In March, the United Nations Conference on Trade and Development (UNCTAD) projected global growth for 2022 to be 2.6%, 100 bps below its October 2021 assessment. The World Bank also cut its global growth forecast from 4.1% to 3.2%. Multilateral efforts to respond to the humanitarian

crisis, prevent further economic fragmentation, maintain global liquidity, manage debt distress, tackle climate change, and end the pandemic are essential.

2. Domestic Economy

- 2.1 According to the second advance estimates of the National Statistical Office, real Gross Domestic Product (GDP) rose by 8.9% in 2021-22. Real GDP at constant (2011-12) prices in FY22 is estimated to attain a level of ₹ 147.72 lakh crore, as against ₹ 135.58 lakh crore in FY21. GDP at current prices in the year FY22 is estimated to attain a level of ₹ 236.44 lakh crore, as against ₹ 198.01 lakh crore in FY21, showing a growth rate of 19.4%. Private consumption and fixed investment, however, remain subdued, with these two components being only 1.2% and 2.6%, respectively, above their pre-pandemic levels. On the supply side, contact-intensive services still trail the 2019-20 level. Some contact-intensive activities have regained traction amidst declining infections and the removal of restrictions. Several high-frequency indicators posted robust year-on-year expansion during February-March. Both manufacturing and services PMIs remain in the zone of expansion; while manufacturing PMI moderated slightly in March, services and composite showed improvement. Capacity utilization in the manufacturing sector recovered further to 72.4% in Q3:FY22 from 68.3% in the previous quarter, surpassing the pre-pandemic level of 69.9% in Q4:FY20.
- 2.2 The economic momentum was hit by the second wave in Q1:FY22. Restricted lockdowns and a growing resilience of both firms and individuals in dealing with the infections reduced the severity of the economic impact – the economic impact of the second wave is estimated to be about one-third of the first wave. Economic activity, which gained strength in Q2:FY22 (July-September) with the ebbing of the second wave, has lost pace since Q3:FY22, exacerbated by the spread of the Omicron variant in Q4. Despite the second wave, the turnaround in the economy in 2021-22 has been remarkable, with all the components of aggregate demand surpassing the pre-pandemic levels in H2:FY22. GDP in 2021-22, however, is estimated to be only 1.8% above the pre-pandemic level, suggesting lost growth over two years.
- 2.3 The beneficial effects of the rapid receding of infections have, however, been overwhelmed

by the geopolitical unrest since February 2022. Consumer price index (CPI) inflation edged above the upper tolerance band in February 2022 as unfavourable base effects combined with the onset of supply shocks as conflict escalates. While India's direct trade and financial exposures are modest, indirect spillovers from the slowing global economy, the sharp jump in commodity prices across the board and elevated risk aversion and uncertainty owing to geopolitical developments weigh heavily on the outlook.

- 2.4 The International Monetary Fund (IMF) projected an 8.2% growth rate for India in 2022-23, which is a 0.8 percentage point reduction from its January projection. For 2023-24, the IMF projected the Indian economy to grow by 6.9%, while the World Bank expects it to be at 7.1%. Reserve Bank of India (RBI) projected real GDP growth for 2022-23 at 7.2%, with 16.2% growth in Q1, 6.2% in Q2, 4.1% in Q3 and 4.0% in Q4, assuming crude oil (Indian basket) at US\$ 100 per barrel during 2022-23. Financial market volatility induced by monetary policy normalisation in advanced economies renewed COVID-19 infections in some major countries with augmented supply-side disruptions and protracted shortages of critical inputs, such as semiconductors and chips, pose downside risks to the outlook.
- 2.5 Going forward, the forecast of a normal south-west monsoon, the resilience of agriculture and the farm economy, and the capital expenditure push in the Union Budget for 2022-23 can provide the much-needed support critical to achieving sustained high growth by enhancing productive capacity, crowding in private investment and strengthening aggregate demand. The dividends of reforms initiated to counter the pre-COVID slowdown, along with additional measures and initiatives during the pandemic, are expected to help launch the economy on a sustainable high growth path.

3 Price scenario

- 3.1 In FY 2021-22, global inflation soared to multi-decadal highs, increasingly getting persistent across major advanced economies (AEs) and several emerging market economies (EMEs). Inflation ratcheted up across economies on cost-push pressures from persistent supply chain bottlenecks, high commodity prices and spiraling wage pressures. High energy and food costs were the major drivers for inflation in AEs, besides

price pressures in durable goods. For most EMEs, however, inflation was essentially driven by supply shocks, with demand-pull pressures remaining relatively weak, given the slack in economic activity.

- 3.2 In domestic economy, headline inflation, measured by the consumer price index (CPI), has been trailing above RBI's upper margin of 6% for three consecutive months in FY 2021-22, to reach a peak of 6.95% in March 2022. Unlike in advanced countries, where sizeable fiscal stimulus also contributed to the heating up of prices, India's inflation has been largely imported via exogenous supply shocks. In FY 2020-21, inflationary pressures came largely from food while fuel inflation was quite benign. In FY 2021-22, crude prices hardened to emerge as the new driver. However, the drop in food inflation offset this, so overall inflation was lower at 5.5% in FY 2021-22 compared with 6.2% in FY 2020-21.
- 3.3 Core inflation remained elevated during FY 2021-22, sticking close to the upper tolerance threshold of 6.0% as cost-push pressures impacted both manufacturers and services. It was sticky and higher than in the pre-COVID period during FY 2021-22, with elevated core price pressures coexisting with significantly lower volatility than a year ago. A key source of core inflationary pressures during H2:FY22 has been petrol and diesel prices.

4. Stock market performance

- 4.1 The financial year 2021-22 was highly volatile for equity markets globally, due to various events, which includes Covid-19 pandemic, inflation concerns especially in developed economies and the conflict between Russia and Ukraine.
- 4.2 In FY 2021-22, the benchmark indices, BSE Sensex and Nifty50 gained 18.29% and 18.88%, respectively. The domestic equity market scaled new highs in H1:FY22, lifted by the gradual normalization of economic activity post the second wave, strong corporate earnings, and pick-up in the vaccination drive. The Sensex gained 19.4% in H1:FY22 to close at 59,126 on September 30, 2021. Equity markets corrected marginally in H2:FY22 amidst high volatility triggered by the outbreak of the Omicron variant of COVID-19, hawkish monetary policy stances of global central banks, elevated crude oil prices and escalating geopolitical tensions. Domestic equities witnessed sharp selloffs in the second half of February and early March 2022 over Ukraine-Russia tensions

but recovered in the second half of March. Overall, the BSE Sensex lost 0.9% in H2:FY22 to close at 58,569 on March 31, 2022.

5 Yield Movement:

- 5.1 During H1:FY22, the 10-year G-sec yield softened by 11 bps, aided by a host of measures taken by the Reserve Bank to foster an orderly evolution of the yield curve. The 10-year yield remained range bound during Q1:FY22. In Q2, the 10-year yield initially declined to 6.13% on July 15, 2021 aided by a lower than expected CPI inflation print for June and issuance of a new 10-year benchmark security at a coupon of 6.10%. While the average level of yields softened by 3 bps, the slope steepened by 28 bps during H1:FY22. Short term yields remained anchored around the policy rate while long term yields reflected inflationary concerns and the size of the government borrowing programme. In order to facilitate debt consolidation, the Reserve Bank conducted six switch operations on behalf of the central government amounting to ₹ 31,907 crore during H1:FY22. During H2:FY22, the 10-year G-sec yield hardened by 63 basis points, reflecting global and domestic factors. It rose by 24 bps during Q3, driven by higher international crude oil prices, domestic inflation and increasing government bond yields in major economies including the US. In Q4, the benchmark yield firmed up by a further 39 bps owing to higher-than-expected indicative calendar of market borrowings of State Governments/Union Territories, planned market borrowings by the Centre indicated in the Union Budget 2022-23 and the rise in US yields, international crude oil and other commodity prices over escalating geopolitical tensions. At the shorter end of the primary market segment, yields on T-bills firmed up in sync with the increase in the effective reverse repo rate. Average trading volume in both G-secs and T-bills dipped in H2:FY22, amidst rising yields and elevated uncertainty. The average level of yield increased by 38 bps during H2. To facilitate debt consolidation, the Reserve Bank conducted five switch operations on behalf of the central government amounting to ₹ 1.7 lakh crore during H2:FY22. Tracking G-sec yields, corporate bond yields softened during H1:FY22 while risk premia (over G-sec yields of comparable maturities) exhibited a mixed trend. However, yields moved higher during H2:FY22 and risk premia compressed amidst moderation in new issuances.

6 External Sector

6.1 India achieved an all-time high annual merchandise exports of US\$ 417.8 billion in FY 2021-22, an increase of 43.2% over FY 2020-21, in part benefitting from a rebound in the world economy and resurgence of industrial demand in advanced economies. Merchandise imports in FY 2021-22 also rose steeply to US\$ 610.22 billion, an increase of 54.7% over FY 2020-21. India's annual merchandise trade has breached the crucial US\$ 1 trillion mark for the first time in FY 2021-22, as both exports and imports have scaled fresh peaks. However, quicker growth in imports than exports has considerably widened the deficit in the trade account. The total merchandise trade deficit stood at US\$ 192.4 billion in FY 2021-22.

6.2 Net capital flows remained robust in 2021-22 supported by foreign direct investment (FDI) and foreign portfolio investment (FPI). During H1:FY22, foreign portfolio investments (FPIs) were net buyers to the tune of ₹ 8,326 crore, while net purchases of domestic institutional investors (DIIs) amounted to ₹ 47,763 crore. Apprehensions over the faster than anticipated pace of normalization by the US Fed, the rise in the US treasury yields and the rush to safe-haven amidst escalating tensions around Russia-Ukraine triggered a selling spree by the FPIs amounting to ₹ 1.38 lakh crore from the domestic equity market in H2:FY22. These sales, however, were more than offset by purchases by DIIs to the tune of ₹ 1.64 lakh crore.

6.3 In the forex market, the Indian Rupee exhibited two-way movements, and depreciated on an average basis. During FY 2021-22, the rupee movement reflected FPI flows, crude oil prices, the strengthening US dollar, increasing market expectations of a faster than anticipated monetary policy normalization by the US Fed and other major advanced economies and escalating geopolitical tensions. The rupee touched a record low of ₹ 77.02 per US\$ on March 7, 2022. However, it reversed some of these losses in the second half of March with the correction in crude oil prices. The rupee has ended FY 2021-22 at 75.78 per dollar as compared to 73.12 per dollar in the corresponding last year, with a decline of 3.5% against the dollar in FY 2021-22 as compared to 3.4% gain in FY 2020-21.

6.4 International crude oil prices rallied unevenly since April on improved demand prospects. Brent

crude crossed US\$ 70 per barrel in June. From the second week of July, however, crude oil prices turned volatile. Prices have firmed up since the latter part of August on tightening US supplies owing to slow recovery from disruption caused by Hurricane Ida and lower stockpiles in China. Crude oil prices ended 2021 51.4% higher year-on-year, on the back of a rally in October and early November. They resurged in early 2022, breaching US\$ 90 per barrel towards end-January – the first time in seven years – as demand remained robust while supply faced capacity constraints and escalated geopolitical tensions. With the Russia-Ukraine war propelling risks of outright supply losses and OPEC plus providing no respite, crude oil prices rocketed to a 14-year high of US\$ 133 per barrel in the first week of March. Prices have remained volatile, thereafter fluctuating around US\$ 110 per barrel. Notwithstanding the volatility, Brent crude oil prices surged by 38% in Q4:FY22.

6.5 India's foreign exchange reserves reached US\$ 607.3 billion as at the end of March 2022. The reserves had crossed US\$ 600 billion in the first half of FY 2021-22 and touched a high of US\$ 642 billion in October 2021. However, forex reserves contracted by 5% in the second half of FY 2021-22. Foreign portfolio investors, net buyers in Q2:FY22, turned into net sellers from Q3:FY22 in view of the resurgence of Covid-19 infections, concerns over the pace of the US Fed's monetary policy normalization, correction in the equity market and geopolitical tensions.

7 Liquidity conditions:

7.1 In consonance with the accommodative stance of monetary policy, the Reserve Bank maintained ample surplus liquidity in the system during FY 2021-22, aimed at nurturing and supporting the nascent growth impulses. With the objective of restoring the revised liquidity management framework – suspended in March 2020 after the outbreak of COVID-19 – the RBI continued with a rebalancing of liquidity from the passive fixed-rate overnight reverse repo window towards longer tenors through VRRR auctions in a gradual, calibrated and non-disruptive manner.

7.2 The RBI announced a secondary market G-sec acquisition programme (G-SAP 1.0) in April 2021, with a commitment to a specific amount of open market purchases of government securities. Overall, net liquidity injected through OMO purchases, including G-SAP, amounted

to ₹ 2.4 lakh crore in H1: FY22. Open market operations (OMOs) drained liquidity in H2:FY22 in contrast to a sizeable injection in H1:FY22 from the secondary market G-SAP. G-SAP was discontinued in H2:FY22, given the ample liquidity surplus, the absence of additional borrowing for GST compensation and the expected expansion of liquidity on account of higher government spending.

- 7.3 Overall, the total liquidity enhancing measures announced by the Reserve Bank since February 6, 2020 (up to March 31, 2022) amounted to ₹ 17.2 lakh crore, 8.7% of FY 2020-21 nominal GDP.

8 RBI's policy decisions

8.1 During FY 2021-22, the RBI kept the policy repo rate unchanged. Accordingly, the repo rate and reverse repo rate stands at a near two decadal low, at 4.00% and 3.35%, respectively. The Marginal Standing Facility (MSF) rate and the Bank Rate remain unchanged at 4.25%. The Monetary Policy Committee (MPC) decided to continue with the accommodative stance as long as it is necessary to revive growth and mitigate the impact of COVID-19 on the economy, while ensuring that inflation remains within the target going forward.

8.2 The RBI continued to undertake several conventional and unconventional measures during FY 2021-22 to support economic growth impacted by the aftereffects of COVID-19. The RBI engaged in rebalancing liquidity from passive absorption under fixed-rate reverse repo under its liquidity adjustment facility (LAF) to market-based reverse repo auctions while ensuring adequate liquidity in the system in consonance with an accommodative monetary policy stance to support growth. Concurrently, the RBI has ushered in major reforms, including scale-based regulation of NBFCs and revised guidelines on securitization. The final directions on credit default swaps (CDS) were issued, which would help in the development of the corporate bond market. Targeted long-term repo operations (TLTRO) were augmented with the announcement of TLTRO 2.0 and 'On tap TLTROs'. To reduce the cost of funds of banks that had availed of LTRO and TLTRO, an option was given to them again in December 2021, allowing a reversal of transactions before maturity and availing fresh funds at the reduced repo rate. Accordingly, banks repaid cumulatively ₹ 39,782 crore of TLTROs by December 2021.

8.3 In H1:FY22, an on-tap liquidity window of ₹ 50,000 crore with tenors of up to three years at the repo rate was opened (available till June 30, 2022) to boost the provision of immediate liquidity for ramping up COVID-19 related healthcare infrastructure and services. Furthermore, it was decided to conduct special three-year long-term repo operations (SLTRO) of ₹ 10,000 crore at the repo rate for small finance banks to support small businesses, MSMEs, and other unorganised sector entities. A separate liquidity window of ₹ 15,000 crore was provided to alleviate stress in contact-intensive sectors (available till June 30, 2022) with tenors of up to three years at the repo rate. The Reserve Bank provided additional liquidity support of ₹ 66,000 crore for fresh lending during FY 2021-22 to All India Financial Institutions.

8.4 Faced with a large government borrowing programme, banks were permitted to exceed the HTM ceiling up to an overall limit of 22% of NDTL (instead of 19.5%) till March 31, 2023, provided such excess is on account of SLR securities acquired between September 1, 2020 and March 31, 2022. It was also decided that the enhanced HTM limit would be restored to 19.5% in a phased manner, beginning from the quarter ending June 30, 2023.

9 Banking environment:

9.1 In FY 2021-22, the banking sector saw the adverse effects of the pandemic until September 2021, followed by a turnaround in credit, especially to industry and retail, from October. The asset quality of SCBs improved further during 2021-22, with the overall NPA ratio declining to 6.5% in December 2021 from 6.8% a year ago, driven by lower NPAs in credit to industry.

9.2 Credit offtake picked up during 2021-22, with the gradual return of normalcy after the pandemic. Lower credit growth in H1:FY22 was due to imposing Covid-19 related restrictions. However, in H2:FY22, the economy witnessed an uptick in the activities due to gradual lifting of Covid-19 related restrictions. Retail credit has continued to be the key driver for total credit offtake. Non-food credit extended by scheduled commercial banks rose by 9.7% (y-o-y) as on 25th March 2022 (4.5% a year ago). Credit growth was driven by all the major economic sectors. Credit to agriculture and allied activities continued to perform well, registering growth of 9.9% in March 2022 as compared to 10.5% in March 2021. Credit growth

to industry picked up to 7.1% in March 2022 from a contraction of 0.4% in March 2021. Credit growth to services sector accelerated to 8.9% in March 2022 as compared to 3.0% a year ago, mainly due to significant improvement in credit growth to NBFCs and robust credit offtake in 'trade' and 'transport operators'. Personal loans segment continued to expand at a robust rate and grew by 12.4% in March 2022 from 10.7% in March 2021.

- 9.3 Aggregate deposits of SCBs registered a slower growth during FY 2021-22, due to considerable moderation in interest rates. The deposit growth slowed to 8.9% as on 25th March 2022, as compared to 11.4% growth in the corresponding last year (i.e. 26th March 2021).
- 9.4 Monetary transmission to deposit and lending rates of banks had improved significantly during FY 2021-22. In response to the 250 bps reduction in the policy repo rate since February 2019, the weighted average lending rates (WALRs) on fresh and outstanding rupee loans have declined by 213 bps and 143 bps, respectively. The median term deposit rate (MTDR) – the prevailing card rates on fresh deposits – has moderated by 150 bps since March 2020, led by shorter tenor deposits of maturity of up to one year. Concomitantly, the weighted average domestic term deposit rate (WADTDR) on outstanding deposits declined by 143 bps.

10 Resources management:

- 10.1 During FY 2021-22, your Bank has achieved a milestone business figure of ₹ 17 Trillion. The total business of your bank grew to ₹ 17,48,800 crore as on March 31, 2022. Total deposits of your Bank stood at ₹ 10,32,392 crore as of March 31, 2022. Current and Savings deposits (CASA) comprise 36.54% of total deposits in the FY 2021-22. Total advances of your Bank stood at ₹ 7,16,408 as on March 31, 2022.

Table 1: Composition of Deposits

(₹ in crore)

Particulars	31.03.22	31.03.21
Total Deposits	1032392	923805
CASA Deposits	377193	335592
Saving Deposits	304541	271968
Current Deposits	72652	63624

10.2 New initiatives taken during the year:

As a part of business mobilization, your bank has launched many of campaigns throughout the year to mobilize new Saving, Current and NRI accounts.

To canvass salary accounts, a campaign "USSA Campaign" was launched from 05.07.2021 to 31.08.2021. During the campaign 48,286 salary accounts were opened.

The exclusive campaign "CASA Unnati" for opening new Saving & Current accounts was launched from 05.08.2021 to 24.09.2021. A total of 1030967 Saving accounts and 34144 Current accounts were opened during the campaign with the addition of ₹ 2079 crore and ₹ 341 crore of fresh fund, respectively, during the campaign period.

Another CASA campaign, "CASA Champion" for opening new Saving & Current accounts, launched from 15.11.2021 to 31.12.2022. Total 967661 Saving accounts and 32835 Current accounts opened during the campaign with ₹ 1683 crore and ₹ 1096 crore of fresh fund, respectively, during the campaign period.

In order to achieve respective targets of FY 2021-22 CASA campaign "CASA Vistaar" for opening new Saving & Current account launched from 14.02.2022 to 25.03.2022. Total 634577 Saving accounts and 26155 Current accounts opened during the campaign with ₹ 1253 crore and ₹ 410 crore of fresh fund, respectively, during the campaign period.

Your Bank has also drove the campaign to mobilize NRI accounts. The "NRI Swagat" Campaign was launched from 04.10.2021 to 12.11.2021, and 2375 NRI accounts were opened during the campaign. NRI Connect 2.0 campaign was launched from 03.01.2022 to 31.01.2022, and 1626 NRI accounts were opened during the campaign.

For Salary accounts, we have designated a Nodal officer from each Region to have focused attention on the accounts under the USSA segment, outlining his roles and responsibilities

Special Drive launched for activation of Dormant Accounts in Feb-2022

10.3 New products launched during the year:

Introduction of two New Schemes for NRI Customers, Union Royal SB NRE (URNRE) and Union Royal SB NRO(URNRO), with lucrative features to attract High Net worth NRIs.

(₹ in Crore)

Achievement as on 31 st March 2021 (FB)	Achievement as on 31 st March 2022 (FB)	Growth over Mar 2021 (FB)	% Growth over Mar 2021
7164	8623	1459	20.36%

11 Credit Management

11.1 Corporate Credit:

As on 31.03.2022, the corporate advance stood at ₹ 3,18,028.66 Crore. Eight Industrial Finance Branches (IFBs) and thirty-one Mid Corporate Branches (MCBs) across the country are catering to the needs of corporate clientele. The Bank has made judicious disbursements to investment grade projects of large corporate, thus participating in the growth opportunities in the Indian economy and its global linkages.

11.2 Mid Corporate Vertical:

We have registered growth of 17.30 % on a YOY basis in mid-corporate vertical controlled accounts. We have added 26 new corporate customers with a sanctioned limit of ₹ 2998.00 crore during FY 2021-22.

We have accorded enhancement in 125 accounts amounting to ₹ 4807.00 crore during FY 2021-22.

To increase non-interest income, we have accorded enhancement in NFB limit (Off Balance sheet exposure) amounting to ₹ 827 crore in 25 accounts.

A total of 116 NBG of amount ₹ 16985.00 crore has been approved during FY 2021-22. Out of 116 NBG approved, the final sanction has been accorded in 51 accounts amounting to ₹ 6898.00 crore.

11.3 Small Corporate Vertical:

Within the MSME department, a new vertical, i.e. Small Corporate Vertical (SCV), has been created since July 2020. SCV focuses on the specific needs of MSMEs, which are on the path to emerging as corporates having exposure above ₹ 50.00 crore and upto ₹ 100.00 crore. The vertical is able to achieve growth of 20.36% as on 31.03.2022.

Sector-wise exposure:

(₹ in Crore)

S. no	Sector	Exposure as on 31 st March 2022
1	Agriculture	1531.23
2	Corporate	2399.86
3	MSME	4435.73
4	Others	133.35
5	Retail	123.00
Total		8623.17

12 FIG Vertical

Highlights of performance of FIG Vertical during FY 2021-22 :

- On lending: During the FY 2021-22, Our bank has sanctioned ₹ 55608 crs to new and existing Financial institutions borrower towards onward lending. Out of which AAA-rated companies constitute 84.47%.
- Co Lending: Our bank has entered into a tie-up with 5 NBFCs under a co-lending arrangement.
- Direct Assignment: During the year, our bank has purchased 12 Pool buyouts under Direct Assignment totalling to ₹ 3090 crs.
- Gross Advances to NBFCs increased to ₹ 1,05,019.84 crs as of March 22.
- 94.55 % of NBFC Exposure of the bank is towards A & above Rated NBFCs.

The vertical had periodically made an analysis of the performance of various segments of NBFCs/FIs, and specific impact on the recovery, and asset quality in each segment, which enabled to have a directed approach towards lending to specific segments, and also taking a cautious approach while growing the portfolio substantially.

13 Retail:

Overall Y-o-Y growth in retail loans outstanding is 8.65%.

Product-wise, Y-o-Y growth under Retail Lending is as under:

(₹ in Crore)

Scheme	Actual March 21	Actual March 22	Growth over March 21	% Growth Over March 21
Home	66472	71929	5457	8.21
Miles	9600	12705	3105	32.34
Education	7423	7590	167	2.25
Mortgage	11936	12607	671	5.62
Personal	5539	6126	587	10.60
Others	25286	26025	739	2.92
Total Retail Advance (Inc PWO)	126256	136982	10726	8.50
PWO (-)	830	709	-122	
Total Retail Advance (Excluding PWO)	125427	136273	10846	8.65

- Total Retail growth of ₹ 10846 Crore over March'21.
- Growth on a YOY basis is at 8.65%.
- PAN India basis, ULPs (CPCs) sanctioned Retail loans of ₹ 20424 Cr. against the target of ₹ 20100 Cr.

New initiatives Taken during FY 2021-22:

- New ULP (Kanchipuram) was added this year, taking the total tally to 130.
- MOU entered with MG Hector on a Pan India basis to mobilise vehicle loan business.
- Added one more Corporate Selling Agent (CSA)-M/s UBISL for canvassing Union Homes & Union Miles Business.
- In Digital Platform - Union Cash for staff & general pensioners launched.
- Digital Personal Loan- PAPL phase-2 (to all customers with Avg bal. of ₹ 25000.00, term deposit of ₹ 2.00 lakhs and availed HL-15 lakhs, ML-10 lakhs, VL-5 lakhs) launched.

- Digital Union Education loan for Students Studying in Premier Institutes (loan upto ₹ 40 lakhs)
- New Products
 - Under Green Initiatives - Union Green Miles Scheme for Electric Vehicles
 - Union Solar Roof Top Scheme.
 - For existing home loan borrowers - Union Ashiyana Personal Loan & Union Ashiyana Overdraft Scheme.
 - For professionals like doctors/engineers/ CAs etc. -Union Professional Personal Loan Schemes.
 - Retail Gold Loan Scheme for Non-Agriculturist.

Strategies to be opted for business maximization in FY 2022-23

- Allotment of Retail business target to Zone/Region based on their potential and growth projected by the bank. Bank has projected 17 % percent growth in retail portfolio, i.e. ₹ 159000 crore in March'23
- Implementation of Digital Journey for HL/ML/VL/PL
- Devise special and attractive products for customers with good credit history. (CIBIL)
- CIC scrub data for Takeover/cross-selling shared to fields.
- Tie up with NBFCs/HFC for Co-lending models of Housing loans and pool buyout.
- Portfolio analysis of triggers generated by CIC for effective retention of retail customers.
- Organizing Credit Outreach Drives
- Fortnightly review of the performance of ULPs from CO.
- Special drive to increase builder tie-ups on upcoming projects in Tier II and III cities.

13.1 Agriculture:

Agriculture lending has always been the priority area for your bank. Agriculture advances constituted 19.03% of Gross advances of the bank as on 31.03.2022. Against statutory target of 18% under Agriculture Priority as on March 31, 2022, Bank's performance is 19.71%, and also bank could sell surplus of ₹ 3700 Cr. under PSLC Agriculture. The bank registered a YOY growth of 10.79% in Agriculture for FY 2021-22 with an outstanding of ₹ 133092 Cr. as on 31.03.2022.

Outstanding credit to small and marginal farmers as of March 31, 2022 stood at ₹ 88194 crore constituted 13.65 per cent of ANBC against the benchmark of 9.0 per cent of ANBC. During FY 2021-22, 2.84 lakh fresh Kisan Credit Cards were issued.

13.2 Micro, Small & Medium Enterprises (MSME):

1. Bank has been focusing on delivering credit to Micro, Small & Medium Enterprises (MSME) sector. Lending to MSMEs stood at ₹ 1,14,975 crore as on March 31, 2022 registering an annual growth of 8.56% per cent. Within MSME, MSE lending stood at ₹ 90,562 crore as on March 31, 2022, registering an annual growth of 7.50% per cent. The Break-up of the MSME portfolio is provided as below:

Break-Up of MSME Portfolio

Particulars	31.03.2021	31.03.2022	Annual Growth	
			Absolute	(%)
Micro	43,169	51,130	7,961	18.44
Small	41,058	39,432	(1,626)	(3.96)
MSE	84,227	90,562	6,335	7.52
Medium	21,681	24,413	2,732	12.60
MSME	1,05,908	1,14,975	9,067	8.56

2. Bank has achieved the allotted Target under Mudra for the FY 2021-22. During the year, 6,43,943 new loans have been sanctioned under Pradhan Mantri MUDRA Yojana (PMMY), amounting to ₹ 6,625.28 Crore. (Total loans sanctioned during the year, including renewal, is for ₹ 11801.81 cr). Outstanding position under PMMY as of 31.03.2022 is at ₹ 20,069.89 crore.

3. The SARAL (Centralized Processing Centres) Structure acts as an acquisition centre in addition to processing. During the FY 2021-

2022, 32 new SARAL/SARAL Lites have been opened. As of March 2022, the total number of SARAL and SARAL Lites stood at 126, expanding the SARAL network to all the 125 ROs.

New Initiatives for boosting MSME portfolio:

- MSME Credit Card: Bank, in association with NPCI & Ministry of MSME, has launched the Union MSME Credit Card – a first of its kind product in the industry. The product was launched on 25.02.2022 by the Hon'ble Minister for MSME, GOI, at Sindhudurg, Maharashtra. Union MSME Credit Card provides a digital delivery tool in extending need-based finance to MSMEs with an interest-free credit period of up to 50 days.
- Launch of UMFBs: To have an exclusive focus for MSME loans, Union MSME First Branch (UMFB) has been launched on a pilot basis in Dec'2021 and as on 31.03.2022, 50 MSME First Branches have been launched.
- MSME Auto-Renewal STP up to ₹ 10 lakh: As a step forward in improving the TAT while serving the MSME clientele, Bank has launched MSME Auto-Renewal STP (Straight Through Processing) for loans up to ₹ 10 lakh with end to end digitization which automates the Review/Renewal process with Nil/minimal manual intervention.
- Cluster Schemes: 13 new cluster schemes for 38 ROs with an outlay of ₹ 12,520 Crs were approved in FY 2021-22.
- Union GST Gain: The scheme is modified and made more competitive with reduced collateral coverage starting from 50% based on CMR. The same is aimed at increasing Cash Flow based lending under the scheme.

Achievements:

- Bank has received ISO Certification for the SARAL Process of Credit Appraisal, confirming robustness of structure, system & process.
- Bank has been awarded by KVIC for its performance under PMEGP.

- Bank has ranked second for performance under the PM SVANIDHI scheme.
- Bank has registered good performance under Emergency Credit Line Guarantee Scheme [ECLGS] in extending need-based support to MSMEs to sail out from Covid induced stress.

13.3 Priority Sector Advances:

Your Bank remains committed towards extending credit facilities to the needy segments

of society. Your bank's priority sector advance stood at ₹ 278586 crore as on March 31, 2022. Against the statutory target of 40% under Priority, sector advances, your bank achieved 43.24 per cent of the Adjusted Net Bank Credit (ANBC) for the Quarter ended March-2022 with a growth of 2.63% after excluding the PSLC sales and including the investments in RIDF/SIDBI/MUDRA/NHB.

Table 5: Priority Sector Advances (Quarter ended 31.03.2022) POST AUDIT

(₹ in Crore)

Particulars (Including RIDF)	31.03.22	31.03.21	Y-o-Y (%)	% to ANBC	Benchmark FY 2022 (% of ANBC)
Priority Sector Credit (After Deducting PSLC-Sold)	279374	272203	2.63	43.24	40%
Agriculture Priority Sector (After Deducting PSLC-Sold)	127343	121142	5.12	19.71	18%
Small & Marginal Farmers (After Deducting PSLC-Sold)	88194	76070	15.94	13.65	9%
Credit to Weaker section (After Deducting PSLC-Sold)	104698	88170	18.74	16.20	11%

Specific Lending for Social Upliftment

Your Bank has continued to keep its focus on social development and equal opportunities for all segments of society. Accordingly, the Bank extended credit facilities to various weak and unserved sections of the society, specifically women, minority communities and self-help groups.

Women Beneficiaries: With a view to promoting entrepreneurs among the women and making them self-reliant, your Bank encourages credit to women entrepreneurs. During FY 2021-22, Total outstanding loans to women beneficiaries have increased from ₹ 73307 crore in March 2021 (Priority ₹ 55636 Crs and Non-Priority ₹ 17671 Crs) to ₹ 89110 Crore in March 2022 (Priority ₹ 70,251 Crs and Non-priority ₹ 18859 Crs), recording growth of 21.56 %.

Minority Communities: Your Bank is extending finance to the minority communities viz. Muslims, Christians, Sikhs, Buddhists, Zoroastrians, and Jains, in line with Government of India directives on the welfare of minority communities. As on March 31, 2022, the outstanding credit to minority stood at ₹ 26956 crore, which constitutes 9.71 percent of Priority sector advances.

Weaker Section: Your Bank has been actively participating in financing for weaker sections of society. Finances to weaker section net sale of PSLC-SF/MF has increased from ₹ 88170 crore to ₹ 104698 crore, as on March 31, 2022, registering a growth of 18.74 per cent. Outstanding credit stood at 16.20 per cent of ANBC against the benchmark of 11 per cent.

Rural Self Employment Training Institute (RSETI): With the aim of mitigating the employment problem among the rural youth, the Bank has

established 30 RSETIs in districts where the bank has "Lead Bank Responsibility". As of March 31, 2022, total number of candidates trained in our RSETIs is 256255, out of which 190842 candidates have been settled. Bank has provided finance to 73065 candidates to start their own business through credit linkage. Thus in total your bank is having 30 RSETIs present across the country creating employment opportunities for the Unemployed Rural youth.

Regional Rural Banks (RRBs): Your Bank sponsors Chaitanya Godavari Grameen Bank (CGGB), Guntur, Andhra Pradesh state. It has a network of 230 CBS Branches, spread over 3 districts of Andhra Pradesh, namely, East Godavari, West Godavari & Guntur. Business of CGGB has increased to ₹ 14680.20 crore with a growth of 14.54 per cent during FY 2021-22. Total Deposits stood at ₹ 7286.86 Cr and Advances at ₹ 7393.34 Cr, with a Net profit of ₹ 162.34 Cr. The Gross NPA is 0.91%, and the Net NPA is 0% as on 31.03.2022.

Key Initiatives to strengthen the Priority sector:

Union Samridhi Kendra (USK): Union Samridhi Kendra (USK) is a specialized processing hub established by the Bank for processing and sanctioning of RAM proposals sent from RUSU Branches. Its main objective is to strengthen the RAM portfolio of the RUSU Branches and to improve the quality, appraisal and turnaround time of loan proposals. The model was initially piloted in selected Branches of the Nasik and Karnal Regions in Nov 2017. As the overall result of the pilot implementation was encouraging, Department has scaled the number of USKs in a phased manner. At present, there are 101 USKs across 90 regions & 16 FGMOs covering 1481 branches. These branches cover 28% of RUSU Branches. Department has proposed to establish 50 new USKs during the current FY 2022-23, to cover 40% of RUSU branches. During FY 2021-22, USKs have sanctioned 124109 proposals to the tune of ₹ 5408 Cr.

Union Sampurna: To provide financial literacy, credit counselling and information/knowledge dissemination and credit process delivery mechanism under one rooftop to provide single point solution for all kinds of financial assistance to rural people concept of Union Sampurna is being designed. It is an extended arm of USK. Presently Union Sampurna is functioning on a

pilot basis in Rajatalab, Varanasi Region, Uttar Pradesh.

Pradhan Mantri Fasal Bima Yojana (PMFBY): Your Bank is implementing PMFBY for the benefit of farmers who faced climatic adversities very often and suffer a lot. All farmers, including share cropper and tenant farmers growing the notified crops in the notified areas covered under PMFBY.

Area Specific Schemes

Bank has formulated 32 Area Specific Schemes, based on the available potential for the benefit of the farmers in the respective areas to augment lending under agriculture.

Atmanirbhar Bharat Schemes/Emerging Renewable Sectors:

Your bank has started capitalizing on huge investments taking place in Agri Infra Structure, Animal Husbandry and Food Processing through various Atmanirbhar Bharat Schemes like Agri Infrastructure Fund, Animal Husbandry Infrastructure Development Fund and Pradhan Mantri Formalization of Micro Food Processing Enterprises.

Your bank is also leveraging other schemes under renewable energy like Compressed biogas schemes, solar power plants, and solarization of pump sets under the PM KUSUM Scheme to help in achieving the sustainable development goals and improving the Green Financing.

New initiatives undertaken during the year 2021-22.

- MoU entered with NBCFDC for availing the refinance facility and to extend the credit facilities to Other Backward Classes (OBCs) at Concessional Rate of Interest.
- MoU entered with NHFDC to avail the refinance facility and to extend the credit facilities to Persons With Disabilities (PwDs) at a Concessional Rate of Interest.
- Department has established 39 New USKs in the untapped regions all over India, based on the potentiality of the area.
- Established 250 new Union Gold Loan Points (UGLPs) in this FY 2021-22 taking the total to 270 UGLPS which serve as exclusive delivery points to the Gold Loans.

- A pilot project on digitization of the KCC Renewal STP process has been initiated in Karnataka state.
- Tie up with collateral management services to extend finance against Warehouse Receipts.

The product launched during the year:

- Union Krishi Kamdhenu Gold Loan Scheme (UKKGL)-Exclusive hassle-free Gold loan product for Agriculture, Agriculture allied activities & for food & agro-processing activities under the Priority sector is launched during this FY 2021-22

- Water Sanitation and Hygiene (WASH) Scheme – A unique scheme for financing to improve the sanitation, health and hygiene for the construction of new toilets, repair of defunct toilets, the addition of bathrooms, piped water connections, digging of bore well at the backyard, rooftop water harvesting structures, water filters etc. for weaker section communities in rural areas is launched during the FY 2021-22.

Awards Received during the year:

- Your bank has received the Best bank award among PSBs during the current year under SHG Bank Linkage Programme for the FY 2020-21.

13.4 Financial Inclusion:

13.4.1 Summary of performance during the FY 2021-22:

S. No.	Parameters	March 2021	March 2022	% Growth over Mar 21
1	No. of PMJDY A/cs	216.73	244.78	12.94
2	Balances in PMJDY A/cs (crore)	6465	7780	20.34
2	RuPay Cards issued A/cs	115.51	118.41	2.51
3	RuPay Cards in Operative A/cs	79.08	68.65	-13.19
4	Aadhaar Seeded A/cs	175.04	203.85	16.46
5	Zero Balance A/cs	36.39	41.67	14.51
6	Overdraft Sanctioned	6.22	2.44	-60.72
7	APY (cumulative)	20.30	25.01	23.20

- 31.6 Lakhs PMJDY accounts were opened during FY 2021-22, out of which 16.44 Lakhs PMJDY Accounts were opened during Saturation Drive Campaign launched by Mission Office during the year.
- Total Deposit balances in PMJDY accounts have increased by ₹ 1315 crs over the previous year, and average balances have increased from ₹ 2,983/-per Account to ₹ 3,178/- per Account.
- Cumulative enrollments under APY increased by 4.72 lakhs during the year.
- 2994 new Business Correspondents locations were allotted Pan India.
- 27 services are provided by Business Correspondents at all BC outlets to the Customers.

13.4.2 New initiatives taken during FY 2021-22 :

As per the suggestions of the BPR Department, Central Office and our Knowledge Partner M/s BCG, we have launched the following new initiatives on a Pilot basis at BC locations initially.

- Fixed BC Point near the Branch (within 200 Meters) under decongestion of branch: We have launched fixed BC points at selected 19 BC locations where the average transactions of branches are comparatively high.
- STP Shishu Mudra loan assistance through BC:BCs will assist the customer in applying for Shishu Mudra loans through STP. This facility is available at 19 Fixed BC Points.

- c. Lead Generation of Third-Party Product: Lead generation by BCs to mobilize Mirco Life Insurance products of SUD Life is provide dat 20 selected BC Points.
- d. Loan Collection through BC: We have launched Loan collection in SMA Accounts at 151 BC locations falling under 27 Branches in Rewa, Azamgarh and Vijayawada Regions.
- e. Our department has developed a Tech-based BC Monitoring Mobile App with the help of our TSP M/s Integra Micro system Pvt Ltd. This Application will enable the Branch/RO/CO to complete the BC Monitoring through Mobile and will have the advantages like Paperless Inspection of BCs, Geo Tagging, Social Audit concept, Real-Time MIS of the audit coverage, Risk categorization, a tool for Preventive Vigilance measures and Early Warning Signal of irregularities at BC points, availability of Reports through Dashboard etc.

13.4.3 Awards & Recognition:

- **APY:** We have received an award and recognition certificate from PFRDA in the various campaigns organized by PFRDA.
- **FINANCIAL FREEDOM FIGHTERS" (FFF)–** Our Bank is qualified for One Award and One Certificate of Excellence in the FFF Campaign 16th Aug – 30th September 2021.
- **Winning Wednesday:** Our Bank was qualified for the AWARD 'Warriors of Winning Wednesday' for the months of July 2021 & August 2021 and a total of 104' Certificates of Appreciation for the FY 21-22.

13.4.4 Strategies for Business Growth :

- **Deployment of BC points during FY 2021-22**
 - RFP process to select Corporate Business Correspondents is completed.
 - We have empanelled 24 CBCs and are in the process of onboarding 17000 Business Correspondents approx.
 - We are also proposing to enrol new BCs during the year based on the recommendations received from Regions. We propose to increase the number of BCs to 25000 during the year by allotting

BC locations near Branches with high footfalls.

- We are in the process of implementing Additional services like Passbook Printing, PPF A/c, Sukanya Samridhi Yojana A/c, Non-Life Insurance etc. through BC Channel.
- We propose to standardize BC Points with Uniform Branding and Dress Codes.
- Opening of PMJDY Accounts: We are focusing on increasing the average PMJDY accounts per Branch by Organizing Campaigns and stepping up concerted efforts by rating our CBCs on the basis of PMJDY Accounts opened on Funded balances.
- Rupay Cards Issuance: We are advising our Branches, Business Correspondents to educate the Customers of the various benefits of using Rupay Debit Cards to promote Rupay Cards issuance. We have also instructed our branches for Timely renewal / re-carding of Rupay Cars.
- Operative PMJDY Accounts – We are starting a Campaign to Convert Dormant PMJDY Accounts to Operative Accounts by sending SMS to customers to Operate the Accounts. We are also following up at the Branch level to make the Dormant Accounts Operative.
- APY: We propose to continue incentivizing ROs and Branches for fresh enrolments to encourage active participation in all campaigns launched by PFRDA.
- Extending PMJDY Overdraft facilities to all eligible PMJDY account holders and ensure availing of Overdraft facility.

13.4.5 RBI/Regulatory/DFS Directions:

We note to follow the directions received from our regulatory authorities from time to time.

14 International Banking

"Overseas business of the Bank stood at ₹ 17,428.85 Crore as on March 31, 2022 compared to ₹ 19,895 Crore as on March 31, 2021. Your Bank has three overseas branches at Hong Kong, DIFC Dubai and Sydney (Australia). Your Bank also operates in the United Kingdom through its wholly-owned subsidiary, Union Bank of India (UK) Ltd, London. Your Bank also operates in Kuala Lumpur (Malaysia) through

its Joint Venture - India International Bank Malaysia Berhad, which is a Joint Venture with Bank of Baroda (40% shareholding) and Indian Overseas Bank (35% shareholding). Union Bank of India's shareholding is 25%. The Bank's board has approved the proposal for conversion of the Joint venture into a Wholly Owned Subsidiary, and the Bank has already approached RBI/DFS for necessary approvals.

Due to the slow-paced recovery from the Covid-19 pandemic impact across various geographies and the ongoing closure of the Hong Kong branch, the total business of the foreign branches has decreased by 12.40%, but the operating profit has increased by 18.16% for the FY 2021-22.

"Export Credit of the Bank stood at ₹ 15299.16 Crore as on March 31, 2022, compared to ₹ 14654.83 Crore as on March 31, 2021. Non-Interest income from foreign exchange operations increased from ₹ 217.01 Crore to ₹ 270.38 Crore in FY 2022 vis-à-vis FY 2021.

Your Bank has designated 8 'C' category branches as 'B' category branches during the Financial year at emerging business locations for facilitating the foreign exchange business. This takes the total count of 'B' Category branches to 162, located all across India. Your Bank also maintains 40 Nostro accounts in all the major currencies across the world to facilitate the customers for carrying their transactions worldwide. Apart from this, your bank also facilitates foreign exchange remittances in almost 165 currencies through the 'B' Category branches. Moreover, a dedicated Vostro branch is maintaining accounts of foreign banks and exchange houses.

The bank has implemented state of the art technology & infrastructure to process Foreign exchange/trade credit transactions digitally through the "U-Trade" package. Two centralized back-office have also been established for digital Foreign exchange/trade credit services with enhanced customer experience.

Other significant contributors to business during the financial year are settlement of ECGC claims in many accounts, rationalization of NOSTRO accounts with improvement in income and processing of ODI/FDI business of premiere clients with amounts more than ₹7600 Crore.

15 Treasury Operations:

- To act as a prudent liquidity manager in line with Bank's corporate goal. Treasury aims at generating optimum profit while managing the

credit, market and liquidity risks as per policy guidelines. Better cash management by different short term money market instruments and forex market. Maintaining a decent SLR & Non-SLR investment book with appropriate M-duration which will help us to enhance our profitability.

- Conserve the bank's capital by reducing high capital intensive instruments and increase the NIM and ROCE by leveraging the less capital intensive instruments.

a. Summary of performance during 2021-22

- Treasury performance target v/s achievement on major parameters during the FY 2021-22 are as under:-

(₹ in Cr)

Particulars	Target for 2021-22	Actual for FY 2021-22
Interest Income	23,500.00	22,780.00
Profit on Sale of Investment	2,500.00	3,401.00
Exchange Profit (forex)	600.00	646.00
Total Treasury Income	26,600.00	26,827.00

b. New Initiatives during the year:-

- Debt Syndication:** Being a large PSU bank post amalgamation, Bank is getting wide access to various institutional/Corporate customers. Further, Treasury's active participation in the Bond Market under the TLTRO window has enabled us to interact with more corporate/FIs. Accordingly, Treasury has strengthened the Non-SLR desk for participation in the Bonds/CP/CD markets and initiated Bond Syndications activities in coordination with Bank's Loan Syndication Desk. Full fledged Bond Syndication desk will be established in the current financial year.
- Expanding Primary Dealership (PD) Business:** Primary Dealership business will give us an additional source of income in the form of underwriting commission and trading income. For the FY 2021-22 underwriting commission from PD Business was ₹ 41.64 Cr.
- Auto Hedging of Merchant transaction:** The Bank initiated auto hedging of all the merchant flows to improve the turnaround time, better efficiency and customer satisfaction while undertaking merchant transactions with the Bank.

c. Treasury Strategy

- Create a large investment book during an appropriate/ conducive interest rate period and maintain M-duration as per approved policy. This will be a source of treasury profit.
- Explore all available arbitrage opportunities in the financial market, such as forex Vs money market, dated securities Vs interest rate future (IRF), Dated securities vs overnight index swap (OIS), Long term treasury liabilities vs structured derivatives etc.
- Strengthening manpower through various in-house and external training like ACI dealing certification, Mastering the trading game etc., for improving overall efficiency level at every stage.
- To make the sales team even more capable by increasing the size of members and using the digital mode to onboard new customers and provide a seamless experience to old and new customers of the bank. Exploring possibilities of expanding PD Business through the sales team

d. New Initiative Planned in FY 2022-23

- ALGO Trading and extension of the trading terminal to Forex clients: Bank is in the process of identification of systems & finalization of a vendor for ALGO trading. It will cover 25% of customers with extended trading terminals, thereby reducing manpower requirements at the dealing room.
- Increasing existing customers share & onboarding new customers: Bank will drive Forex business from existing as well as acquisition of new customers. Trade Finance solution (Finastra) will provide more Forex Business due to flexibility to customers for document handling.
- Structured Derivatives Desk Setup: Bank has planned to set up a dedicated structured derivative desk which will help customers to hedge their risks more efficiently and on a real-time basis. This has also been helping our credit verticals to reduce the cost of borrowing of customers by structured loan products with the help of structured derivatives.

e. Awards/Accolades:-

Union Bank of India, Treasury received Financial Leadership Awards as Top Treasury team by KamiKaze B2B media.

16 Asset quality:

NPA MANAGEMENT & RECOVERY

16.1 Summary of Performance for FY 2021-22:

The NPA Level reduced from ₹ 89788 crore as of March 2021 to ₹ 79587 Crore as of March 2022. Our cash recovery & up-gradation and details of other recovery and reduction figures for the financial year 2021-22 are as under:

(₹ in crore)

Particulars	FY 2021-22
GNPA as of 31.03.2021	89788
GNPA as of 31.03.2022	79587
NNPA as of 31.03.2022	24303
Cash Recovery	5851
Dummy Ledger Recovery	2023
Rec. in written off a/cs	2734
Gross Cash Recovery	10608
Upgradation	7743*
Gross cash recovery + Upgradation	18351*
% Gross NPA	11.11
% Net NPA	3.68

Note : *Including ₹ 1957 crore of those accounts which are upgraded and slipped during the Year

16.2 Digital Initiatives Taken during the FY 2021-22 under project UNION SARAS:

- Digitization of the Vertical, i.e. UNION SARAS (Stressed Assets Recovery Automated Solution), through which we are planning to digitize 18 modules, w/w Wilful default classification, Insurance, Valuation and Advocate empanelment have already made live as of 31.03.2022, and other modules viz. creation of SARFAESI repository, digitization of DRT, NCLT cases, Lok Adalat settled cases etc. are in advanced stage for effective monitoring and recovery of NPAs.
- Extensive use of Mobile Recovery App for geo tagging of properties & for effective follow up, and for better employee experience.

- Showcasing properties on the common auction platform, i.e. eBkay under the Indian Banks Auctions Mortgaged Properties Information (IBAPI) portal launched by IBA.
- Use of digital platforms (portals like Magic bricks, 99 acres.com) for wider publicity to attract more and more bidders while auctioning NPA assets.

16.3 Recovery Strategies initiated during FY 2021-22

- Effective monitoring and focused follow-up of NPA accounts through specialized Branches, i.e. ₹ 1.00 crore to ₹ 25.00 crore through ARBs and above ₹ 25.00 crore under non NCLT accounts and all the NCLT accounts irrespective of exposure through SAM Branches.
- Exploring account wise review of NPAs (including TWO/PWO) having exposure of more than ₹ 5.00 crore.
- Appointment of law officer in each FGMO/RO/ARB/SAM Branches for proper and dedicated follow up of legal matters of NPAs on case to case basis as well as for liaisoning with DRT / CMM / DM for early resolution.
- The focus will be given to strengthening ARBs/SAMBs for Recovery and quick Realization of the NPA accounts.
- Close monitoring of accounts where already OTS approved and proper follow-ups for effective recovery. On case to case basis, considering the merits, an extension of OTS/condonation of delay can be considered.
- Constructive negotiations with NPA Borrowers to explore the possibility of OTS and expedite the same. In case of failed OTS cases, recovery measures are to be pursued vigorously to their logical conclusion
- Where the accounts have slipped to NPA due to technical reasons, like non-submission of review/renewal papers, non-submission of stock statements, efforts to be made to obtain the same immediately, and all the accounts are to be upgraded.
- Restructuring of the eligible NPA accounts based on the merits and permitting holding on an operation based on the viability & feasibility of the unit.

- A doable list of NPA accounts should be prepared by all the branches every month based on the possibility/chances of recovery/up-gradation for achieving quick results. Branches should focus their time and energy on this list of accounts instead of simultaneously chasing all NPA accounts of the branch.
- In all eligible cases outside NCLT, resolution under ICA Mechanism has been explored, which is time-bound in all potentially viable units for early resolution.
- Strengthening and extensive use of BCs/BFs/RAs engaged for recovery of NPA accounts.
- Special focus for recovery in TWO/PWO accounts by creating a special TWO cell at CO.
- Resolution through the assignment of debt to ARCs/NBFCs/FIs and shifting of high-value NPAs to NARCL (Bad Bank)

17 Relationship banking

Our Bank earned an income of ₹ 274.07 crore through the distribution of third-party products during the year 2021-22.

INCOME FOR FIN. YEAR 2021-22 (₹ in Crore)

Business Parameter	TPPD INCOME DATA AS OF 31.03.2022			
	ACTUALS FY 2020-21	TARGET FY 2021-22	TARGET FY 2021-22	% Achievement
Life Insurance	142.13	157.00	170.24	108%
Non-Life Insurance	48.72	58.00	48.14	83%
Health Insurance	32.38	40.00	38.03	95%
Mutual Fund	17.34	15.00	17.66	118%
Total Income	240.57	270.00	274.07	102%

Initiatives during the year:

NEW PRODUCTS LAUNCHED IN 2021-22:

New Products / Developments in the Bank network:

- Group Critical Illness Insurance Product: For Retail Loan Borrowers group insurance product covering critical illnesses is launched in association with Manipal Cigna Health Insurance Co. Ltd.

- POSP-LI: Department issued a detailed circular regarding the empanelment of staff members as POSP-LI for mobilizing POS Products under the Life Insurance business segment. Department has enrolled 1078 POSP-LI for soliciting POS products.
- Portability option is given to Union Health Care policyholder in Group Care 360 from Care Health Insurance Company.
- Steps initiated on a pilot basis, for lead generation/sale of insurance products thru Business Correspondents and will be scaled up in the coming days.

DIGITAL INITIATIVES:

- Jansuraksha Portal (developed in-house) has been updated in association with DIT to track the enrolments under PMJJBY / PMSBY.
- Union Mutual Fund services through UMFOT Menu in Finacle.
 - Statement Generation enabled.
 - Post making the Lumpsum purchase LIVE dept will work on SIP purchase also.
 - Lump-sum Investment facility has been tested successfully and has been made LIVE.
- Department has developed the process of the automated collection of SUDLIFE Renewal premium based on renewal data received from SUDLIFE.
- A new initiative was rolled out, with support from DIT, wherein SMS were sent to customers and consent was obtained, based on which they are enrolled for PMJJBY / PMSBY.
- Access is provided to all Branches for Online submission of claims pertaining to PMJJBY / PMSBY directly to the concerned insurance company thru their portal. This entire journey of paperless claim submission is the initiative enabled as per the directions of DFS.

SOCIAL SECURITY SCHEMES

Fresh Enrolments(01.04.2021 to 31.03.2022)					Cumulative Enrolments
TARGET MAR 2022		TOTAL TILL MAR 2022			As of Mar'22
PMSBY	PMJJBY	PMSBY	PMJJBY	PMSBY	PMJJBY
16.50	4.48	31.37	8.53	178.94	49.72

18 Government Businesses:

Performance Highlights of Government Business and Relationship vertical:

- Finished at 2nd Position in NPS All Citizen Model, after SBI in PSB Category. Overall 5th Position among 75 authorised financial institutions both public & private.
- Mobilised 27,452 accounts under National Pension System and recorded 50.22% growth over the previous year.
- Tax Challans collection reached the 5 Million mark in the FY, amassing ₹ 87,000 Crore in amount.
- Achieved 1 million Small Saving Scheme Accounts in this FY. Against the target of 9.42 Lakh accounts and reached at 10.08 Lakh accounts.
- Govt Deposits in our Bank have now reached a milestone figure of 3.75 Lakh crore, and CASA from Govt accounts are now ₹ 82,855 crore.
- Under Pension, 14,391 new accounts were added against a target of 7,615 accounts.

Major Business Mobilised During Financial Year 2021-22

- Mobilised 206 Single Nodal Agency Accounts under various schemes with total budget of ₹ 32,385 Crores.
- National level Tie-Up with NAFED for implementation of FPO scheme under Ministry of Agriculture. The scheme includes opening of 10,000 FPOs account with budgetary outlay of ₹ 4,300 Crores. E-Monitoring portal will be provided to NAFED HQ for tracking of funds.
- Mobilized deposit of ₹ 2,500 Crores of National High Speed Rail Corporation Limited.
- Provided Customized Internet Banking Portal solution with SFTP integration for vendor and salary payment to Rail Vikas Nigam Limited. Facility to be implemented in 7 RVNL RO Offices and Mobilized Deposit of ₹ 1,800 Crores.
- Provided Payment Gateway facility to BIMTECH, MDI GURUGRAM and Birla Institute of Management Studies for fee collection.

- Mobilized payment gateway collection account of CPCB for collection of Laboratory Fee and Processing fee from plastic manufactures. Also mobilised deposit of ₹ 271 Crores.
- Mobilised account of Ministry of Agriculture and Food Production, Odhisa for Crop Diversification in Mega Lift Irrigation Project Scheme budget of ₹ 1000 Crores.
- Signed MoU with North Delhi Municipal Corporation for Pension disbursement of 55,000 employees.

Human Resource Management :

Your Bank strives to offer the best in class employment experience by investing in its human capital and taking measures to constantly reinvent its people processes. Your Bank has been at the forefront in introducing industry best practices to empower its workforce as well as to meet corporate objectives. Alongside people development, the focus during FY 2021-22 has been on the stabilization of automation and digitization of processes initiated by the Bank for seamless functioning. The industry has recognized and lauded your Bank's efforts through numerous awards received during 2021-22, for HR innovation, Leadership & Training.

Manpower Strength

The total manpower of your Bank as on 31.03.2022 stood at 75201.

YEAR	OFFICERS		CLERKS		SUB-STAFF		TOTAL		TOTAL STRENGTH
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	
2019-20	17398	5671	8050	3045	2668	486	28116	9202	37318
2020-21	31629	11505	17763	8225	6585	2495	55977	22225	78202
2021-22	31326	11469	16389	7705	5979	2333	53694	21507	75201

The main objective of Human Resources Management is to ensure the high performance of employees for the achievement of organizational goals along with their personal growth. The growth of the Bank depends on the efficiency and effectiveness of its human resources. It has been the endeavour of your Bank that optimum workforce is available at all field and functional outlets of the Bank at all times.

Your Bank has been reviewing the requirement of staff in various cadres every year, and an analysis of the vacancies in various cadres is being made having

regard to the growth of the business, future branch expansion/ rationalization, attrition on account of resignations, retirements on superannuation/VRS etc.

The guidelines for reservation in employment for specified categories are strictly followed by your Bank as per Govt. Policy on reservations. Accordingly, the indents are placed with the Institute of Banking Personnel Selection (IBPS), Mumbai. The representation of all reserved categories of employees within the overall staff strength is as detailed below:

Union Prerna Project:

Particulars	OFFICERS		CLERKS		SUB-STAFF		TOTAL	
	Total	%	Total	%	Total	%	Total	%
Total Employees	42795		24094		8312		75201	
Within which	Total	%	Total	%	Total	%	Total	%
Scheduled Castes (SCs)	7417	17.33	4707	19.54	2979	35.84	15103	20.08
Scheduled Tribes (STs)	3391	7.92	1906	7.91	698	8.40	5995	7.98
Other Backward Classes (OBCs)	12330	28.81	7460	30.96	2660	31.52	22410	29.80
Economically Weaker Section (EWSs)	151	0.35	263	1.09	0	0	414	0.55
Differently Abled (PWDs)	1402	3.27	732	3.04	304	3.66	2438	3.24
EX-Servicemen	872	2.03	3051	12.66	725	8.72	4648	6.18

The Union Prerna, an ambitious digital HR transformation project, has built a strong HR foundation over the last 12 months with 10+ industry first and digital-first offerings.

The digital HR tools developed under Project Union Prerna measures the effectiveness of the corporate strategy to not only communicate the corporate goals to all stakeholders but also to equip them to realize the collective vision and inculcate performance culture in the Bank.

We have strategized our vision which further break-up into various milestones, and divided the entire project into the following modules:

Role Clarity: To make the system more objective and fair, the key responsibility areas of an individual are re-defined, including the key parameters like branch profitability, customer satisfaction, NPAs, slippage etc., making into measurable at the maximum extent.

A Role Clarity Tool was designed and introduced in the bank for the first time and perhaps a first in the banking industry as well. Through this tool, employees were digitally assigned their roles and KRAs by their supervisors at the very start of their performance assessment year.

Some of the features of the Tool are:

- Digital role assignment for each employee through the tool
- Auto populated KRAs with visibility of targets
- Multiple role assignments allowed for a single officer

Target Setting: For a long time, the bank was using a traditional method for assigning targets to its Zones, Regions and Branches. There was a need to cogitate about local market characteristics while setting up branch targets. There was also a need to make the entire target setting process more inclusive, automated and scientific.

In view of the same, a new target setting tool based on following four principles is designed to provide a course correction to this process:

- Scientific approach with built-in algorithmic validations
- Combination of Top-Down & Bottom-up Target setting mechanism
- System enablement facilitating automation
- Involvement and feedback from all stakeholders in the target setting process

This new target setting model/tool has now made targets more realistic, and market characteristics are driven. The process has now shifted from manually to digitally as well.

Competency Framework: The Competency Framework was redefined, including Functional & Behavioural Competencies. Competencies like negotiation skills, analytical skills, change management etc. are included in behavioural competencies. Behavioural traits like managing self, managing team and managing business are identified as competencies for measurement through the Individual development Plan (IDP). The IDP is followed by multiple interventions like psychometric assessment, cognitive ability, caselets and 360-degree feedback for leadership roles.

Postings: The system driven Postings tool is based on talent, skill-sets, job family allocation, and experiences of an employee to ensure the right fit for the right role. An automated digital platform designed to complete the rotational / transfer activity on time. This system captures and measures the potential and identify prospective successors for identified key positions for targeted grooming.

Talent Management & Succession Planning: Succession Planning is another strategic activity, which though elaborate, has invaluable benefits for any organization. We shall be identifying critical posts which are falling vacant in the next 2-3 years, or new posts which are going to be created in such time and create a talent pool of high potential candidates, who shall be put on customized development paths to enable them to take up these roles, a few years from now.

Bank has created a Talent Management Committee to identify the talent pool and a Senior Management Committee to identify potential successors. The talent field comprises details like education background, prior work experience within the Bank, competency mapping, key achievements, etc. Individual Development Plans have been prepared for all such executives, which include strength areas as well as development areas.

Job Families & Career Framework: The re-designed approach rationalizes job families, i.e. optimizes job families across the Bank for greater focus on business performance across all functions and arrives at the best fit. The new job family structure is based on the new organization structure and specialized skill-set requirement.

Cohort & Grading: Cohort is a group/band of individuals having similar kinds of nature & characteristics in common. In banking terminology, the cohorts can be a group of similar kind of Branches for example cohort of NPA focused, a cohort of MSME focused, a cohort of Deposit based Branches and so on. Cohort Analysis is an analytical technique that focuses on analysing the behaviour of a group of Branches over time, thereby uncovering insights about the experience of those Branches and what these Branches can do to better those experiences.

Performance Dashboards: The Performance Dashboard has been designed to review the periodic performance of an individual against business & non-business parameters, targets & KRAs, top and bottom performing trends, a relative comparison of performance with other branches/offices of the same cohort etc. The dashboards have been created for Branch Heads, Regional Heads and Zonal Heads. The Performance Dashboards fetched data and information from the MIS, Finacle, LAS, Target Setting Tool, and other available Bank platforms to showcase the performance on major parameters which are achieved by Branch, Region and Zone.

Performances Appraisal: Performance Management is one of the crucial activities in an organization which helps to boost employee engagement and productivity. Keeping the importance of PMS in mind, the Appraisal tool is designed in such a way that it is more objective, transparent and fair. KRAs across all structures in Bank were re-defined to make them more measurable by identifying unique job roles and mapping them with Key Responsibility Areas of an individual, which ensure scientific and reasonable target setting at the Branch/Corporate level making the system more robust and transparent.

The Appraisal tool also provides the course correction measures in the form of business opportunities to be tapped, practices to be adopted for meeting the shortfall in targets, etc., to the employee and the same results in business growth aligned with the corporate goals and objectives.

The revamped Appraisal Tool is based on the following 5 principles:

- Automated & objective scoring for measurable KRAs for roles.
- Cohort based performance grading with customized grade curve to ensure performance differentiation.

- Work flow to facilitate periodic feedback between leaders & team members, including upward feedback.
- Identify coaching & development needs based on the appraisal.
- Establish strong linkages between appraisal score/grades and posting & promotions decisions.

Learning & Development

As per the revised organization structure, the training system of your Bank is functioning under the aegis of the Learning & Development division. Further, as per the EASE agenda, your Bank has implemented various Learning & Development initiatives and processes as part of the HR transformation journey.

In order to keep the learning journey of its workforce uninterrupted various webinars short duration/long duration programs, including Leadership Development Programs for 75 Top executives of the Bank partnered with ISB Hyderabad, were conducted during the FY 2021-22. 1356 long-duration programs (including 658 Job Family-based programs) and 889 small duration programs covering 69408 employees were conducted. Further, 10405 employees were provided training (including webinars on wellness) to learn the latest developments in the industry from external institutes. Your Bank also rolled out exclusive learning series, namely 'Union Learnathon', to supplement the training and developmental needs of staff members. In the Union Learnathon series, 3800 MCQs, 25 Practice sets and 15 Digidarshika were hosted to foster the culture of continuous learning and intended to upskill staff members.

The in-house team of Staff College has launched Podcast on Cyber Security for Customers and Staff in 12 languages. The bank is now in the process of rolling out the Center of Excellence (CoE) under the L&D initiatives.

Official Language

Your Bank received 4 prestigious Rajbhasha Kirti Puraskars from the Department of Official Language, Ministry of Home Affairs, GoI:

1. Best Bank – First
2. Best Magazine – Second
3. Best TOLIC – Second
4. Best Magazine – Second

During the Financial year 2021-22, your Bank received 74 Awards for outstanding performance in Official Language Implementation from different TOLICs (Town Official Language Implementation Committees) set up by the Govt. of India, Ministry of Home Affairs, Rajbhasha Vibhag, across the country. On the 103rd Foundation Day of the Bank, services of Finacle for customers like the facility of passbook printing, account statements, thanks giving letters and selected statements and reports are launched in 13 Indian Languages. SMS facility for all customers is available in 13 languages. The Call Centre facility is also available in 11 Indian languages. The Mobile Banking application – 'U-Mobile' is available in 13 Indian languages. During the year, your Bank also published a Cartoon Book on Cyber Security, 'CISO-Main Hoon Na' & a Book, 'MSME ke Vividh Aayam', covering various aspects of MSME lending.

'Union Dhara', Your Bank's quarterly bilingual corporate in-House, received the prestigious Public Relations Council of India (PRCI) Silver award in the 'House Journal Print Regional Award' category. 'Union Srijan' Hindi Magazine of the bank also won Ashirwad Award. 'Union Dhara' has published special issues on 'Karnataka', 'Compliance' and 'SAMV'. Union Srijan also published a special issue on 'Telangana'.

Certified ISO 30414:2018 - International Standard for Human Capital Reporting

Your Bank has successfully implemented the Human Resource Capital Management System as per the ISO 30414:2018 international standard. Union Bank of India is one of the first in the banking industry in India to obtain the HR-specific ISO 30414 certification which was published in 2018. The Bank has embarked on an ambitious HR Transformation project, "Union Prerna", which includes revamping & digitization of various HR systems & processes, giving impetus to the ISO standardization process.

The certificate was issued by an independent reputed certification body M/s. RIR Certification Pvt. Ltd. (accredited by IAS, USA) for Provision of Internal & External Human Capital Reporting support in the Domain of Banking Services. The Bank was guided by M/s. DigitalAge Strategies Pvt. Ltd. for implementation of the project.

The ISO 30414:2018 certification is an added accolade achieved by the Union Bank of India in the field of Human Resources, in addition to being ranked high in the "Governance and Outcome-Centric Human

Resources" theme of the PSB Reforms Index EASE 3.0 for the FY 2020-21.

The ISO 30414:2018 Human Capital internal & external reporting standards provide guidelines to help organizations produce credible human capital reports and analytics for effective management as well as for public disclosure of human capital data to regulators & stakeholders. The ISO 30414:2018 certification has helped the bank establish globally accepted standards for measuring and evaluating Human Resources value creation.

Awards & Accolades (FY 2021-22)

Award Received		
Sr. No	Awarded By	Category
1	Greentech Foundation	Greentech Energy Conservation Award 2021 Leading Director Award 2021

Assistance to employees during the COVID-19 pandemic

18.1 Business Continuity Plan (BCP) meetings were conducted at regular intervals to review the COVID situation and its impact on the continuity of services. Your Bank took initiatives for containment of COVID 19 and issued advisories, guidelines and Standard Operating Procedures (SOPs) for the same. Your Bank also encouraged 'Work from Home' during the pandemic with a specific preference for physically challenged staff and pregnant women staff. As per the Provision of Ex-gratia of ₹ 20 lacs for the families of those employees who lost their lives due to COVID 19, a total amount of ₹ 45 Crore was paid to 225 families. Your Bank continuously strived to increase awareness among employees about the pandemic and various precautionary measures & social protocols to be followed to prevention of the spread of the virus through circulars and other means. COVID Action Teams (CATs), which were set up at the Zonal & Regional level for monitoring & prompt reporting of COVID cases among staff, continued to provide necessary assistance to affected staff members.

18.2 Branch Network:

The Branch Network of our Bank is widely spread across the country with 8870 branches and 3 overseas branches (Hongkong, Sydney, Dubai) as on March 31, 2022. Out of these, 57 percent of the branches are located in rural and semi-urban centres.

Table 11: Branches Network As on 31.03.2022

	Rural	Semi-Urban	Urban	Metro	Foreign	Total
No. of Branches	2537	2552	1844	1937	3	8873
Branches (%)	28	29	21	22	--	100

19 Measures to enhance Digital Network

Digitization Vertical

Digitization vertical has been created to drive the digital transformation journey of the Bank by re-orienting Bank's digital vision. The vertical comprises of Digital Journeys, Digital Banking Department and Digital Interactions & Partnerships. The sub-vertical wise product highlights and activities carried out as on 31.03.2022 is delineated here below.

Digital Journeys

i. MSME Auto-Renewal upto 10 lakhs

It is a fully automated scheme devised for the Review/Renewal of MSME credit facilities (Working Capital & Term Loan) upto ₹ 10.00 Lacs with minimal manual intervention, without seeking financial & other documents from the borrower and any data input from the branch at any stage. The renewal process of working capital is a Cash Flow-based analysis with a two-click journey, one at the customer end and the other at the Branch end. Whereas the review of Term Loan involves a single click at the branch. The standardized system generated, duly filled in digital executive summary will improve the data quality of the Bank. It will save substantial manpower required to carry out this functionality which will result in huge opportunity cost savings. 80% of our total MSME portfolio account wise comprises of loan accounts with outstanding less than ₹ 10.00 lakhs.

ii. KCC Auto-Renewal:

Scheme for Renewal of KCC loans upto ₹ 1.60 lakhs designed to run in self as well as in assisted mode with features for extracting the details about the location, ownership & charge detail of farmland without submission of a physical document by the farmer. It helps in reduced TAT and objective analysis by providing enriched information on crop & soil health, groundwater level, and past cropping history, along with digitally benefits farmers with Agri advisory information on market & Mandis. 90% of our total KCC portfolio account wise comprises of loan accounts with outstanding less than ₹ 1.60 lakhs.

iii. PAPL:

Pre-approved Personal Loan (PAPL) was launched in 2020-21 for salaried customers and later on scaled up to non-salaried customers with revised BRE and better UI through the UMobile platform. Pre-approved Personal Loan up to ₹ 50 lakhs have been introduced with a targeted customer of 1.15 lakh with a value of ₹ 3000 Crs.

iv. Union Cash:

It is a web-based end-to-end digitized journey designed on an analytics-based approach for offering credit facilities to pensioners.

v. National Portal for Credit Linked Government Schemes:

In line with the DFS guideline to implement a unified portal with a single point for customers to enrol for various Central/State Government sponsored schemes, National Portal for credit-linked govt schemes has been designed. We are among the few banks to make all the schemes duly integrated and running live.

vi. CRM Solutions:

CRM system is a tool aimed at helping the bank with sales, marketing and service management. CRM gathers customer data from multiple channels and holds detailed information on overall banking history, personal info, and even purchasing behaviour patterns.

Interim Lead Management solution has been launched on a pilot basis for all Marketing Officers of Mumbai Zone and 50 MSME First Branches. The CRM solutions has been extended to UBI Services Ltd also.

vii. Digitization of Insurance & Mutual Fund Business: Insurance Business

To scale up fee-based income through the sale of third-party products, the vertical has initiated steps for implementing digital enablement of Insurance sales, Mutual Funds and other Investment products. Currently, Bank is selling the insurance product of channel partners only through the Branch network. By enabling the Insurance product on the digital platform, our customers will be able to buy insurance online, thereby increasing the business. The Bank has onboarded the vendor for the supply, installation, integration, maintenance, and support of digital solutions for the insurance business.

Mutual Fund Business

The Bank has an onboarded vendor for the supply, installation, integration, maintenance, and support of digital solutions for the Mutual fund business.

Digital Banking Department

1. Measures to enhance Digital Penetration

a) Ease of Registration process for Mobile Banking

i. In addition to registration through Debit Card & Internet Banking, another method of registration using Branch generated tokens has been provided to branches for quick registration of new and existing customers on UMobile. With this process, dependency on Debit cards is reduced, and customers with a newly opened account can be onboarded to UMobile on the same day with Branch Token.

ii. Based on feedback from customers & field functionaries, Registration using a wi-fi network has been enabled for onboarding to UMobile.

b) Introducing new features and value-added services in Mobile Banking

During the period, many new features and services were released to promote the usage of Mobile Banking amongst the customers:

- i. Increase in Fund Transfer limit to other customers within Bank to ₹ 10 lakh
 - ii. Increase in IMPS limit to ₹ 5 lakh per transaction
 - iii. Quick Fund Transfer limit increased to ₹ 50000
 - iv. Pre-approved personal loan offers and disbursement through UMobile
 - v. Loan against Deposit using UMobile
 - vi. Generation and Download of TDS & Interest Certificate
 - vii. Submission of Form 15G/H using UMobile
 - viii. Share option enabled for sharing of Transaction receipt through various messaging apps
 - ix. Balance Enquiry on the pre-login page to ease navigation
- c) Addition of new services and features in Internet Banking

During the period, many new features and services were released to promote the usage of Internet Banking amongst the customers:

- i. Facility to Enable/Disable User ID by the customer using OTP
 - ii. Enabling of Cash Credit accounts for Tax Payment, by default
 - iii. Increase in per transaction IMPS limit to ₹ 5 lakh
 - iv. Enrolment to PMJJBY and PMSBY under Straight Through Process (STP) using Internet Banking
 - v. Debit Card Control (Enable/Disable channels)
 - vi. Generation and Download of Interest certificate for Deposit accounts
 - vii. Generation and Download of Balance Certificate
 - viii. Aadhaar and GSTN seeding in an account using Internet Banking
 - ix. Add nomination to deposit accounts
 - x. Submission of Form 15G/H
 - xi. Simplification of the Login page (process gets completed in a single screen)
 - xii. Decentralization of admin rights to branches by introducing the menu "EBANKING" in CBS
- d) Campaigns

Bank has conducted a campaign during the period for increasing penetration on Mobile Banking and increasing digital usage.

- i). 3M (Mission Million Mobile) Campaign
 - The campaign was conducted from 15-09-2021 till 31-10-2021, targeting a total of 1 Million new mobile banking registrations.
 - A total of 814814 new users were registered during the campaign period.
- ii. MRBT Campaign (Mobile Banking Registration using Branch Token)
 - MRBT campaign was conducted from 07.02.2022 till 19.03.2022. During the campaign total of 681856 new customers were onboarded.

2. Unified Payment Interface

- a) UPI Prepaid Voucher (e-RUPI), an e-voucher that can be redeemed by the beneficiary at designated hospitals for availing of Covid vaccination, was rolled out. The facility can be availed by beneficiaries without the need of any bank account or smartphone.
- b) UPI Auto Pay Issuer facility was rolled out for customers enabling them to set recurring instructions with e-com merchants through UPI.
- c) UPI International has been enabled for the country Bhutan enabling customers travelling to the country to pay to the local merchants using UPI mode.

3. Progress on Digital Channels

Growth in Digital Channels (Figures in Crs)				
Channels	31.03.2021	31.03.2022	Annual Growth	
			Absolute	(%)
Mobile Banking Users (in Crs)	1.22	1.65	0.43	35
Internet Banking Users (in Crs)	0.68	0.73	0.05	7

4. EASE 4.0

Bank secured 3rd position under the Theme-Tech Enabled Ease of Banking for the Dec'21 Quarter in EASE 4.0

Digital Interactions & Partnerships

i. Fintech Policy:

Rising customer expectations and changing customer behaviours have compelled banks to consider partnering with FinTech companies warranting Banks to deliver seamless, world-class services to the customers so that they can be benefitted by the evolution in FinTech Segment. Considering the requirement, the maiden Fintech policy of the Bank was framed. Through this document, the Bank proposes to create a customized policy framework for collaborating with FinTech with an aim to bring together FinTech, including Startups. These participants would strive to create innovative business models, open applications, agile processes and differentiated products to attract, connect, and engage with customers.

The policy focuses on various indicative categories of Fintech solutions such as:

- Payments, Clearing & Settlement
- Deposits, Lending & Capital raising
- Investment Management
- Data Analytics & Risk Management
- Market Provisioning

The policy provides the framework for (1) Empaneling of Fintechs through RFP / tender process (2) Outlining various onboarding processes for Fintechs, (3) roles & responsibilities for various stakeholders and other guidelines.

ii. Empanelment of Fintechs:

Fintech policy of the Bank provides for empanelment of Fintechs to create a pool of companies having developed unique financial services. A readily available pool of FinTechs helps the Bank in the adoption of the required solution within the shortest possible time. Based on the market study and expected requirements of the Bank, 24 fintechs were empanelled under the following segments. The validity of such empanelment is for a period of three years.

- a. Development & Integration of Digital Journeys
- b. Wealth Management, including Insurance
- c. Agricultural Lending
- d. UI / UX Development & Customization.
- e. Analytics using Artificial / Machine / Deep Learning
- f. Intelligent Virtual Assistant (Chatbot)
- g. Digital Marketing
- h. Cash Management, Trade and Supply chain financing

iii. Digital Marketing

Financial institutions are adopting novel ways to reach their customers to market their products and services. Digital Marketing is one such way which plays a pivotal role in customer acquisition, engagement & digital activation of products and services by aligning with their lifestyles, using marketing techniques by leveraging analytics & social media. To give impetus to the various digital products launched, the vertical has designed awareness/marketing videos on MSME Auto-Renewal, KCC Auto-Renewal, Shishu Mudra, PAPL, Union Cash, CRM, UMobile, Soft POS and Branch

Token. In addition to short videos, creatives for hoarding, social media etc., were also designed and circulated among FGMO/Regional Offices.

20 Risk management – A proactive approach towards identifying and mitigating risk:

Your Bank has a proactive approach to risk management. Its risk philosophy involves developing and maintaining a healthy portfolio within its risk appetite and regulatory framework. Your Bank constantly endeavours to ensure that the business function partners with the risk management function to enhance shareholder value and ensure judicious use of available capital.

Risk Management is a Board driven function in the bank with the Risk Management Committee (RMC) at the apex level supported by operational level committees of top executives for managing various risks. The Board of Directors of the Bank approves the Risk appetite and Risk policies for the Bank. The RMC supervises the implementation of the risk strategy and policies, reviews the level and direction of risk, prudential ceilings, and portfolio diversification and monitors the risk reporting. The risk strategy and policies are effectively communicated to all branches and offices of the Bank.

Your Bank addresses Credit, Market and Operational risk through appropriate policies, organisational structure, risk management techniques, adequate systems, procedures, and monitoring and reporting mechanisms. It has a well-defined risk appetite statement and an independent risk function to ensure that the Bank operates within its risk appetite.

21 Credit Risk Management:

Your Bank has well-defined credit appraisal mechanisms and risk management frameworks in place for identification, measurement, monitoring and control of the risks in credit exposures.

Your Bank has various instruments like Credit Risk Management Policies, Credit Approval Committee, Prudential Exposure Limits, Risk Rating system, and Risk-based pricing for credit Risk/Portfolio Management.

Your Bank has a standardised and well-defined approval process for all advances. It adopts a committee approach for credit sanctions and has approval committees at various levels.

The business environment is analysed and researched in a structured manner by a dedicated team of experts

to decide its outlook and growth appetite in the identified industries/sectors/segments. Your bank has also subscribed to industry research/analysis reports from top research companies for internal consumption. Risky sectors are monitored continuously and wherever warranted; exposure concerned is reviewed immediately. The impact of the COVID-19 pandemic on banks' exposure impact is tracked and monitored very closely to take necessary remedial measures in time.

Your Bank also conducts Stress Tests every quarter on its Credit portfolio. Stress Scenarios are regularly updated in line with RBI guidelines, industry best practices and changes in macroeconomic variables.

Your Bank has put in place an Early Warning Signal (EWS) system based on a predictive analytical approach, which helps to identify the stress signals well in advance and helps to take appropriate mitigation measures to maintain the desired credit quality of borrowers on a regular basis.

Your Bank uses various Credit Risk Assessment Models and scorecards for assessing borrower-wise credit risk. Your Bank also has in place a 'Dynamic Rating framework', which facilitates early identification of stress and triggers and adoption of appropriate mitigation mechanisms. Bank has also introduced the 'Credit Risk Review Framework' for large value accounts to strengthen the loan underwriting.

Your Bank has adopted an IT platform for credit appraisal processes through Lending Automation Solutions (LAS). Internal Rating models are hosted on these platforms, which are interfaced with CIBIL, RBI defaulters' lists etc.

While arriving at Bank's CRAR, capital charge on credit risk is computed based on Standardized approach.

Your Bank has adopted the RAROC Framework for optimal risk-reward considerations, wherein RAROC computation for all fresh sanctions/reviews/renewals of MSME and Corporate proposals above a certain cut-off limit is mandatory. Credit decisions related to the concession in Rate of Interest (ROI) are linked to the RAROC of the borrower, which will help in maintaining the profitability of the bank and value creation for the stakeholders.

22 Market Risk Management:

Asset Liability Management Policy, Treasury Policy and Market Risk Policy aid in the management and mitigation of market risk in the banking and trading

books. Overall responsibility for managing the market risk lies with the Asset Liability Committee (ALCO). The fundamental focus is to add value both from the earnings perspective and from the economic value perspective. The ALM Desk and Mid-Office measure and monitor the market risk in the Banking and Trading books, respectively.

The Asset Liability Committee meets regularly to review and decide on the size, mix, tenor and composition of various assets and liabilities. It primarily does identification, measurement, monitoring and management of liquidity and interest rate risk. Pricing of asset and liability products is also decided by ALCO.

Your Bank ensures proactive liquidity management, develops stress scenarios and also has a contingency funding plan in place. Bank has adopted the liquidity risk management guidelines issued by RBI pursuant to the Basel III framework on liquidity standards. These include the intraday liquidity management, Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). Monitoring of liquidity is proactively done both through both the stock approach and flow approaches.

Market Risk stems from the Trading positions assumed by the Bank in debt/equity instruments, forex transactions and Derivatives. The key drivers of Market Risk are Interest Rate Risk, Equity Risk, and Forex Risk.

Some of the key risk measures include position limits, tenor limits, price sensitivity measurement tools such as PV01 and Modified Duration (MD), Value At Risk (VaR), Net Overnight Open Position Limit (NOOPL), Daylight Limits, and Stop loss limits at both dealer and security level is being monitored on a daily basis.

The Risk measures are further supplemented by a Board-approved 'Stress Testing Policy', which guides the Bank in assessing the potential impact of adverse scenarios on the Bank's Investment book, including forex exposures and their impact on the Bank's Profit & Loss. The Stress Testing results are being submitted to Board on a periodic basis.

The Market Risk capital charge of the Bank is being computed using the Standardized Measurement Method (SMM) by applying the regulatory factors.

23 Operational Risk Management:

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. To manage Operational Risks, your Bank has in place a

comprehensive Operational Risk Management Framework, whose implementation is supervised by the Operational Risk Management Committee (ORMC) and reviewed by the Risk Management Committee of the Board.

An independent Operational Risk Management Cell implements the framework. Under the framework, the Bank has three lines of defence. The first line of defence is the business unit (including support and operations) which is primarily responsible for managing Operational Risk on a day to day basis. The second line of defence is the Risk Management Department, which develops policies, procedures and techniques to assess and monitor the effectiveness of your Bank's internal controls. Internal Audit is the third line of defence. The team reviews the effectiveness of governance, risk management and internal controls within your Bank.

The comprehensive systems and procedures, internal control system and audit are used as primary means for managing Operational risk. The bank has in place a Board approved Operational Risk Management Policy based on Reserve Bank of India guidelines. All new products/processes introduced by the Bank pass through a Product Evaluation Process to identify and address the operational risk issues. Variations in existing products, as well as risks in outsourcing activities, are also reviewed. The Bank has compiled data relating to operational losses incurred during the last sixteen years, and it is analyzed for taking corrective measures so that these losses do not recur. The process has also been put in place to conduct Risk and Control Self-Assessment (RCSA) for assessing the residual risks in the products/processes of the Bank. Key Risk Indicators (KRIs) have been identified for various processes, and the threshold limits have been fixed.

Your Bank is currently following the Basic Indicator Approach (BIA) for capital computation under Operational Risk.

Your Bank is also creating a risk awareness culture by embedding it through the existing training system at all levels. Internal as well as external trainings are conducted in the Bank for the Risk Officers. To imbibe the risk culture in the Bank across various functions and field functionaries, e-learning modules on Risk Management have been made mandatory.

As part of digital adoption, your bank has developed a Vendor Risk Management System. It captures all the details related to vendors, and it also hosts a risk assessment model, focusing on the risk associated with the outsourced activity.

Your Bank has a robust Business Continuity Plan and Disaster Recovery Plan that is periodically tested to ensure that it can meet any operational contingencies. A well-documented Board approved Business Continuity plan is in place to minimize business disruptions and system failure, and potential impact on its business, employees and customers during any unforeseen adverse event or circumstances. The plan is designed in accordance with the regulatory guidelines and is reviewed regularly. Further, Bank has also constituted a BCP Quick Response Team (QRT) for IT and Non IT related Disruptions. QRT monitors the disruption and gives necessary directions to various Verticals/fields and also monitors the situation till normalcy is restored.

24 Group Risk Management

Group Risk entails the risks faced by any of the group entities that have a common resonance across the group, which may have a group-wide impact.

Your Bank, through its group entities, participates in diversified financial services like banking, securities and capital markets, insurance, mutual fund and retail asset businesses. Bank has put in place a framework/policy for the assessment of risks for its Group entities, internal controls, mitigants and capital assessment under normal and stressed conditions.

25 Fraud Risk Management

Your Bank has a Board approved Fraud Risk Management Policy in place. Bank has a Fraud Review Council, Operational Risk Management Committee, Credit Risk Management Committee, Audit Committee of the Board and Special Committee of Board for Monitoring of Fraud Cases to examine the cases of frauds/ attempted frauds and to put in place systems and procedures for prevention of frauds. Apart from reporting all the fraud cases of ₹ 1.00 lakh & above to the Board, the Bank also reports all the fraud cases of ₹ 1.00 crore & above to the Special Committee of the Board for Monitoring of Fraud.

Your Bank has implemented an Enterprise-wide Fraud Risk Management Solution (EFRMS) for proactive fraud detection in transactions through various digital channels.

26 Enterprise Risk Management (ERM)

An ERM framework enables a firm to gain a clear view of its overall risk level. It helps to manage and align risk with strategy at a whole Bank level. It encompasses, among others, a Risk Appetite framework and the establishment of consistent Risk culture in the Bank.

Your Bank has a Board approved ERM policy in place. Bank also conducts a comprehensive Internal Capital Adequacy Assessment Process (ICAAP) wherein the material risks faced by the Bank are listed, and their measurement and management methodologies are enumerated. Besides the Pillar-I risks, the Pillar-II risks are also assessed. The adequacy of the capital under normal & stressed conditions and to meet future business requirements are also assessed.

27 Compliance

27.1 Your Bank has implemented a robust compliance system along with a well-documented Compliance policy. The focus of the compliance function is adherence to regulatory compliance, statutory compliance, compliance with fair practice codes and other prescribed codes, government policies, the Bank's internal policies and prevention of money laundering and funding of illegal activities.

Your Bank conducts regular Compliance Test Checks on Customer Service, KYC-AML checks including B Category branches and Credit Process Audit conducted across the Regions pan India.

27.2 Your Bank has an in-house Compliance package to monitor, control & follow up communications received from Regulators/ Ministry/IBA/BBB. Periodic compliance test checks are put in place for effective implementation of mandatory guidelines. The role & responsibility of the compliance function is clearly defined for every tier in the Bank. Your Bank has a well-established reporting system to ensure regulatory and statutory compliance through a self-certification process; a Compliance certificate is submitted by branches to the respective ROs/ROs to FGMOs. FGMOs & CO verticals submit the compliance certificate to the Compliance Department every quarter.

Your Bank is in the process of implementing an in-house built Compliance Monitoring Tool-an application for Individual Level Compliance reporting-one of the deliverables of the EASE 4.0 Agenda.

Internal Audit System:

An effective and efficient internal audit function provides independent assurance to the Board and Senior Management on the quality and effectiveness of the Bank's internal control, risk management and governance systems and processes.

During the year FY 2021-22, Bank has conducted 6851 Branch audits and 614 audits for other units.

Apart from the above audits, Bank has a Concurrent Audit system covering 60.13% of total deposits and 75.56% of total advances of the Bank, which ensures compliance with RBI guidelines and also conducting Management Audit, IS Audit, OTMS Alerts, Swift Audit, Bill of Entry audit, Foreign Branches' audit, Forex Branches audit and Expenditure Audit for effective follow up and monitoring.

28 Cyber Security

Your Bank has a separate vertical at Central Office for overseeing Cyber Security functions. Bank has implemented Cyber Security Operation Centre (CSOC) and deployed a dedicated, skilled team to manage it. The CSOC helps to identify, detect, protect & prevent cyber threats. Bank has created a Cyber Security Governance structure comprising Policies, procedures, guidelines and committees at the executive & Board levels to oversee the development of the cyber security posture of the Bank.

Comprehensive Cyber Security Awareness Program (CCSAP):

Your Bank has developed a comprehensive Cyber Security Awareness Programme (CCSAP) to enhance the level of cyber security awareness among its customers and employees. To be aware, the customers for cyber security tip the Bank using multiple channels to reach customers viz. social media, corporate website, internet banking login page, ATM, SMS, Emails, Display units in branches etc. This has led to an increase in overall cyber resilience. Bank has established the CCoE (Cyber Security Centre of Excellence). Under the CCoE, the Bank has collaborated with CDAC for various customer and employee awareness Programmes, Training and Certifications.

29 Information Technology :

Union Bank of India is offering a "Digital Experience" to its customers by leveraging and implementing the latest innovations in technology like cloud computing, digital lending etc. Bank is transforming the current IT architecture to ensure high-performance access to business systems and cloud-based applications, complying with regulatory norms without compromising security. At the same time, Bank is fostering Enterprise Solution Architecture Practices for new applications to support new innovations in diverse, dynamic and complex environments.

Highlights of the Year

- ❖ First public sector bank to go live on the account aggregator ecosystem.
- ❖ First PSB to achieve triple ISO for its IT Systems.
- ❖ First among all the PSBs & First organization in the world to have the largest sites on SDWAN
- ❖ First PSB to implement End to End Shishu Mudra STP implementation.
- ❖ First PSB to implement End to End auto-renewals of MSME loans up to ₹ 10 lacs.
- ❖ First PSB to implement multi-language in Finacle, Mobile Banking application and SMS.
- ❖ Stands 2nd in ATM transactions among all banks across the country.
- ❖ Second PSB to achieve PCI DSS compliance for ATM operations.
- ❖ 3rd in UPI transactions among all Banks in the country with monthly transactions of 76+ crore and technical decline of less than 1%.
- ❖ The bank is awarded the IBA award for Best Cloud Adoption in Large Category Bank, IDC Industry Innovation Awards 2021, and Runner Up in Infosys Finacle Innovation Award 2021.

Major transformational activities implemented during the year are as below:

❖ New Technology Adoption

- **Account Aggregator:** Union Bank of India has become the first public sector lender to go live on the account aggregator ecosystem, a part of the government's digital initiatives to improve credit delivery. The account aggregator ecosystem helps lenders leverage digital data acquired with the customer's consent to provide seamless service without physical documentation. Any financial information user (FIU) can request data based on consent given by the customer on their account aggregator handle. Bank has implemented the technology stack as per the Reserve Bank Information Technology (ReBIT) guidelines.
- **Blockchain Technology:** Union Bank of India, along with 18 other banks, have formed an organization known as "Indian Banks Blockchain Infrastructure Company (IBBIC)" to implement Banking related Services in Blockchain Technology. With this, the Banking System in India is going to take a new leap in Digitization in the near future.

- **AI/ML:** Bank has initiated the setting up of the Analytics Center of Excellence and eyeing complete business modelling through AI/ML in the next 3 years. Various use cases like AI-based IVR System, U-Mobile Adoption Analysis, Cross-Selling/Upselling of Credit Cards, Voice Bot, etc., are in the implementation stage, whereas Early Warning Signal (EWS) in Retail/Agri/MSME sectors is already implemented.
- **Robotic Process Automation (RPA):** Bank is partnering with leading Fintech firms in RPA and initially identified a few processes for automation like daily report generation, ATM reconciliation, payment settlement, etc. Using RPA technology.
- ❖ **Robust and Resilient Infrastructure**
 - Bank's private cloud is expanded, which currently hosts 600+ virtual machines, and 130+ applications are presently running on Cloud.
 - The bank has a robust CBS Infrastructure to support daily financial transaction volume of 5+ crore. Monthly average CBS transactions – 155+ crore.
 - Bank has taken various initiatives for ATM advancements like the implementation of TLS 1.2 protocol, Green PIN, week PIN check, CoFT, and mandate for recurring transactions.
 - Network Access Control is employed for increased network visibility, reduction in cyber threats and improved network performance.
 - SD-WAN solution implemented, which will provide a centralized approach to network management, more network automation, simplified operations, reduced change control, standardized email messaging system with advanced security features. SD-WAN will have better visibility/analytics on various applications and the underlying infrastructure; existing provisions for branch/office connectivity can be leveraged with optimum capacity. It will reduce bandwidth costs.
 - Robust and resilient IT Infrastructure supports a 120% increase in UPI financial transactions in the remitter category in the last six months.
 - Recertification of ISO 27001:2013 and ISO 22301:2019. Fresh certification of ISO 31000:2018 for IT Risk management.
- ❖ **Customer EASE**
 - A dedicated Application Performance Monitoring team is established to ensure proactive issue resolution and 24/7 service availability. The average Uptime of IT systems is 99.90% which is at par with Best in the industry.
 - "Card on File-Tokenization" was implemented as part of RBI guidelines for handling online tokenized transactions from Networks (MasterCard/VISA/NPCI). The actual debit card number of the Bank's customers is held safe in a secure token vault of Networks, and a unique token number is generated against the debit card number.
 - Bank has taken various steps towards digital lending, such as the implementation of Union Cash Straight Through Process along with STP of Housing, Personal, Vehicle loans in Retail segment, STP for MSME loans up to ₹ 5.00 Cr, E2E Shishu Mudra loans up to ₹50,000 and auto-renewal of MSME loans up to ₹ 0.10 lacs. Further, auto-renewal of retail loans up to ₹ 50 lacs and Agri Loans (KCC) is under progress.
 - The co-Lending module has been implemented in line with Pool Buyout (PBO) mechanism.
 - UConn (WhatsApp Banking) is implemented in the Bank and offers various customer-friendly services, namely Account Balance, Mini Statement, Cheque Status, Cheque Book request, Locker Rent enquiry and many more Auxiliary services like Account Opening, Door Step Banking etc. UConn provides ease of use to the customer by rendering services through the most used app, i.e. WhatsApp.
 - Under Multi-language implementation in Finacle, 361 screens are made available in Hindi and English. Further, 29 reports are available to customers/branches in 13 vernacular languages. Union Bank of India is the first PSB to implement multi-language in Finacle.
 - Multiple enhancements are done in Internet Banking like Single Sign-On Page, SMS/Email alert on U-Token Registration/Deregistration, Captcha code for know your user ID and Enable Disable IB with OTP, LIC Policy registration and Payment, Combined Account Statement Generation through Internet Banking, Bulk Upload payment facility introduced for Retail and corporate customers.

- Various enhancements and features have been added to the UMobile application, like Registration to U-Mobile using Wi-Fi, Share Transaction Receipt, Scan QR on the pre-login page, Loan against online deposit accounts, Form 15G/H submission, TDS & Interest Certificate generation.

Awards & Accolades:

❖ IBA award for Best Cloud Adoption in Large Category Bank:

Union Bank of India was awarded the **Best Cloud Adoption in Large Category bank** as Bank has recognized the significant potential of the cloud technology in providing modern infrastructure for Banking at a very early stage and implemented on-premises private cloud in 2017. It is extremely cost-effective and scalable over traditional data centres and helped the Bank to roll out many projects in a short span, optimizing the Now, Bank has well-established premises private cloud and exploring future possibilities to adopt Public, Hybrid and Multi-Cloud solutions for Bank's forthcoming projects by duly considering the requirement and security.

Infosys Finacle Innovation Award 2021:

Union Bank of India was awarded **Runner Up in Infosys Finacle Innovation Award 2021 under the Process Innovation Category** for the Bank's innovation strategy, which is centred around customers to provide a superior experience at all stages of the customer journey in every sphere of Banking through superior touchpoint experience and agile services. Bank's IT architecture enables seamless integration with the ecosystem and ensures continuous delivery of responsive, resilient and secure IT Systems/ Services using the latest technologies and continuous innovations. APIM uses Finacle Integrator (FI) that enables seamless integration of Finacle Core Banking Solution for real-time communication with Finacle for all APIs that are hosted at Finacle.

IDC Industry Innovation Awards 2021

Union Bank of India is awarded **IDC industry Innovation Awards 2021 under Innovation in Operations** as Bank is architecting the future by driving business growth and creating competitive advantages through emerging technologies and continuous innovations.

30. Operations Department

Grievance Redressal Mechanism:

The Grievance Redressal Mechanism has been strengthened to cater to the need of the Amalgamated

entity. The roles and responsibilities at each level of the Grievance Redressal Mechanism have been clearly identified and defined. Mechanism to resolve the complaints and Standard Operating Practices has been defined at all levels to speed up the process of grievance redressal.

Grievance Redressal Policy: - The revised policy outlines the framework for addressing customer grievances; it aims at minimizing instances of customer complaints and grievances through a well-structured escalation matrix and pre-defined TATs depending on the nature of the complaint. The purpose is to ensure prompt as well as effective redressal of customer complaints.

Union Care 2.0 – The revised Union Care Handbook has been issued by the bank, which covers the categorization of complaints, probable reasons for complaints and remedial measures, escalation matrix and updated contact details of officials nominated for resolving customer complaints in the area of ATM, Internet Banking, Pension, Mobile Banking, Door Step Banking, NEFT/RTGS, ASBA/DEMAT etc. The Handbook is helping the Field Functionaries for early resolution of customer complaints in a better way.

Updation of Grievance Redressal Officer Details on Bank's Website: The Bank has now uploaded the contact and other details of FGRO and RGRO on our website to enable ease to the customer in quick resolution of complaints. We have also issued a detailed action plan, Do's & Don'ts, and alternate arrangements during the tour/leave of RGROs/FGROs for redressal of grievances posted at RO's/ZOs. Now our website contains the structured Grievance Redressal Mechanism from the Chief Grievance Officer level to ZO and RO levels.

Handling of Customer Grievances: The details of customer complaints received during the financial year 2021-22 are given below.

Particulars	Count
Complaints outstanding as of 01 st April 2021 (including BO Complaints)	10,780
Complaints received during the year (including BO Complaints)	3,28,216
Complaints resolved during the year (including BO Complaints)	3,37,601
Complaints outstanding as of 31 st March 2022 (including BO Complaints)	1,395

31. Vigilance

The vigilance department in the Bank is headed by the Chief Vigilance Officer (CVO), who acts as an extended

arm of the CVC. The CVO is assisted by a team of Functional Vigilance Officers and Field Vigilance Officers stationed at the Central Office and Zonal Vigilance Cells / Regional Vigilance Cells, respectively, headed by a DGM and 4 AGMs. The vigilance administration in the bank acts as a moral gatekeeping of the employee's conduct in order to promote sound business decisions necessary for perpetual growth & profitability of the organization. The facets of vigilance are classified into preventive, participative & punitive. Rather than punitive actions, the efficiency of vigilance in an organization is counted on efficiency in bringing Reformation in systems & procedures by preventing unhealthy practices and ensuring hassle-free delivery services.

The Bank has adopted a Whistle Blower Policy pursuant to which employees of the Bank can raise their concerns relating to fraud, malpractice or any other activity or event which is against the interest of the Bank or society as a whole. As per the Whistle Blower Policy, the Executive Director looking after HR is the designated Nodal Officer for all whistleblower complaints. To promote PIDPI & Whistle Blower, 4 films have been prepared in the house on PIDPI enacted by our bank staff & 1 film has been prepared by CGGB sponsored RRB during VAW-2021. Wide publicity of the same was done through all the social media handles of the Bank, and this resulted in approximately 46K+ views & impressions to date.

To safeguard the Bank against internal/external threats such as fraud, bribery, corruption, abuse of authority, and non-compliance with laid down systems & procedures, constant vigilance at all levels is necessary through a process called 'participative vigilance'. To popularize the scheme, awareness is created during the VAW and during preventive vigilance visits to the branches.

Preventive Vigilance Visits are surprised visits to branches by vigilance officials, the very purpose of which is to sensitize the staff about the importance of following the laid down rules and procedures by the Bank from time to time. In F.Y. 2021-22, 5925 visits were conducted.

In addition to the PVV, an offsite surveillance system is adopted by the Bank, which helps in the detection of abnormal transactions, irregularities etc. and thereby initiates corrective action. During the year, 3726 alerts were raised under off-site surveillance, which was referred to the controllers for taking appropriate corrective actions.

During the year, 6 systemic improvements have been undertaken by the concerned departments as suggested by the Vigilance Department in order to streamline the processes and systems in the Bank. Control Returns are also sent regularly to various statutory and regulatory bodies (CVC, RBI, MOF, CBI etc.) as demanded by them to enable them to exercise a general check and supervision over our vigilance cases and anti-corruption work.

In compliance with CVC directions, our Bank observes Vigilance Awareness Week from October to November every year by executing numerous activities in & outside the organization with the aim of sensitizing & spreading awareness amongst staff, children, youth and all citizens of the country, including the rural population. This year, the pre-inauguration ceremony of VAW-2021 began in our bank by being a host to the event organized by Vigilance Study Circle, Mumbai, for all the CVOs of the PSBs/PSUs in Mumbai. The event was graced by the visit & address from Central Vigilance Commissioner - Shri Suresh N Patel, Secretary, CVC - Shri Otem Dai & Additional Secretary - Shri P. Daniel.

During the solemn occasion of observing **Vigilance Awareness Week from 26th Oct to 1st Nov, 2021** under the theme "'Independent India@75 - Self Reliance with Integrity' we were able to entail participation of 7.98 lac citizens including staff members by oath-taking of integrity pledge through online mode and conduct 14125 outreach activities apart from undertaking visits in select aspirational districts by vigilance officials. We were opportune to organize an event with top executives in the boardroom graced by a visit & address by Shri P. Daniel - Additional Secretary, CVC, during VAW-2021. For knowledge enrichment of our staff, we unveiled a magazine, "Learn from Frauds: 20 Case studies based on true fraud incidents", a Cartoon Book on PIDPI Resolution, along with the release of Daily Alert Series: "Dainik Satarkta" & compilation of Monthly magazine "Satarkta Se Safalta". A webinar on Safe Banking was arranged at Powai office - Mumbai and 10 others by field functionaries from several eminent personalities on topics related to different areas of banking, viz. financial inclusion, cyber security, behavioural and leadership skills etc. witnessed a large turnout of spectators and the constructive sessions. Live streaming on the social media handles of the Bank was done. An exclusive radio interview of CVO Shri. Umesh Kumar Singh, with the title "PATE KI BAAT", has also been broadcasted on RED FM to reach the masses to create awareness about PIDPI & Vigilance Awareness Week.

Coming to the punitive part, as against the total staff strength of 76147 as of 31st March 2022, the number of pending vigilance cases is 199, i.e. 0.26%. During the year, 504 complaints were received by the department, of which 492 have been disposed of, including 53 complaints pertaining to the previous year. During the year, investigations were ordered in 84 cases, of which reports were received in 90 cases, including 22 investigation reports pertaining to the previous year. Investigation reports in 14 cases are awaited, which are less than 03 months old. TAT for completing the investigation and submission of the investigation report to the Vigilance department stood at 82 days as against the benchmark of 90 days.

A new initiative Vigilance Perception Index (VPI), has been undertaken, which will enable Field General Managers/ Regional Heads to assess the level of implementation and effectiveness of available preventive vigilance tools of the Bank based on the review of 8 selected parameters in the Zonal Vigilance Committee meetings on a quarterly basis. Vigilance has undertaken a survey under a new Project – Union Reformation, to identify key areas which could possibly bring in a change in the way disciplinary action is perceived in our bank and also reduce the banks' risk of imposition of penalties, thereby promoting a better work culture and uphold the principles of natural justice.

32 Opportunities

32.1 Pan India Presence: Post amalgamation, the Bank has emerged as the 5th largest in terms of total business and 4th largest in terms of network among the PSBs. The Bank has a network of 8873 branches & 11,232 ATMs, an employee base of over 77,000 and a customer base of over 120 million.

Strong organization structure: The organisation structure of the Bank has been redesigned across all the levels by adopting verticalization, centralisation and specialisation as the main themes. By centralisation processing centres and creating several new verticals, including digitisation, analytics, business process transformation etc., the Bank is making itself ready for the future.

Digitisation: The Bank has made significant inroads into digitisation in the last couple of years. Implemented many Digital Initiatives in the bank, e.g. Pre Approved Personal Loan (PAPL), MSME STP, MSME credit card, CRM Package,

Trade Finance Module, UVCconnect, Union Dial and the most recently Union Nxt – a new age super app for all banking needs.

32.2 Higher Market Share: Being the 5th largest PSB in the country with a pan India presence, the Bank has a very strong market share in most of the Indian States. Higher market share will help the Bank to improve its visibility and reach to grab higher business and an edge over others.

32.3 Strong Workforce: The Bank has one of the youngest workforces, with an average age of fewer than 40 years. A relatively younger workforce will help the Bank for easy transformation towards a digital-savvy Bank. The Bank has also put in place a multi-faceted Human Resource transformation project, "Union Prerana", which aims to reimagine our daily ways of working across performance management, Learning and development, posting, placement, job families and career development framework, to name a few.

33 Threats

33.1 Stiff Competition: The competition in the Indian banking system has been increasing over the years. There is an urgent need for banks to up their game to overcome tough competition from new players. FinTech is expected to challenge the banking sector with innovations and its exponential growth. Traditional banks must now adopt a digital-first business model in order to compete with these new players.

33.2 Uncertain Business Environment: The business environment is highly uncertain. The current pandemic related shock is likely to place greater pressure on the banks. Proactive building of buffers and raising capital will be crucial not only to ensure credit flow but also to build resilience in the financial system - the resilience of individual banks and financial entities as well as the resilience of the financial sector as a whole.

33.3 Cyber security: Enhancing cyber resilience is another important aspect when it comes to digital innovations. As we are expanding our operating hours and allowing for increased access and increased interoperability, there are persisting threats of cyber-attacks to our systems. Experience shows that even the most efficient and protected systems can get compromised, which could expose stakeholders to disproportionate risks.

34 Outlook

The Indian banking system's health has been at its best in decades. The improvement in health, which began in FY 2019-20, is likely to continue in FY 2022-23, backed by strengthened balance sheets and an improving credit demand outlook with an expected commencement of the corporate CAPEX cycle. Banks will look for growth across sectors and benefit from loan recoveries, considering their highest profitability in the past six years. The outlook for India's banking sector has improved as the ongoing recovery of the country's large and diversified economy will support sustainable business growth for banks. Improving consumer and business confidence, as well as improving domestic demand, will support economic growth and credit demand. Rising corporate earnings and easing funding constraints for non-bank finance companies, which are significant borrowers from banks, will support loan growth. The receding risk of further pandemic-related disruption has also lowered financial performance risks. However, the global economic fallout from the Russia-Ukraine military conflict will create some risks as it fuels inflation because of rising oil prices and driving down the value of the rupee, which will increase pressure on the Reserve Bank to raise interest rates.

With the commencement of the Russian-Ukraine conflict in February 2022, various global and domestic agencies have downgraded India's growth projections for FY 2022-23. However, the domestic economy is expected to outperform its peers and is likely to

achieve real GDP growth in the range of 7-8% in FY 2022-23. In response to the economic recovery, banks are increasingly showing a rise in risk appetite, as indicated by a revival in credit growth in recent months. The revival in retail demand and overall credit growth will be supplemented by rising corporate credit growth. The share of corporate loans could increase, supported by the infrastructure and construction sectors in light of the government's strong focus on infrastructure spending. Further, an estimated ₹ 2 lakh crore worth of primary investments in performance-linked incentive schemes will provide a further boost to corporate credit growth.

The COVID-19 pandemic has also fast-tracked the digital transformation of the payments ecosystem in India. The banks are expected to continue their efforts in this area so as to come out with more and more innovative solutions. Going forward, the continued policy support by the RBI and the government would lead to an orderly growth of the banking system in the country.

For and on behalf of the Board of Directors



(Rajkiran Rai G.)



Managing Director and CEO

Place : Mumbai
Date : 30.05.2022



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Corporate Governance Report

1. BANK'S PHILOSOPHY ON CORPORATE GOVERNANCE

- 1.1 Union Bank of India is committed to good corporate governance practices. The Bank has laid emphasis on the cardinal values of fairness, transparency and accountability for performance at all levels, thereby enhancing the shareholders' value and protecting the interests of the stakeholders.
- 1.2 The Bank considers itself as trustee of its shareholders and acknowledges its responsibility towards them for creation and safeguarding their wealth. During the year under review, the Bank continued its pursuit of achieving these objectives through adoption of corporate strategies, prudent business plans, monitoring of major risks and pursuing policies and procedures to satisfy its legal and ethical responsibilities.
- 1.3 The Bank firmly believes that the self-discipline and sincerity of the Board and other stakeholders in carrying out their responsibilities provide the bedrock for a clean, transparent and trustworthy Corporate Governance regime which in turn will earn continuous support and trust of stakeholders.
- 1.4 The changing landscape on account of the COVID-19 pandemic has posed additional challenges and your Bank has shown the character, maturity and resilience to deal with the situation since March 2020 and would continue to demonstrate the same going forward.
- 1.5 To implement the best practices, the Board has framed a Code of Corporate Governance. The code helps to inculcate a spirit of good corporate governance right from the top. It basically encompasses and documents the practices followed in the Bank in conduct of its duties towards all the stakeholders like:
- Functioning of Board and its various Committees
 - Compliance (Regulatory and Policy)
 - Relation with shareholders
 - Disclosures by Bank and its Directors
 - Corporate Social Responsibility and
 - Other miscellaneous issues viz. Code of Conduct for Directors & Senior Management Personnel,

Prohibition of Insider Trading, Related Party Transaction Policy, Whistle Blower Policy, Staff Related Matters, Vigilance etc.

- 1.6 The Bank being a listed entity complies with the Corporate Governance provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 to the extent that it does not violate statutes and guidelines or directives issued by the relevant authorities applicable to the Bank.

2. BOARD OF DIRECTORS

- 2.1 The composition of the Board of Directors is governed by the provisions of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, as amended and Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970, as amended.
- 2.2 The responsibilities of the Board include monitoring overall functioning of Bank including but not limiting to approval of policies for conduct of business, business reviews, assessing the independence of the audit and risk function, detailed scrutiny of quarterly and annual financial results, NPA management and provisioning integrity, compliance of regulatory and statutory guidelines, customer protection, financial inclusion, overall supervision of human resources etc.
- 2.3 The Board has constituted various sub-committees and delegated its powers for different functional areas to the committees of the Board. The Board as well as its Committees meet at periodic intervals.
- 2.4 As on 31st March, 2022, the Board comprised of five whole-time Directors viz. Managing Director & Chief Executive Officer (MD & CEO) and four(4) Executive Directors appointed by the Government of India besides six(6) Non-Executive Directors who are eminent personalities from various walks of life. Their rich and varied experience guides the Bank in its progress and achievements in various spheres.
- 2.5 The positions of Workmen Employee Director and Officer Employee Director to be nominated by the Central Government were vacant during the year. The positions of CA category Director and Part-Time Non official Directors to be nominated by the Central Government were vacant as on 31.03.2022.

2.6 Composition of the Board of Directors as on 31st March, 2022 is as under:

Sr. No.	Full Name of the Director, Designation & Category	Appointment Date	Membership in Committees of the Bank \$	Holding of Bank's shares	Number of memberships of ACB & SRCB in Public Ltd. Companies including the Bank	No. of Chairmanships of ACB & SRCB in Public Ltd. Companies including the Bank	Remarks (Nature of appointment in the Bank/Other Listed Companies and Area of Expertise)
1	Shri Rajkiran Rai G., Managing Director & CEO (Executive)	01-07-2017	MCB SRCB RMC ITSC SCMF DPPC STCB REMC HRSCB CAC-I CDRCF RCNCB & WD	6725	2	1	Appointed as a Whole Time Director u/s 9(3)(a) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, to hold office for a period of three years from the date of his taking over the charge of the post on or after 01.07.2017 i.e. upto 30.06.2020 or until further orders, whichever is earlier. Further, vide notification no. F.No. 4/4/2017 – BO.I dated 30.06.2020, the Central Govt has extended the term beyond 30.06.2020 till the date of superannuation i.e., 31.05.2022 or until further orders, whichever is earlier. Area of Expertise: Banking & Finance
2	Shri Manas Ranjan Biswal, Executive Director (Executive)	01-03-2019	MCB SRCB RMC ITSC REMC HRSCB CAC-I CDRCF SCMF	Nil	1	Nil	Appointed as a Whole Time Director u/s 9(3)(a) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, for a period of 3 years w.e.f. the date of his taking over charge of the post i.e. upto 28.02.2022 or until further orders, whichever is earlier. Further, vide notification no. F.No. 4/4/2021 – BO.I dated 26.08.2021, the Central Govt has extended the term beyond 28.02.2022 till the date of superannuation i.e., 30.04.2022 or until further orders, whichever is earlier. Area of Expertise: Banking & Finance
3	Shri Nitesh Ranjan, Executive Director (Executive)	10-03-2021	MCB SRCB RMC ITSC REMC HRSCB CAC-I CDRCF	6725	3	Nil	Appointed as a Whole Time Director u/s 9(3)(a) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, for a period of 3 years w.e.f. the date of assumption of office i.e., from 10.03.2021 or until further orders, whichever is earlier. Area of Expertise: Economics, Finance & Management

Sr. No.	Full Name of the Director, Designation & Category	Appointment Date	Membership in Committees of the Bank \$	Holding of Bank's shares	Number of memberships of ACB & SRCB in Public Ltd. Companies including the Bank	No. of Chairmanships of ACB & SRCB in Public Ltd. Companies including the Bank	Remarks (Nature of appointment in the Bank/Other Listed Companies and Area of Expertise)
4	Shri Rajneesh Karnatak, Executive Director (Executive)	21-10-2021	MCB SRCB RMC ITSC REMC HRSCB CAC-I CDRCF	Nil	2	Nil	Appointed as a Whole Time Director u/s 9(3)(a) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, for a period of 3 years w.e.f. the date of assumption of office i.e., from 21.10.2021 or until further orders, whichever is earlier. Area of Expertise: Banking & Finance
5	Shri Nidhu Saxena, Executive Director (Executive)	01-02-2022	MCB ACB SRCB RMC ITSC SCMF REMC HRSCB CAC-I CDRCF	Nil	2	Nil	Appointed as a Whole Time Director u/s 9(3)(a) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, for a period of 3 years w.e.f. the date of assumption of office i.e., from 01.02.2022 or until further orders, whichever is earlier. Area of Expertise: Banking & Marketing
6	Shri Sameer Shukla Government Nominee Director (Non-Executive)	08-11-2021	ACB SRCB ITSC SCMF DPPC REMC HRSCB BCPE	Nil	2	Nil	Nominated as a Director by Central Government u/s 9(3) (b) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, to hold the post until further orders. Area of Expertise: Management & Finance
7	Shri Arun Kumar Singh, RBI Nominee Director (Non-Executive)	26-04-2019	MCB ACB DPPC	Nil	1	Nil	Nominated as a Director by Central Government on the recommendation of RBI u/s 9(3) (c) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, to hold the post until further orders. Area of Expertise: Banking, Finance & Information Technology
8	Shri Suraj Srivastava Part-Time Non-Official Director (Non-Executive - Independent)	21-12-2021	ACB SRCB RMC NRC	Nil	2	Nil	Nominated as a Part Time Non-Official Director by Central Government u/s 9(3) (h) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, for a period of three years from the date of notification i.e. 21.12.2021 or until further orders, whichever is earlier. Area of Expertise: Audit, Taxation and Finance

Sr. No.	Full Name of the Director, Designation & Category	Appointment Date	Membership in Committees of the Bank \$	Holding of Bank's shares	Number of memberships of ACB & SRCB in Public Ltd. Companies including the Bank	No. of Chairmanships of ACB & SRCB in Public Ltd. Companies including the Bank	Remarks (Nature of appointment in the Bank/Other Listed Companies and Area of Expertise)
9	Shri Laxman S. Uppar Part-Time Non-Official Director (Non-Executive - Independent)	21-03-2022	Nil	Nil	Nil	Nil	Nominated as a Part Time Non-Official Director by Central Government u/s 9(3)(h) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, for a period of three years from the date of notification i.e. 21.03.2022 or until further orders, whichever is earlier. Area of Expertise: Learning & Development, Management and CSR
10	Dr. Jayadev Madugula Shareholder Director (Independent Non-Executive)	28-06-2018	ACB SRCB RMC ITSC SCMF STCB HRSCB RCNCB & WD BCPE	200	2	2	Elected as Shareholder Director u/s 9(3)(i) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, for a period of three years from 28.06.2018 to 27.06.2021 and re-elected for further period of three years from 28.06.2021. Area of Expertise: Banking, Finance & Risk Management
11	Ms. Priti Jay Rao Shareholder Director (Independent Non-Executive)	29-07-2021	MCB SRCB RMC ITSC STCB HRSCB BCPE	1000	2	Nil	Elected as Shareholder Director u/s 9(3)(i) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, for a period of three years from 29.07.2021 to 28.07.2024. Area of Expertise: Information Technology, HR & CSR

\$ Abbreviations of Committee Names

- ACB - Audit Committee of the Board
- BCPE - Board Committee for Performance Evaluation
- CAC -I - Credit Approval Committee – I
- CDRCF - Committee of Directors for Raising of Capital Fund
- CESD - Committee to decide on Election of Shareholders Directors – Voting by PSBs
- CSCB - Customer Service Committee of the Board
- CSRC - Corporate Social Responsibility Committee
- DPPC - Disciplinary Proceedings & Promotion Committee
- EDC - Election Dispute Committee
- HRSCB - HR Sub-Committee of the Board
- ITSC - IT Strategy Committee
- MCB - Management Committee of the Board
- NRC - Nomination & Remuneration Committee

RCNCB&WD - Review Committee for Non Cooperative Borrowers & Willful Defaulters of the Bank

REMC - Recovery Management Committee of the Board

RMC - Risk Management Committee

SCMF - Special Committee on Monitoring of Frauds of ₹ 1 crore & above

SRCB - Stakeholders Relationship Committee

STCB - Share Transfer Committee of the Board

2.7 Appointments/Cessations during the Financial Year 2021-22:

Appointments: The following new directors inducted on the Board during the financial year 2021-22:

Sr. No.	Name	Age	Date of Appointment	Expiry date of current term	Nature of Expertise	Brief Profile
1.	Dr. Jayadev Madugula	58	28.06.2021	27.06.2024	Banking & Risk Management	<p>Dr. Jayadev Madugula is a Post Graduate in Commerce and Ph.D. in Business Management. Presently, he is Professor of Finance & Accounting at IIM, Bangalore.</p> <p>He has rich experience of teaching not only in premier institutions in India but also as a Visiting Professor in various universities abroad. He has published various books and research articles in national and international journals and has won various awards and accolades in the field of education. He was the Shareholder Director of the Union Bank of India from June 28, 2018 to June 27, 2021.</p>
2.	Ms. Priti Jay Rao	62	29.07.2021	28.07.2024	Information Technology, HR & CSR	<p>Ms. Priti Jay Rao is M.Sc (Mathematics) from IIT Bombay with specialization in Computer Science. She is a passionate advocate of amplifying business value, leveraging Technology, Human Resources and Process Automation.</p> <p>She has to her credit, 24 Years of diverse experience in building and delivering range of IT services for customers located across all the five continents.</p> <p>She is the member of Board of Directors of Public and Private companies related to various aspects of technology services and also actively engaged in various CSR activities.</p>
3.	Shri Rajneesh Karnatak	51	21.10.2021	20.10.2024 or until further orders, whichever is earlier	Banking & Finance	<p>Shri Karnatak is a Post Graduate in Commerce (M.Com) and is a Certified Associate from Indian Institute of Bankers (CAIIB). He has a rich banking experience of over 27 years and carries varied branch and Administrative office experience. He carries with him credit appraisal skills including project funding & working capital funding along with Risk Management with specific reference / special emphasis on Credit Risk.</p>

Sr. No.	Name	Age	Date of Appointment	Expiry date of current term	Nature of Expertise	Brief Profile
4.	Shri Sameer Shukla	43	08.11.2021	until further orders	Management & Finance	Shri Sameer Shukla is an officer of Indian Administrative Service (IAS) belonging to 2005 batch of Karnataka Cadre.
5.	Shri Suraj Srivastava	48	21.12.2021	20.12.2024 or until further orders, whichever is earlier	Audit, Taxation & Finance	Shri Suraj Srivastava is a Fellow Member of The Institute of Chartered Accountants of India (ICAI) and also a Bachelor of Laws (LL.B.). Shri Srivastava has a rich professional experience of over 16 years as a practicing Chartered Accountant in taxation and audit practice.
6.	Shri Nidhu Saxena	53	01.02.2022	31.01.2025 or until further orders, whichever is earlier	Banking & Marketing	Shri Nidhu Saxena, is a Commerce graduate and also holds a Masters in Business Administration along with CAIIB qualification. Prior to his 25 years of banking experience, he had 8 years of corporate exposure in different sectors.
7.	Shri Laxman S. Uppar	50	21.03.2022	20.03.2025 or until further orders, whichever is earlier	Learning & Development, Management and CSR	Shri Uppar has done Bachelor's in Engineering. He is a noted Educationist, Philanthropist and Founder of Karnataka Classic Education Private Ltd. He has also started Spardha Spoorti Publishers & Printers Pvt. Ltd. in 2012, which publishes books and magazines for various competitive examinations.

Cessations: The following members ceased to be the Directors during the financial year 2021-22:

Sr. No.	Name of Director	Designation	Date of Cessation	Reason
1.	Dr. Uttam Kumar Sarkar	Shareholder Director	28.06.2021	Completion of Tenure
2.	Shri K. Kadiresan	Shareholder Director	28.06.2021	Completion of Tenure
3.	Shri Dinesh Kumar Garg	Executive Director	01.10.2021	Superannuation
4.	Dr. Madnesh Kumar Mishra	Govt. of India Nominee Director	07.11.2021	Completion of Tenure
5.	Shri Gopal Singh Gusain	Executive Director	01.02.2022	Superannuation

2.8 Inter-se relationship of Directors:

There is no inter-se relationship amongst the Directors.

2.9 Committee Membership of Directors:

In terms of regulations 26(1) of SEBI (LODR) Regulations, 2015 Chairpersonship and Membership of Audit Committee of the Board (ACB) and Stakeholders Relationship Committee (SRCB) are considered for this disclosure.

No Director of the Bank was a member in more than 10 Committees or acted as Chairperson of more than 5 Committees across all listed entities/public limited companies in which he / she was a Director during the year 2021-22.

Details of Membership/Chairmanship held by the Directors on the Committees of the Bank and other listed/public limited companies where he was a Director as on 31.03.2022 are given here under:

Sr. No.	Name & Designation of Director	Name of Company	Name of Committee	Member/Chairman
1	Shri Rajkiran Rai G., Managing Director & CEO	1. United India Insurance Company Ltd.	ACB	Chairman
		2. Union Bank of India	SRCB	Member
2	Shri Manas Ranjan Biswal, Executive Director	1. Union Bank of India	SRCB	Member
3	Shri Nitesh Ranjan, Executive Director	1. Union Bank of India	SRCB	Member
		2. UBI Services Ltd.	ACB	Member
		3. Star Union Dia-Ichi Life Insurance Co Ltd.	ACB	Member
4	Shri Rajneesh Karnatak, Executive Director	1. Union Bank of India	SRCB	Member
		2. UBI Services Ltd.	ACB	Member
5	Shri Nidhu Saxena, Executive Director	1. Union Bank of India	ACB	Member
		2. Union Bank of India	SRCB	Member
6	Shri Sameer Shukla, Government Nominee Director	1. Union Bank of India	ACB	Member
		2. Union Bank of India	SRCB	Member
7	Shri Arun Kumar Singh, RBI Nominee Director	1. Union Bank of India	ACB	Member
8	Shri Suraj Srivastava, Part-Time Non-Official Director	1. Union Bank of India	ACB	Member
		2. Union Bank of India	SRCB	Member
9	Shri Laxman S. Uppar, Part-Time Non-Official Director	NA		
10	Dr. Jayadev Madugula, Shareholder Director	1. Union Bank of India	ACB	Chairman
		2. Union Bank of India	SRCB	Chairman
11	Ms. Priti Jay Rao, Shareholder Director	1. Mastek Limited	ACB	Member
		2. Union Bank of India	SRCB	Member

2.10 Details of Familiarization Programmes attended by Directors:

The details of training programmes attended by Directors of the Bank are made available on Bank's website under the following link:

<http://www.unionbankofindia.co.in/english/familiarisation.aspx>

2.11 In terms of requirement of Schedule V of the Listing Regulations, a Practicing Company Secretary has certified that none of the directors on the Board of the Bank have been debarred or disqualified from being appointed or continuing as directors of Bank by the SEBI / Ministry of Corporate Affairs or any such statutory authority and the certificate from Practicing Company Secretary in this regard forms part of Annual Report.

2.12 The Board of Directors of the Bank confirms that the independent directors of the Bank fulfil the conditions specified in Listing Regulations and are independent of the management.

3. ANNUAL GENERAL MEETING

The Nineteenth Annual General Meeting of the Shareholders of the Bank was held on **Tuesday, 10th August, 2021** through VC/OAVM where the following directors were present:

Shri Rajkiran Rai G.	Managing Director & CEO
Shri Gopal Singh Gusain	Executive Director
Shri Dinesh Kumar Garg	Executive Director
Shri Manas Ranjan Biswal	Executive Director
Shri Nitesh Ranjan	Executive Director
Dr. Jayadev Madugula	Shareholder Director, Chairman ACB & SRCB
Ms. Priti Jay Rao	Shareholder Director

4. BOARD MEETINGS

Details of Board Meetings held during the Financial Year 2021-22:

The Board met 22 times during the year 2021-22 on 29.04.2021, 14.05.2021, 25.05.2021, 07.06.2021, 14.06.2021, 23.06.2021, 30.06.2021, 17.07.2021, 28.07.2021, 29.07.2021, 30.07.2021, 26.08.2021, 28.09.2021, 26.10.2021, 02.11.2021, 25.11.2021, 15.12.2021, 29.12.2021, 24.01.2022, 07.02.2022, 25.02.2022 and 30.03.2022.

Note: The Position of Non-Executive Chairman is vacant as on date and Shri Rajkiran Rai G., Managing Director & CEO of the Bank is the Chairman of the Board in terms of Clause 12(6) of the Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1970 read with Clause D, Part E, Schedule II of the SEBI (LODR) Regulations, 2015.

5. COMMITTEES OF THE BOARD

The Board of Directors of the Bank has constituted various committees of Directors and/or executives to look into different areas of strategic importance in terms of Reserve Bank of India / SEBI / Govt. of India guidelines on Corporate Governance and Risk Management. The important Committees are as under

1. Management Committee of the Board (MCB)
2. Audit Committee of the Board (ACB)
3. Risk Management Committee (RMC)
4. Special Committee on monitoring of Frauds of ₹ 1.00 crore and above (SCMF)
5. Recovery Management Committee of the Board (ReMC)
6. Customer Service Committee of the Board (CSCB)*
7. HR Sub-Committee of the Board (HRSCB)
8. Stakeholders Relationship Committee of the Board (SRCB)*
9. IT Strategy Committee (ITSC)
10. Nomination & Remuneration Committee (NRC)
11. Disciplinary Proceedings & Promotion Committee (DPPC)
12. Share Transfer Committee of the Board (STCB)

13. Review Committee for Non Cooperative Borrowers & Willful Defaulters of the Bank (RCNCB & WD)
14. Corporate Social Responsibility Committee (CSRC)*
15. Credit Approval Committee-I (CAC - I)
16. Committee of Directors for Raising of Capital Funds (CDRCF)
17. Board Committee for Performance Evaluation (BCPE)

***Note 1:** The Board of Directors of the Bank at its meeting dated 30.03.2022 expanded the scope of SRCB by mandating it with the functions related to Customer Service and Corporate Social Responsibility and as a consequence, CSCB and CSRC have been merged into SRCB, without diluting the scope and composition of SRCB as enunciated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. SRCB also has been mandated with Environment, Social and Governance (ESG) functions.

Note 2: The Board of Directors of the Bank at its meeting dated 30.03.2022 discontinued "Election Disputes Committee" and "Committee to decide on election of Shareholders Directors – Voting by PSBs", as these committees were issue specific and such issues did not crop up in the recent past. The Board also decided in this regard that the said committees can be re-formed with the same terms and conditions as and when required for specific period.

5.1 Management Committee of the Board (MCB)

5.1.1 Composition:

In pursuance of Clause 13 of the Nationalized Banks (Management & Miscellaneous Provisions) Scheme, 1970 (as amended), the Management Committee of the Board consists of –

- Managing Director & CEO,
- Executive Directors,
- RBI Nominee Director nominated under section 9(3)(c) and

- Three other Non-Executive Directors under Section 9 (3) (e), (f), (h) & (i) nominated by the Board for a period of one year and may be re-nominated thereafter for a period of six months each for two times.

Shri Rajkiran Rai G., Managing Director & CEO of the Bank chaired the Committee.

5.1.2 Functions:

Pursuant to the directives of Ministry of Finance, Government of India, Management Committee of the Board is constituted by the Board of Directors for considering various business matters viz. sanctioning/ review of credit proposals, loan compromise/write-off proposals, approval of capital and revenue expenditure beyond the powers of Credit Approval Committee-I, acquisition and hiring of premises, investments, donations, etc.

During the year 2021-22, 24 meetings of MCB were held.

5.2 Audit Committee of the Board (ACB)

5.2.1 Composition:

The Audit Committee of the Board (ACB) has been constituted by the Bank as per the guidelines of Reserve Bank of India and Ministry of Finance, Government of India. The ACB consists of following members –

- Executive Director in-charge of Internal Inspection and Audit
- Nominees of Govt. of India & Reserve Bank of India and
- Two Non-Executive Directors of which one should ordinarily be a Chartered Accountant Category Director nominated u/s 9(3)(g), if any.

Other Executive Director/s can be invitee/s to the meeting if the agenda includes any item for discussion from their domain.

Dr. Jayadev Madugula, Shareholder Director chaired the Committee.

Company Secretary acts as Secretary to the ACB in terms of Regulation 18(1)(e) of the SEBI (LODR)

Regulations, 2015.

5.2.2 Functions:

The ACB reviews the functions of the Bank as mandated by calendar of items issued by the RBI. The major functions of ACB are enumerated below:

1. ACB provides directions as also oversees the operation of the total audit function in the Bank. Total audit function implies the organization, operationalization and quality control of internal audit and inspection within the Bank and follow-up on the statutory / external audit of the Bank and inspection by RBI.
2. ACB reviews the internal inspection/audit functions in the Bank i.e. the system, its quality and effectiveness in terms of follow-up. It reviews the inspection reports of specialized and extra-large branches and all branches with unsatisfactory ratings. It also specially focuses on the follow-up :-
 - Inter-branch adjustment accounts
 - Un-reconciled long outstanding entries in Inter-Bank accounts and Nostro accounts
 - Arrears in balancing of books at various branches
 - Frauds
 - All other major areas of housekeeping.
3. ACB obtains and reviews quarterly reports from the Compliance Officers appointed in the Bank in terms of guidelines of RBI and SEBI.
4. Regarding statutory audits, ACB follows up on all the issues raised in the Long Form Audit Reports. It interacts with the external auditors before and after the finalization of annual / semi-annual financial accounts and on the audit reports.
5. ACB reviews the accounting policies and practices, related party transactions, Mechanism for Whistle-Blower, Management Discussion and Analysis and Quarterly and Annual Financial Results of the Bank.

6. In addition to the above, the functions of the Audit Committee include the role of the Audit Committee and review of information by audit committee as defined under Part – C of Schedule II – Corporate Governance of SEBI (LODR) Regulations, 2015.

The Committee met 10 times during the year 2021-22 on 07.06.2021, 22.06.2021, 29.07.2021, 25.08.2021, 23.09.2021, 02.11.2021, 23.11.2021, 07.02.2022, 10.02.2022 and 16.03.2022.

5.3 Risk Management Committee (RMC)

5.3.1 Composition:

The Bank had constituted Supervisory Committee of Directors on Risk and Asset Liability Management in terms of RBI guidelines. In terms of SEBI (LODR) Regulations, 2015, the Board of Directors shall constitute a Risk Management Committee (RMC) in top 1000 listed entities determined on the basis of market capitalization. Considering the similarity in functions, the Board in its meeting dated 06.12.2019 changed the name of Supervisory Committee of Directors on Risk & Asset Liability Management (SCR & ALM) to Risk Management Committee (RMC).

The Committee consists of the following members:

- Chairman
- Managing Director & CEO,
- Executive Directors and
- Three Non-Executive Directors.

The Position of Non-Executive Chairman is vacant as on date and Shri Rajkiran Rai G., Managing Director & CEO of the Bank chaired the Committee in terms of Clause 12(6) of the Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1970.

5.3.2 Functions:

The Committee is constituted to supervise the functions of Risk and Asset Liability Management in the Bank. The Committee is responsible for identifying, evaluating and monitoring the overall risks faced by the Bank.

The Committee met 5 times during the year 2021-22.

5.4 Special Committee of the Board of Directors for monitoring of Frauds of ₹ 1.00 crore and above (SCMF)

5.4.1 Composition:

Special Committee of the Board of Directors for monitoring of frauds of ₹ 1 crore and above is constituted as per the guidelines issued by Reserve Bank of India. At present the Audit Committee of Board (ACB) is required to oversee the internal inspection, statutory audit, inter branch/inter bank accounts and major areas of housekeeping etc. The ACB is also required to focus attention on preventive aspects and follow-up action being initiated by the bank on frauds. However, this Special Committee focuses on Monitoring and following up of cases of frauds involving amounts of ₹ 1 crore and above exclusively while ACB continues to monitor all the cases of frauds in general.

The Special Committee is constituted with following members of the Board of Directors:

- Chairman
- Managing Director & CEO
- Two members from the Audit Committee of the Board
- Two other members from the Board excluding RBI nominee Director

The Position of Non-Executive Chairman is vacant as on date and Shri Rajkiran Rai G., Managing Director & CEO of the Bank is the Chairman of the Committee in terms of Clause 12(6) of the Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1970.

5.4.2 Functions:

The major function of the Special Committee is to monitor and review all the cases of frauds of ₹ 1 crore and above so as to:

- Identify the systemic lacunae, if any that facilitated perpetration of the fraud and put in place measures to plug the same.
- Identify the reasons for delay in detection, if any and/or reporting to top management of the Bank and RBI.

- Monitor progress of CBI /Police Investigation and recovery position.
- Ensure that the staff accountability is examined at all levels in all the cases of frauds and staff side action, if required, is completed quickly without loss of time.
- Review the efficacy of the remedial action taken to prevent recurrence of frauds, such as strengthening of internal controls.
- Put in place other measures as may be considered relevant to strengthen preventive measures against frauds.

The Committee met 4 times during the year 2021-22.

5.5 Recovery Management Committee of the Board (ReMC)

5.5.1 Composition:

A Board level Sub Committee for Recovery Management has been formed as per Ministry of Finance, Government of India guidelines to monitor the progress in recovery on regular basis and this Committee would submit its report to the Board.

The composition of the Committee is:

- Managing Director & CEO
- Executive Directors
- Government of India Nominee Director

Shri Rajkiran Rai G., Managing Director & CEO of the Bank chaired the Committee.

5.5.2 Functions:

To monitor the progress in recovery on regular basis and submit the report to the Board.

The Committee has held 4 meetings during the year 2021-22.

5.6 Customer Service Committee of the Board (CSCB)

5.6.1 Composition:

Customer Service Committee of the Board is constituted as per the guidelines issued by the Reserve Bank of India to look after the customer service in Bank. The Committee Comprises of following members:

- Managing Director & CEO
- Executive Directors
- Govt. Nominee Director
- Four Non-Executive Directors

In addition, Internal Ombudsman and Two Experts also participate as special invitees in these meetings.

Shri Rajkiran Rai G., Managing Director & CEO of the Bank chaired the Committee.

5.6.2 Functions:

The Committee is undertaking the following tasks:

- To make suggestions on improving the quality of customer services.
- To review the implementation of the existing policies and procedures with a view to rationalize and simplify them & to suggest appropriate improvements to facilitate changes on an ongoing basis.
- To review and recommend the policies to the Board annually before the same is placed to the Board for approval.

The Committee has held 4 meetings during the year 2021-22.

5.7 Human Resources Sub-Committee of the Board (HRSCB)

5.7.1 Composition:

The Committee consists of Managing Director & CEO, Executive Directors, Government Nominee Director and any two Directors nominated by the Board. In addition, two experts in Human Resources also participate as special invitees.

Shri Rajkiran Rai G., Managing Director & CEO of the Bank chaired the Committee.

5.7.2 Functions:

To oversee & review the implementation of following aspects:

- Overall Strategy for the Bank on HR.
 - Overall manpower plan and skills gap identification.

- Systems, procedures and structures to attract and groom right talent.
 - Succession planning.
2. Development of performance management system covering all staff in the Bank
 - Performance assessment on transparent Key Responsibility Areas.
 - System of providing developmental feedback to all staff.
 3. Fine tuning of policies on HR in line with Bank's strategy and market realities.
 - Reward and incentives
 - Promotions
 - Deployment
 4. Training
 - Specialist business skills training
 - General retraining / reorientation for all staff
 5. IT automation of all HR related activities

The Committee has held 7 meetings during the year 2021-22.

5.8 Stakeholders Relationship Committee

5.8.1 Composition:

Pursuant to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Stakeholders Relationship Committee of the Board (SRCB) has been constituted with Executive Directors and Three Non-Executive Directors.

Dr. Jayadev Madugula, Shareholder Director, is the present Chairman of the Committee.

5.8.2 Functions:

1. Monitoring and resolving the grievances of the security holders of the Bank including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.

3. Review of adherence to the service standards adopted by the Bank in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the Bank for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

W.e.f. 30.03.2022, the scope of SRCB has been enhanced by mandating it with the functions related to Customer Service, Corporate Social Responsibility and Environment, Social and Governance (ESG) functions.

The Committee has held 4 meetings during the year 2021-22.

5.8.3 Name & Designation of Compliance Officer:

Pursuant to Regulation 6 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Shri Mangesh Mandrekar has been appointed as Company Secretary and designated as the Compliance Officer of the Bank for Investor Grievances.

5.8.4 Details of Shareholder Complaints during the year 2021-22:

A comparative chart showing number of complaints received, responded and pending for the financial year ended 31.03.2022 vis-à-vis 31.03.2021 is as under:-

Sr. No	Particulars	For F.Y. ended 31.03.22	For F.Y. ended 31.03.21
a.	No. of shareholders complaints pending at the beginning of the year	0	0
b.	No. of shareholders complaints received during the year	8	18
c.	No. of shareholders complaints resolved during the year	8	18
d.	No. of shareholders complaints pending at the end of the year	0	0

5.9 Information Technology Strategy Committee (ITSC)

5.9.1 Composition:

As a part of IT Governance measures, RBI has recommended creation of IT Strategy Committee of the Board to advise the Board on strategic direction on IT and to review IT Investments on behalf of the Board. The Committee consists of:

- MD & CEO
- Executive Directors
- Govt. Nominee Director
- Two Non-Executive Directors one of whom shall be independent Director
- Two Outside IT Experts
- Chief Information Officer (CGM/GM heading the IT function of the Bank)

Ms. Priti Jay Rao, Shareholder Director chaired the Committee.

5.9.2 Functions:

- Approving IT strategy and policy documents.
- Ensuring that the management has put an effective strategic planning process in place.
- Ratifying that the business strategy is indeed aligned with IT strategy.
- Ensuring that the IT organizational structure complements the business model and its direction.
- Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business.
- Ensuring IT investments represent a balance of risks & benefits and that budgets are acceptable.
- Monitoring the methods that management uses to determine the IT resources needed to achieve strategic goals and provide high level direction for sourcing & use of IT resources.
- Ensuring proper balance of IT investments for sustaining bank's growth.
- Ensure adequate mitigation for exposure towards IT risks & controls, evaluating effectiveness of management's monitoring.

- Assessing Senior Management's performance in implementing IT strategies.
- Issuing high level policy guidance (e.g. related to risk, funding or sourcing tasks).
- Confirming whether IT or business architecture is to be designed, so as to derive maximum business value from IT.
- Overseeing the aggregate funding of IT at a bank-level, and ascertaining if the management has resources to ensure the proper management of IT risks.
- Reviewing IT performance measurement and contribution of IT to business (i.e. delivering the promised value).
- To build up mechanism to undertake IT disaster management.
- To act as Board level Sub-Committee on Digital Transactions to advice, guide and monitor enhancing digital transactions of the Bank.

The Committee has held 5 meetings during the year 2021-22.

5.10 Nomination & Remuneration Committee (NRC)

The Bank earlier had two separate Committees viz. Nomination Committee and Remuneration Committee constituted in terms of earlier guidelines issued by RBI and MOF. MOF vide its communication F. No. 16/19/2019-BO.1 dated 30.08.2019 advised that in place of separate Nomination Committee of the Board and Remuneration Committee of the Board, the Bank may constitute a single committee named Nomination and Remuneration Committee for carrying out the functions entrusted to the said two committees and having composition as specified vide RBI's communication RBI/DBR/2019-20/71 Master Direction DBR.Appt. No. 9/29.67.001/2019-20, dated August 2, 2019.

Thus, pursuant to the above mentioned MOF guidelines, the Board of Directors approved the constitution of a single Nomination and Remuneration Committee (NRC) in place of two separate Committees in line with RBI guidelines w.e.f. 06.12.2019.

5.10.1 Composition:

Reserve Bank of India vide its Master Direction No.9/29.67.001/2019-20 dated 02.08.2019 has issued Reserve Bank of India ('Fit and Proper' Criteria for Elected Directors on the Boards of PSBs) Directions, 2019. In terms of Para 4.1 of the said directions, the bank is required to constitute a Nomination and Remuneration Committee for undertaking a process of due diligence to determine the 'fit and proper' status of the persons to be elected as directors under Section 9(3)(i) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970. The Composition of the Committee is as under:

- Non-Executive Director nominated under section 9(3)(g) of the Act
- Three Non-Executive Directors nominated under section 9(3)(h) of the Act

As per the guidelines, the Non-Executive Chairman may also be nominated on the Committee but shall not chair the Committee.

5.10.2 Functions:

To undertake a process of due diligence to determine the 'fit and proper' status of the persons to be elected as directors under Section 9(3)(i) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970.

In view of lack of quorum of NRC and Clause 14A of the Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1970, the agenda pertaining to election of Shareholder Directors was taken up twice by the Board during FY 2021-22 and meeting of NRC could not be held.

5.11 Disciplinary Proceedings & Promotion Committee (DPPC)

The Bank earlier had two separate Committee viz. Directors Promotion Committee (DPC) and Disciplinary Proceedings Committee – Vigilance/Non-Vigilance (DPC-V).

MOF vide its communication F. No. 16/19/2019-BO.1 dated 30.08.2019 advised to review in its Board the need for continuation of Board committees set up at the bank's own initiative and the possibility of

their functions being discharged by another Board committee or the Board, with a view to rationalise their number.

The Board of Directors with a view to rationalize its Committees and considering the MOF guidelines dated 24.10.1990 and basic composition, decided to merge Directors' Promotion Committee and Disciplinary Proceedings Committee – Vigilance/ Non-Vigilance w.e.f. 06.12.2019.

5.11.1 Composition:

The Board of Directors has approved the constitution of the Committee as below –

- Managing Director & CEO
- Government Nominee Director
- RBI Nominee Director

Independent members / Outside experts to be inducted while conducting interview for the promotion process from Scale VI to VII and Scale VII to VIII.

Shri Rajkiran Rai G., Managing Director & CEO of the Bank chaired the Committee.

5.11.2 Functions:

- To conduct Promotion Process from TEGS VI to TEGS VII and TEGS VII to TEGS VIII,
- consider appeals of Executives in TEGS VI & VII against non-promotions to TEGS VII & VIII respectively,
- to consider promotions to TEGS VII & VIII in cases where Sealed Cover Procedure is adopted
- To review Vigilance, Non-Vigilance disciplinary cases and departmental enquiries.
- To review APAR marks of Top Executives upon their representation within 15 days from the date of disclosure.
- To review the appeal against the Regular Departmental Action for major penalty for General Managers

The Committee has held 6 meetings during the year 2021-22.

5.12 Share Transfer Committee of the Board (STCB)

5.12.1 Composition:

The Committee consists of:

- Managing Director & CEO or in absence, Executive Director in charge of Board Secretariat
- Two Non-Executive Directors

Shri Rajkiran Rai G., Managing Director & CEO of the Bank chaired the Committee.

5.12.2 Functions:

With a view to effecting speedy transfer of shares, the Bank has constituted a Share Transfer Committee of the Board with powers to confirm transfer, transmission, demat and issue of duplicate shares etc.

Further, in the interest of investors and with a view to enhance ease of dealing in securities markets by investors, SEBI, vide its circular dated 25.01.2022, decided that the listed entities shall henceforth issue the shares in dematerialized mode only while processing the following service requests:

- Issue of duplicate securities certificate;
- Claim from Unclaimed Suspense Account;
- Renewal / Exchange of securities certificate;
- Endorsement;
- Sub-division / Splitting of securities certificate;
- Consolidation of securities certificates / folios;
- Transmission;
- Transportation;

During the year, the STCB met 4 times and 19 Resolutions were passed by circulation.

5.13 Review Committee for Non Cooperative Borrowers and Willful Defaulters (RCNCB&WD)

The Bank earlier had two separate Committee viz. Review Committee for Classification of Non-Cooperative Borrower (RCNCB) and Review Committee on Willful Defaulters of the Bank(RCWDB). MOF vide its communication F. No. 16/19/2019-BO.1 dated 30.08.2019 advised to review in its Board the need for continuation of Board committees set up at the bank's own initiative and the possibility of their functions being discharged by another Board committee or the

Board, with a view to rationalise their number.

The Board of Directors with a view to rationalize its Committees and based on the composition of the above two committees, decided to merge the same and to constitute a single Committee for identification of Willful Defaulters and classification of Non-Cooperative Borrowers namely Review Committee for Non Cooperative Borrowers and Willful Defaulters with the following composition w.e.f. 06.12.2019 –

- Managing Director & CEO
- Any two Independent Directors

Shri Rajkiran Rai G., Managing Director & CEO of the Bank chaired the Committee.

5.13.1 Functions:

- The committee shall review the orders of the Approving Committee i.e. Executive Director Headed Committee recording the Borrower to be non-cooperative. The order shall become final only after it is confirmed by the Review Committee of the Board.
- On a half-yearly basis review the status of non-cooperative borrowers for deciding whether their names can be declassified as evidenced by their return to credit discipline and cooperative dealings before its submission to the Board.
- Review & confirm the orders passed by Committee headed by Executive Director on classification of Borrowers as Willful Defaulters.
- Reviewing the quarterly Return submitted to CRILC.

The Committee has held 4 meetings during the year 2021-22.

5.14 Corporate Social Responsibility Committee (CSRC)

The objective of the Corporate Social Responsibility Committee shall be to assist the Board and the Bank in fulfilling its Corporate Social Responsibility.

5.14.1 Composition:

- Managing Director & CEO,
- Executive Directors
- One Part-Time Non-Official Director nominated

under Section 9(3)(h) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 Act.

- One Shareholder Director elected under Section 9(3)(i) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 Act.

Shri Rajkiran Rai G., Managing Director & CEO of the Bank chaired the Committee.

5.14.2 Functions:

1. Formulating and recommending the CSR Policy to the Board of Directors and indicating activities to be undertaken.
2. Approval of projects to be undertaken either through Union Bank Social Foundation Trust or such other entity/organisation as approved by the Committee in terms of CSR Policy.
3. Reviewing usage of delegated authority by GM/ED/MD & CEO on quarterly basis. Reviewing performance of Union Bank Social Foundation Trust on quarterly basis.

The Committee has held 4 meetings during the year 2021-22.

5.15 Committee of Directors for Raising of Capital Funds (CDRCF)

5.15.1 Composition:

As per the approval given by the Board the committee is constituted to complete the necessary formalities for raising of capital funds. The Committee consists of MD & CEO and Executive Directors.

Shri Rajkiran Rai G., Managing Director & CEO of the Bank chaired the Committee.

5.15.2 Functions:

The Committee is authorized by the Board / Shareholders, as the case may be to complete the necessary formalities for raising of capital funds and to do all such acts, deeds, and things as it may in its absolute discretion deem necessary, proper and desirable including but not limited to decide on quantum & mode(s), number of tranches, price or prices, discount/premium, reservations to employees,

customers, existing shareholders and/or any other persons as decided by the Board and as provided under SEBI regulations and the timing of such issue(s), calling the issue open at its discretion subject to applicable Rules and Regulations and GoI & RBI approval.

The Committee has held 8 meetings during the year 2021-22.

5.16 Board Committee for Performance Evaluation (BCPE)

5.16.1 Composition:

Ministry of Finance vide communication no. F. No. 9/5/2009-IR dated 30.08.2019 advised the Bank to constitute a Board Committee for Performance Evaluation of Managing Directors & CEO, Executive Directors in charge of internal Control Functions (Risk, Compliance and Audit) and General Managers in charge of internal control Functions (Risk, Compliance and Audit) of the bank.

Further as per MOF communication dated 14.11.2019, the Board Committee for Performance Evaluation is to be constituted with the approval of the Board with following members –

1. Non-Executive Chairman (NEC)
2. Government nominee Director, and
3. Longest serving Shareholder Director on the Board.

In case of vacancy in the office of NEC, the Chairman of Audit Committee of the Board shall be a member of the Committee in place of NEC.

5.16.2 Functions:

To appraise, review and accept the Annual Performance Appraisal Reports of the Managing Director and CEOs, Executive Directors and Chief General Managers in charge of Risk, Compliance and Audit.

The Committee has held 2 meeting during the year 2021-22.

5.17 Credit Approval Committee-I (CAC-I)

5.17.1 Composition:

As per clause 13A of the Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970, the Bank has constituted the Credit Approval

Committee-I. The Committee shall exercise the powers of the Board in respect of any single credit proposal upto ₹ 800 crore (in case of A & above externally rated accounts having valid rating) and up to ₹ 600 crore in case of other accounts and group exposure upto ₹ 800 crore and in case exposure exceeds such limits, it shall be considered by the Management Committee of the Board.

The composition of CAC-I is as under:

- Managing Director & CEO
- Executive Directors
- Chief General Manager / General Manager in-

and revenue expenditure, acquisition and hiring of premises, etc. within its delegated authority are being put up before the CAC-I for approval.

The Committee has held 24 meetings during the year 2021 -22.

6. GENERAL BODY MEETINGS

The details of the General Body Meetings of the Shareholders held during last 3 years are given below:

Nature of Meeting	Date & Time	Venue	Special Resolution
Postal Ballot	14 th February, 2019	--	To create, grant offer, issue and allot up to 8,00,00,000 (Eight crore) new equity shares of face value of ₹ 10/- (Rupees Ten only) each, ranking pari passu with the existing equity shares of the Bank, under an Employee Share Purchase Scheme (hereinafter referred to as "Union Bank -ESPS") in one or more tranches, to eligible employees.
Extraordinary General Meeting	26 th March, 2019 at 11:00 a.m.	Rama & Sundri Watumull Auditorium, K. C. College, Vidyasagar, Prinicpal K. M. Kundnani Chowk, 124, Dinshaw Wachha Road, Churchgate, Mumbai – 400020.	Issue of 52,15,62,658 Equity Shares for cash at an Issue Price of ₹ 78.84 including premium of ₹ 68.84 on Preferential Basis to Government of India, upto ₹ 4,112 Crore.
17 th Annual General Meeting	28 th June, 2019 at 11:00 a.m.	Rama & Sundri Watumull Auditorium, K. C. College, Vidyasagar, Prinicpal K. M. Kundnani Chowk, 124, Dinshaw Wachha Road, Churchgate, Mumbai – 400020.	To raise Capital through FPO/Rights/QIP/Preferential allotment etc. by way of an offer document / prospectus or such other document, in India or abroad, such number of equity shares, upto ₹ 4,900 crore (including premium, if any).

charge of the Credit

- Chief General Manager / General Manager in-charge of the Finance/Chief Financial Officer and
- Chief General Manager / General Manager in-charge of the Risk Management

Shri Rajkiran Rai G., Managing Director & CEO of the Bank chaired the Committee.

5.17.2 Functions:

All credit related matters including approval/review-renewal, miscellaneous requests, interest concessions, compromise/write off proposals, approval of capital

Nature of Meeting	Date & Time	Venue	Special Resolution
18 th Annual General Meeting	4 th August, 2020 at 11:00 a.m.	Central Office, Union Bank, Mumbai through VC or OAVM	To set off the Bank's accumulated losses of ₹ 3,27,58,49,47,263.10 (Rupees Thirty Two Thousand Seven Hundred Fifty Eight Crores Forty Nine Lacs Forty Seven Thousand Two Hundred Sixty Three and Ten Paise only) as at 31 st March, 2020 by utilizing the balance standing to the credit of Share Premium Account of Bank as on the date of set off and take the same into account during current Financial Year 2020-21.
Extraordinary General Meeting	30 th December, 2020 at 11:00 a.m.	Central Office, Union Bank, Mumbai through VC or OAVM	To raise Capital through FPO/Rights/QIP/Preferential allotment etc. by way of an offer document / prospectus or such other document, in India or abroad, such number of equity shares, upto ₹ 6,800 crore (including premium, if any).
Extraordinary General Meeting (Cancelled)	25 th June, 2021 at 11:00 a.m.	Central Office, Union Bank, Mumbai through VC or OAVM	Election of ONE Shareholder Director was the only agenda at the Meeting and the Bank received only ONE valid nomination and therefore the meeting was cancelled as per Reg.66 of the Union Bank of India (Shares and Meetings) Regulations, 1998, as amended.
19 th Annual General Meeting	10 th August, 2021 at 11:00 a.m.	Central Office, Union Bank, Mumbai through VC or OAVM	To raise Capital through FPO/Rights / QIP/Preferential allotment etc. by way of an offer document / prospectus or such other document, in India or abroad, such number of equity shares, upto ₹ 3,500 crore (including premium, if any).

7. DISCLOSURES

The Bank is governed by the Banking Regulations Act 1949, Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, Nationalised Banks (Management & Miscellaneous Provisions) Scheme, 1970, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and guidelines/circulars issued by RBI, Gol and SEBI.

It is stated that the Bank is complying with the applicable mandatory requirements of Listing Regulations. However, currently there are a few vacancies on the Board which has resulted in composition of several committees with lesser strength and thus, the Bank is unable to meet the requirements of SEBI

Listing Regulations in-toto. The Bank has requested Government of India to fill the vacancies.

Compliance with respect to non-mandatory requirements is also given in this report. The other disclosure requirements stipulated by the Listing Regulation are as under:

7.1 Remuneration of Directors:

Managing Director & CEO and Executive Directors are being paid remuneration and reimbursement of traveling & halting expenses as per the rules framed by Government of India in this regard. Other terms and conditions of the appointment of whole-time directors are as per clause 8 of the Nationalised Banks

(Management and Miscellaneous Provisions) Scheme, 1970. The details of the same are given in the notes to accounts.

Sitting Fees:

The Directors appointed under clause (e), (f), (g), (h) and (i) of sub-section (3) of section (9) of the Banking Companies Act are entitled to sitting fees as mentioned below in accordance with circular F.No.15/1/2011-BO.I dated August 30, 2019 issued by Department of Financial Services, Ministry of Finance, Government of India, in terms of clause 17(1) of the Nationalised Banks Scheme for attending meetings of the Board and meetings of the committees of the Board, along with additional fees for chairing the meeting of the Board and for chairing the meeting of committees of the Board, as decided by the Board of Directors subject to overall ceiling of ₹ 25 lakhs per director per annum.

The Board of Directors in its meeting held on July 29, 2020, approved payment sitting fees of ₹ 70,000 with effect from April 1, 2021 for attending per meeting of the Board and ₹ 35,000 for attending per meeting of the committees of the Board. Additional fees of ₹ 20,000 for chairing per meeting of the Board and ₹ 10,000 for chairing per meeting of committees of the Board was also approved.

The above information is also available on Bank's website under following link: <http://www.unionbankofindia.co.in/english/Making-payment.aspx>

Travelling & Halting Allowance:

In addition to fees to which a director is entitled to be paid, every such director travelling in connection with the work of the Bank shall be reimbursed his Travelling & Halting expenses, if any, in terms of the provisions of clauses 17 of the Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1970, on such basis as may be fixed by Central Government from time to time.

7.2 Disclosure on Material Significant Related Party Transactions:

Other than those in the normal course of banking business, the Bank has not entered into any materially significant Related Party Transaction that has potential conflict with interests of the Bank at large.

It is an established practice in the Bank that Directors do not take part in the deliberations of the Board and other Sub-Committees of the Board, when matters relating to them or to their relatives/firms/companies in which they are interested are discussed.

7.3 Disclosure of Pecuniary Relationship or Transactions:

The Bank's Non-Executive Directors do not have any pecuniary relationship or transaction with the Bank except to the extent of transactions done in the normal course of banking business and the sitting fees paid to them by the Bank for their attendance in the Board and Committee meetings of the Board of the Bank.

7.4 Proceeds from Public issues, Right issues, Preferential issues etc.:

The proceeds of Equity to the tune of ₹ 1447 crore (approx.) were raised during the year 2021-22 by way of Qualified Institutions Placement and the said proceeds were utilized for augmenting the Bank's Tier 1 Capital in terms of Basel III guidelines of RBI and to support growth plans and general corporate requirements of the Bank.

Bonds: During the year 2021-22, the Bank has issued Basel III Compliant Tier 2 Bonds to the tune of ₹ 2000 crore and Basel III Compliant AT 1 Bonds to the tune of ₹ 5000 crore. The said proceeds were utilized for augmenting the Bank's Tier 1 and Tier 2 Capital in terms of Basel III guidelines of RBI and to enhance the long-term resources of the Bank.

7.5 Penalties or Strictures:

No penalties or strictures were imposed on the Bank by any of the Stock Exchanges, SEBI or any Statutory Authority on any matter relating to Capital Markets during the last three years.

7.6 Whistle Blower Policy:

The Bank has put in place the Whistle Blower Policy and same can be accessed via following link –

<https://www.unionbankofindia.co.in/english/about-us-policiescodes.aspx> .

The Audit Committee of the Board periodically reviews the functioning of the said policy. It is further stated that no employee has been denied access to the Audit Committee of the Board.

7.7 Policy for determining Material Subsidiary:

In compliance with Regulation 46(2)(h) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Bank has formulated Policy for determining Material Subsidiary and same can be accessed via following link <https://www.unionbankofindia.co.in/english/aboutus-policiescodes.aspx>

However as on date there is no material subsidiary of the Bank.

7.8 Related Party Transaction Policy:

The Bank has formulated Related Party Transaction Policy on dealing with Related Party Transactions. The said policy can be accessed via following link <https://www.unionbankofindia.co.in/english/aboutus-policiescodes.aspx>.

The Bank didn't have any materially significant related party transactions that had potential conflict with the interest of the Bank at large during the FY 2021-22.

7.9 Dividend Distribution Policy:

The Bank has formulated Policy for declaration of dividend for the year 2021-22. The said policy can be accessed via following link

<https://www.unionbankofindia.co.in/english/aboutus-policiescodes.aspx>

7.10 Takeover Code:

The Bank has also complied from time to time with the provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended.

7.11 Compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015:

In pursuance of the Regulations, the Bank has formulated Code of Conduct for Prevention of Insider Trading for Designated Employees and Directors for dealing in Shares of the Bank. Various forms have been designed to receive periodical information from the Designated Employees and the Directors of the Bank, as required in terms of these Regulations. Further, the Trading Window for dealing in shares of the Bank was kept closed for the Directors and Designated Employees of the Bank as per the following details:

Dates of closure of trading window	Purpose of closure
31 st March 2021 to 9 th June 2021	Declaration of Financial Results for the year ended 31 st March 2021.
30 th June 2021 to 31 st July 2021	Declaration of Financial Results for the quarter ended 30 th June 2021.
30 th September 2021 to 4 th November 2021	Declaration of Financial Results for the quarter ended 30 th September 2021.
31 st December 2021 to 9 th February 2022	Declaration of Financial Results for the year ended 31 st December 2021.

7.12 Management Discussion and Analysis:

The same has been given separately in the Annual Report.

7.13 Compliance Reports on Corporate Governance:

The Bank has submitted quarterly compliance reports on Corporate Governance in the specified format to BSE Ltd (BSE) & National Stock Exchange of India Ltd. (NSE) within stipulated timeline.

7.14 Dissemination of Information on Website:

The Bank has disseminated the required information under clauses (b) to (i) of sub-regulation 46 of Listing Regulations on its [website www.unionbankofindia.co.in](http://www.unionbankofindia.co.in).

7.15 Details of Fees paid to Statutory Auditors:

Total fees for all services paid by the Bank and its subsidiaries, on a consolidated basis, to Statutory Auditor during Financial Year 2021-22 is ₹ 56.78 Crore.

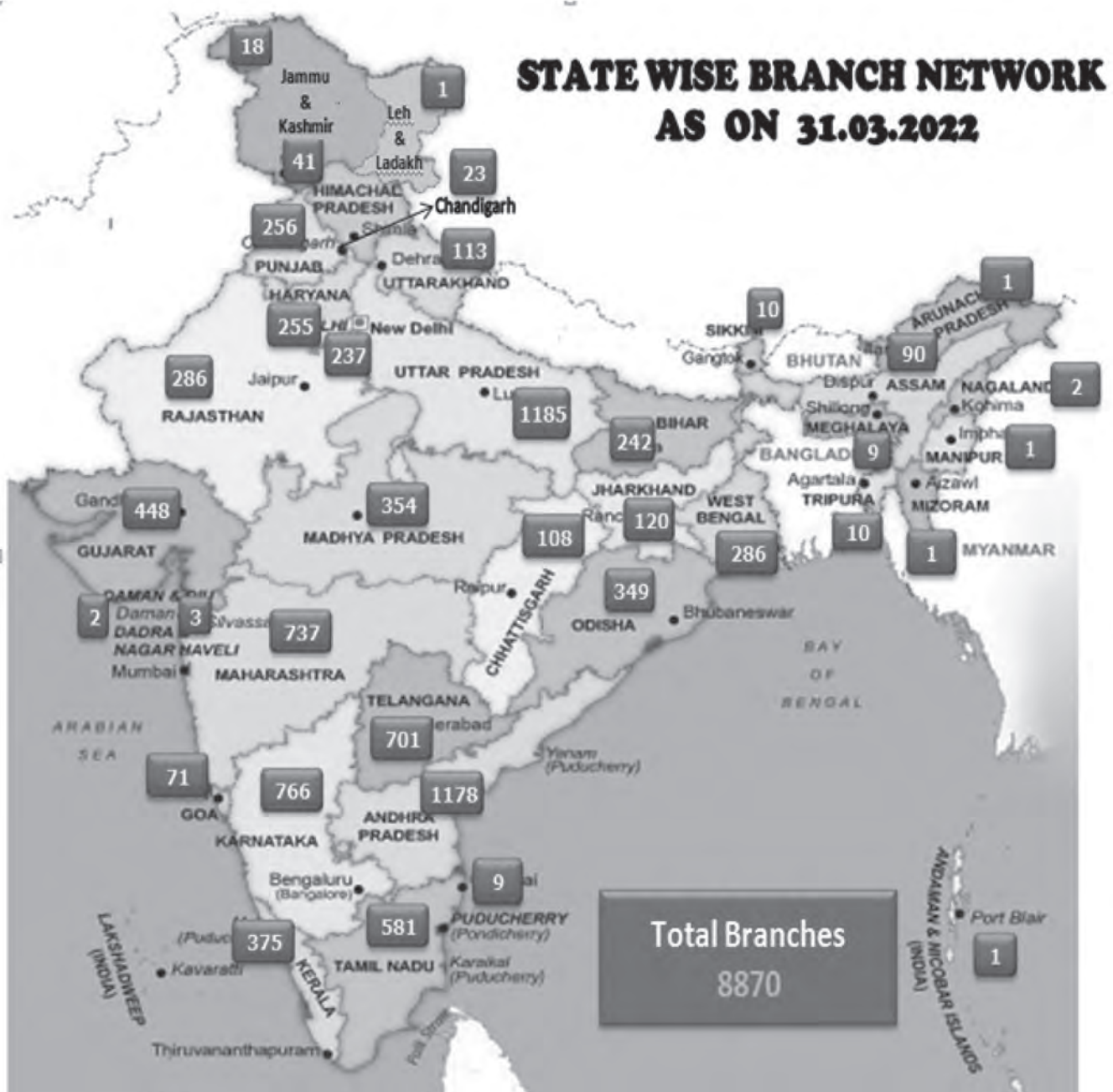
7.16 Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- number of complaints filed during the financial year 2021-22 : 10 (Ten)
- number of complaints disposed of during the financial year 2021-22 : 5 (Five)
- number of complaints pending as on end of the financial year 2021-22 : 5 (Five)

7.17 Branch Network:

Branch Network of our Bank is widely spread across the country with 8870 branches and 3 overseas branches (Hongkong, Sydney, Dubai) as on March 31, 2022. Out of these, 57 percent of the branches are located in rural and semi-urban centers.

Branches Network As on 31.03.2022						
	Rural	Semi-Urban	Urban	Metro	Foreign	Total
No. Of Branches	2537	2552	1844	1937	3	8873
Branches (%)	28	29	21	22	--	100



7.18 Credit Rating

List of all credit ratings obtained along with revisions during the financial year 2021-22, for all debt instruments or any fixed deposit programme or any scheme or proposal of the Bank involving mobilization of funds, whether in India or abroad:

Rating Agency	Basel III		Basel II		Certificates of Deposits	Outlook
	Additional Tier 1	Tier 2	Lower Tier II	Upper Tier II		
Brickwork	BWR AA	BWR AA+	-	-	-	Stable
CRISIL	CRISIL AA	CRISIL AA+	CRISIL AA+	-	-	Stable
CARE	CARE AA	CARE AA+	CARE AA+	-	-	Stable
India Ratings	IND AA	IND AA+	-	-	-	Stable
ICRA Ltd	-	ICRA AA+	-	-	ICRA A1+	Stable

FITCH - Rating report dated October 29, 2021:

Category	Rating
Long Term Issuer default Rating (IDR)	"BBB-" Outlook Negative
Short Term Issuer Default Rating (IDR)	F3
Viability Rating (VR)	b

Standard & Poor's- Rating Date: January 25, 2022

Category	Rating
Issuer Credit Rating (Long term/ Short Term)	BB+/Stable/B
Standalone Credit Profile (SACP)	bb-
Bank's Senior Unsecured Notes (Long term)	BB+
Outlook:	Stable

8. MEANS OF COMMUNICATION

The quarterly, half-yearly and annual financial results of the Bank were published in leading newspapers including Business Standard (English), The Free Press Journal (English), Navbharat (Hindi) and Navshakti (Marathi). The results are simultaneously displayed on the Bank's website www.unionbankofindia.co.in. Similarly, the press releases issued by the Bank, related presentations, shareholding pattern, etc. are also simultaneously placed on the Bank's website under the head "Investor Relations".

9. SHAREHOLDERS' INFORMATION

9.1 Financial Year – 1st April to 31st March

9.2 Listing of Equity Shares & Bonds - The Bank's equity shares are listed on BSE and NSE and Bonds listed on NSE. The details of stock scrip code are as follows:

Name	Code
BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	532477
National Stock Exchange of India Limited (NSE), Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai-400 051	UNIONBANK-EQ

The Annual Listing Fee for Equity Shares for the financial year 2022-23 has been paid to both the Stock Exchanges on 29th April, 2022.

The Bank has issued Unsecured Non-Convertible Bonds in the nature of Promissory Notes (Tier I & II capital) from time to time. The relevant details thereof as on 31.03.2022 are as under:

Sr. No.	ISIN	Bond Description	Series	Amount (in ₹ Cr.)	Date of Allotment	Maturity Date	Coupon Rate (%) (p.a.)
1	INE692A08029	Basel III Compliant Additional Tier I	Bond Series XX	1,000	15-Sep-16	Perpetual	9.50
2	INE692A08086	Basel III Compliant Additional Tier I	Bond Series XXIV	500	3-May-17	Perpetual	9.08
3	INE692A08110	Basel III Compliant Additional Tier I	Bond Series XXVII	500	15-Dec-20	Perpetual	8.73
4	INE692A08128	Basel III Compliant Additional Tier I	Bond Series XXVIII	1,000	11-Jan-21	Perpetual	8.64
5	INE692A08136	Basel III Compliant Additional Tier I	Bond Series XXIX	205	29-Jan-21	Perpetual	8.73
6	INE434A08083	Basel III Compliant Additional Tier I	AT-1 Series IV	500	31-Oct-17	Perpetual	9.20
7	INE692A08169	Basel III Compliant Additional Tier I	Bond Series XXXII	2000	22-Nov-21	Perpetual	8.70
8	INE692A08177	Basel III Compliant Additional Tier I	Bond Series XXXIII	1500	20-Dec-21	Perpetual	8.40
9	INE692A08185	Basel III Compliant Additional Tier I	Bond Series XXXIV	1500	02-Mar-22	Perpetual	8.50
10	INE692A09266	Basel III Compliant Tier II	Bond Series XVII-A	2,000	22-Nov-13	22-Nov-23	9.80
11	INE692A08045	Basel III Compliant Tier II	Bond Series XXII	750	24-Nov-16	24-Nov-26	7.74
12	INE434A08075	Basel III Compliant Tier II	Bond Series D	1,000	24-Oct-17	24-Oct-27	7.98
13	INE112A08051	Basel III Compliant Tier II	Bond Series II	1,000	8-Nov-19	8-Nov-29	8.93
14	INE112A08044	Basel III Compliant Tier II	Bond Series I	500	14-Nov-17	14-Nov-27	8.02
15	INE692A08094	Basel III Compliant Tier II	Bond Series XXV	1,000	16-Sep-20	16-Sep-30	7.42
16	INE692A08102	Basel III Compliant Tier II	Bond Series XXVI	1,000	26-Nov-20	26-Nov-35	7.18
17	INE692A08144	Basel III Compliant Tier II	Bond Series XXX	850	24-Jun-21	24-Jun-31	7.19
18	INE692A08151	Basel III Compliant Tier II	Bond Series XXXI	1,150	9-July-21	9-July-36	7.25
		Total		17,955			

Basel II Compliant Bond as on 31.03.2022:

Sr. No.	ISIN	Bond Description	Series	Amount (in ₹ Cr.)	Date of Allotment	Maturity Date	Coupon Rate (%)(p.a.)
1	INE692A09241	Lower Tier II	Bond Series XVI-B	800	28-Dec-12	28-Dec-22	8.90
Total				800			

9.3 Dividend:

The Board of Directors has recommended a dividend of ₹ 1.90 per equity share of face value ₹ 10/- for FY 2021-22.

9.4 Particulars of AGM:

Board Meeting for considering Accounts	Friday, 13 th May, 2022
Date, Time & Venue of AGM	Thursday, 30 th June, 2022 at 11.00 AM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) facility at Central Office, Union Bank of India, Mumbai (the deemed venue of the Meeting)
Dates of Book Closure	Friday, 24 th June, 2022 to Thursday, 30 th June, 2022 (both days inclusive)
Opening & Closing of E-Voting	Monday, 27 th June, 2022 (9:00 AM IST) to Wednesday, 29 th June, 2022 (5:00 PM IST)

9.5 Financial Calendar:

The tentative calendar for declaration of results for the financial year 2022-23 is given below:

Financial Results	Likely release of results
For the quarter ending June 30, 2022	By August 10, 2022
For the quarter ending September 30, 2022	By November 10, 2022
For the quarter ending December 31, 2022	By February 10, 2023
For the year ending March 31, 2023	By May 15, 2023

9.6 Share Transfer System and Redressal of Investors' Grievances:

The Bank has constituted the Share Transfer Committee of the Board to consider the transfer of shares and other related matters terms of SEBI guidelines dated 08.06.2018 & SEBI Press Release dated 03.12.2018, physical transfer of shares is not permitted after 31.03.2019, thus, shareholders are requested to open a demat account and dematerialise their physical shareholding.

Further, in the interest of investors and with a view to enhance ease of dealing in securities markets by investors, SEBI, vide its circular dated 25.01.2022, decided that the listed entities shall henceforth issue the shares in dematerialized mode only while processing the following service requests:

- Issue of duplicate securities certificate;
- Claim from Unclaimed Suspense Account;
- Renewal / Exchange of securities certificate;
- Endorsement;
- Sub-division / Splitting of securities certificate;
- Consolidation of securities certificates / folios;
- Transmission;
- Transportation;

The Shareholder / claimant shall submit duly filled up Form ISR-4 and the RTA / listed entity shall, after processing the service requests, issue a "Letter of Confirmation" instead of physical certificates to the shareholder / claimant within 30 days of such requests after removing objections, if any.

The Letter of Confirmation shall be valid for 120 days from the date of its issuance within which the shareholder / claimant shall make a request to the depository participant for dematerializing the said securities.

The RTA shall issue a reminder after the end of 45 days and 90 days from the date of issuance of Letter of Confirmation, informing the securities holder / claimant to submit the demat request.

The RTA shall retain the physical share certificate as per the existing procedure and deface the certificate with a stamp "Letter of Confirmation Issued" on the face / reverse of the certificate, subsequent to processing the service request.

Depository Participant shall generate the demat request on the basis of Letter of Confirmation and forward the same to the Listed entity / RTA for processing the demat request.

If demat request is not received within 120 days of the Letter of Confirmation, shares shall be credited to the Suspense Escrow Demat Account of the entity.

In compliance with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Bank has appointed Datamatics Business Solutions Limited as its Registrars and Share Transfer Agent (RTA) with a mandate to process transfer of Shares, dividend, recording of shareholders' requests, solution of shareholders' grievances amongst other activities connected with the issue of shares. The Investors may lodge their transfer deeds / requests / complaints with the RTA at the address mentioned below.

The Bank has also established Investor Services Division at its Central Office, Mumbai. The Shareholders may contact Company Secretary, Investor Services Division for any of their requests/complaints.

Registrar & Share Transfer Agent (RTA)	Debenture Trustee	Company Secretary
Datamatics Business Solutions Ltd. Unit: Union Bank of India Plot No. B-5, Part B Crosslane, MIDC Andheri (East), Mumbai-400 093. Tel No: 022 - 66712001-6 Fax No: 022 - 66712011 Email: ubiinvestors@datamaticsbpm.com	IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400001 Tel- (022) 40807001 Fax- (022) 66311776 Email: adityakapil@idbitrustee.com Axis Trustee Services Ltd Axis House, 2 nd Floor, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400025 Tel- (022) 24255215/216 Email: debenturetrustee@axistrustee.in	Investor Services Division Union Bank of India 12th Floor, Central Office, 239, Vidhan Bhavan Marg, Nariman Point, Mumbai-400 021. Tel-(022) 2289 6636 Fax-(022) 22025238 E-mail: investorservices@unionbankofindia.bank

9.7 Other communications:

In addition to timely responses to the queries of the shareholders, the Bank proactively sends a half yearly communication to the shareholders to promote good investors' relations.

The Bank sent Half-yearly Communication through email to all the shareholders whose email id is registered with the Bank / DP.

9.8 Dematerialisation of shares:

The Bank has entered into agreements with both the Depositories viz. National Securities Depositories Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for dematerialisation of the Bank's shares. The ISIN code allotted to the Bank's Equity Shares is INE692A01016.

Therefore, it is requested that the shareholders holding the shares in physical mode may get their shares dematerialized in their own interest as it will save them from the need of safe custody of the share certificates which at times may lead to loss/mutilation. Besides, this would also provide them instant liquidity as the shares of the Bank is traded in demat form. This would also result in easy and faster collection of dividend payments.

Particulars of shares in Demat and Physical form held by the shareholders as of 31.03.2022 are as under:

Category	No of Shareholders	No. of Shares	% of shareholding
Physical	84,556	1,60,76,330	0.24
Demat			
NSDL	3,08,118	85,10,17,704	12.45
CDSL	3,87,025	596,76,53,432	87.31
TOTAL	7,79,699	683,47,47,466	100.00

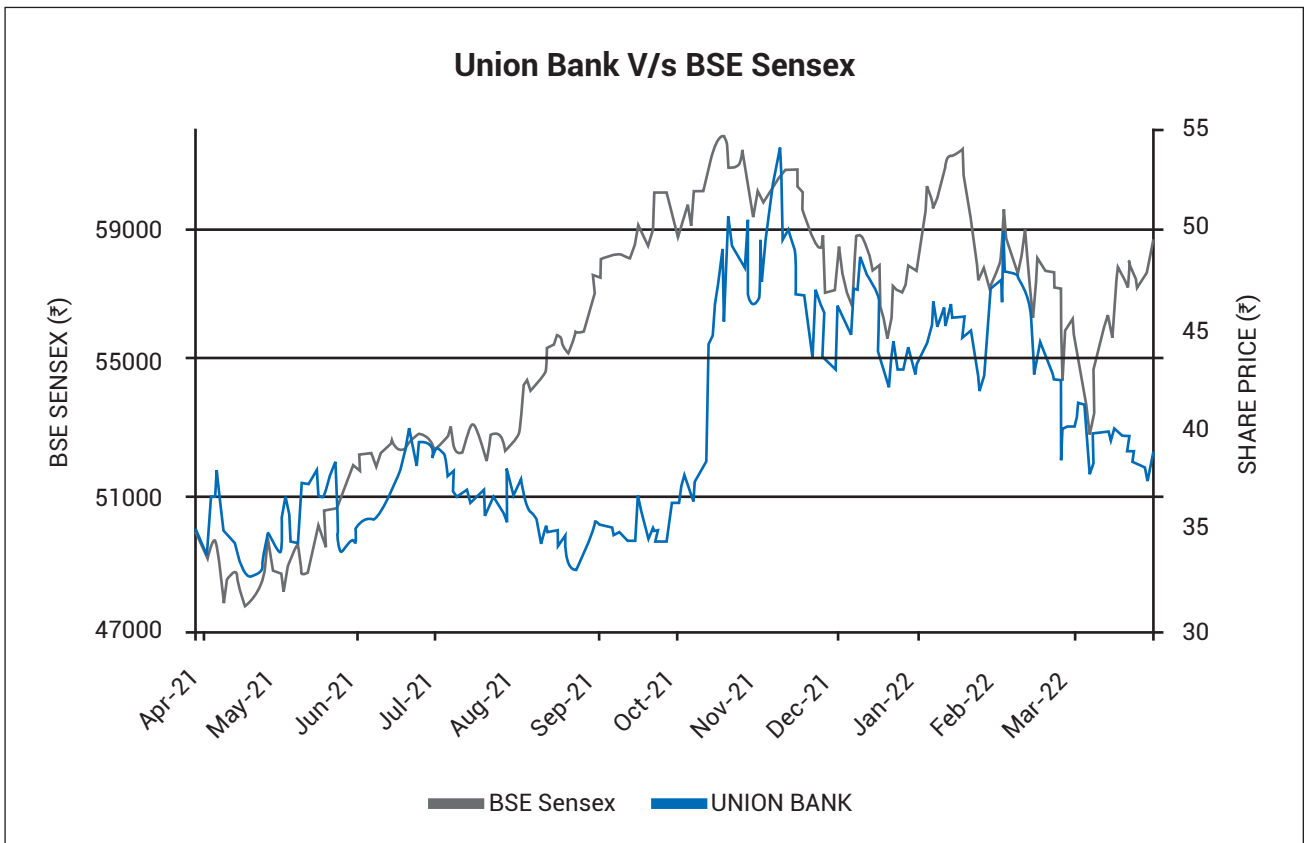
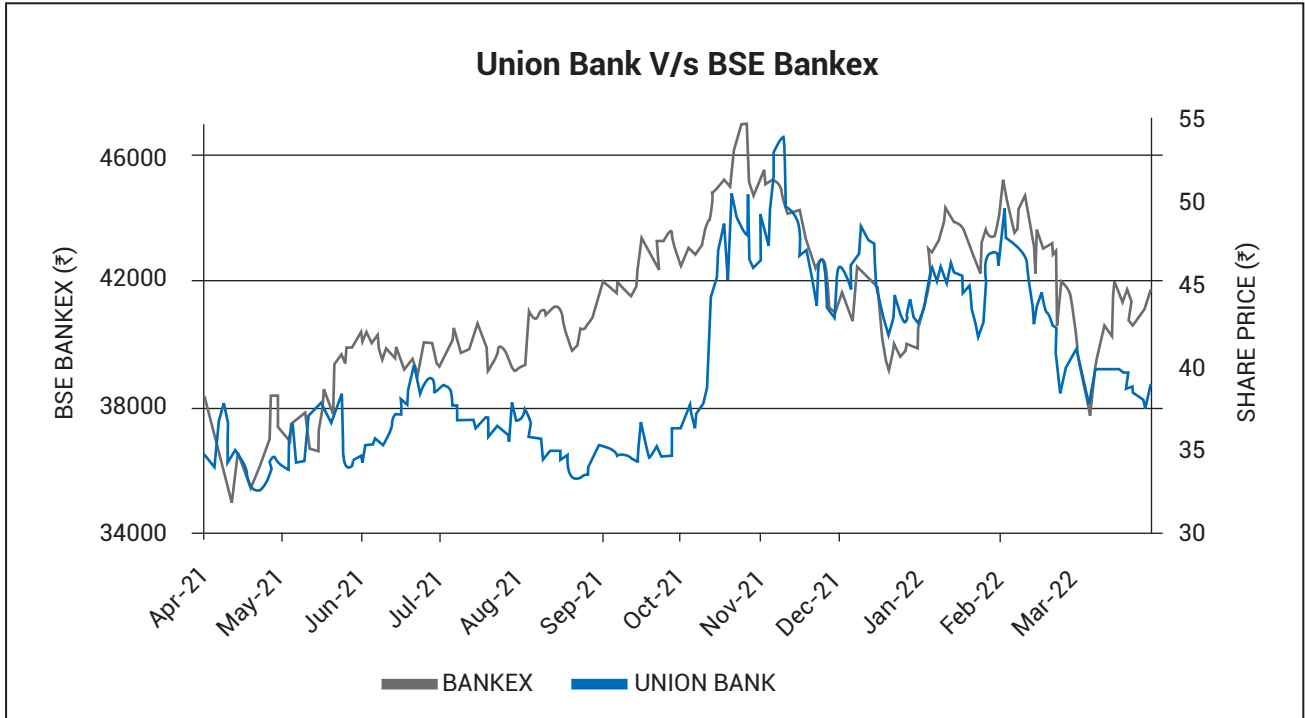
Note: Entire Shareholding of the Promoter of the Bank is in Dematerialized Form.

Further, in pursuance of the circular issued by SEBI, a practicing Company Secretary has also conducted reconciliation of Share Capital Audit on a quarterly basis. During the course of reconciliation of Share Capital audit, no discrepancy in updation/maintenance of the Register of Members or processing of demat requests was found and the capital held in physical mode and demat mode tallied with the issued capital.

The Bank has sent various communications to its shareholders holding shares in physical form to dematerialize the same. As a result, 1024 shareholders dematerialized their 2,46,878 shares held in physical form during the year 2021-22.

9.9 Market Price, Volume of shares traded in Stock Exchanges:

Months	BSE			NSE			BSE SENSEX	
	High (₹)	Low (₹)	Volume (Nos.)	High (₹)	Low (₹)	Volume (Nos.)	High	Low
Apr-2021	38.55	32.20	1,19,99,809	38.60	32.10	15,20,63,122	50375.77	47204.50
May-2021	39.35	33.50	3,01,45,311	39.40	33.50	46,27,47,957	52013.22	48028.07
Jun-2021	41.50	34.20	5,93,09,301	41.50	34.20	74,41,97,717	51450.58	52482.71
Jul-2021	39.45	35.20	1,79,10,404	39.45	35.20	24,88,16,185	51802.73	52586.84
Aug-2021	37.75	32.65	1,28,26,535	37.75	32.70	13,44,75,434	52804.08	57552.39
Sep-2021	37.55	34	2,02,34,183	37.45	34.00	20,71,68,161	57263.90	59126.36
Oct-2021	51.7	35.75	6,04,40,335	51.70	35.70	68,20,66,105	58551.14	59306.93
Nov-2021	54.8	41.60	4,62,33,018	54.80	41.55	40,63,95,777	56382.93	57064.87
Dec-2021	49.65	41.30	3,65,07,478	49.70	41.30	30,38,26,610	55132.68	58253.82
Jan-2022	48.75	41.20	2,59,81,544	48.85	41.10	21,49,10,696	56409.63	58014.17
Feb-2022	51.7	38.05	4,13,55,261	51.70	37.85	36,74,87,860	54383.20	56247.28
Mar-2022	42.00	37.25	2,64,20,705	42.00	37.20	22,02,80,214	52260.82	58568.51
Closing Price as on 31.03.22	38.7			38.7				
Market Cap	₹26,450 crore			₹26,450 crore				



* Source-BSE Website (www.bseindia.com)

9.10 Distribution of Shareholding:

Shareholding	As of 31.03.2022				As of 31.03.2021			
	No. of share-holders	% to total	No. of shares	% to total	No. of share-holders	% to total	No. of shares	% to total
Upto 500	642618	82.42	76427698	1.12	5,28,933	81.76	6,75,45,606	1.05
501 to 1000	58277	7.47	45172534	0.66	49,399	7.64	3,75,00,984	0.59
1001 to 2000	30157	3.87	45971773	0.67	25,313	3.91	3,83,06,983	0.60
2001 to 3000	20276	2.60	51007654	0.75	19,538	3.02	4,89,43,404	0.76
3001 to 4000	9745	1.25	34019956	0.50	9,516	1.47	3,29,19,269	0.51
4001 to 5000	5544	0.71	26009371	0.38	4,516	0.70	2,09,83,000	0.33
5001 to 10000	8289	1.06	59067045	0.86	6,869	1.06	4,72,68,459	0.74
10001 & above	4793	0.62	6497071435	95.06	2,890	0.45	6,113,376,650	95.42
Total	779699	100.00	6834747466	100.00	646974	100.00	6406844355	100.00

The face value of Bank's per Equity share is ₹ 10/-.

9.11 Shareholding pattern:

The Shareholding Pattern of the Bank's shares as of 31.03.2022 vis-a-vis 31.03.2021 is as follows:

Category of shareholder	As of 31.03.2022		As of 31.03.2021	
	No. of share-holders	% to total	No. of share-holders	% to total
Promoter				
Government of India	5,70,66,60,850	83.49	5,70,66,60,850	89.07
Public				
Institutional Investors				
Mutual Funds & UTI	6,42,39,168	0.94	5,64,49,674	0.89
Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions)	4178,25,501	6.11	2234,23,845	3.49
FIs & Foreign Mutual Funds	8,07,63,510	1.18	4,22,69,800	0.66
OTHERS				
Private Corporate Bodies	4,89,41,688	0.72	1,75,23,616	0.27
Indian Public	50,84,00,256	7.44	35,55,71,135	5.55
NRIs/OCBs/Qualified Foreign Investor	79,16,493	0.12	49,45,435	0.07
Total	6,83,47,47,466	100.00	6,40,68,44,355	100.00

9.12 List of Top 10 Shareholders of the Bank:

The list of top 10 shareholders of the Bank as on 31.03.2022 is as follows:

Sr. No.	Name	Shares	% To capital
1	PRESIDENT OF INDIA (Government of India)	5706660850	83.49
2	LIFE INSURANCE CORPORATION OF INDIA	385692691	5.64
3	HDFC TRUSTEE COMPANY LTD - A/C HDFC MID – CAP OPPORTUNITIES FUND	51036160	0.77
4	SOCIETE GENERALE - ODI	36327637	0.53
5	REKHA JHUNJHUNWALA	8400000	0.12
6	REKHA JHUNJHUNWALA	8400000	0.12
7	REKHA JHUNJHUNWALA	8400000	0.12
8	INDIAFIRST LIFE INSURANCE COMPANY LTD	8264219	0.12
9	THE NEW INDIA ASSURANCE COMPANY LIMITED	7912257	0.11
10	GENERAL INSURANCE CORPORATION OF INDIA	7704495	0.11

9.13 Unclaimed/Unpaid Dividend:

The amount of dividend that remained unclaimed for a period of seven years from the date of transfer of dividend to the Unpaid Dividend Account shall be transferred to the Investor Education and Protection Fund (IEPF). The list of dividends declared so far and proposed date of transfer for various dividend accounts are given below:

Sr. No	Dividend Account pertaining to	Unpaid Dividend Bank Account No.	Financial Year	Rate of dividend	Proposed Date of Transfer to IEPF	Balance as on 31.03.2022 (₹)
1	UBI	317901090049761	2014-15	₹ 6.00 per share	07-08-22	2,20,58,280.00
2	UBI	317901090049775	2015-16	₹ 1.95 per share	08-08-23	1,04,06,896.10
3	E-AB	117911100001617	2014-15	₹ 2.00 per share	19-08-22	1,47,79,824.50
4	E-AB	117911100001802	2015-16	₹ 0.50 per share	31-08-23	58,19,786.42
5	E-CB	510101000855048	2014-15	₹ 1.40 per share	10-08-22	23,06,352.00
TOTAL						5,53,71,139.02

The shareholders who have not claimed the above dividends till now are requested to make a claim at the earliest to the Registrar & Share Transfer Agent or the Investor Services Division of the Bank. A format of indemnity bond in this respect is available on the website of the bank (www.unionbankofindia.co.in).

9.14 Unclaimed Shares:

a) In Physical Form:

As per Schedule VI of the SEBI (Listing Obligations & Disclosure Requirements), 2015 i.e. Manner of Dealing with Unclaimed Shares, the Bank opened an Unclaimed Suspense Account in March, 2012 after completion of procedure as instructed by SEBI. The shares issued in physical form during IPO of the Bank in the year 2002, which are still unclaimed are controlled in this account. The details of the shares lying in this account are as follows:

Particulars	No. of shareholders	No. of shares
Balance as of 01.04.2021 lying in Demat Suspense Account	4	600
Shareholders approached for transfer during the financial year 2021-22	NIL	NIL
Shareholders to whom shares were transferred during the year 2021-22	NIL	NIL
Balance as on 31.03.2022 lying in Demat Suspense Account	4	600

b) In Demat Form:

As per Schedule VI of the SEBI (Listing Obligations & Disclosure Requirements), 2015 i.e. Manner of Dealing with Unclaimed Shares, the Bank has opened a Demat Suspense Account in March 2010 after completion of procedure as instructed by SEBI. The shares allotted to the applicants at the time of Bank's FPO during 2006 but not credited to their respective demat account due to some technical reasons are controlled in this account. The details of the shares lying in this account are as follows:

Particulars (UBI-FPO)	No. of shareholders	No. of shares
Balance as of 01.04.2021 lying in Demat Suspense Account	216	26414
Shareholders approached for transfer during the financial year 2021-22	0	0
Shareholders to whom shares were transferred during the year 2021-22	0	0
Balance as on 31.03.2022 lying in Demat Suspense Account	216	26,414

Particulars (E-AB and E-CB)	No. of shareholders	No. of shares
Balance as of 01.04.2020 lying in Demat Suspense Account	175	17,431
Shareholders approached for transfer during the financial year 2020-21	7	4342
Shareholders to whom shares were transferred during the year 2020-21	7	4342
Balance as on 31.03.2021 lying in Demat Suspense Account	168	13089

The voting rights on above- mentioned all shares shall remain frozen till the rightful owner of these shares claims the same to their respective Demat Account.

10. EXTENT OF COMPLIANCE WITH DISCRETIONARY REQUIREMENTS OF LISTING REGULATIONS

Sr. No	Non-Mandatory Requirement	Extent of Compliance
1.	Board A non-executive Chairman may be entitled to maintain a Chairperson's Office at the listed entity's expense and also allowed reimbursement of expenses incurred in performance of his /her duties.	The position of Non-Executive Chairman is vacant since 05.07.2020. The same has to be filled up by the Central Government
2.	Shareholder Rights A half-yearly declaration of financial performance including summary of the significant events in last six months, may be sent to each household of shareholders.	Half-yearly communication is sent by way of an email to all the shareholders who registered their email IDs with the Bank / RTA of the Bank.
3.	Modified opinion(s) in Audit Report The listed entity may move towards a regime of financial statements with unmodified audit opinion	There has been no modified opinion in audit report during the year under review.

Sr. No	Non-Mandatory Requirement	Extent of Compliance
4.	Reporting of Internal Auditor The Internal auditor may report directly to the Audit Committee.	As per the Board approved Risk Based Internal Audit Policy, the Internal Auditors report directly to the Chief General Manager, Audit & Inspection Department. However, details with latest position of Flash Reports & Special Reports given by internal auditors are placed before the Audit Committee of the Board.

For and on behalf of the board of directors



(Rajkiran Rai G.)

Managing Director & Chief Executive Officer

Place: Mumbai

Date: 30.05.2022

DECLARATION ON CODE OF CONDUCT

The Board has laid down a Code of Conduct for all the Board Members and Senior Management of the Bank and the same is posted on the website of the Bank. The Directors and Senior Management have affirmed compliance with the Code of Conduct for the financial year 2021-22.

For and on behalf of the board of directors



(Rajkiran Rai G.)

Managing Director & Chief Executive Officer

Place: Mumbai

Date: 30.05.2022

Independent Auditors' Certificate on Corporate Governance

To The Members of Union Bank of India

We have examined the compliance of conditions of Corporate governance by Union Bank of India, for the year ended on March 31, 2022, as stipulated in the relevant provisions of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations') amended from time to time as referred to in Regulation 15(2) of the Listing Regulations for the year April 01, 2021 to March 31, 2022.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Corporate Governance, issued by the Institute of Chartered Accountants of India, and was limited to procedures and implementation thereof, adopted by the Bank for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Bank.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Bank has complied with the conditions of Corporate governance as stipulated in the above-mentioned Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Bank nor the efficiency or effectiveness with which the Management has conducted the affairs of the Bank.

For **M/s R G N Price & Co.**
Chartered Accountants
FRN 002785S

CA P. M. Veeramani
Partner
Membership No.023933
UDIN: 22023933AIXFGY6267

For **M/s P V A R & Associates**
Chartered Accountants
FRN 005223C

CA Sharad Bansal
Partner
Membership No. 423507
UDIN: 22423507AIXFRK9410

For **M/s SARDA & PAREEK LLP**
Chartered Accountants
FRN 109262W/W100673

CA Giriraj Soni
Partner
Membership No.109738
UDIN: 22109738AIXFAO2016

For **M/s Gopal Sharma & Co.**
Chartered Accountants
FRN 002803C

CA Gautam Sharma
Partner
Membership No. 079225
UDIN: 22079225AIXFAB5594

For **M/s C R Sagdeo & Co.**
Chartered Accountants
FRN 108959W

CA Sachin V. Luthra
Partner
Membership No. 109127
UDIN: 22109127AIXFDY8530

For **M/s N B S & Co.**
Chartered Accountants
FRN 110100W

CA Pradeep J. Shetty
Partner
Membership No. 046940
UDIN: 22046940AIXEXO8437

Place of Signature: Mumbai
Date of Report: 13.05.2022

Form No. MR-3
Secretarial Audit Report
For the year ended March 31, 2022

[Pursuant to Regulation 24A of the SEBI (LODR) Regulations, 2015, read with
SEBI Circular CIR/CFD/CMD1/27/2019 Dated February 08, 2019]

To,
The Members,
Union Bank of India
Central Office, Mumbai

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Union Bank of India (hereinafter called "the Bank"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Bank's books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in our opinion, the Bank has, during the audit period covering the financial year ended on March 31, 2022, complied with the statutory provisions listed hereunder and also that the Bank has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Bank for the financial year ended on March 31, 2022, according to the provisions of:

- i. The Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970
- ii. The Nationalised Banks' (Management & Miscellaneous Provisions) Scheme, 1970;
- iii. The Banking Regulation Act, 1949 & Banking Companies Rules, 1949 (as amended from time to time)
- iv. The Reserve Bank of India Act, 1945 and Master Directions, Notifications and Guidelines issued by RBI from time to time
- v. The Union Bank of India (Shares and Meetings) Regulations, 1998
- vi. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Overseas Direct Investment and External Commercial Borrowings;
- vii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- viii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- ix. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - i. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021

I have also examined compliance with the applicable clauses of 'the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"]'. The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder subject to my observations in my Secretarial Compliance Report dated May 21, 2022.

During the period under review, the Bank has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above, to the extent applicable, except to the following:

- a) The Board of Directors of the Bank did not comprise of two Employee Directors required to be nominated by the Government of India under section 9(3)(e) and 9(3) (f) of the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970.
- b) In terms of section 9 (3) (g) of the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970, the Board shall have one Director who has been a Chartered Accountant for not less than fifteen years, to be nominated by the Central Government after consultation with the Reserve Bank. The post has been vacant since 06/02/2021.
- c) In terms of Ministry of Finance, Government of India letter no. F No. 4/4/2015- BO.I(pt. dated 30/10/2015, the Non-Executive Chairman of the Bank shall be the Chairman of the Risk Management Committee of the Board, Since the Bank does not have a Non-Executive Chairman, this requirement has not been complied with.
- d) The Reserve bank of India had vide its letter:RBI/CO.DOS.SED.No.S153/25-01-009/021-2022 dated 01/06/2021., advised the Bank to ensure compliance and carry out assessment to plug control gaps in monitoring and implementation of Legal Entity Identifier (LEI) requirements and accordingly, the Bank has taken necessary steps.
- e) Reserve bank of India, had imposed a penalty of ₹ 50 lakhs each on the bank under the Reserve Bank of India (Frauds Classification and Reporting by Commercial Banks and Select FIs) Directions, 2016 and Guidelines on sale of Stressed Assets by Banks for non adherence to the timeframe fixed in this circular for identification and reporting of fraud cases.
- f) In view of insufficiency of Directors and Clause 14A of the Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1970, the agenda pertaining to Nomination and Remuneration Committee was taken up by the Board of Directors of the Bank.

I further report that –

Subject to foregoing, the Board of Directors of the Bank is duly constituted with proper balance of Executive Directors, Non-Executive and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the applicable Acts, Rules and Regulations.

Adequate notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance for meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

I further report that there are adequate systems and processes in the Bank commensurate with the size and operations of the Bank to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Bank has undertaken following events/actions:

- i) The Board of Directors of the Bank at their meeting held on June 30, 2021, approved the capital plan for the year, to raise capital funds up to ₹9700/- crores comprising an amount not exceeding ₹ 3500 crore by way of equity shares and an amount not exceeding ₹6200 crore by way Additional Tier-1 (AT-1) and or Tier-2 bonds.
- ii) The Committee of Directors for Raising of Capital Funds (CDRCF) at its meeting held on May 21, 2021, allotted 42,79,03,111 equity shares of face value of ₹10/- each at a premium of ₹23.82, aggregating to ₹1447.17 crore, to Qualified Institutional Buyers. Necessary Approvals for listing of these shares on NSE and BSE were also obtained.
- iii) The Committee of Directors for Raising of Capital Funds (CDRCF) at its meeting held on May 21, 2021, accorded its

approval to exercise call option in respect of BASEL III compliant Tier-II bonds (.ISIN INE434A08059) aggregating to ₹1000 crore on its call option date.

- iv) The Committee of Directors for Raising of Capital Funds (CDRCF) at its meeting held on June 24, 2021, issued and allotted 8500 Non-Convertible Taxable, Unsecured, Subordinated, Fully Paid Up BASEL III compliant Debt instruments in the nature of Debentures, eligible for inclusion in Tier - 2 Capital Bond (Series XXX), of the face value of ₹10,00,000/- aggregating to ₹850 crore, on private placement basis.
- v) The Committee of Directors for Raising of Capital Funds (CDRCF) at its meeting held on July 5, 2021, accorded its approval to exercise call option in respect of BASEL III compliant Tier-2 Bonds (ISIN : INE692A08011) aggregating to ₹1000 crore, and BASEL III compliant Additional Tier 1 bonds ((ISIN : INE434A08067) aggregating to ₹900 crore.
- vi) The Committee of Directors for Raising of Capital Funds (CDRCF) at its meeting held on July 9, 2021, issued and allotted 1150 Non-Convertible, Taxable, Unsecured, Subordinated, Fully Paid Up BASEL III compliant debt instruments in the nature of debentures eligible for inclusion in Tier- 2 Capital Bonds (Series XXXI), of the face value of ₹100,00,000/- aggregating to ₹1150 crore, on private placement basis
- vii) The Committee of Directors for Raising of Capital Funds (CDRCF) vide resolution passed by circulation, dated October 1, 2021, accorded its approval to exercise call option in respect of BASEL III compliant Additional Tier-1 Bonds (ISIN : INE692A08037) aggregating to ₹1000 crore, on its call option date
- viii) The Committee of Directors for Raising of Capital Funds (CDRCF) at its meeting held on November, 22, 2021, approved the allotment of 2000 Non-Convertible, Taxable, Unsecured, Subordinated, Perpetual Fully Paid Up BASEL III Additional Tier I Bonds in the nature of Debentures(Series XXXII), of face value of ₹100,00,000/- each, eligible for inclusion in Additional Tier 1 Capital of the Bank aggregating to ₹2000 crore, on private placement basis
- ix) The Committee of Directors for Raising of Capital Funds (CDRCF), vide resolution passed by circulation dated December 20, 2021, approved the allotment of 1500 Non-Convertible, Taxable , Unsecured, Subordinated, Perpetual Fully Paid Up BASEL III Additional Tier I Bonds in the nature of Debentures(Series XXXIII), of face value of ₹100,00,000/- each, eligible for inclusion in Additional Tier 1 Capital of the Bank, aggregating to ₹1500 crore, on private placement basis
- x) The Committee of Directors for Raising of Capital Funds (CDRCF), vide resolution passed by circulation dated March 2, 2022, approved the allotment of 1500 Non-Convertible, Taxable, Unsecured, Subordinated, Perpetual Fully Paid Up BASEL III Additional Tier I Bonds in the nature of Debentures(Series XXXIV), of face value of ₹100,00,000/- each, eligible for inclusion in Additional Tier 1 Capital of the Bank aggregating to ₹1500 crore, on private placement basis
- xi) The Committee of Directors for Raising of Capital Funds (CDRCF), vide its resolution by circulation dated February 10, 2022, accorded its approval to exercise call option in respect of the following BASEL III compliant Additional Tier-1 Bonds
 - i) (ISIN : INE692A08052) for ₹ 250 Crore
 - ii) (ISIN : NE692A08060) for ₹750 crore
 - iii) (ISIN : NE692A08078) for ₹500 crore
- xii) The Committee of Directors for Raising of Capital Funds (CDRCF) at its meeting held on March 28, 2022,, accorded its approval to exercise call option in respect of BASEL III compliant Additional Tier-1 Bonds (ISIN : INE692A08086) aggregating to ₹500 crore, on its call option date

B Durgaprasad Rai

Company Secretary

ACS No: 10060; C P No. : 4390

UDIN:A010060D000361664

Place: Mumbai

Date: May 21, 2022

This report is to be read with my letter of even date which is annexed as Annexure 'A' and forms an integral part of this report.

Annexure - A

To,
The Members,
Union Bank of India
Central Office, Mumbai

My Secretarial Audit Report for the Financial Year ended on March 31, 2022, of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Bank. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, I follow provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Bank.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness with which the management has conducted the affairs of the Bank.

B Durgaprasad Rai
Company Secretary
ACS No: 10060; C P No. : 4390
ICSI UDIN: A010060D000361664

Place: Mumbai
Date: May 21, 2022

Secretarial Compliance Report of Union Bank of India for the year ended 31st March, 2022

I have examined:

- (a) all the documents and records made available to us and explanation provided by **Union Bank of India ("Bank")**
- (b) the filings / submissions made by the Bank to the stock exchanges,
- (c) website of the Bank,
- (d) any other document / filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31st March, 2022 ("Review Period") in respect of compliance with the provisions of :
 - (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
 - (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India("SEBI");

The specific Regulations, whose provisions and the circulars/guidelines issued thereunder, have been examined, Include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (there were no events requiring compliance during the review period)
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (there were no events requiring compliance during the review period)
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (there were no events requiring compliance during the review period)
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (there were no events requiring compliance during the review period)
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (there were no events requiring compliance during the review period)
- (h) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021
- (i) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (j) Other SEBI Regulations, and circulars/guidelines issued thereunder as applicable to the Bank

And based on the above examination, I hereby Report that, During the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued except in respect of the following matters

Sr. No.	Compliance Requirement (Regulations/Circulars/ Guidelines including specific clause)	Deviations	Observations/Remarks of the Practising Company Secretary
1	<p>Regulation 17(b) of the SEBI (LODR) Regulations 2015</p> <p>Where the listed entity does not have a regular non-executive chairperson, at least half of the board of directors shall comprise of independent directors</p>	<p>Since the Bank doesn't have a non executive Chairperson, based on the number of directors on the board, the board should comprise of at least 6 independent directors</p>	<p>Though the provisions related to independent directors do not apply to public sector banks as they are not established under the Companies Act, and the Act establishing the PSBs does not define independent directors, the communication of Ministry of Finance no. F.No.6/20/2019-BO.I dated 30/08/2019, has clarified that that the non official director appointed clause (g) and the non official directors appointed under clause (h) of section 9(3) of Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970, are similar in nature to independent directors In view of this clarification, the Board of the Bank has decided to consider the directors appointed/nominated under clauses (g) (h) and (i) of the section referred above as independent directors.</p> <p>During the year under report the Board did not have a director appointed under clause (g) and had two directors each nominated/elected under clause (h) and (i) of the above section. Based on this decision of the Board, the bank had only 4 independent directors against the requirement of 6 directors.</p>
2	<p>Regulation 19(1) of the SEBI (LODR) Regulations, 2015</p> <p>The Board of Directors shall constitute the Nomination and Remuneration committee consisting of at least three non-executive directors with at least two-thirds of the directors being independent directors</p>	<p>Due to non- availability of the prescribed number of non executive/ independent directors on the Board of the Bank, there was shortage of members in this Committee</p>	<p>As per the directions of the Reserve Bank of India, the Committee should comprise of the non-executive director nominated under section 9(3) (g) and three non-executive directors nominated under section 9(3) (h) of the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970. Though the Board did not have a non-executive director nominated under section 9 (3) (g) of the Act, it had two directors each nominated under section 9(3)(h) and elected under 9(3)(i) of the Act to constitute the committee, satisfying the requirements of the composition of the committee under LODR . The functions of this Committee were taken up by the Board of the Bank vide Clause 14A of the Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1970</p>

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from my examination of those records.
- (c) There were no actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars)

under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder in so far as it appears from my examination of those records.

- (d) The requirement of reporting of the actions taken by the listed entity to comply with the observations made in the previous report is not applicable during the period.
- e) The requirement of reporting under clause 6(A) and 6(B) of the circular No. CIR/CFD/CMD1/114/2019 dated October 18, 2019, issued by the Securities and Exchange Board of India on "Resignation of statutory auditors from listed entities and their material subsidiaries" is not applicable during the Review Period

B. Durgaprasad Rai
Company Secretary
ACS No: 10060; C P No. : 4390
UDIN:A010060D000361664

Place: Mumbai
Date: May 21, 2022

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members,

Union Bank of India

Central Office, Union Bank Bhavan,
239, Vidhan Bhavan Marg,
Nariman Point, Mumbai - 400 021

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Union Bank of India (hereinafter referred to as "The Bank"), having Central Office at 239, Vidhan Bhavan Marg, Nariman Point, Mumbai - 400 021, produced before me by the Bank for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in, wherever applicable), as considered necessary, and explanations furnished to me by the Bank & its officers, I hereby certify that none of the Directors on the Board of the Bank, as stated below, for the financial year ending on March 31, 2022, have been debarred or disqualified from being appointed or continuing as Directors of the Bank by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority. Date: --.05.2022 Managing Director & Chief Executive Officer

Sr. No.	Name of the Director	Director Identification Number	Date of Appointment in the Bank
1.	Shri Rajkiran Rai G.	07427647	July 01, 2017
2.	Shri Manas Ranjan Biswal	08162008	March 01, 2019
3.	Shri Nitesh Ranjan	08101030	March 10, 2021
4	Shri Rajneesh Karnatak	08912491	October 21, 2021
5	Shri Nidhu Saxena	N.A.	February 1, 2022
6	Shri Sameer Shukla	06435463	November 08, 2021
7	Shri Arun Kumar Singh	09498086	April 26, 2019
8.	Shri Suraj Srivastava	NA	December 21, 2021
9	Shri Laxman S Uppar	NA	March 21, 2022
10	Dr. Jayadev Madugula	03574167	June 28, 2018
11	Smt. Priti Jay Rao	03352049	July 29, 2021

The Bank, being a nationalised bank, is governed by the Banking Companies (Acquisition and Transfer of Undertaking) Act, 1970, the Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970, and the Banking Regulation Act, 1949. The provisions of the Companies Act, 2013, do not apply to the Bank. Hence, it is not mandatory for the Directors on the Board of the Bank to obtain DIN.

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Bank. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

Place: Mumbai

Date: 22nd April, 2022

B Durgaprasad Rai
Company Secretary
ACS: 10060; COP: 4390
UDIN:A010060D000186445

CEO & CFO CERTIFICATION

To,
The Board of Directors,
Union Bank of India,
Mumbai.

CEO and CFO Certificate under Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

This is to certify that to the best of our knowledge and belief,

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Listed entity pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies,
- D. We have indicated to the auditors and the Audit committee
- (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For Union Bank of India



(Prafulla Kumar Samal)
(Chief Financial Officer)

For Union Bank of India



(Rajkiran Rai G.)
Managing Director & CEO

Place: Mumbai

Date: 13th May 2022

5.17.3 Details of Directors, their attendance in the Board and other Committee Meetings during 2021-22 are as follows :

Sl. No.	Name of the Director	Type	Board and Member of the Committee(s) of the Board																							
			Board		MCB		ACB		SRCB		RMC		ITSC		SCMF		DPPC		STCB **							
			Held*	attended	Held*	attended	Held*	attended	Held*	attended	Held*	attended	Held*	attended	Held*	attended	Held*	attended	Held*	attended	Held*	attended				
1	Shri Rajkiran Rai G. Since 01.07.2017	MD & CEO	22	22	24	24	-	-	-	-	5	4	5	4	5	4	4	6	4	4	6	4	4			
2	Shri Manas Ranjan Biswal Since 01.03.2019	ED	22	21	24	18	-	-	4	4	5	3	5	3	3	3	-	-	-	-	-	-	-			
3	Shri Nitesh Ranjan Since 10.03.2021	ED	22	22	24	22	5	5	4	4	5	5	5	2	2	2	-	-	-	-	-	-	-			
4	Shri Rajneesh Karnatak Since 21.10.2021	ED	9	9	11	11	2	2	2	2	2	2	2	2	2	2	-	-	-	-	-	-	-			
5	Shri Nidhu Saxena Since 01.02.2022	ED	3	2	4	4	3	3	1	1	1	1	1	1	1	-	-	-	-	-	-	-	-			
6	Shri Sameer Shukla Central Govt Nominee Since 08.11.2021	NED	7	4	-	-	4	4	-	-	-	-	-	2	2	1	1	4	4	-	-	-	-			
7	Shri Arun Kumar Singh RBI Nominee Director Since 26.04.2019	NED	22	21	24	23	10	10	-	-	-	-	-	-	-	-	6	6	-	-	-	-	-			
8	Shri Suraj Srivastava Since 21.12.2021	ID/NED	5	5	-	-	3	3	1	1	1	1	-	-	-	-	-	-	-	-	-	-	-			
9	Shri Laxman S. Uppar Since 21.03.2022	ID/NED	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
10	Dr. Jayadev Madugula Since 28.06.2018	ID / SD	22	22	-	-	10	10	4	4	5	5	5	4	4	4	-	-	-	-	4	4	4			
11	Ms. Priti Jay Rao Since 29.07.2021	ID/SD	13	13	16	15	-	-	2	2	3	3	4	4	4	-	-	-	-	-	-	3	3			

The following are the details of attendance of directors who were on the Board of the Bank during FY 22 prior to 31.03.2022

1	Dr. Uttam Kumar Sankar Till 27.06.2021	ID / SD	6	6	6	6	-	-	1	1	1	1	1	1	1	-	-	-	-	-	-	1	1
2	Shri K. Kadiresan Till 27.06.2021	ID / SD	6	3	6	3	-	-	1	0	1	0	-	-	-	1	1	-	-	-	-	-	-
3	Shri Dinesh Kumar Garg Till 30.09.2021	ED	13	11	12	9	-	-	2	2	3	3	2	2	2	-	-	-	-	-	-	-	-
4	Dr. Madhesh Kumar Mishra Central Govt Nominee Till 07.11.2021	NED	15	15	-	-	6	6	-	-	-	-	3	3	3	2	2	2	2	2	2	-	-
5	Shri Gopal Singh Gusain Till 31.01.2022	ED	19	19	20	20	-	-	3	3	4	4	4	3	3	-	-	-	-	-	-	-	-

* Number of meetings held during the tenure of the Director

** 19 Proposals was circulated as Circular Resolution at different time intervals to the Share Transfer Committee and got it approved.

MD & CEO - Managing Director & Chief Executive Officer

ED - Executive Director

NED - Non Executive Director

ID - Independent Director

SD - Shareholder Director

5.17.3 Details of Directors, their attendance in the Board and other Committee Meetings during 2021-22 are as follows :

Sl. No.	Name of the Director	Type	Board and Member of the Committee(s) of the Board																	
			CSCB		RCNCB & WD		NRC		CSRC		HRSCB		CAC-1		REMC		CDRCF		BCPE	
			Held*	attended	Held*	attended	Held*	attended	Held*	attended	Held*	attended	Held*	attended	Held*	attended	Held*	attended	Held*	attended
1	Shri Rajkiran Rai.G Since 01.07.2017	MD & CEO	4	4	4	4	-	-	4	4	7	6	24	24	4	4	8	8	-	-
2	Shri Manas Ranjan Biswal Since 01.03.2019	ED	4	4	-	-	-	-	4	4	7	5	24	19	4	4	8	8	-	-
3	Shri Nitesh Ranjan Since 10.03.2021	ED	4	4	-	-	-	-	4	4	7	7	24	24	4	4	8	8	-	-
4	Shri Rajneesh Karnatak Since 21.10.2021	ED	2	2	-	-	-	-	2	2	4	4	11	11	2	2	2	2	-	-
5	Shri Nidhu Saxena Since 01.02.2022	ED	1	1	-	-	-	-	1	1	1	1	4	4	1	1	1	1	-	-
6	Shri Sameer Shukla Central Govt Nominee Since 08.11.2021	NED	2	1	-	-	-	-	-	-	4	4	-	-	2	2	-	-	1	1
7	Shri Arun Kumar Singh RBI Nominee Director Since 26.04.2019	NED	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Shri Suraj Srivastava Since 21.12.2021	ID/ NED	1	1	-	-	-	-	1	1	-	-	-	-	-	-	-	-	-	-
9	Shri Laxman S. Uppar Since 21.03.2022	ID/ NED	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Dr. Jayadev Madugula Since 28.06.2018	ID/SD	4	4	4	4	-	-	3	3	6	6	-	-	-	-	-	-	2	2
11	Ms. Priti Jay Rao Since 29.07.2021	ID/SD	2	2	3	3	-	-	-	-	6	6	-	-	-	-	-	-	1	1
The following are the details of attendance of directors who were on the Board of the Bank during FY 22 prior to 31.03.2022																				
1	Dr. Uttam Kumar Sarkar Till 27.06.2021	ID / SD	1	1	1	1	-	-	-	-	1	1	-	-	-	-	-	-	1	1
2	Shri K. Kadiresan Till 27.06.2021	ID / SD	1	1	-	-	-	-	1	1	1	-	-	-	-	-	-	-	-	-
3	Shri Dinesh Kumar Garg Till 30.09.2021	ED	2	0	-	-	-	-	2	1	3	2	12	10	2	2	6	3	-	-
4	Dr. Madhesh Kumar Mishra Central Govt Nominee Till 07.11.2021	NED	2	2	-	-	-	-	-	-	3	3	-	-	2	2	-	-	1	1
5	Shri Gopal Singh Gusain Till 31.01.2022	ED	3	3	-	-	-	-	3	3	6	6	20	19	3	3	7	7	-	-

* Number of meetings held during the tenure of the Director

Independent Auditors' Report

To

The President of India /

The Members of Union Bank of India

Mumbai

Report on Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying Standalone Financial Statements of **Union Bank of India** ('the Bank'), which comprise the Balance Sheet as at 31 March 2022, the Profit and Loss Account and the Statement of Cash Flows for the year then ended, and notes to financial statements including a summary of significant accounting policies and other explanatory information in which are included the returns for the year ended on that date of

- i) 20 branches, 1 Treasury Branch audited by us, 18 FGMO Offices audited by us
- ii) 3413 branches audited by statutory branch auditors and
- iii) 3 overseas branches audited by local auditors.

The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India (the RBI). Also incorporated in the Balance Sheet, the Profit and Loss Account and the Statement of Cash Flows are the returns from 5931 branches which have not been subjected to audit. These unaudited branches account for 16.36 percent of advances, 33.74 per cent of deposits, 37.35 per cent of interest income and 37.64 per cent of interest expenses.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Banking Regulation Act, 1949 in the manner so required for bank and are in conformity with accounting principles generally accepted in India and:

- a. the Balance Sheet, read with the notes thereon is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of the state of affairs of the Bank as at 31st March, 2022;
- b. the Profit and Loss Account, read with the notes thereon shows a true balance of profit for the year ended on that date; and
- c. the Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (the "ICAI"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the ICAI together with ethical requirements that are relevant to our audit of the financial statements in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by ICAI, and provisions of section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by Reserve Bank of India ('RBI') from time to time and we have fulfilled our other

ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of the Matter

3. We draw your attention to Note No. 15.k of schedule 18 – Notes to Accounts to the standalone financial statements regarding change in the accounting policies/estimates followed during the year ended 31st March, 2022 as compared to those followed in the preceding financial year ended 31st March, 2021 with effect from 1st April, 2021, in respect of appropriation of recovery in non performing accounts first towards interest unrealised and then towards principal outstanding as against towards principal first and then towards interest unrealised in earlier periods. Impact due to the change in accounting policy has resulted increase in income for the quarter by ₹ 495.26 crores and for the year by ₹ 1,081.77 crores and consequential non-reduction in gross non performing assets by equivalent amount.

We draw your attention to Note No. 15.c of schedule 18 – Notes to Accounts to the standalone financial statements regarding amortization of additional liability on account of revision in family pension amounting to ₹ 1,902.02 crores. The bank has charged an amount of ₹380.40 crore to the profit and loss account during the year ended March 31, 2022, and the balance unamortized expenses of ₹ 1,521.62 crore has been carried forward.

We draw your attention to Note No. 15.n of schedule 18 – Notes to Accounts to the standalone financial statements regarding uncertainties due to outbreak of COVID-19 pandemic. In view of these circumstances, the impact on the Banks operations and financial results is dependent on future developments including actions being taken to mitigate the same and other regulatory measures.

Our opinion is not modified in respect of these matters.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters prescribed below to be the key audit matters to be communicated in our report.

Sr.	Key Audit Matter	How it was dealt with in our report
1	Income Recognition, Asset Classification (IRAC) and provisioning on Loans & Advances and Investments as per the regulatory requirements	
	Loans & Advances and Investments are the largest class of assets forming 85.01% of the total assets as on March 31, 2022. Classification, income recognition and loss provisioning on the same are based on objective parameters as prescribed by the regulations (Reserve Bank of India's prudential norms and other guidelines). The management of the Bank relies heavily on its IT systems (including	Our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances and associated impairment provisions. Our audit procedures included the assessment of controls over the approval, disbursements and monitoring of loans, and reviewing the logic and assumptions used in the CBS and other related IT systems for compliance of the IRAC and provisioning norms and its operating effectiveness.

Sr.	Key Audit Matter	How it was dealt with in our report
	<p>Core Banking Solution), exercise significant estimates and judgement, manual interventions, and uses services of experts (like independent valuers, Lawyers, legal experts and other professional) to determine asset classification, income recognition and provisioning for losses.</p> <p>The Bank has system based identification of non-performing assets in accordance with IRAC Norms</p>	<p>These included evaluation and understanding of following:</p> <ul style="list-style-type: none"> • Bank's internal control system in adhering to the Relevant RBI guidelines regarding income recognition, asset classification and provisioning pertaining to advances/ investments; • System controls and manual controls over the timely recognition of non-performing assets (NPA/NPI); • Operational existence and effectiveness of controls over provisioning calculation models from the IT systems; • Overall Controls on the loan approval, disbursement and monitoring process in case of advances and controls over the purchase, sale and hold decisions making system in case of investments • We tested sample of loans/investments (in cases of branches visited by us) to assess whether they had been identified as non performing on a timely manner, income recognized and provisioning made as per IRAC norms. • We have also reviewed the reliability, effectiveness and accuracy of manual interventions, wherever it has come to our notice, on test check basis. • We have relied on the reports/returns and work done by other Statutory Branch Auditors (SBA) in cases of branches not visited by us to get an overall comfort with respect to overall compliance in accordance with SA 600 - Using the Work of Another Auditor. • We have reviewed the work done by other experts like Independent valuers, Lawyers, Legal Experts and other such professionals who have rendered services to the Bank, in accordance with SA 620 Using the Work of an Auditor's Expert. • Further we have also reviewed the Bank's system of monitoring potentially weak and sensitive accounts which show a sign of stress. • We have also reviewed the reports and observations of the Bank's internal audit/inspection reports and observations of the concurrent auditors for the same. • Verification of valuation, classification, provisioning and income recognition of investments by carrying out substantive test including arithmetic accuracy, data accuracy and control over the financial reporting system. We have test checked and assessed the efficacy of the system based identification of NPA

Sr.	Key Audit Matter	How it was dealt with in our report
2	<p>Information Technology (IT) and controls impacting financial reporting</p> <p>In the normal course of its business, the Bank's financial accounting and reporting systems are highly dependent on the effective working of the Core Banking Solution (CBS) and other IT systems linked to the CBS or working independently. Extensive volume, variety and complexity of transactions are processed daily and there is a risk that automated accounting procedures and related internal controls may not be accurately designed and operating effectively. Particular areas of focus relate to the logic that is fed into the system, sanctity and reliability of the data, access management and segregation of duties. These underlying principles are important because they ensure that changes to applications and data are appropriate, authorized, cleansed and monitored, so that the system generates accurate and reliable reports/ returns and other financial and non-financial information that is used for the preparation and presentation of the financial statements.</p> <p>We have relied on the consistent and accurate functioning of CBS and other IT systems for the following:</p> <ul style="list-style-type: none"> • Asset Classification and Income recognition as per the Reserve Bank of India guidelines; • Provisioning on the advance portfolio; • Identification of advances and liability items and its maturity pattern in various brackets; • Reconciliation and ageing of various suspense and sundry accounts, impersonal accounts, inter-branch balances and other such accounts; • Recording Investment transactions • Interest expense on deposits and other liabilities; 	<p>Our audit procedures included verifying, testing and reviewing the design and operating effectiveness of the IT system by verifying the reports/returns and other financial and non-financial information generated from the system on a test check basis.</p> <p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Ensuring that deficiencies noticed in our verification on test check basis were informed to the management for corrective action; • Carrying out independent alternative audit procedures like substantive testing in areas where deficiencies were noticed; • Analytical procedures like ratio analysis, trend analysis, reasonable tests, comparative analysis; • Reliance on the work performed by the statutory branch auditors and the rectification entries (MOCs) passed based on branch audits; • Reliance on external vendor inspection reports wherever made available. • Reviewed the IS Audit Reports and discussed with IT Department on compliance with key IT controls.

Sr.	Key Audit Matter	How it was dealt with in our report
3	<p>Recognition and measurement of Deferred tax</p> <p>The Bank has recognised a net deferred tax asset of ₹ 12,29,23,747 (in '000) as on March 31, 2022. Besides objective estimation, recognition and measurement of deferred tax asset is based on the judgment and numerous estimates regarding the availability and visibility of profits in the future. The recent decrease in the amount of deferred tax assets presumes availability and forecasting of profits over an extended period of time thus decreasing uncertainty and the inherent risk of inappropriate recognition of the said asset.</p>	<p>Our audit procedures included the risk assessment to gain an understanding of the applicable tax laws and relevant regulations applicable to the Bank. Based on our understanding, we performed both tests of related internal key controls and substantive audit procedures with the assistance of tax specialists. We performed the following audit procedures as part of our controls testing including, but not limited to:</p> <ul style="list-style-type: none"> • Evaluation of the policies used for recognition and measurement of deferred tax assets in accordance with AS 22 Accounting for Taxes on Income; • Assessed the method, assumptions and other parameters used with reference to uniformity, management representations, consistency and continuity like budget and midterm projections prepared by the management including earning growth and applicable tax rates and tested the arithmetical accuracy • Assessed the probability of the availability and visibility of profits against which the bank will be able to use this deferred tax asset in the future.
4	<p>COVID-19 Pandemic</p> <p>COVID-19 Pandemic has adversely impacted the economic activity across the country and the Government of India had announced series of lock down since March 2020 onwards, which were lifted & reimposed at various point of time in regionalized manner across the country based on the prevailing situation in the respective State.</p> <p>Correspondingly and in tune with the partial and complete lock downs, we experienced travel restrictions for some part of the year and the Bank facilitated carrying out audit remotely wherever physical access was not possible. This situation eased out considerably by the end of the year and therefore physical audit was most prevalent at the year end.</p> <p>Therefore wherever we could not gather audit evidence in person/physically/ through discussions and personal interactions with the officials at the Branches /Regions & Zones/ Verticals / Corporate Offices, we have identified such modified audit procedures as a Key Audit Matter.</p> <p>Accordingly, our audit procedures were modified to carry out the audit remotely</p>	<p>Wherever physical access was not possible, necessary records/ reports/ documents/ certificates were made available to us by the Bank through digital medium including the <u>designated audit portal</u> of the bank, emails and <u>remote access to CBS and closing package</u>. To this extent, the audit process was carried out on the basis of such documents, reports and records made available to us which were relied upon as audit evidence for conducting the audit and reporting for the current period.</p> <p>Accordingly, we modified our audit procedures (based on regulatory and ICAI advisories) as follows:</p> <ul style="list-style-type: none"> • Conducted verification of necessary records/ documents/ CBS/closing package and other application software electronically through remote access/emails/in respect of some of the Branches/Regions/Zones/Verticals/Corporate Offices and other offices of the Bank wherever physical access was not possible. • Carried out verification of scanned copies of the documents, deeds, certificates, returns from branches and the related records made available to us through emails and remote access over secure network of the Bank • Making enquires and gathering necessary audit evidence through Video Conferencing, dialogues and discussions over phone calls/conference calls, emails and similar communication channels. • Resolution of our audit observations telephonically/ through email instead of a face to-face interaction with the designated officials.

Information Other than the Standalone Financial Statements and Auditors' Report thereon

5. The Bank's Board of Directors is responsible for the other information. The other information comprises the Highlights for the year, Directors' Report including annexures to Directors' Report, key financial ratios, Business responsibility Report and Corporate Governance report in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the standalone financial statements does not cover the Other Information and Pillar 3 disclosures under the Basel III Disclosure and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the Other Information that we obtained prior to the date of this Auditors' Report, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

6. The Bank's Board of Directors is responsible with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by ICAI to the extent applicable, and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality in the magnitude of the misstatements in the standalone financial statements that, individually or aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning of the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

8. We did not audit the financial statements / information of 3416 domestic branches and processing centers including 3 foreign branches included in Standalone Financial Results of the Bank whose financial statements/ financial information reflects total assets of ₹ 3443521247.98 (in thousand) at March 31, 2022 and total revenue of ₹ 247892046.15 (in thousand) for the year ended on that date, as considered in the Standalone Financial Results. These branches and processing centers cover 41.73 % of advances, 63.26% of deposits and 30.58 % of Non-performing assets as on 31st March 2022 and 31.63% of revenue for the year ended 31st March 2022. The financial statements/ information of these branches have been audited by the branch auditors whose reports have been furnished to us and in our opinion in so far as it relates to the amounts and disclosures included in respect of branches, are based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

9. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949;

Subject to the limitations of the audit indicated in paragraphs 5 and 8 above and as required by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980, and subject also to the limitations of disclosure required therein, we report that:

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
 - b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
 - c) The returns received from the offices and branches of the Bank have been found adequate for the purpose of our audit.
10. As required by letter No. DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 on "Appointment of Statutory Central Auditors (SCAs) in Public Sector Banks – Reporting obligations for SCAs from FY 2019-20", read with subsequent communication dated May 19, 2020 issued by the RBI, we further report on the matters specified in paragraph 2 of the aforesaid letter as under:
- (a) In our opinion, the aforesaid standalone financial statements comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by RBI.
 - (b) In our opinion there are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the bank.
 - (c) As the bank is not registered under the Companies Act, 2013 the disqualifications from being a director of the bank under sub-section (2) of Section 164 of the Companies Act, 2013 do not apply to the bank.
 - (d) There are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.
 - (e) Our audit report on the adequacy and operating effectiveness of the Bank's internal financial controls over financial reporting is given in **Annexure A** to this report. Our report expresses an unmodified opinion on the Bank's internal financial controls over financial reporting with reference to the Standalone Financial Statements as at 31 March 2022.

11. We further report that:

- a) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- b) the Balance Sheet, the Profit and Loss Account and the Statement of Cash Flows dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;
- c) the reports on the accounts of the branch offices audited by branch auditors of the Bank under section 29 of the Banking Regulation Act, 1949 have been sent to us and have been properly dealt with by us in preparing this report; and
- d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Statement of Cash Flows comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by RBI.

For **M/s R G N Price & Co.**
Chartered Accountants
FRN 002785S

CA P. M. Veeramani
Partner
Membership No.023933
UDIN: 22023933AIXFGY6267

For **M/s SARDA & PAREEK LLP**
Chartered Accountants
FRN 109262W/W100673

CA Giriraj Soni
Partner
Membership No.109738
UDIN: 22109738AIXFAO2016

For **M/s C R Sagdeo & Co.**
Chartered Accountants
FRN 108959W

CA Sachin V. Luthra
Partner
Membership No. 109127
UDIN: 22109127AIXFDY8530

For **M/s P V A R & Associates**
Chartered Accountants
FRN 005223C

CA Sharad Bansal
Partner
Membership No. 423507
UDIN: 22423507AIXFRK9410

For **M/s Gopal Sharma & Co.**
Chartered Accountants
FRN 002803C

CA Gautam Sharma
Partner
Membership No. 079225
UDIN: 22079225AIXFAB5594

For **M/s N B S & Co.**
Chartered Accountants
FRN 110100W

CA Pradeep J. Shetty
Partner
Membership No. 046940
UDIN: 22046940AIXEXO8437

Place of Signature: Mumbai
Date of Report: 13.05.2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT (Referred to in paragraph 10(a) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date) Report on the Internal Financial Controls Over Financial Reporting as required by the Reserve Bank of India (the "RBI") Letter DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 (as amended) (the "RBI communication")

We have audited the internal financial controls over financial reporting of Union Bank of India ("the Bank") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date which includes internal financial controls over financial reporting of the Bank's branches.

Management's Responsibility for Internal Financial Controls

The Bank's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Banking Regulation Act, 1949 and the circulars and guidelines issued by the Reserve Bank of India.

Auditor's Responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI") and the Standards on Auditing (SAs) issued by the ICAI, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal financial controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the branch auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Bank's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of

management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the branch auditors referred to in the Other Matters paragraph below, the Bank has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal control over financial reporting established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Other Matters

Our aforesaid report insofar as it relates to the operating effectiveness of internal financial controls over financial reporting of 3413 branches is based on the corresponding reports of the respective branch auditors of those branches.

Our opinion is not modified in respect of this matter.

For **M/s R G N Price & Co.**
Chartered Accountants
FRN 002785S

CA P. M. Veeramani
Partner
Membership No.023933
UDIN: 22023933AIXFGY6267

For **M/s P V A R & Associates**
Chartered Accountants
FRN 005223C

CA Sharad Bansal
Partner
Membership No. 423507
UDIN: 22423507AIXFRK9410

For **M/s SARDA & PAREEK LLP**
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CA Giriraj Soni
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For **M/s Gopal Sharma & Co.**
Chartered Accountants
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CA Gautam Sharma
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Membership No. 079225
UDIN: 22079225AIXFAB5594

For **M/s C R Sagdeo & Co.**
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FRN 108959W

CA Sachin V. Luthra
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Membership No. 109127
UDIN: 22109127AIXFDY8530

For **M/s N B S & Co.**
Chartered Accountants
FRN 110100W

CA Pradeep J. Shetty
Partner
Membership No. 046940
UDIN: 22046940AIXEXO8437

Place of Signature: Mumbai
Date of Report: 13.05.2022

Standalone Balance Sheet

As on 31st March, 2022

(₹ in 000')

Particulars	Schedule Number	As on 31 March, 2022	As on 31 March, 2021
CAPITAL AND LIABILITIES			
Capital	1	6,83,47,475	6,40,68,444
Reserves and Surplus	2	63,74,13,875	58,06,98,908
Share Application Money		-	-
Deposits	3	10,32,39,26,349	9,23,80,53,402
Borrowings	4	51,17,90,975	51,83,71,092
Other Liabilities and Provisions	5	33,44,31,935	31,58,66,602
TOTAL		11,87,59,10,609	10,71,70,58,448
ASSETS			
Cash and Balances with Reserve Bank Of India	6	46,11,25,911	37,88,04,613
Balances with Banks and Money at Call and Short Notice	7	73,38,77,672	46,52,98,860
Investments	8	3,48,50,73,915	3,31,51,17,896
Advances	9	6,61,00,46,627	5,90,98,28,759
Fixed Assets	10	7,19,13,038	7,34,38,719
Other Assets	11	51,38,73,446	57,45,69,601
TOTAL		11,87,59,10,609	10,71,70,58,448
Contingent Liabilities	12	6,50,24,77,545	3,70,52,79,658
Bills for Collection		66,08,94,129	34,69,48,137
Significant Accounting Policies	17		
Notes to Accounts	18		

The Schedules referred to above form an integral part of the Standalone Balance Sheet

(PANKAJ KUMAR)
DY. GENERAL MANAGER

(PRAFULLA KUMAR SAMAL)
CHIEF FINANCIAL OFFICER

For and on behalf of the Board of Directors

(NIDHU SAXENA)
EXECUTIVE DIRECTOR

(RAJNEESH KARNATAK)
EXECUTIVE DIRECTOR

(NITESH RANJAN)
EXECUTIVE DIRECTOR

(RAJKIRAN RAI G.)
MANAGING DIRECTOR & CEO

(SAMEER SHUKLA)
DIRECTOR

(ARUN KUMAR SINGH)
DIRECTOR

(SURAJ SRIVASTAVA)
DIRECTOR

(LAXMAN S UPPAR)
DIRECTOR

(DR. JAYADEV MADUGULA)
DIRECTOR

(PRITI JAY RAO)
DIRECTOR

As per our report of even date attached.

For M/s R G N Price & Co.
Chartered Accountants
FRN 002785S

For M/s SARDA & PAREEK LLP
Chartered Accountants
FRN 109262W/W100673

For M/s C R Sagdeo & Co.
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For M/s P V A R & Associates
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For M/s Gopal Sharma & Co.
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For M/s N B S & Co.
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CA Sharad Bansal
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UDIN: 22079225AIXFAB5594

CA Pradeep J. Shetty
Partner
Membership No. 046940
UDIN: 22046940AIXEXO8437

Place of Signature: Mumbai
Date of Report: 13.05.2022

Standalone Profit and Loss Account

For the Year Ended 31st March, 2022

(₹ in 000')

Particulars	Schedule Number	For the Year Ended 31 March, 2022	For the Year Ended 31 March, 2021
I. INCOME			
Interest Earned	13	67,94,39,508	68,76,73,349
Other Income	14	12,52,48,172	11,74,44,937
TOTAL		80,46,87,680	80,51,18,286
II. EXPENDITURE			
Interest Expended	15	40,15,74,864	44,07,89,085
Operating Expenses	16	18,43,80,735	16,76,59,928
Provision And Contingencies		16,64,11,123	16,76,09,622
TOTAL		75,23,66,722	77,60,58,635
III. PROFIT/(LOSS) FOR THE YEAR		5,23,20,958	2,90,59,651
ADD : PROFIT/(LOSS) BROUGHT FORWARD		0	0
TOTAL		5,23,20,958	2,90,59,651
IV. APPROPRIATIONS			
Transfer To Statutory Reserve		1,30,80,240	72,64,913
Transfer To Capital Reserve		1,22,12,675	90,01,837
Transfer To Investment Fluctuation Reserve		65,68,682	1,27,92,901
Transfer To Revenue and Other Reserves		22,53,341	-
Transfer To Special Reserve u/s Sec 36(1)(viii)		52,20,000	-
Proposed Dividend		1,29,86,020	-
Balance in Profit and Loss Account		0	0
TOTAL		5,23,20,958	2,90,59,651
EARNINGS PER SHARE (BASIC AND DILUTED) (FV ₹ 10)	18	7.73	4.54
Significant Accounting Policies	17		
Notes To Accounts	18		

The Schedules referred to above form an integral part of the Standalone Profit and Loss Account

(PANKAJ KUMAR)
DY. GENERAL MANAGER

(PRAFULLA KUMAR SAMAL)
CHIEF FINANCIAL OFFICER

For and on behalf of the Board of Directors

(NIDHU SAXENA)
EXECUTIVE DIRECTOR

(RAJNEESH KARNATAK)
EXECUTIVE DIRECTOR

(NITESH RANJAN)
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DIRECTOR

As per our report of even date attached.

For M/s R G N Price & Co.
Chartered Accountants
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For M/s SARDA & PAREEK LLP
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CA Pradeep J. Shetty
Partner
Membership No. 046940
UDIN: 22046940AIXEX08437

Place of Signature: Mumbai
Date of Report: 13.05.2022

Schedules forming part of the Standalone Balance Sheet

As on 31st March, 2022

(₹ in 000')

Particulars	As on 31 March, 2022	As on 31 March, 2021
SCHEDULE 1 - CAPITAL :		
I. Authorised :		
10,00,00,00,000 Equity Shares of ₹10 each (Previous Year 10,00,00,00,000 Equity Shares of ₹10 each)	10,00,00,000	10,00,00,000
II. Issued, Subscribed, called up & Paid up :		
i. 570,66,60,850 Equity Shares of ₹10 each, held by Central Government (Previous Year 570,66,60,850 Equity Shares)	5,70,66,609	5,70,66,609
ii. 112,80,86,616 Equity Shares of ₹10 each, held by Public (Previous Year 70,01,83,505 Equity Shares)	1,12,80,866	70,01,835
Less: Calls unpaid	0,000	0,000
Add: Forfeited shares	0,000	0,000
TOTAL	6,83,47,475	6,40,68,444

(₹ in 000')

Particulars	As on 31 March, 2022		As on 31 March, 2021	
SCHEDULE 2 - RESERVES & SURPLUS :				
I. Statutory Reserve :				
As per last balance sheet	13,32,08,662		12,59,43,749	
Addition during the year	1,30,80,239	14,62,88,901	72,64,913	13,32,08,662
II. Capital Reserve :				
i) Revaluation Reserve :				
As per last balance sheet	4,89,84,778		4,99,77,701	
Addition during the year	79,201		40,444	
Deduction during the year	14,93,238		10,33,367	
Total	4,75,70,741		4,89,84,778	
ii) Capital Reserve				
As per last balance sheet	4,67,12,164		3,77,10,327	
Addition during the year	1,22,12,675		90,01,837	
Total	5,89,24,839		4,67,12,164	
iii) Amalgamation Adjustment Reserve	1,30,95,979	11,95,91,559	1,30,95,979	10,87,92,921
III. Share Premium :				
As per last balance sheet	17,32,70,019		50,08,54,966	
Addition during the year	1,01,92,652		0,000	
Deduction during the year	50,871	18,34,11,800	32,75,84,947	17,32,70,019
IV. Revenue and Other Reserves :				
i) Revenue Reserve :				
As per last balance sheet	9,64,54,761		8,25,61,562	
Addition during the year	1,31,16,426		2,64,98,876	
Deduction during the year	11,98,748		1,26,05,677	
Total	10,83,72,439		9,64,54,761	
ii) Special Reserve u/s Sec 36(1)(viii) of the Income Tax Act, 1961				
As per last balance sheet	5,50,78,789		5,50,78,789	
Addition during the year	52,20,000		0,000	
Total	6,02,98,789		5,50,78,789	

(₹ in 000')

Particulars	As on 31 March, 2022		As on 31 March, 2021	
iii) Foreign Currency Translation Reserve				
As per last balance sheet	10,42,370		3,63,866	
Addition during the year	23,859		6,85,434	
Deduction during the year	10,35,910		6,930	
Total	30,319		10,42,370	
iv) Investment Fluctuation Reserve				
As per last balance sheet	1,27,92,901		0,000	
Addition during the year	65,68,682		1,27,92,901	
Total	1,93,61,583		1,27,92,901	
v) Special Reserve Profit on FX Swap	58,485	18,81,21,615	58,485	16,54,27,306
V) Balance in Profit and Loss Account		0,000		0,000
TOTAL		63,74,13,875		58,06,98,908
SCHEDULE 3 - DEPOSITS :				
A.				
I. Demand Deposits				
i) From Banks	81,32,959		76,23,510	
ii) From Others	71,83,91,699	72,65,24,658	62,86,14,209	63,62,37,719
II. Savings Bank Deposits		3,04,54,07,826		2,71,96,80,826
III. Term Deposits				
i) From Banks	2,27,87,325		3,16,45,103	
ii) From Others	6,52,92,06,540	6,55,19,93,865	5,85,04,89,754	5,88,21,34,857
TOTAL		10,32,39,26,349		9,23,80,53,402
B.				
i). Deposits of branches in India		10,32,10,23,919		9,21,62,71,426
ii). Deposits of branches outside India		29,02,430		2,17,81,976
TOTAL		10,32,39,26,349		9,23,80,53,402
SCHEDULE 4 - BORROWINGS :				
A) Borrowings in India				
I. Reserve Bank of India	14,20,90,000		14,20,90,000	
II. Other Banks	1,99,29,833		1,40,00,565	
III. Other Institutions and Agencies	2,98,96,073		2,74,54,914	
IV. Perpetual Bonds- Tier I	8,70,50,000		7,10,50,000	
V. Subordinated Bonds - Tier II	10,05,00,000		10,05,00,000	
VI. 7 Years Infra Bonds	0,000	37,94,65,906	50,01,000	36,00,96,479
B) Borrowings Outside India		13,23,25,069		15,82,74,613
TOTAL		51,17,90,975		51,83,71,092
Secured Borrowings included in (B) I & II above		14,70,29,470		14,20,90,000
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS :				
I. Bills Payable		2,68,90,202		2,30,30,334
II. Interest Accrued		4,52,33,997		3,13,98,586
III. Others* (Including Provisions)		26,23,07,736		26,14,37,682
TOTAL		33,44,31,935		31,58,66,602
*includes provision for Standard Assets ₹ 6,56,67,690 (Previous Year ₹5,11,29,666)				

(₹ in 000')

Particulars	As on 31 March, 2022		As on 31 March, 2021	
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA:				
I. Cash in hand (Including Foreign Currency Notes and Gold)		3,78,19,394		3,78,17,879
II. Balances with Reserve Bank of India				
(a) in Current Account		42,33,06,517		34,09,86,734
(b) in Other Accounts		0,000		0,000
TOTAL		46,11,25,911		37,88,04,613
SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE :				
I. Balances with banks in India				
i) Balances with Banks				
a) In Current Accounts	22,24,274		52,33,575	
b) In Other Deposit Accounts	6,08,75,196		7,02,13,074	
ii) Money at Call and short notice				
a) with Banks	0,000		0,000	
b) with Other Institutions	55,41,14,877	61,72,14,347	29,55,40,000	37,09,86,649
II. Outside India				
i) In Current Accounts	29,80,253		22,66,568	
ii) In other Deposit Accounts	11,36,83,072		9,20,45,643	
iii) Money at call & Short Notice	0,000	11,66,63,325	0,000	9,43,12,211
TOTAL		73,38,77,672		46,52,98,860
SCHEDULE 8 - INVESTMENTS :				
I. Investments in India				
i) Government Securities		2,64,16,37,956		2,40,25,37,531
ii) Other Approved Securities		0,000		0,000
iii) Shares		2,30,53,036		2,01,62,150
iv) Debentures and Bonds		69,38,31,055		74,40,56,416
v) Subsidiaries and joint ventures		33,86,095		53,76,479
vi) Others (Commercial Paper, Mutual Funds, Venture Capital, Security Receipt etc.)		9,51,30,775		11,59,47,026
Total		3,45,70,38,917		3,28,80,79,602
II. Investments outside India				
i) Govt. Securities (Including Local Authority)		1,61,01,880		1,48,25,814
ii) Other Investments (Bonds)		4,60,268		7,39,320
iii) Subsidiaries and Joint Ventures		1,14,72,850		1,14,73,160
Total		2,80,34,998		2,70,38,294
TOTAL		3,48,50,73,915		3,31,51,17,896
III. i) Investments in India				
Gross Value		3,51,85,30,523		3,35,03,34,391
Provision for Depreciation		6,14,91,606		6,22,54,789
Net Value		3,45,70,38,917		3,28,80,79,602
ii) Investments outside India				
Gross Value		2,83,51,221		2,70,57,741
Provision for Depreciation		3,16,223		19,447
Net Value		2,80,34,998		2,70,38,294
TOTAL		3,48,50,73,915		3,31,51,17,896

(₹ in 000')

Particulars	As on 31 March, 2022	As on 31 March, 2021
SCHEDULE 9 - ADVANCES (Net)		
A.		
i) Bills purchased and discounted	3,87,09,874	4,11,16,878
ii) Cash Credits, Overdrafts and Loans repayable on demand	2,87,88,96,001	2,66,12,08,397
iii) Term Loans	3,69,24,40,752	3,20,75,03,484
TOTAL	6,61,00,46,627	5,90,98,28,759
B.		
i) Secured by tangible assets*	5,34,44,92,520	5,07,39,93,631
ii) Covered by Bank/Government Guarantees	13,06,61,251	16,51,79,860
iii) Unsecured	1,13,48,92,856	67,06,55,268
TOTAL	6,61,00,46,627	5,90,98,28,759
(* includes advances against Book Debt ₹ 61,83,30,066 (previous year ₹ 59,90,84,207))		
C. Sectorial Classification of Advances		
I. Advances in India:		
i) Priority Sector	2,59,52,39,457	2,52,92,91,622
ii) Public Sector	72,72,96,155	61,06,29,459
iii) Banks	2,22,975	3,07,310
iv) Others	3,13,82,79,933	2,62,93,66,222
TOTAL	6,46,10,38,520	5,76,95,94,613
II. Advances Outside India:		
i) Due From Banks	5,31,10,677	3,41,84,098
ii) Due from Others		
a) Bills Purchased and Discounted	12,11,011	0,000
b) Syndicated loans	5,47,141	11,83,093
c) Others	9,41,39,278	10,48,66,955
TOTAL	14,90,08,107	14,02,34,146
TOTAL	6,61,00,46,627	5,90,98,28,759

(₹ in 000')

Particulars	As on 31 March, 2022		As on 31 March, 2021	
SCHEDULE 10 - FIXED ASSETS :				
A. TANGIBLE ASSETS				
I. Premises				
At cost/valuation as per last balance sheet	8,15,36,732		8,08,23,818	
Additions during the year	6,10,204		7,16,224	
Deduction during the year	12,75,792		3,310	
	8,08,71,144		8,15,36,732	
Less: Depreciation till date	2,63,31,743	5,45,39,401	2,48,41,708	5,66,95,024
II. Capital Work-in-Progress				
At cost as per last balance sheet	6,22,879		5,79,704	
Additions during the year	1,26,601		1,57,093	
Deductions during the year	3,88,483	3,60,997	1,13,918	6,22,879
III. Land				
At cost as per last balance sheet	12,45,683		12,45,683	
Additions during the year	13,08,678		-	
Deductions during the year	55,725		-	
	24,98,636		12,45,683	
Less: Depreciation till date	4,52,022	20,46,614	78,385	11,67,298

(₹ in 000')

Particulars	As on 31 March, 2022		As on 31 March, 2021	
IV. Other Fixed Assets (including Furniture and Fixtures)				
a) Assets given on lease				
At cost as per last balance sheet	2,65,352		2,65,352	
Less: Depreciation till date	2,65,352	-	2,65,352	-
b) Others				
At cost/valuation as per last balance sheet	6,46,03,010		6,20,76,819	
Additions during the year	48,67,443		34,97,487	
Deductions during the year	7,95,520		9,71,296	
	6,86,74,933		6,46,03,010	
Less: Depreciation till date	5,60,79,797	1,25,95,136	5,25,98,644	1,20,04,366
B. INTANGIBLE ASSETS				
Computer Software				
At cost as per last balance sheet	1,12,22,581		85,50,124	
Additions during the year	8,72,637		26,73,629	
Deduction during the Year	11,880		1,172	
	1,20,83,338		1,12,22,581	
Less: Amortisation till date	97,12,448	23,70,890	82,73,429	29,49,152
TOTAL		7,19,13,038		7,34,38,719
SCHEDULE 11 - OTHER ASSETS :				
I. Inter-Office Adjustments (Net)		1,79,97,045		7,34,01,772
II. Interest Accrued		7,68,96,049		6,00,37,714
III. Tax Paid/ Tax deducted at source (Net of provision)		5,39,12,604		6,62,28,752
IV. Stationery and stamps		63,349		68,176
V. Non-Banking assets acquired in satisfaction of claims		1,334		1,238
VI. Others*		21,24,01,949		20,61,34,433
VII. Deferred Tax Assets (Net)		12,29,23,747		15,67,24,947
VIII. MAT Credit Entitlement		2,96,77,369		1,19,72,569
TOTAL		51,38,73,446		57,45,69,601
*Includes Deposit placed with NABARD/ SIDBI/NHB amounting to ₹ 9,64,56,088 (Previous Year ₹ 11,12,93,710)				
SCHEDULE 12 - CONTINGENT LIABILITIES :				
I. Claims against the bank not acknowledged as debts		3,31,30,212		3,73,07,180
II. Liability for partly paid Investments		0,000		5,920
III. Liability on account of outstanding Forward Exchange Contracts		4,36,34,96,833		2,28,99,08,209
IV. Guarantees given on behalf of Constituents				
a) In India	65,35,08,697		663,275,681	
b) Outside India	1,65,75,655	67,00,84,352	13,492,045	67,67,67,726
V. Acceptances, endorsements and other obligations		1,26,92,16,524		52,07,37,119
VI. Disputed Tax demands under appeals		13,77,78,737		15,68,01,095
VII. Amount transferred to DEAF Scheme 2014		2,87,70,887		2,37,52,409
TOTAL		6,50,24,77,545		3,70,52,79,658
Bills for Collection		66,08,94,129		34,69,48,137

Schedules forming part of the Standalone Profit & Loss Account

For the year ended 31st March, 2022

(₹ in 000')

Particulars	For the Year Ended 31 March, 2022	For the Year Ended 31 March, 2021
SCHEDULE 13 - INTEREST EARNED :		
I. Interest/Discount on advances/bills	45,23,55,006	45,76,58,380
II. Income on Investments	19,94,28,382	20,57,37,022
III. Interest on balances with Reserve Bank of India & other Inter Bank Funds	2,14,08,267	1,60,48,797
IV. Others	62,47,853	82,29,149
TOTAL	67,94,39,508	68,76,73,349
SCHEDULE 14 - OTHER INCOME :		
I. Commission, Exchange and Brokerage	1,73,98,170	1,24,19,145
II. Profit on sale of investments (Net)	3,41,11,874	3,65,13,065
III. Profit on revaluation of Investments (Net)	-10,70,995	40,76,402
IV. Profit / (Loss) on sale of land, buildings & other assets (Net)	-3,489	76,136
V. Profit on exchange transactions (Net)	60,80,630	43,36,222
VI. Income earned by way of Dividends, etc from subsidiaries and/or joint ventures abroad/ in India	24,700	0,000
VII. Miscellaneous Income	6,87,07,282	6,00,23,967
TOTAL	12,52,48,172	11,74,44,937
SCHEDULE 15 - INTEREST EXPENDED :		
I. Interest on Deposits	37,45,42,117	40,80,68,450
II. Interest on Reserve Bank of India/Inter-Bank Borrowings	1,05,59,953	1,49,02,542
III. Others	1,64,72,794	1,78,18,093
TOTAL	40,15,74,864	44,07,89,085
SCHEDULE 16 - OPERATING EXPENSES :		
I. Payments to and provisions for employees	10,11,46,061	9,28,36,117
II. Rent, Taxes and Lighting	1,07,06,732	1,10,38,072
III. Printing and Stationery	9,67,655	9,22,049
IV. Advertisement and Publicity	6,13,743	3,11,524
V. Depreciation on Bank's property	73,81,013	89,52,298
VI. Directors' fees, allowances and expenses	8,287	13,326
VII. Auditors' fees and expenses(including branch auditors)	6,30,321	10,55,638
VIII. Law Charges	14,08,632	12,47,733
IX. Postage, Telegrams, Telephones, etc.	31,10,629	23,31,123
X. Repairs and maintenance	32,71,779	35,60,302
XI. Insurance	1,28,77,009	1,26,65,917
XII. Other expenditure	4,22,58,874	3,27,25,828
TOTAL	18,43,80,735	16,76,59,928

Significant Accounting Policies (Standalone) : Schedule 17

1. Basis of Preparation

The financial statements have been prepared in accordance with requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949. The accounting and reporting policies of the Bank used in the preparation of these financial statements conform to Generally Accepted Accounting Principles in India (Indian GAAP), the guidelines issued by Reserve Bank of India (RBI) from time to time and the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI) to the extent applicable and practices generally prevalent in the banking industry in India.

2. Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of Assets and Liabilities (including Contingent Liabilities) as of the date of the financial statements and the reported Income and the Expenses during the reporting period. Management believes that the estimates wherever used in the preparation of the financial statements are prudent and reasonable. Difference between the actual results and estimates is recognized in the period in which the results are known / materialized.

3. Revenue Recognition

- 3.1. Income and Expenditure have been accounted for on accrual basis unless otherwise stated.
- 3.2. Income on Non-Performing Assets (NPAs) is recognized to the extent realized as per the prudential norms prescribed by the RBI. Income accounted for in the preceding year and remaining unrealized is derecognized in respect of assets classified as NPAs during the year.
- 3.3. Commission on Letter of Guarantee/Letter of Credit is accounted on accrual basis.
- 3.4. Exchange and brokerage earned, rent on Safe Deposit Lockers, income from Aadhaar cards,

Minimum balance charges etc. are accounted for on realization basis.

- 3.5. Income (Other than interest) on investments in "Held to Maturity" (HTM) category acquired at discount to the face value is recognized as follows:
 - 3.5.1. On interest bearing securities, it is recognized only at the time of sale/ redemption.
 - 3.5.2. On Zero- coupon securities, it is accounted for over the balance tenor of the securities on a constant yield basis.
- 3.6. Dividend is accounted on an accrual basis where the right to receive the dividend is established.
- 3.7. Sale of NPAs accounted in terms of extant RBI guidelines.
- 3.8. Interest on Income-tax refunds is accounted for on receipt of Intimation order from the Income Tax Department.

4. Appropriation of Recovery :

Appropriation of recoveries from one time settlement & NCLT Resolutions shall be as per terms of sanction. Recoveries other than by way of OTS/NCLT shall be appropriated as under:

- 4.1. When there is no agreement between the debtor and creditor as to how monies paid by the debtor are required to be appropriated by the creditor, the order of appropriation is as under :

For Term Loans:

- Towards expenses & costs etc.
- Towards unrecovered interest reversed on the date of NPA.
- Interest held in dummy ledger (unapplied interest).
- Towards arrears of principal/EMI till the date of recovery.
- Towards running ledger balance.

For Running Accounts:

- Towards expenses & costs etc.
 - Towards interest held in dummy ledger (unapplied interest) including unrecovered interest reversed at the time of NPA.
 - Towards principal.
- 4.2. In case borrower stipulates terms of appropriation differently than above and if such different terms of appropriation is accepted by Bank then appropriation of recoveries will be as per the accepted terms.
- 4.3. In case of Non Performing Investment recovery will be apportioned as mentioned below:
- a. Towards expenses & costs etc.
 - b. Towards unrecovered interest reversed on the date of NPI.
 - c. Interest held in dummy ledger (unapplied interest).
 - d. Towards arrears of principal/EMI till the date of recovery.
 - e. Towards running ledger balance

5. Cash Flow Statements:

Cash Flow statement of the Bank is prepared as per AS-3. Cash Flow statement is mainly classified as:

- 5.1. Cash flow from Operating Activities: This activity includes cash flow generated from Operational activities.
- 5.2. Cash Flow from Investing Activities: This activity includes cash flow generated by investments.
- 5.3. Cash Flow from Financials Activities: This activity includes the cash flow generated from financial instruments.

6. Investments

6.1. In conformity with the requirements of Form A of the Third Schedule to the Banking Regulations Act, 1949, Investments are classified as under:

- 6.1.1. Government Securities
- 6.1.2. Other Approved Securities
- 6.1.3. Shares
- 6.1.4. Debentures & Bonds
- 6.1.5. Investments in Subsidiaries & Joint Ventures and
- 6.1.6. Other Investments

The Investment portfolio of the Bank is further classified in accordance with the RBI guidelines contained in Master Circular DoR. MRG.42/21.04.141 /201-22 dated August 25, 2021 into three categories viz.,

- a) Held to Maturity (HTM)
- b) Available for Sale (AFS)
- c) Held for Trading (HFT)

- 6.2. As per RBI guidelines, the following principles have been adopted for the purpose of valuation
 - 6.2.1. Securities held in "HTM" – at acquisition cost.
 - 6.2.1.1. The excess of acquisition cost over the face value is amortized over the remaining period of maturity and in case of discount; it is not recognized as income.
 - 6.2.1.2. Investments in Regional Rural Banks are valued at carrying cost.
 - 6.2.1.3. Investments in Subsidiaries and Joint Ventures are valued at carrying cost.
 - 6.2.1.4. Diminution, other than temporary, in the value of its investment in subsidiaries/joint ventures, which are included in HTM shall be provided for.
 - 6.2.2. Securities held in "AFS" and "HFT" categories
 - 6.2.2.1. Securities held in "AFS" and "HFT" categories are valued classification wise and scrip-wise and net depreciation, if any, in each classification is charged to Profit & Loss account while net appreciation, if any, is ignored.

6.2.2.2. Valuation of securities is arrived at as follows:

A	Govt. of India Securities (Central Govt. Securities)	As per quotations put out by Fixed Income Money Market and Derivatives Association (FIMMDA/FBIL)
B	State Development Loans, State Govt. Securities, Securities guaranteed by Central/ State Government, PSU Bonds	On appropriate yield to maturity basis as per FIMMDA/ FBIL guidelines
C	Equity Shares	As per market rates, if quoted, otherwise at Break-up Value, as per latest Audited Balance Sheet (not more than 1 year old). In the absence of both, at 1/- per Company. The break-up Value is computed excluding revaluation reserve.
D	Preference Shares	As per market rates, if quoted, or on appropriate yield to maturity basis not exceeding redemption value as per FIMMDA/FBIL guidelines
E	Debentures/Bonds	As per market rates, if quoted, otherwise on appropriate yield to maturity basis as per FIMMDA/FBIL guidelines.
F	Mutual Funds(MF)	As per stock exchange quotations, if quoted. In case of unquoted units, as per latest Repurchase price declared by concerned MF. In cases where latest repurchase price is not available, as per Net Asset Value (NAV)
G	Treasury Bills / Certificate of Deposits / Commercial Papers	At carrying cost
H	Venture Capital Funds (VCF)	At declared NAV or Breakup NAV as per audited Balance Sheet which is not more than 18 months old. If NAV / audited financial statements are not available for more than 18 months continuously, at 1/- per VCF
I	Security Receipts	At NAV as declared by Securitization Companies

6.3. Interbank/RBI Repo and Interbank/ RBI Reverse Repo transactions are accounted for in accordance with extant RBI guidelines.

6.4. As per the extant RBI guidelines, the shifting of securities from one category to another is accounted for as follows:

6.4.1. From AFS/HFT categories to HTM category, at lower of book value or market value as on the date of shifting. Depreciation, if any, is fully provided for.

6.4.2. From HTM category to AFS/HFT category,

6.4.2.1. If the security is originally placed at discount in HTM category, at acquisition cost / book value.

6.4.2.2. If the security is originally placed at a premium, at amortized cost.

The securities so shifted are revalued immediately and resultant depreciation is fully provided for.

6.4.3. From AFS to HFT category and vice versa, at book value.

6.5. The non-performing investments are identified and depreciation / provision is made as per the extant RBI guidelines.

6.6. Profit / Loss on sale of investments & appreciation/ depreciation of investment in any category are taken to the Profit & Loss account. However, in case of profit on sale of investments in "HTM" category, an equivalent amount (net of taxes and net of transfer to Statutory Reserves) is appropriated to the Capital Reserve account.

6.7. Commission, brokerage, broken period interest etc on securities is debited / credited to Profit & Loss Account.

6.8. Brokerage and STT paid on purchase and sale of Equity is accounted to price of the deal.

6.9. The Amortization of premium on HTM Securities is computed using Straight-line Method.

6.10. The Bank is following weighted average Price (WAP) for accounting of investment portfolio.

6.11. As per the extant RBI guidelines, the Bank follows 'Settlement Date' for accounting of investments transactions.

6.12. Income from the units of Mutual Fund, Venture Capital & Security Receipt is recognized on Cash Basis.

6.13. Derivative Contracts

6.13.1. The Interest Rate Swap which hedges interest bearing Asset or Liability are accounted for in the financial statements on accrual basis except the swap designated with an Asset or Liability that is carried at market value or lower of cost or market value. Gains or losses on the termination of swaps are recognized over the shorter of the remaining contractual life of the swap or the remaining life of the Asset / Liability.

6.13.2. Trading swap transactions are marked to market with changes recorded in the financial statements. (profit if any, is ignored)

6.13.3. In the case of option contracts, guidelines issued by Foreign Exchange Dealers Association of India (FEDA) from time to time for recognition of income, premium and discount are being followed.

7. Advances

7.1. All advances are classified under four categories:

7.1.1. Standard,

7.1.2. Sub-standard,

7.1.3. Doubtful and

7.1.4. Loss assets.

Provisions required on such advances are made as per the extant prudential norms issued by the RBI in terms of Master Circular DoR No.STR.REC.55/21.04.048/2021-22 dated October 01, 2021 as under:

7.2. Loans and Advances are classified as performing and non-performing, based on the guidelines issued by the RBI. Loan Assets become Non-Performing Assets (NPAs) where:

7.2.1. In respect of term loans, interest and/or instalment of principal remains overdue for a period of more than 90 days;

7.2.2. In respect of Overdraft or Cash Credit advances, the account remains "out of order", i.e.

7.2.2.1. the outstanding balance in the CC/OD account remains continuously in excess of the sanctioned limit/drawing power for 90 days, or the outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but there are no credits continuously for 90 days, or

7.2.2.2. the outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but credits are not enough to cover the interest debited during the previous 90 days period.

7.2.3. In respect of bills purchased/discounted, the bill remains overdue for a period of more than 90 days;

7.2.4. In respect of agricultural advances for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons.

7.2.5. In respect of agricultural advances for long duration crops, where the principal or interest remains overdue for one crop season.

7.2.6. A working capital borrowal account will become NPA if such irregular drawings are permitted in the account for a continuous period of 90 days even though the unit may be working or the borrower's financial position is satisfactory.

7.2.7. In respect of MSME accounts where RBI dispensation benefit is passed on the Bank will adhere to Income Recognition, Asset Classification and Provisioning norms as spelt out RBI circular DBR.No.BP.BC.100/21.04.048/2017-18 dated 7th February, 2018 and DBR.No.BP.BC.108/21.04.048/2017/18 dated 6th June, 2018.

7.2.8. In respect of MSME accounts which will be restructured in terms of RBI Circular No DOR.No.BP.BC.34/21.04.048/2019-20 February 11, 2020 with reference to Circular No DBR.No.BP.BC.18/21.04.048/2018-19 dated 1st January, 2019 and kept in standard category, the Bank shall maintain a provision of 5% in addition to the provision already held. Reversal of said provision shall be made in accordance with the said circular.

- 7.2.9. In terms of RBI guidelines relating to 'Covid 19 Regulatory Package' on Asset Classification and Provisioning dated 27th March, 2020, 17th April 2020 and 23rd May, 2020, the Bank has extended moratorium on payment of instalment and/or interest as applicable, falling due between 1st March, 2020 to 31st August, 2020 to eligible borrowers classified as standard, even if overdue, as on 29th February, 2020 without considering the same as restructuring. Further as per RBI circular no.DOR. No.BP.BC/3/21.04.048/2020-21 & circular no. DOR. No.BP.BC/4/21.04.048/2020-21 dated 06th August, 2020, DoR.STR.REC.12/21.04.048/2021-22 & DoR. STR.REC.11/21.04.048/2021-22 dated May 05th, 2021 with reference to restructuring of Corporate & Retail Loan, Bank shall maintain necessary provision in this regard.
- 7.3. NPAs are classified into Sub-Standard, Doubtful and Loss Assets, based on the following criteria stipulated by RBI:
- 7.3.1. Sub-standard: A loan asset that has remained non performing for a period less than or equal to 12 months,
- 7.3.2. Doubtful: A loan asset that has remained in the sub-standard category for a period exceeding 12 months,
- 7.3.3. Loss: A loan asset where loss has been identified but the amount has not been fully written off.
- 7.4. Provisions are made for NPAs as per the extant guidelines prescribed by the regulatory authorities, subject to minimum provisions as prescribed below:
- 7.5. Advances are stated net of specific loan loss provisions, Counter cyclical provisioning buffer, Provision for diminution in fair value of restructured advances and unrecovered interest held in Sundry /claims received from Credit Guarantee Trust Fund (CGTF) / Export Credit Guarantee Corporation (ECGC) relating to non-performing assets.
- 7.6. In respect of foreign offices, classification of loans and advances and provisions for NPAs are made as per the local regulations or as per the norms of RBI, whichever is more stringent.
- 7.7. For restructured/rescheduled assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the loan before and after restructuring is provided for, in addition to provision for NPAs.
- 7.8. In the case of loan accounts classified as NPAs, an account may be reclassified as a performing asset if it conforms to the guidelines prescribed by the regulators.
- 7.9. Amounts recovered against debts written off are recognized as revenue in the year of recovery.
- 7.10. The general provision on Standard Advances is held in "Other Liabilities and Provisions" reflected in schedule 5 of the Balance Sheet and is not considered for arriving at both net NPAs and net advances. Standard Assets provision to be made as per IRAC RBI Master Circular RBI/2021-2022/104 DOR.No.STR.REC.55/21.04.048/2021-22 dated October 01,2021 and any subsequent circular issued from time to time.
- 7.11. Provision on Suspense accounts entries outstanding for more than six months are made at 100% except the claim receivable from Govt./ Govt. Bodies like Interest Subsidy on crop loan/export advance, Pension receivable etc.

Sub-Standard Assets:	<ul style="list-style-type: none"> i. A general of 15% of the total outstanding ii. Additional provision of 10% for exposures which are unsecured ab-initio; iii. However, Unsecured Exposure, ab-initio, in respect of infrastructure loan accounts where certain safeguards such as escrow accounts are available - 20% (instead of 25% as stated above)
Doubtful-Secured Portion	<ul style="list-style-type: none"> i. Up to one year – 25% ii. One to three years – 40% iii. More than three years – 100%
Doubtful Unsecured Portion	100%
Loss Asset	100%

8. Property, Plant and Equipment

- 8.1. Premises and Other Fixed Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises

of purchase price, eligible borrowing costs and directly attributable costs of bringing the Asset to its working condition for the intended use less trade discounts and rebates. Subsequent expenditure incurred on assets put to use is capitalized only when it increases the future benefits from such assets or their functional capability. Land and Buildings, if revalued are stated at revalued amount. The appreciation on revaluation is credited to Revaluation Reserve and the depreciation provided thereon is deducted there from and shall be credited to Revenue Reserves in terms of revised AS-10 on "Property, Plant and Equipment".

8.2. Depreciation on Fixed Assets is provided for on the Straight Line Method at the rates prescribed in Expenditure Policy of the Bank from time to time. The applicable rates of depreciation are as under:

S. No.	Capital Asset	Useful Life (Years)	Rate in percentage
1	Immovable Property-Land	Not stipulated; accordingly, no depreciation	NIL
2	Building with RCC frame structure (Both Residential & Non residential)	60	1.67
3	Furniture	10	10.00
4	Fixtures	10	10.00
5	Air-conditioning plants (Package & water/air cooled ductable)	10	10.00
6	Split & Window Air conditioners	5	20.00
7	Electrical installation and equipments	5	20.00
8	Solar Power Equipment	15	6.67
9	Elevators & Lifts	15	6.67
10	Civil & Flooring work in leased Premises	5	20.00
11	Telephone Equipment	5	20.00
12	Motor Cycles, Scooters & other mopeds	10	10.00

S. No.	Capital Asset	Useful Life (Years)	Rate in percentage
13	Motor Cars, Motor Lorries and Electrically operated vehicles including battery powered or fuel cell powered vehicles	8	12.50
14	Mobile Phones	3	33.33
15	Generators	15	6.67
16	Office Equipment/ Appliances, SDV lockers, Strong Room door, Cash Safe etc.	5	20.00
17	Computers & computer software forming integral part of hardware	3	33.33
18	ATM & allied items	3	33.33
19	UPS & allied items	5	20.00
20	Servers & Networks	6	16.66
21	End user devices such as desktops, laptops, i-pads, tablets, printer & Scanner, digital watches etc.	3	33.33

8.3. Depreciation on premises is provided on composite cost, wherever the value of Land and Buildings is not separately identifiable.

8.4. Depreciation on Leased assets and Leasehold improvements is recognized on a straight-line basis using rates determined with reference to the primary period of lease.

9. Impairment of Assets

Impairment losses (if any) on Fixed Assets (including revalued assets) are recognised in accordance with AS-28 on "Impairment of Assets" issued by the ICAI and charged off to Profit and Loss Account. The carrying costs of assets are reviewed at each Balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying cost of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and

value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying cost of the asset over its remaining useful life. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

10. Counter Cyclical Provisioning Buffer

The Bank has a policy of creation and utilization of Counter Cyclical Provisioning Buffer separately for Advances and Investments. The quantum of provision to be created is assessed at the end of each financial year. The counter Cyclical Provisions are utilized only for contingencies under extra ordinary circumstances specified in the policy with prior permission of the RBI.

11. Transactions involving Foreign Exchange

Accounting for transactions involving foreign exchange is done in accordance with AS-11 on "The Effects of Changes in Foreign Exchange Rates", issued by the ICAI. In terms of AS-11, the foreign currency operations of the Bank are classified as a) Integral Operations and b) Non Integral Operations.

All overseas branches, offshore banking units, overseas subsidiaries are treated as non- integral operations and domestic operations in foreign exchange and representative offices are treated as integral operations.

Accounting for Integral operations:

- 11.1. Monetary and Non- Monetary Assets and Liabilities are revalued at the exchange rates notified by FEDAI at the close of the year and resultant gain / loss is recognized in the Profit & Loss Account.
- 11.2. Income & Expenditure items are recognized at the exchange rates prevailing on the date of the transaction.

- 11.3. Forward exchange contracts are recorded at the exchange rate prevailing on the date of commitment. Outstanding forward exchange contracts are revalued at the exchange rates notified by FEDAI for specified maturities and at interpolated rates for contracts of 'in-between' maturities. The resultant gains or losses are recognized in the Profit & Loss account.

- 11.4. Contingent liabilities on account of guarantees, acceptances, endorsements and other obligations are stated at the exchange rates notified by FEDAI at the close of the year.

12. Accounting for Non-Integral operations

12.1. Revenue Recognition

Income and Expenditure are recognized / accounted for as per the local laws of the respective countries.

12.2. Asset Classification and Loan Loss Provisioning

Asset classification and loan loss provisioning are made as per the local laws of the respective countries or as per RBI guidelines whichever is higher.

12.3. Fixed Assets and Depreciation

- 12.3.1. Fixed Assets are accounted for at historical cost.

- 12.3.2. Depreciation on Fixed Assets is provided as per the applicable laws of the respective countries.

- 12.4. Assets and Liabilities (monetary and non-monetary as well as Contingent Liabilities) are translated at the closing rates notified by FEDAI at the close of the year.

- 12.5. Income & Expenditure are translated at the quarterly average closing rates notified by FEDAI at the end of respective quarters.

- 12.6. All resulting exchange differences are accumulated in 'Foreign Currency Translation Reserve'.

13. Employee Benefits:

13.1. Short Term Employment Benefits:

The undiscounted amounts of short term employee benefits (eg medical benefits) payable wholly within twelve months of rendering the services are treated as short term and recognized during the period in which the employee rendered the service.

13.2. Long term Employee Benefits:

13.2.1. Defined Contribution Plans:

The Bank operates a new pension scheme (NPS) for all officers/employees joining the Bank on or after 1st April, 2010, which is a defined contribution plan, such new joiners not being entitled to become members of the existing Pension Scheme. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with 14% contribution from the Bank. Pending completion of registration procedures of the employees concerned, these contributions retained with the Bank. The Bank recognizes such annual contributions in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS trust.

13.2.2. Defined Benefit Plan:

Gratuity, Pension and Leave Encashment are defined benefits plans. These are provided for on the basis of an actuarial valuation as per Accounting Standard-15 "Employee Benefit" issued by the Institute of Chartered Accountants of India, made at the end of each financial year, based on the projected unit credit method. Actuarial gains/losses are immediately taken to the Profit & Loss account.

14. Segment Reporting

The Bank recognizes the Business segment as the Primary reporting segment and Geographical segment as the Secondary reporting segment, in accordance with the RBI guidelines and in the compliances with the Accounting Standard-17 "Segment Reporting" issued

by the Institute of Chartered Accountants of India. Business segments are classified into

- 14.1. Treasury Operations,
- 14.2. Corporate and Wholesale Banking,
- 14.3. Retail Banking Operations and
- 14.4. Other Banking Operations.

15. Lease Transactions

Lease payments for Assets taken on operating lease recognized as an expenses in the profit and loss account on a straight-line basis over the lease term.

16. Earnings per Share

The Bank reports the basic and diluted Earnings per Share in accordance with AS 20. Earnings per Share is calculated by dividing the net Profit or Loss (after tax) for the year attributable to the Equity shareholders by the weighted average number of Equity shares outstanding during the year. Diluted earnings per share reflect the potential dilution that could occur if contracts to issue Equity shares were exercised or converted during the year. Diluted earnings per Equity share is calculated by using the weighted average number of Equity shares and dilutive potential Equity shares outstanding as at the year-end.

17. Taxation:

This comprises of provision for Income tax and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) as determined in accordance with AS-22 on "Accounting for taxes on Income" issued by the ICAI. Provision for Tax is made for both current and deferred taxes. Current tax is provided on the taxable income using applicable tax rate. Deferred Tax Assets and Deferred Tax Liabilities arising on account of timing differences and which are capable of reversal in subsequent periods are recognized using the tax rates and the tax laws that have been enacted or substantively enacted till the date of the Balance Sheet. Deferred Tax Assets are not recognized unless there is 'reasonable certainty' that sufficient future taxable income will be available against which such Deferred Tax Assets will be realized. In case of carry forward of unabsorbed depreciation and tax losses, Deferred Tax

Assets are recognized only if there is "virtual certainty".

18. Provisions, Contingent Liabilities and Contingent Assets

In terms of AS 29-Provisions, Contingent Liabilities and Contingent Assets issued by the ICAI, the Bank recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may not be realized.

19. Share Issue Expenses:

Share Issue expenses are charged to the Share Premium account in terms of Section 52 of the Companies Act, 2013.

20. Consolidation of the Accounts:

Bank is having five subsidiaries i.e. Union Asset Management Company Private Limited, Union Trustee Company Private Limited, Union Bank of India (UK) Limited, Andhra Bank Financial Services Limited and UBI Services Ltd.

Bank is having three Joint Ventures i.e. Star Union Dai-ichi Life Insurance Company Ltd., ASREC (India) Ltd. and India International Bank (Malaysia) Berhad.

Bank is having one associate Chaitanya Godavari Grameen Bank.

The consolidated financial statements are prepared on the basis of:

- 20.1. Audited Accounts of the parent bank (Union Bank of India)
- 20.2. Consolidation of Subsidiaries: Line by Line aggregation of the Income/Expenditure/Assets/Liabilities of the subsidiaries with the respective line item of the parent bank, after eliminating all intra-group transactions, unrealized profits/loss in terms of AS 21 on Consolidated Financial

Statements issued by Institute of Chartered Accountants of India (ICAI).

20.3. Consolidation of Associates: The Investment in Associate is accounted for consolidation as per Equity Method in terms of AS 23 on Accounting for Investments in Associates in Consolidated Financial Statement issued by Institute of Chartered Accountants of India (ICAI).

20.4. Consolidation of Joint Ventures: Line by Line consolidation is done with proportionate share in Joint Venture in terms of AS-27 on Financials Reporting in Interest of Joint Venture issued by Institute of Chartered Accountants of India (ICAI).

SCHEDULE 18 – NOTES TO ACCOUNTS (STANDALONE):

1. REGULATORY CAPITAL

The Bank is subjected to Basel III capital adequacy guidelines stipulated by RBI with effect from April 1, 2013. The guidelines provide a transition schedule for Basel III implementation till Oct. 1, 2021. As per RBI Guidelines, Basel III has been completely implemented from Oct. 1, 2021. As per guidelines, the Tier I capital is made up of Common Equity Tier I (CET I) and Additional Tier I Capital (AT 1).

Basel III guidelines require the Bank to maintain minimum capital to Risk Weighted Assets ratio (CRAR) of 11.50% with minimum CET I of 8.00% (inclusive of Capital Conservation Buffer of 2.50%) and minimum Tier I CRAR of 9.50% as at March 31, 2022.

During the year, the Bank has issued additional 42,79,03,111 number of equity shares under Qualified Institutions Placement (QIP) on 21st May, 2021 and raised an amount of ₹1,447.17 crore. Accordingly, the shareholding of Government of India in the Bank has reduced to 83.49% as compared to the shareholding of 89.07% as on 31st March, 2021. Further, the Bank has also issued Basel III compliant Tier-2 bonds of ₹2,000 Crore & additional Tier-1 Bonds of ₹5,000 crore in tranches and exercised call option for redemption of Basel III compliant Tier-2 bonds of ₹2,000.00 crore & additional Tier-1 Bonds of ₹3,400.00 crore.

a) Composition of Regulatory Capital:

(₹ in Crore)

Sr. No	Particulars	31.03.2022	31.03.2021
i.	Common Equity Tier 1 capital (CET 1) / Paid up share capital and reserves@ (net of deductions, if any)	58,048.85	50,000.86
ii.	Additional Tier 1 capital/ Other Tier 1 capital	8,539.83	7,089.64
iii.	Tier 1 capital (i + ii)	66,588.68	57,090.50
iv.	Tier 2 capital	12,692.32	12,172.01
v.	Total capital (Tier 1+Tier 2)	79,281.00	69,262.51
vi.	Total Risk Weighted Assets (RWAs)	5,45,922.81	5,51,520.67
vii.	CET 1 Ratio (CET 1 as a percentage of RWAs) / Paid-up share capital and reserves as percentage of RWAs	10.63	9.07
viii.	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	12.20	10.35
ix.	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	2.32	2.21
x.	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	14.52	12.56
xi.	Leverage Ratio	5.17	4.82
xii.	Percentage of the shareholding of a) Government of India b) State Government (specify name) c) Sponsor Bank	83.49 -- --	89.07 -- --
xiii.	Amount of paid-up equity capital raised during the year	1,447.17	--
xiv.	Amount of non-equity Tier 1 capital raised during the year, of which: a) Basel III compliant Perpetual Non-Cumulative Preference Shares b) Basel III compliant Perpetual Debt Instruments	-- 5,000.00	-- 1,705.00
xv.	Amount of Tier 2 capital raised during the year, of which a) Perpetual Cumulative Preference Shares b) Redeemable Non-Cumulative Preference Shares c) Basel III compliant Redeemable non convertible tier II Bonds	-- -- 2,000.00	-- -- 2,000.00

b) Draw down from Reserves:

During the year 2021-22, the Bank has drawn ₹119.87 crore from other reserves towards unamortized portion of Frauds.

2. ASSET LIABILITY MANAGEMENT

a) Maturity pattern of certain items of assets and liabilities

Current Year 2021-22

(₹ in crore)

	Day 1	2-7 DAYS	8-14 DAYS	15-30 DAYS	31 days-2 months	>2-3 months	>3-6 months	>6 months-1 year	>1-3 years	>3-5 years	> 5 years	TOTAL
Deposits	12,750.62	22,568.14	15,505.37	24,224.17	31,592.76	34,111.25	77,995.40	1,47,057.37	1,20,848.10	86,172.71	4,59,566.76	10,32,392.63
Advances	6,038.86	11,250.55	9,483.94	21,912.53	4,709.33	17,723.78	34,326.71	62,738.47	2,98,295.75	71,329.79	1,23,194.95	6,61,004.66
Investments	1,44,407.71	18,199.02	1,748.39	5,135.88	1,441.91	22,859.62	26,503.85	25,831.24	13,504.34	20,494.70	68,380.73	3,48,507.39
Borrowings	803.30	778.30	602.84	1,132.91	831.74	1,104.87	1,713.57	5,643.17	19,676.78	3,676.24	15,215.38	51,179.10
Foreign currency assets	4,900.56	2,797.74	2,961.84	2,339.01	3,635.01	5,975.17	4,771.74	5,434.65	10,170.15	7,449.49	27.23	50,462.59
Foreign currency liabilities	2,921.98	927.90	1,638.95	1,650.41	1,661.87	3,276.05	3,395.36	5,638.17	6,322.48	6,492.50	265.12	34,190.79

Previous year 2020-21

(₹ in crore)

	Day 1	2-7 DAYS	8-14 DAYS	15-30 DAYS	31 days-2 months	>2-3 months	>3-6 months	>6 months-1 year	>1-3 years	>3-5 years	> 5 years	TOTAL
Deposits	11,694.42	18,607.02	13,760.66	23,523.19	37,021.49	31,306.22	68,591.32	1,07,186.17	1,08,382.66	73,551.34	4,30,180.85	9,23,805.34
Advances	7,173.12	11,484.58	6,734.08	16,592.79	6,417.73	18,817.87	26,682.54	48,794.25	2,77,422.49	68,391.66	1,02,471.75	5,90,982.88
Investments	1,00,670.43	11,906.20	1,008.94	2,560.90	1,178.82	3,305.04	18,365.60	18,003.07	36,339.39	26,551.54	1,11,621.87	3,31,511.79
Borrowings	802.64	636.06	-	1,146.47	1,932.10	868.80	10,393.24	1,283.94	18,242.36	2,176.49	14,355.00	51,837.11
Foreign currency assets	3,540.66	1,084.56	560.53	2,674.13	2,100.73	1,704.15	2,690.29	9,436.09	9,264.62	5,197.94	3,034.17	41,287.87
Foreign currency liabilities	2,193.50	748.75	85.33	1,707.52	2,406.03	1,013.28	10,709.85	5,877.58	3,320.28	3,688.13	785.01	32,535.26

b) Liquidity Coverage Ratio

LCR aims to ensure that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLAs) that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario specified by RBI.

LCR is the ratio of HQLA to Net Cash Outflow.

$$\text{LCR} = \frac{\text{HQLA}}{\text{Net Cash Outflows over 30 days}}$$

Where Net Cash Outflow = Max ((Cash Outflows-Cash Inflows), 25% of Cash Outflow)

Minimum requirement of LCR as stipulated by RBI is 100% for the calendar year 2019 onwards. LCR is applicable to Bank's domestic operations as well as overseas operations.

High Quality Liquid Assets (HQLA):

Liquid assets comprise of high quality assets that can be readily sold or used as collateral to obtain funds in a range of stress scenarios. They should be unencumbered i.e. without legal, regulatory or operational impediments. Assets are considered to be high quality liquid assets if they can be easily and immediately converted into cash at little or no loss of value. HQLA is categorized into two : a) Level 1 Assets, and b) Level 2 Assets. Level 2 Assets are further sub divided into Level 2A Assets & Level 2B Assets based on Liquidity & Price Volatility.

Level 1 assets are stock of HQLA without any haircut. Level 1 Assets mainly comprise Cash including excess Cash Reserve Ratio (CRR), Excess SLR (Statutory Liquidity Ratio), Marginal Standing Facility (2% of Net Demand and Time Liability w.e.f. 01st January 2022) & FALLCR (15.00% of Net Demand and Time Liability).

A haircut of 15% is applied on current market value of Level 2A asset. Level 2A assets mainly comprise of securities with 20% risk weight. A 50% haircut is applied on current market value of Level 2B asset. Level 2B assets should not be more than 15% of the total stock of HQLA. Level 2B assets mainly comprise Securities with risk weights higher than 20% but not higher than 50%.

Net Cash Outflows

The total net cash outflows is defined as the total expected cash outflows minus total expected cash inflows. In order to determine cash outflows, the Bank, in terms of RBI guidelines, segregates its deposits into various customer segments, viz Retail (which include deposits from Natural Persons), Small Business Customers (those with total aggregated funding upto ₹7.5 crore) and deposits from Non-Financial Customers (NFC) and Other Legal Entity Customers (OLE). Total expected cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by the rates at which they are expected to flow in, up to an aggregate cap of 75% of total expected cash outflows.

Brief about LCR of the Bank

The Bank during the three months ended 31st March 2022 maintained average HQLA of ₹2,80,230 crore. Level 1 assets are the main drivers of HQLA for the bank. They contribute to 96% of the total stock of HQLA. Based on daily averages for the quarter ended 31st March 2022, Facility to avail Liquidity for Liquidity Coverage Ratio constitutes the highest portion to HQLA i.e. around 52% of the total HQLA. Level 2 assets which are lower in quality as compared to Level 1 assets, constitute 4% of the total stock of HQLA against maximum permissible level of 40%.

Bank's exposure is mainly in Indian Rupee. Unsecured wholesale funding constitute major portion of total funding sources. Retail deposits and deposits from small business customers contributed around 22% and 5% of the total weighted cash outflows, respectively. Deposits from non-financial corporates contributed around 38% of the total weighted cash outflows. The other contingent funding obligations primarily include bank guarantees (BGs) and letters of credit (LCs) issued on behalf of the Bank's clients. Inflows by various counterparties contribute around 75% of the total weighted cash inflows.

Bank has calculated LCR for all working days over the March 2022 quarter. The average of the daily observation of 67 data points is calculated. The average LCR for the quarter ended 31st March 2022 is 175.38% as against 184.89% for the quarter ended December 2021, and is well above the present minimum requirement prescribed by RBI of 100% for the calendar year 2022.

Movement of Average LCR during the F.Y 2021-22:

Quarter	June 2021	Sept. 2021	Dec. 2021	March 2022	FY 2021-22
LCR Ratio:	168.64	174.79	184.89	175.38	175.79

Quantitative Disclosure (Quarter wise)

	March 2021 Quarter		June 2021 Quarter		September 2021 quarter		December 2021 quarter		March 2022 quarter	
	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)	Total Unweighted Value (Average)	Total Weighted Value (Average)
High Quality Liquid Assets										
1 Total High Quality Liquid Assets (HQLA)	2,64,062.48	2,60,800.07	2,75,196.22	2,71,883.86	2,65,905.75	2,62,849.21	2,80,876.87	2,78,152.33	2,80,230.24	2,77,655.44
Cash Outflows										
2 Retail deposits and deposits from small business customers, of which:	5,85,947.32	44,529.63	5,94,625.89	45,368.06	5,99,048.06	45,787.48	6,04,295.74	46,290.18	6,14,334.98	47,119.13
(i) Stable deposits	2,81,301.96	14,065.10	2,81,890.54	14,094.53	2,82,346.59	14,117.33	2,82,787.93	14,139.40	2,86,287.44	14,314.37
(ii) Less stable deposits	3,04,645.36	30,464.54	3,12,735.36	31,273.54	3,16,701.48	31,670.15	3,21,507.81	32,150.78	3,28,047.54	32,804.75
3 Unsecured wholesale funding, of which:	1,80,334.04	89,557.36	2,04,357.24	1,01,394.39	1,91,527.79	96,086.03	1,96,801.51	99,535.59	2,00,598.22	1,01,620.62
(i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-	-	-
(ii) Non-operational deposits (all counterparties)	1,80,334.04	89,557.36	2,04,357.24	1,01,394.39	1,91,527.79	96,086.03	1,96,801.51	99,535.59	2,00,598.22	1,01,620.62
(iii) Unsecured debt	-	-	-	-	-	-	-	-	-	-
4 Secured wholesale funding	328.26	-	193.83	0.50	72.81	0.95	711.59	-	422.26	7.72
5 Additional requirements, of which	1,47,079.47	18,817.13	1,71,242.05	24,952.04	1,34,084.61	19,434.41	1,19,680.83	17,766.57	1,32,737.42	21,653.42
(i) Outflows related to derivative exposures and other collateral requirements	3.26	3.26	4.29	4.29	1.29	1.29	3.96	3.96	27.26	27.26
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	1,47,076.22	18,813.87	1,71,237.76	24,947.75	1,34,083.32	19,433.12	1,19,676.87	17,762.61	1,32,710.16	21,626.16
6 Other contractual funding obligations	2,403.02	2,403.02	2,811.65	2,811.65	2,902.89	2,902.89	3,309.78	3,309.78	3,201.84	3,201.84
7 Other contingent funding obligations	70,781.69	2,123.52	68,839.14	2,065.72	89,814.09	2,694.72	89,807.54	2,694.65	90,030.40	2,700.94
8 TOTAL CASH OUTFLOWS	9,86,874.20	1,57,431.05	10,42,096.85	1,76,619.41	10,17,476.69	1,66,932.92	10,14,634.53	1,69,624.32	10,41,325.12	1,76,303.66
Cash Inflows										
9 Secured lending (e.g reverse repos)	22,092.64	0.00	23,562.42	0.00	19,302.56	-	32,741.96	-	36,175.58	0.02
10 Inflows from fully performing exposures	2,837.61	2,837.61	4,388.82	4,388.82	17,405.96	12,274.18	19,553.39	14,539.73	18,458.03	13,489.62
11 Other cash inflows	14,986.30	10,513.76	15,775.61	11,006.78	4,278.02	4,278.02	4,644.91	4,644.91	4,499.09	4,499.09
12 TOTAL CASH INFLOWS	39,916.56	13,351.37	43,726.85	15,395.60	40,986.54	16,552.21	56,940.26	19,184.64	59,132.70	17,988.73
13 TOTAL HQLA	2,60,800.07	2,60,800.07	2,75,196.22	2,71,883.86	2,65,905.75	2,62,849.21	2,80,876.87	2,78,152.33	2,80,230.24	2,77,655.44
14 TOTAL NET CASH OUTFLOWS	1,44,079.68	1,44,079.68	1,61,223.81	1,61,223.81	1,50,380.71	1,50,380.71	1,50,439.67	1,50,439.67	1,58,314.93	1,58,314.93
15 LIQUIDITY COVERAGE RATIO (%)	181.01%	181.01%	168.64%	168.64%	174.79%	174.79%	184.89%	184.89%	175.38%	175.38%

c) Net Stable Funding ratio

i) Qualitative Disclosure:

The objective of the Net Stable Funding Ratio (NSFR) is to promote the resilience of bank's liquidity risk profiles and to incentivize a more resilient banking sector over a longer time horizon. The NSFR will require banks to maintain a stable funding profile in the form of Capital & liabilities in relation to the composition of their assets and off-balance sheet activities.

NSFR is defined as the amount of available stable funding relative to the amount of required stable funding.

$$\text{NSFR} = \frac{\text{Available Stable Funding (ASF)}}{\text{Required Stable Funding (RSF)}}$$

RBI issued the regulations on the implementation of the Net Stable Funding Ratio in May 2018 with minimum requirement of equal to at least 100%. The implementation is effective from 1st October, 2021. NSFR is applicable to Bank's domestic operations as well as overseas operations and computed at standalone and consolidated level.

Available Stable Funding (ASF) is defined as the portion of capital and liabilities expected to be reliable which is determined by various factor weights according to the nature and maturity of liabilities with liabilities having maturity of 1 year or more receiving 100 weight.

Required Stable Funding (RSF) is defined as the portion of on balance sheet and off-balance sheet exposures which requires to be funded on an ongoing basis. The amount of such stable funding required is a function of the liquidity characteristics and residual maturities of the various assets held.

Brief about NSFR of the Bank

The main drivers of the Available Stable Funding (ASF) are the capital base, retail deposit base, and funding from non-financial companies and long-term funding from institutional clients. The capital base formed around 9%, retail deposits (including deposits from small sized business customers) formed 68% and wholesale funding formed 21% of the total Available Stable Funding, after applying the relevant weights.

The Required Stable Funding primarily comprised lending to corporates, retail clients and financial institutions which constituted 82% of the total RSF after applying the relevant weights. The stock of High-Quality Liquid Assets which majorly includes cash and reserve balances with the RBI, government debt issuances attracted no or low amount of stable funding due to their high quality and liquid characteristic. Accordingly, the HQLA constituted only 3% of the Required Stable Funding after applying the relevant weights. Other assets and Contingent funding obligations, such as committed credit facilities, guarantees and letters of credit constituted 15% of the Required Stable Funding.

Bank has maintained comfortable stable funding buffers with Available Stable Funding at consolidated level of ` 90,67,645 Mio against ₹61,51,200 Mio of Required Stable Funding, resulting in a consolidated NSFR of 147.41% as on 31st March, 2022.

ii) Quantitative Disclosure

NSFR Disclosure Consolidated, March, 2022

(₹ in crore)

Sr. No.	Details	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	Capital: (2+3)	65,865.83	500.00	2,800.00	16,317.85	82,183.68
2	Regulatory capital	65,865.83	0.00	0.00	862.85	66,728.68
3	Other capital instruments	0.00	500.00	2800.00	15,455.00	15,455.00
4	Retail deposits and deposits from small business customers: (5+6)	3,06,015.13	1,23,377.43	1,12,229.03	1,18,948.30	6,15,904.72
5	Stable deposits	1,57,204.34	16,642.91	16,092.51	19,955.67	2,00,398.44
6	Less stable deposits	1,48,810.80	1,06,734.52	96,136.52	98,992.63	4,15,506.28
7	Wholesale funding: (8+9)	71,238.13	1,52,239.14	1,04,620.69	45,879.68	1,88,062.72
8	Operational deposits	0.00	0.00	0.00	0.00	0.00
9	Other wholesale funding	71,238.13	1,52,239.14	1,04,620.69	45,879.68	1,88,062.72
10	Other liabilities: (11+12)	38,317.01	6,967.54	4,843.17	20,613.39	20,613.39
11	NSFR derivative liabilities	0.00	0.00	0.00	0.00	0.00
12	All other liabilities and equity not included in the above categories	38,317.01	6,967.54	4,843.17	20,613.39	20,613.39
13	Total ASF (1+4+7+10)					9,06,764.50
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)					15,873.09
15	Deposits held at other financial institutions for operational purposes	39.04	0.00	0.00	0.00	19.52
16	Performing loans and securities: (17+18+19+21+23)	2,238.58	1,71,639.17	36,535.76	5,58,433.59	5,05,993.64
17	Performing loans to financial institutions secured by Level 1 HQLA	0.00	0.00	0.00	0.00	0.00
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0.00	97,166.19	1,253.47	24,561.57	28,446.79
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	0.00	70,851.92	28,600.27	4,25,903.02	3,89,150.15
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	40,631.05	3,716.58	1,12,683.89	95,418.35
21	Performing residential mortgages, of which:	0.00	53.30	127.95	59,707.96	38,900.80
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	53.30	127.95	59,707.96	38,900.80
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	2,238.58	3,567.75	6,554.07	48,261.04	49,495.90
24	Other assets: (sum of rows 25 to 29)	78,600.04	11,828.54	0.00	1,996.47	87,378.54
25	Physical traded commodities, including gold	0.00				0.00
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		2,012.38	0.00	0.00	1,710.52
27	NSFR derivative assets		173.75	0.00	0.00	173.75
28	NSFR derivative liabilities before deduction of variation margin posted		87.04	0.00	0.00	87.04
29	All other assets not included in the above categories	78,600.04	9,555.37	0.00	1,996.47	85,407.22
30	Off-balance sheet items		1,17,104.57	0.00	0.00	5,855.23
31	Total RSF (14+15+16+24+30)					6,15,120.01
32	Net Stable Funding Ratio (%)					147.41%

NSFR Disclosure - Consolidated, December 2021

(₹ in crore)

Sr. No.	Details	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	Capital: (2+3)	62,753.57	2,000.00	2,800.00	14,786.49	77,540.06
2	Regulatory capital	62,753.57	0.00	0.00	831.49	63,585.06
3	Other capital instruments	0.00	2,000.00	2,800.00	13,955.00	13,955.00
4	Retail deposits and deposits from small business customers: (5+6)	2,91,263.39	1,18,467.55	1,09,715.66	1,11,179.33	5,87,966.14
5	Stable deposits	1,52,617.66	16,759.49	16,320.58	20,360.22	1,96,773.06
6	Less stable deposits	1,38,645.73	1,01,708.06	93,395.08	90,819.10	3,91,193.08
7	Wholesale funding: (8+9)	55,629.90	1,33,710.15	76,178.98	43,332.48	1,56,424.56
8	Operational deposits	0.00	0.00	0.00	0.00	0.00
9	Other wholesale funding	55,629.90	1,33,710.15	76,178.98	43,332.48	1,56,424.56
10	Other liabilities: (11+12)	41,872.99	11,593.17	3,758.01	19,924.50	19,924.50
11	NSFR derivative liabilities	0.00	0.00	0.00	0.00	0.00
12	All other liabilities and equity not included in the above categories	41,872.99	11,593.17	3,758.01	19,924.50	19,924.50
13	Total ASF (1+4+7+10)					8,41,855.26
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)					15,136.56
15	Deposits held at other financial institutions for operational purposes	81.40	0.00	0.00	0.00	40.70
16	Performing loans and securities: (17+18+19+21+23)	2,687.83	1,16,059.57	35,082.95	5,27,706.01	4,77,359.37
17	Performing loans to financial institutions secured by Level 1 HQLA	0.00	0.00	0.00	0.00	0.00
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0.00	55,981.66	2,680.71	18,102.89	23,076.16
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	0.00	57,154.35	27,380.93	3,81,801.94	3,52,760.45
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	26,427.64	1,452.57	69,858.67	59,348.24
21	Performing residential mortgages, of which:	0.00	444.73	38.28	76,338.52	49,861.54
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	444.73	38.28	76,338.52	49,861.54
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	2,687.83	2,478.84	4,983.02	51,462.66	51,661.21
24	Other assets: (sum of rows 25 to 29)	81,378.60	15,406.78	0.00	2,294.83	92,250.30
25	Physical traded commodities, including gold	0.00				0.00
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		1,849.64	0.00	0.00	1,572.19
27	NSFR derivative assets		214.76	0.00	0.00	214.76
28	NSFR derivative liabilities before deduction of variation margin posted		132.32	0.00	0.00	132.32
29	All other assets not included in the above categories	81,378.60	13,210.06	0.00	2,294.83	90,331.03
30	Off-balance sheet items		2,22,048.26	93.78	0.00	9,301.27
31	Total RSF (14+15+16+24+30)					5,94,088.20
32	Net Stable Funding Ratio (%)					141.71%

3. Investments As at 31.03.2022

	Investment portfolio				Investments in India				Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares	Debtures and Bonds	Subsidiaries and/or joint ventures	Others	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total investments outside India			
Held to maturity													
Gross	1,99,238.04	-	59.71	56,762.49	343.61	346.90	2,56,750.75	--	1,148.71	0.40	1,149.11	2,57,899.86	
Less: Provision for non-performing investments (NPI)	-	-	-	(80.00)	(5.00)	-	(85.00)	--	(1.43)	-	(1.43)	(86.43)	
Net	1,99,238.04	-	59.71	56,682.49	338.61	346.90	2,56,665.75	--	1,147.28	0.40	1,147.68	2,57,813.43	
Available for sale													
Gross	65,341.29	-	5,085.76	14,182.17	-	10,908.61	95,517.83	1,640.39	-	45.62	1,686.01	97,203.84	
Less: Provision for depreciation & NPI	-	-	(2,840.17)	(1,481.55)	-	(1,742.43)	(6,064.15)	(30.20)	-	-	(30.20)	(6,094.35)	
Net	65,341.29	-	2,245.59	12,700.62	-	9,166.18	89,453.68	1,610.19	-	45.62	1,655.81	91,109.49	
Held for trading													
Gross	(415.53)	-	-	-	-	-	(415.53)	--	-	-	-	(415.53)	
Less: Provision for depreciation & NPI	-	-	-	-	-	-	0.00	--	-	-	-	-	
Net	(415.53)	-	-	-	-	-	(415.53)	--	-	-	-	(415.53)	
Total Investments	2,64,163.80	0.00	5,145.47	70,944.66	343.61	11,255.51	3,51,853.04	1,640.39	1,148.71	46.02	2,835.12	3,54,688.16	
Less: Provision for NPI	-	-	-	(80.00)	(5.00)	-	(85.00)	-	(1.43)	-	(1.43)	(86.43)	
Less: Provision for depreciation & NPI	-	-	(2,840.17)	(1,481.55)	-	(1,742.43)	(6,064.15)	(30.20)	-	-	(30.20)	(6,094.35)	
Net	2,64,163.80	0.00	2,305.30	69,383.11	338.61	9,513.08	3,45,703.90	1,610.19	1,147.28	46.02	2,803.49	3,48,507.39	

Note:

- Provision provided in Subsidiaries and/or Joint Venture (in India & outside India) is on account of Standard MTM and not NPI.
- Provision for Non-performing investments includes only Held to Maturity Category.
- Provision for depreciation and NPI includes Available for sale and Held for Trading Category.
- After selling 21% stake in IndiaFirst Life Insurance Co. Ltd, our holding has come down to 9%. Hence, the same is classified in Equity Private (HTM) instead of Subidiary & JV

As at 31.03.2021 (₹ in crore)

	Investments in India						Investments outside India				Total Investments	
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others		Total investments outside India
Held to maturity												
Gross	1,90,986.93	-	-	58,926.19	542.65	231.72	2,50,687.49	--	1,148.71	0.40	1,149.11	2,51,836.60
Less: Provision for non-performing investments (NPI)	-	-	-	(30.00)	(5.00)	-	(35.00)	--	(1.39)	-	(1.39)	(36.39)
Net	1,90,986.93	-	-	58,896.19	537.65	231.72	2,50,652.49	--	1,147.32	0.40	1,147.72	2,51,800.21
Available for sale												
Gross	49,202.14	-	5,103.61	16,927.41	-	12,953.94	84,187.10	1,483.13	-	73.53	1,556.67	85,743.77
Less: Provision for depreciation & NPI	(44.16)	-	(3,087.40)	(1,467.95)	-	(1,590.96)	(6,190.47)	(0.55)	-	-	(0.55)	(6,191.02)
Net	49,157.98	-	2,016.21	15,459.46	-	11,362.98	77,996.63	1,482.58	-	73.53	1,556.12	79,552.75
Held for trading												
Gross	108.84	-	-	50.00	-	-	158.84	-	-	-	-	158.84
Less: Provision for depreciation & NPI	-	-	-	(0.01)	-	-	(0.01)	-	-	-	0.00	0.01
Net	108.84	-	-	49.99	-	-	158.83	-	-	-	-	158.83
Total Investments	2,40,297.91	-	5,103.61	75,903.60	542.65	13,185.66	3,35,033.44	1,483.13	1,148.71	73.93	2,705.78	3,37,739.22
Less: Provision for NPI	-	-	-	(30.00)	(5.00)	-	(35.00)	-	(1.39)	-	(1.39)	(36.39)
Less: Provision for depreciation & NPI	(44.16)	-	(3,087.40)	(1,467.96)	-	(1,590.96)	(6,190.48)	(0.55)	-	-	(0.55)	(6,191.03)
Net	2,40,253.75	0.00	2,016.21	74,405.64	537.65	11,594.70	3,28,807.96	1,482.58	1,147.32	73.93	2,703.84	3,31,511.80

Note:

1. Provision provided in Subsidiaries and/or Joint Venture (in India & outside India) is on account of Standard MTM and not NPI.
2. Provision for Non-performing investments includes only Held to Maturity Category.
3. Provision for depreciation and NPI includes Available for sale and Held for Trading Category.

b) Movements of Provisions for Depreciation and Investment Fluctuation Reserve

		(₹ in Crore)	
	Particulars	2021-2022	2020-2021
i)	Movement of provisions held towards depreciation on investments		
	a) Opening Balance	6,227.42	6,316.07
	b) Add: Provisions made during the year	631.98	762.72
	c) Less: Write off / Write back of excess provisions during the year	678.07	851.37
	d) Closing Balance	6,181.33	6,227.42
ii)	Movement of Investment Fluctuation Reserve		
	a) Opening Balance	1,279.29	0.00
	b) Add: Amount transferred during the year	656.87	1,279.29
	c) Less: Drawdown	0.00	0.00
	d) Closing Balance	1,936.16	1,279.29
iii)	Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category	2.00	1.64

c) Sale and transfers to/from HTM category

The Bank has not made sales and transfers to/from HTM category during the financial year 2021 - 22 exceeding 5 per cent of the book value of investments held in HTM category at the beginning of the year. The 5 per cent threshold to above will exclude:

- i) The one-time transfer of securities to/from HTM category with the approval of Board of Directors permitted to be undertaken by banks at the beginning of the accounting year.
- ii) Direct sale from HTM for bringing down SLR holding in HTM category consequent to a downward revision in SLR requirements by RBI.
- iii) Sale to Reserve Bank of India under liquidity management operations of RBI like Open Market Operations (OMO) and the Government securities acquisition program (GSAP).
- iv) Repurchase of Government Securities by Government of India from banks under buyback / switch operations.
- v) Repurchase of State Development Loans by respective state governments under buyback / switch operations.
- vi) Additional shifting of securities explicitly permitted by the Reserve Bank of India.

d) Non-SLR investment portfolio

i) Non-performing non-SLR investments

		(₹ in Crore)	
S. no.	Particulars	2021-2022	2020-2021
a)	Opening Balance	4,811.06	4,637.92
b)	Additions during the year since 1 st April	566.54	932.60
c)	Reductions during the above period	945.91	759.46
d)	Closing balance	4,431.69	4,811.06
e)	Total provisions held	4,036.84	4,091.41

ii) Issuer composition of non-SLR investments

The issuer composition of investments in securities, other than government and other approved securities is given below:

(₹ in crore)

Sl. no.	Issuer	Amount		Extent of Private Placement		Extent of Below Investment Grade Securities		Extent of Unrated Securities		Extent of Unlisted Securities	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
a)	PSUs	4,071.94	5,611.24	1,170.10	1,135.01		-	3,197.29	3,392.83	22.83	22.83
b)	FIs	2,695.24	5,283.22	595.68	214.36		-		-		-
c)	Banks	2,057.83	1,938.63	1,850.15	598.43		-		-		-
d)	Private Corporate	29,301.27	29,878.49	24,005.23	19,378.01	456.28	944.62	413.54	216.39	138.94	33.75
e)	Subsidiaries/ Joint Ventures	1,492.32	1,691.36	1,492.32	1,691.36						
f)	Others	50,905.77	53,038.37	47,310.71	47,277.50		-		-		-
g)	Provision held towards depreciation	(6,150.58)	(6,182.71)		-						
	TOTAL	84,373.79	91,258.60	76,424.19	70,294.67	456.28	944.62	3610.83	3609.22	161.77	56.58

e) Repo Transactions (in face value terms)

The following tables set forth for the periods indicated, the details of securities sold and purchased under repo and reverse repo transactions respectively including transactions under Liquidity Adjustment Facility (LAF) and Marginal Standing Facility (MSF).

(₹ in crore)

	Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on 31.03.2022
i)	Securities sold under Repo				
	a) Government securities	14,387.54	15,973.43	14,893.63	15,365.43
	b) Corporate debt securities	--	--	--	--
	c) Any other securities	0.00	10.33	8.15	10.33
ii)	Securities purchased under Reverse Repo				
	a) Government securities	1,010.00	59,931.00	27,275.09	52,245.60
	b) Corporate debt securities	--	--	--	--
	c) Any other securities	--	--	--	--

- f) Profit of ₹2,120.13 Crore (previous year ₹1,844.94 crore) on sale of "Held to Maturity" category securities has been taken to profit and loss account initially.
- g) In respect of "Held to Maturity" category, the excess of acquisition cost over face value of the securities amortized during the year amounted to ₹719.79 crore (previous year ₹703.10 Crore).
- h) Total investments made in shares, convertible debentures and units of equity linked mutual funds / venture capital funds and also advances against shares aggregate to ₹2,523.77 crore (previous year ₹2,387.17 crore).

4. Asset Quality

a) Classification of advances and provisions held

(₹ in crore)

FY 2021-22	Standard	Non-performing			Total Non-Performing Advances	Total
	Total Standard Advances	Sub-standard	Doubtful	Loss		
Gross Standard Advances and NPAs						
Opening Balance	5,63,896.13	13,489.56	50,540.50	25,758.14	89,788.20	6,53,684.33
Add: Additions during the year					22,877.39	22,877.39
Less: Reductions during the year*					33,078.53	33,078.53
Closing balance	6,36,820.81	11,040.55	49,449.47	19,097.04	79,587.07	7,16,407.87
*Reductions in Gross NPAs due to:					33,078.53	33,078.53
i) Upgradation					7,742.82	7,742.82
ii) Recoveries (excluding recoveries from upgraded accounts)					5,851.28	5,851.28
iii) Technical/ Prudential Write-offs					18,025.70	18,025.70
iv) Write-offs other than those under (iii) above					1,458.73	1,458.73
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	5,112.97	2,272.67	34,896.24	24,679.04	61,847.95	66,960.92
Add: Fresh provisions made during the year					11,919.46	11,919.46
Less: Excess provision reversed/ Write-off loans					19,110.88	19,110.88
Closing balance of provisions held	6,566.77	2,377.63	33,650.81	18,628.10	54,656.53	61,223.30
Amount kept in Sundry Deposits-ECGC Claim received/Recovery in suit filed accounts/ sacrifice in restructured NPA accounts					627.24	627.24
Net NPAs						
Opening Balance		11,197.34	15,165.99	917.19	27,280.52	27,280.52
Add: Fresh additions during the year					10,986.46	10,986.46
Less: Reductions during the year					13,963.68	13,963.68
Closing Balance		8,659.30	15,524.13	119.87	24,303.30	24,303.30
Floating Provisions						
Opening balance						306.20
Add: Fresh provisions made during the year						--
Less: Amount draw down during the year						306.20
Closing balance of floating provisions						Nil
Technical write-offs and the recoveries made thereon						
Opening Balance of Technical write-offs/ Prudential written off accounts						55,877.88
Add: Technical/Prudential write-off during the year						17,611.07
Less: Recoveries made from previously Technical/Prudential written-off accounts during the year						4,808.52
Closing Balance						68,680.43

(₹ in crore)

FY 2020-21	Standard	Non-performing			Total Non-Performing Advances	Total
	Total Standard Advances	Sub-standard	Doubtful	Loss		
Gross Standard Advances and NPAs						
Opening Balance	5,68,924.76	16,188.46	60,352.10	20,651.98	97,192.54	6,66,117.30
Add: Additions during the year					17,442.68	17,442.68
Less: Reductions during the year*					24,847.02	24,847.02
Closing balance	5,63,896.13	13,489.56	50,540.50	25,758.14	89,788.20	6,53,684.33
*Reductions in Gross NPAs due to:					24,847.02	24,847.02
i) Upgradation					2,674.49	2,674.49
ii) Recoveries (excluding recoveries from upgraded accounts)					5,189.88	5,189.88
iii) Technical/ Prudential Write-offs					14,746.88	14,746.88
iv) Write-offs other than those under (iii) above					2,235.77	2,235.77
Provisions (excluding Floating Provisions)						
Opening balance of provisions held					65,229.57	65,229.57
Add: Fresh provisions made during the year					13,912.19	13,912.19
Less: Excess provision reversed/ Write-off loans					17,293.81	17,293.81
Closing balance of provisions held	5,112.97	2,272.67	34,896.24	24,679.04	61,847.95	66,960.92
Amount kept in Sundry Deposits-ECGC Claim received/Recovery in suit filed accounts/sacrifice in restructured NPA accounts/floating provision					659.73	659.73
Net NPAs						
Opening Balance					31,324.63	31,324.63
Add: Fresh additions during the year					14,406.62	14,406.62
Less: Reductions during the year					18,450.73	18,450.73
Closing Balance		11,197.34	15,165.99	917.19	27,280.52	27,280.52
Floating Provisions						
Opening balance						306.20
Add: Fresh provisions made during the year						--
Less: Amount draw down during the year						--
Closing balance of floating provisions						306.20
Technical write-offs and the recoveries made thereon						
Opening Balance of Technical write-offs/ Prudential written off accounts						46,139.52
Add: Technical / Prudential write-off during the year						14,746.88
Less: Recoveries made from previously Technical / Prudential written-off accounts during the year						5,008.52
Closing Balance						55,877.88

Ratios (in per cent)	2021-2022	2020-2021
Gross NPA to Gross Advances	11.11	13.74
Net NPA to Net Advances	3.68	4.62
Provision coverage ratio	83.61	81.27

Note: As per RBI notification RBI/2021-22/28 DOR.STR.REC.10/21.04.048/2021-22 dated May 5, 2021, Banks are permitted to utilize 100% of floating provision/countercyclical provisioning buffer held by them as on December 31, 2020 for making specific provisions for NPAs with the prior approval of their respective Boards. The Bank has obtained requisite prior approval from its Board of Directors and has utilized floating provision amounting to ₹306.20 Crore towards making specific NPA provision during the quarter/year ended March 31, 2022.

b) Sector-wise Advances and Gross NPAs

(₹ in crore)

Sr. No.	Sector	2021-22			2020-21		
		Outstanding Total Advances	Gross NPA	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
i)	Priority Sector						
a)	Agriculture and allied activities	1,24,395.26	13,543.61	10.89	116,944.15	14,379.97	12.30
b)	Advances to industries sector eligible as priority sector lending	39,765.31	8,167.11	20.54	42,785.42	10,124.17	23.66
c)	Services	75,149.63	13,349.25	17.76	79,639.65	14,899.51	18.71
d)	Personal loans	39,275.53	2,098.46	5.34	40,258.40	2,389.44	5.94
	Sub-total (i)	2,78,585.73	37,158.43	13.34	2,79,627.62	41,793.09	14.95
ii)	Non Priority Sector						
a)	Agriculture and allied activities	8,696.56	1,863.22	21.42	3193.75	126.81	3.97
b)	Industry	1,43,378.04	20,574.40	14.35	1,26,763.50	26,357.31	20.79
c)	Services	1,65,324.21	13,950.23	8.44	1,14,066.55	13,757.81	12.06
d)	Personal loans	1,20,423.35	6,040.79	5.02	1,30,032.91	7,753.18	5.96
	Sub-total (ii)	4,37,822.16	4,24,28.64	9.69	3,74,056.71	47,995.11	12.83
	Total (i+ii)	7,16,407.88	79,587.07	11.11	6,53,684.33	89,788.20	13.74

Details of industry wherein Sub-sector advances is more than 10% of the total advances of industry sector:

Sr. No.	Industry	FY 2021-22			FY 2020-21		
		Outstanding Total Advances	Gross NPA	Percentage of Gross NPAs to total Advances in that sector	Outstanding Total Advances	Gross NPA	Percentage of Gross NPAs to total Advances in that sector
i	Basic Metals & Metal products	16,014	4,557	28.46	23,567	3,376	14.33
ii	Construction	40,734	8,898	21.84	49,592	8,415	16.97
iii	Food manufacturing & processing	18,758	5,101	27.19	20,479	4,439	21.68

c) OVERSEAS ASSETS, NPAs AND REVENUE

(₹ in crore)

Particulars	31.03.2022	31.03.2021
Total Assets	26,418.31	23,148.91
Total NPAs	2,265.25	2,545.74
Total Revenue	426.24	564.94

d) (i) Particulars of resolution plan and restructuring under RBI circular DBR.No..BP.BC.45/31.04.048/2018-19 dated June 7, 2019:

(₹ in crore)

Particulars	No. of accounts	Investment value	Provision Held
Debt converted into Equity Based on RBI June 2019 Circular	4	36.31	30.01

ii) Details of accounts subjected to restructuring

(₹ in crore)

Standard		Agriculture and allied activities		Corporates (excluding MSME)		Micro, Small and Medium Enterprises (MSME)		Retail (excluding agriculture and MSME)		Total	
		Mar-21	Mar-22	Mar-21	Mar-22	Mar-21	Mar-22	Mar-21	Mar-22	Mar-21	Mar-22
Standard	Number of borrowers	455	6,683	11	32	1,25,209	1,05,979	31,416	70,032	1,57,091	1,82,926
	Gross Amount	20.00	332.44	2,346.09	9,246.36	4,971.50	5,707.11	3,824.40	9,533.55	11,161.98	24,819.45
	Provision held	0.52	32.64	148.98	673.44	186.68	435.10	317.83	949.69	654.01	2,090.87
Substandard	Number of borrowers	70	579	0.00	2	16,383	34,772	532	3,088	16,985	38,441
	Gross Amount	4.92	14.45	0.00	72.94	799.37	1,008.81	129.27	298.33	933.56	1,394.52
	Provision held	0.75	2.24	0.00	13.15	120.98	160.32	19.60	46.61	141.33	222.32
Doubtful	Number of borrowers	1368	1224	87	67	8,784	21,852	863	1,202	11,102	24,345
	Gross Amount	220.96	207.61	11,300.20	10,144.05	1,653.15	2,032.77	30.02	153.34	13,204.34	12,537.77
	Provision held	190.63	172.95	10,847.35	8,817.41	1,208.40	1,349.91	20.87	88.94	12,267.25	10,429.20
Loss	Number of borrowers	27	54	66	59	241	2,144	158	1,814	492	4,071
	Gross Amount	99.11	171.34	5,966.81	6,972.99	452	564.96	8.38	89.14	6,526.29	7,798.43
	Provision held	99.11	171.31	5,676.18	6,968.74	451.36	567.01	7.73	89.00	6,234.38	7,796.06
Total	Number of borrowers	1920	8740	164	160	1,50,617	1,64,747	32,969	76,136	1,85,670	2,49,783
	Gross Amount	344.99	725.83	19,613.10	26,436.34	7,876.02	9,313.65	3,992.07	10,074.36	31,826.18	46,550.18
	Provision held	291.01	379.13	16,672.51	16,472.75	1,967.42	2,512.33	366.03	1,174.23	19,296.97	20,538.45

Divergence is asset classification and provisioning

- e) In terms of RBI circular DBR.BP.BC.No. 32/21.04.018/2018-19 dated 1st April, 2019, the Bank should disclose the divergence, resulting due to RBI's Supervisory Program for Assessment of Risk and Capital, wherever either or both of the following conditions are satisfied:
- The additional provisioning for NPAs assessed by RBI exceeds 10 percent of the reported profit before provisions and contingencies for the reference period, and;
 - The additional Gross NPAs identified by RBI exceeds 15 percent of the published incremental Gross NPAs for the reference period.

As the divergence are within the prescribed threshold limit, hence no disclosure is required with respect to RBI's annual supervisory process for the FY 2020-21.

f) Disclosure of transfer of loan exposure:

- i. The Bank has not transferred any loans not in default during FY 2021-22.
- ii. Details of loans not in default acquired through assignment are given below

Particulars	(₹ in crore)	
	2021-22	2020-21
Aggregate Amount of Loans acquired	1,962.42	--
Weighted average residual maturity (in months)	144.00	--
Weighted average holding period by originator (in months)	20.42	--
Retention of beneficial economic interest by the originator	10.00%	--
Tangible Security Coverage	273.96%	--

The loans acquired are not rated as these are to Non-corporate Borrowers.

- iii. The Bank has not acquired any non-performing assets during FY 2021-22.
- iv. Details of non-performing loans transferred are given below:

FY 2021-22

(Amount in ₹ crore)

Particulars	To ARCs	To permitted transferees	To other transferees (please specify)
No. of accounts	8	Nil	Nil
Aggregate principal outstanding of loans transferred	1,181.38		
Weighted average residual tenor of the loans transferred	Nil		
Net book value of loans transferred (at the time of transfer)	108.59		
Aggregate consideration	623.60		
Additional consideration realized in respect of accounts transferred in earlier years	28.52		

FY 2020-21

(Amount in ₹ crore)

Particulars	To ARCs	To permitted transferees	To other transferees (please specify)
No. of accounts	3	Nil	Nil
Aggregate principal outstanding of loans transferred	365.62		
Weighted average residual tenor of the loans transferred	Nil		
Net book value of loans transferred (at the time of transfer)	46.22		
Aggregate consideration	188.46		
Additional consideration realized in respect of accounts transferred in earlier years	Nil		

Note: During the year, excess provision of ₹511.10 crore (PY ₹163.12 crore) was reversed to profit & loss account on account of sale of stressed asset.

- v. Distribution of the SRs held across the various categories of Recovery Ratings assigned to such SRs by the credit rating agencies as on 31st March, 2022 are as under:

Recovery Rating Band	Book Value (₹ in crore)	
	As on 31.03.2022	As on 31.03.2021
RR1+	12.33	14.58
RR1	878.44	824.04
RR2	303.07	534.67
RR3	148.63	254.89
RR4	382.41	331.60
RR5	376.79	261.89
RR6	25.30	17.49
Unrated	78.23	79.39
Total	2,205.20	2,318.55

No new SR is added in the SR portfolio during the FY ending 31st March, 2022.

g) **Fraud Accounts**

Particulars	(₹ in crore)	
	31.03.2022	31.03.2021
Number of frauds reported	638	579
Amount involved in fraud	3,942.37	12,791.43
Amount of Provision made for such frauds	3,554.83	9,830.78
Amount of Unamortized Provision debited from "other reserve" as at the end of Year	119.87	937.89

- h) Details of resolution plan implemented under Resolution framework for Covid 19 related stress as per RBI circular dtd. 6th August 2020 and 5th May, 2021 are as below:

Type of borrower	(₹ in crore)				
	(A) Exposure to accounts classified as standard consequent to implementation of resolution plan- position as at 30.09.21 (A)	(B) of (A) aggregate debt that slipped into NPA during the half-year	(C) Of (A), Amount written off during the half year	(D) Of (A) amount paid by the borrower during the half year	(E) Exposure to accounts classified as standard consequent to implementation of resolution plan- position as at 31.03.2022
Personal Loans	9,689.80	223.77	-	222.72	9,243.31
Corporate persons	8,188.63	2,036.67	-	429.90	5,659.06
Of which, MSMEs	302.85	0.00	-	9.92	292.93
Others	340.51	11.68	-	2.24	326.59
Total	18,218.94	2,272.12	-	717.86	15,228.96

- i) In terms of RBI Circular No. DBR.BP.BC.18/21.04.048/2018-19 dated 1st January, 2019, DOR.No. BP.BC.34/21.04.048/2019-20 dated 11th February, 2020, DOR.No.BP.BC/4/21.04.048/2020-21 dated 6th August, 2020 and DOR.STR.REC.12/21.04.048/2021-22 dated 5th May, 2021 on "Restructuring of Advances – Micro, Small & Medium Enterprises (MSME) Sector (One Time Restructuring)", the Bank has restructured the MSME borrower accounts as under:

No of Accounts restructured	₹ in Crore
1,65,685	7,356.71

- j) In terms of RBI circular no. DOR.STR.REC.11/21.04.048/2021-22 dated 05.05.2021 under Resolution Framework 2.0 for Individuals & Small Business, the details are as under:

Sector	Position as of 31.03.2022	
	No. of borrowers	Amount in ₹ crore
Personal & Small Business	47810	6371.65
Agri/Allied	7465	372.84
Total	55275	6744.49

- k) 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, the bank is holding provision as on 31st March, 2022 in 12 accounts as detailed below:

(₹ in crore)

Amount of loans impacted by RBI circular	Amount of loans to be classified as NPA	Amount of loans as on 31.03.2022 out of (B) to be classified as NPA	Provisions required for loans covered under RBI circular out of (A)	Provision held on 31.03.2022
(A)	(B)	(C)	(D)	(E)
3,893.04	2,665.83	2,665.83	1,219.13	1,219.13

- l) As per RBI circular No. DBR No. BP. 15199/21.04.048/2016-17 and DBR No. BP. 1906/21.04.048/2016-17 dated June 23, 2017 and August 28, 2017 respectively, for the accounts covered under the provisions of the Insolvency and Bankruptcy Code (IBC), the Bank has made a total provision of ₹ 13,756 Crore covering 100% of the total outstanding as on 31st March, 2022.

5. EXPOSURES

- a) Exposure to Real Estate Sector

(₹ in crore)

Sr. No.	Category	31.03.2022	31.03.2021
i)	Direct exposure	91,038.56	92,742.69
a)	Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; - Out of the above, individual housing loan eligible for inclusion in Priority Sector Advances	76,189.00 34,702.00	78,513.68 38,020.20
b)	Commercial Real Estate – lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family 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.	14849.56	14,229.01

(₹ in crore)

Sr. No.	Category	31.03.2022	31.03.2021
c)	Investments in Mortgage Backed Securities (MBS) and other securitized exposures - i. Residential, ii. Commercial Real Estate.	Nil Nil	Nil Nil
ii)	Indirect Exposure Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	44,862.16	35,195.26
	Total Exposure to Real Estate Sector	1,35,900.72	1,27,937.95

b) Exposure to Capital Market

(₹ in crore)

Sr. No.	Category	31.03.2022	31.03.2021
i)	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.	1,364.85	1,284.63
ii)	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	1.32	6.45
iii)	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	319.28	372.31
iv)	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	825.61	1,264.64
v)	Secured and unsecured advances to stock brokers and guarantees issued on behalf of stock brokers and market makers	393.50	452.23
vi)	Loans sanctioned to corporate against the security of shares /bonds/ debentures or other securities or on clean basis for meeting promoter contribution to the equity of new companies in anticipation of raising resources	--	25.00
vii)	Bridge loans to companies against expected equity flows /issues.	--	
viii)	Underwriting commitments taken up by the Banks in respect of primary issue of shares or convertible bonds or convertible debentures and units of equity oriented mutual funds	--	
ix)	Financing to stock brokers for margin trading	--	
x)	All exposures to venture capital funds (both registered and unregistered) will be deemed to be on par with equity and hence will reckon for compliance with the capital market exposure.	1,158.92	1,102.54
	Total exposure to Capital Market	4,063.48	4,507.80

c) Risk Category -wise Country Exposure

(₹ in crore)

Risk Category	Net Exposure 31.03.2022	Provision held 31.03.2022	Net Exposure 31.03.2021	Provision held 31.03.2021
Insignificant	16,345.90	Nil	16,661.26	Nil
Low	13,396.01	Nil	9,989.26	Nil
Moderate	390.84	Nil	286.23	Nil
High	1.18	Nil	0.65	Nil
Very High	5.28	Nil	0.00	Nil
Restricted	0.00	Nil	0.00	Nil
Off-credit	0.00	Nil	0.00	Nil
Total	30,139.21	Nil	26,937.40	Nil

As per Country Risk Policy 2021-22, Bank has used ECGC country risk classification for the Trade Exposure and other than Trade exposure in India both for branches in India and for overseas branches.

Bank will make provision for country risk exposure only in respect of a country where the net funded exposure is 1% or more if its total assets.

d) Unsecured advances

(₹ in crore)

Particulars	31.03.2022	31.03.2021
Total amount of advances outstanding against charge over intangible securities such as the rights, licenses, authority etc.	Nil	Nil
Estimated value of such intangible collateral securities	Nil	Nil

e) Factoring exposure

(₹ in crore)

Particulars	31.03.2022	31.03.2021
TReDS Exposure in terms of DBR.No.FSD.BC.32/24.01.007/2015-16 dated 30th July 2015 (Para 8).	543.54	391.80

f) Intra Group Exposure

(₹ in crore)

Particulars	31.03.2022	31.03.2021
Total amount of Intra group exposure	490.44	399.99
Total amount of Top 20 Intra group exposure	490.44	399.99
Percentage of Intra group exposure to Total exposure of the Bank on borrowers/customers	0.05	0.05
Details of breach of limits on Intra group exposure and regulatory action thereon	NIL	NIL

g) Un-Hedged Foreign Currency Exposures

In terms of guidelines issued by Reserve Bank of India with regard to UFCE, Bank has approved Policy on Unhedged Foreign Currency Exposure of Clients 2021-22. While framing the policy, bank has taken into consideration the exchange risks arising out of volatility in the forex market and accordingly has made suitable provisions to reduce the risks. Bank has also taken into consideration credit risks arising out of unhedged foreign currency exposure and accordingly Bank has put in place risk mitigation measures by incorporating additional loan pricing framework. Total provision made for exposures to entities with UFCE for the year ended March 2022 is ₹30.49 Crores.

6. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAs:

a) Concentration of Deposits

(₹ in crore)		
Particulars	31.03.2022	31.03.2021
Total Deposits of twenty largest depositors	97,755.30	73,698.36
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank.	9.47	7.99%

b) Concentration of Advances

(₹ in crore)		
Particulars	31.03.2022	31.03.2021
Total Advances of twenty largest borrowers/customers	1,04,418.65	71,722.59
Percentage of Advances of twenty largest borrowers to Total Advances of the Bank	14.35	10.83%

c) Concentration of Exposures

(₹ in crore)		
Particulars	31.03.2022	31.03.2021
Total Exposures of twenty largest borrowers/customers	1,39,132.22	1,11,126.87
Percentage of Exposures of twenty largest borrowers/customers to Total Exposures of the Bank on borrowers / customers	14.57	13.09%

d) Concentration of NPAs

(₹ in crore)		
Particulars	31.03.2022	31.03.2021
Total Exposures to top twenty NPA accounts	11,098.86	16,716.74
Percentage of Exposures to the twenty largest NPA Exposures to total Gross NPAs	13.95	18.62

7. DERIVATIVES

a) Forward Rate Agreement/Interest Rate Swap

(₹ in crore)			
Sr. No.	Particulars	31.03.2022	31.03.2021
i)	The notional principal of swap agreements	17,840.00	10,690.00
ii)	Losses which would be incurred if counter parties failed to fulfill their obligations under the agreements	110.71	239.17
iii)	Collateral required by the Bank upon entering into swaps	Nil	Nil
iv)	Concentration of credit risk arising from the Swaps	Banking Industry	Banking Industry
v)	The fair value of the swap book	4.96	20.04

Note:

- I. Interest rate swaps in Indian Rupees were undertaken for hedging Reciprocal Loan Arrangements.
- II. The Bank has entered into Floating to Fixed or Fixed to Floating Interest Rate Swap transactions for trading during the year.
- III. All underlying for hedge transactions are on accrual basis.

b) Exchange Traded Interest Rate Derivatives

(₹ in crore)

Sr. No.	Particulars	31.03.2022		31.03.2021	
		Buy	Sell	Buy	Sell
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)				
	a) 577GS2030	70.00	70.00	129.98	130.03
	b) 585GS2030	1,963.00	1,963.00	--	--
	c) 664GS2035	428.00	428.00	--	--
	d) 610GS2031	3,035.02	3,035.02	--	--
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 st March 2022 (instrument-wise)				
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)				
iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)*				

c) Disclosures on Risk Exposures in Derivatives
i) Qualitative disclosure:

The Bank deals in two groups of derivative transactions within the framework of RBI guidelines.

- i) Over the Counter Derivatives
- ii) Exchange Traded Derivatives

The Bank deals in Forward Rate Agreement, Interest Rate Swaps, Cross Currency Swap and Currency Options in Over the Counter Derivatives group.

In Exchange Traded Derivatives Group, the Bank trades in Currency Futures and Interest Rate Futures. The Bank is Trading & clearing member with three Exchanges viz. National Stock Exchange (NSE), Bombay Stock Exchange (BSE) & Metropolitan Stock Exchange (MSEIL), on their Currency Derivative segment, as permitted by Reserve Bank of India. The Bank carries out proprietary trading in currency futures on these exchanges. The Bank has set up the necessary infrastructure for Front, Mid and Back office operations. Daily Mark to Market (MTM) and Margin obligations are settled with the exchanges as per guidelines issued by the Regulators.

The Bank trades in Interest Rate Futures on National Stock Exchange. The bank has necessary infrastructure for Front, Mid and Back office operations in place. Daily Mark to Market (MTM) and Margin obligations are settled with the exchanges as per guidelines issued by the Regulators.

The Bank undertakes derivative transactions for proprietary trading/market making, hedging own balance sheet and for offering to customers, who use them for hedging their risks within the prevalent regulations. Proprietary trading/market making positions are taken in Rupee Interest Rate Swap, Currency Futures and Interest Rate Futures. While derivative instruments present immense opportunity for making a quantum leap in non-interest income and also for hedging market risk, it exposes the Bank to various risks. The Bank has adopted the following mechanism for managing different risks arising out of derivative transactions.

- a) In terms of the structure, operations in the Treasury Branch are segregated into following three functional areas, which are provided with trained officers with necessary systems support and their responsibilities are clearly defined.
 - l) Front Office (Dealing Room) - Ensures Compliance with trade origination requirements as per Bank's policy and RBI guidelines.

II) Mid-Office - Risk Management, Accounting Policies and Management

III) Back Office - Settlement, Reconciliation, Accounting.

Mid Office monitors transactions in the trading book and excesses, if any, are reported to Risk management Department for necessary action. Mid Office also measures the financial risk for transactions in the trading book on a daily basis, by way of Mark to Market. Daily Mark to Market position is reported to Risk Management Department, for onward reporting of the risk profile to the Directors' Committee on the Assets and Liability Management.

In case of corporate clients transactions are concluded only after the inherent credit exposures are quantified and approved in terms of approval process laid down in the Treasury Policy for customer appropriateness and suitability. The necessary documents like ISDA agreements are duly executed. The bank has adopted Current Exposure Method for monitoring credit exposures.

Bank has entered into Credit Support Annex (CSA) with few banks. CSA is a legal document regulating the term and condition under which collateral of posted to mitigate counterparty credit risk in bilateral credit transactions.

- b) Treasury Policy of the Bank lays down the types of financial derivative instruments, scope of usages, and approval process as also the limits like the open position limits, deal size limits, stop loss limits and counterparty exposure limit for trading in approved instruments.

Various Risk Limits are set up and actual exposures are monitored vis-à-vis the limits.

These limits are set up taking in to account market volatility, business strategy and management experience. Risk limits are in place for risk parameters viz. PV01, stop loss, counterparty credit exposure. Actual positions are measured against these limits periodically and breaches if any are reported promptly. The Bank ensures that the Gross PV01 position arising out of all non option derivative contracts is within the 0.25% of net worth of the Bank.

- c) The Bank also uses financial derivative transactions for hedging its own Balance Sheet Exposures. Treasury Policy of the Bank spells out approval process for hedging the exposures. The hedge transactions are monitored on a regular basis. The notional profit or loss calculated on Mark to Market basis, PV01 and VaR on these deals are reported to the Assets Liability Committee (ALCO) every month. Hedge effectiveness is the degree to which changes in the fair value or cash flows of the hedged items that are attributed to a hedged risk are offset by changes in the fair value or cash flows of the hedging instruments. This exercise is carried out periodically to ensure hedge effectiveness.

- d) The hedged/un-hedged transactions are recorded separately. The hedged transactions are accounted for on accrual basis. All trading contracts are mark-to-market and resultant gross gain or loss is recorded in income statement.

In case of Option contracts, guidelines issued by FEDAI from time to time for recognition of income, premium, and discount are being followed.

To mitigate the credit risk, the Bank has policy in place to sanction limits to the counterparty Banks and Counterparty clients. The Bank adopts Current Exposure method for monitoring counterparty exposure periodically. While sanctioning derivative limit, the competent authority may stipulate condition of obtaining collaterals/margin as deemed appropriate. The derivative limit is reviewed periodically along with other credit limits.

The customer related derivative transactions are covered with counterparty banks, on back-to-back basis for identical amount and tenure and the bank does not carry any market risk.

ii) Quantitative disclosure:

(₹ in crore)

Quantitative Disclosures					
S. No.	Particular	31-03-2022		31-03-2021	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(a)	Derivatives (Notional Principal Amount)				
	(i) For Hedging	370.64	2,180.00	741.97	4,550.00
	(ii) For Trading	4,44,008.28	15,660.00	2,30,474.48	6,140.00
(b)	Marked to Market Position				
	(i) Asset (+)	1,818.71	88.38	1,306.63	104.25
	(ii) Liability (-)	-1,683.63	-88.67	-1181.82	-109.74
(c)	Credit Exposure (*)	11,041.95	267.08	8,365.85	325.92
(d)	Likely impact of one percentage change in interest rate (100*PV01) (in Lacs)				
	(i) On Hedging Derivatives	0.00	4,392.29	0.00	5,421.60
	(ii) On Trading Derivatives	0.00	134.01	0.00	385.98
(e)	Maximum and minimum of 100*PV01 observed during the year (in Lacs)				
	I. Maximum				
	(i) On Hedging	0.00	5,454.20	0.00	10,201.70
	(ii) On Trading	0.00	2,345.28	0.00	581.71
	II. Minimum				
	(i) On Hedging	0.00	1,407.51	0.00	5,409.62
	(ii) On Trading	0.00	22.40	0.00	3.84

d) CREDIT DEFAULT SWAPS:

The Bank has not entered into any Credit Default Swap transactions during the FY 21-22.

8. Disclosures relating to securitisation: Nil

9. Off – Balance Sheet SPVs sponsored by the Bank: Nil

10. TRANSFERS TO DEPOSITOR EDUCATION AND AWARENESS FUND (DEAF)

(₹ in crore)

Particulars	31.03.2022	31.03.2021
Opening balance amounts transferred to DEAF	2,375.24	1,914.71
Add: Amount transferred to DEAF during the Year	545.18	490.35
Less: Amount reimbursed by DEAF towards claims	43.33	29.82
Closing balance of Amount transferred to DEAF	2,877.09	2,375.24

11. DISCLOSURE OF COMPLAINTS:

Summary information on complaints received by the bank from customers and from the OBOs

Complaints received by the Bank from its customers				
Sr. No.		Particulars	2021-22	2020-21
1.		Number of complaints pending at beginning of the year (Including BO Complaints)	10,780	2,872
2.		Number of complaints received during the year (Including BO Complaints)	3,28,216	4,15,035
3.		Number of complaints disposed during the year (Including BO Complaints)	3,37,601	4,07,127
	3.1	Of which, number of complaints rejected by the bank	415	1131
4.		Number of complaints pending at the end of the year (Including BO Complaints)	1,395	10,780
Maintainable complaints received by the bank from OBOs				
5.		Number of maintainable complaints received by the bank from OBOs	7,971	8,544
	5.1	Of 5, number of complaints resolved in favour of the bank by BOs	7,229	6,446
	5.2	Of 5, Number of complaints resolved through conciliation/ mediation/ advisories issued by BOs	740	1182
	5.3	Of 5, number of complaints resolved after passing of Awards by BOs against the bank.	2	8
6.		Number of Awards unimplemented within the stipulated time (Other than those appealed)	0	0

Note:-

- Maintainable complaints refer to complaints on the grounds specifically mentioned in BO Scheme 2006. However, the above data collated from CMS site also includes those complaints settled by agreement per Clause 11 as well as Rejected Complaints as per Clause 13 of Ombudsman Scheme 2006 which is under correspondence.

Top five grounds of complaints received by the Bank from customers (Including BO Complaints)					
Grounds of complaints (i.e. Complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year (2021-22)					
ATM/Debit Cards	4,583	2,13,956	-26.73	324	50
Internet/Mobile/Electronic Banking	344	62,068	1.61	213	-
Levy of Charges Without prior Notice/Excessive Charges/ Foreclosure Charges	2,389	10,355	23.19	47	71
Cheques/Drafts/Bills	52	3410	-36.03	11	-
Credit Cards	27	3194	-17.10	32	17
Others	3,385	35,233	-20.51	768	60
Total	10,780	3,28,216	-20.92	1395	198

Top five grounds of complaints received by the Bank from customers (Including BO Complaints)					
Grounds of complaints (i.e. Complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
Previous Year (2020-21)					
ATM/Debit Cards	1,250	2,92,035	3.30%	4,583	2,342
Internet/Mobile/Electronic Banking	214	61,087	44.16%	344	205
Levy of Charges Without prior Notice/Excessive Charges/Foreclosure Charges	171	8,406	37.51%	2,389	1,746
Cheques/Drafts/Bills	20	5331	129.48%	52	24
Loans & Advances	16	3853	146.04%	27	8
Others	1,201	44,323	146.48%	3,385	1,847
Total	2,872	4,15,035	17.39%	10,780	6,172

12. DISCLOSURE OF PENALTIES IMPOSED BY RBI AND OTHER REGULATOR:

(₹ in crore)

Name of Regulator	Year ended 31 st March 2022		Year ended 31 st March 2021	
	No. of Cases	Amount	No. of Cases	Amount
Banking Regulation Act, 1949	1	1.00	-	-
Other Regulators	1	0.46	-	-

13. Key Management Personnel – Remuneration paid.

(₹ in crore)

Particulars	31.03.2022	31.03.2021
	Amount	Amount
CEO and Managing Director	0.37	0.34
Executive Directors	1.21	1.11
Total	1.58	1.45

14. Other Disclosures

a) BUSINESS RATIOS

(₹ in crore)

Sr. No.	Particulars	31.03.2022	31.03.2021
i)	Interest Income as a percentage to Working Funds	6.11	6.34
ii)	Non-interest income as a percentage to Working Funds	1.13	1.08
iii)	Cost of Deposit	4.12	4.66
iv)	Net Interest Margin	2.71	2.47
v)	Operating Profit as a percentage to Working Funds	1.97	1.81
vi)	Return on Assets	0.47	0.27
vii)	Average Business (Deposits plus advances) per employee (Rs in crore)	20.48	19.23
vi)	Net Profit per employee (Rs in crore)	0.07	0.04

b) BANCASSURANCE BUSINESS:

The breakup of income derived from bancassurance business is given here below

(₹ in crore)

Sr. No.	Nature of Income	31.03.2022	31.03.2021
1.	Life Insurance Policies	170.24	142.13
2.	Non Life Insurance Policies	48.14	48.72
3.	Health Insurance	38.03	32.37

c) Marketing and distribution

Details of fees / remuneration received in respect of the marketing and distribution function (excluding bancassurance business):

(₹ in crore)

Sr. No.	Nature of Income	31.03.2022	31.03.2021
1.	Distributing Mutual Fund Business	17.66	17.34

d) Priority Sector Lending Certificate

Other income of the Bank inter alia includes commission income of ₹143.26 Crore from sale of Priority Sector Lending Certificate. Traded value of PSCL certificate are given below:

(₹ in crore)

Category	Traded Value
PSLC-General	5,157
PSLC-Small & Marginal Farmer	3,700
Total	8,857

e) Provision & Contingencies

(₹ in crore)

Break up of Provision & Contingencies. shown under the head in Profit & Loss:	31.03.2022	31.03.2021
Provision / (Reversal) for NPI on Investment	214.61	966.86
Provision towards NPA	11,613.25	13,595.75
Provision towards Harmonization (refer note below)	--	323.86*
Provision/(Reversal) towards Standard Assets	1,449.02	1,245.63
Net Provision made towards Income Tax (IT)/ Deferred tax assets (DTA)	3,347.31	(506.55)
Other Provision and Contingencies:		
- Shifting Loss	--	--
- Restructured Advances	(32.94)	81.87
- Others	49.83	1,053.54
TOTAL	16,641.08	16,760.96

* On account of amalgamation of Andhra Bank and Corporation Bank with Union Bank of India, the Bank had made additional harmonization provision of ₹323.86 Crore during the FY 2020-21.

f) ROADMAP FOR IMPLEMENTATION OF INDIAN ACCOUNTING STANDARDS (Ind-AS)

The RBI vide DBR.BP.BC.No. 76/21.07.001/2015-16 dated 11th February 2016, has prescribed the roadmap for implementation of Indian Accounting Standards (Ind-AS) in the Banks and the Banks needs to disclose the strategy for Ind-AS implementation, including the progress made in this regard. The Bank accordingly, has appointed a Consultant to assist in implementation of the Ind-AS. The Bank has also constituted a Steering Committee to oversee the progress made and the Audit Committee of the Board is being apprised of the same from time to time. Further, in terms of DO.DBR.BP.No.2535/21.07.001/2017-18 dated 13th September 2017, the Bank had been submitting Proforma Ind AS financial statements to the RBI on quarterly basis till 31st March 2021. Thereafter, in term of RBI's (Department of Regulation) mail dated 8th August 2021, bank has been advised to submit Proforma Ind AS financial statements on half yearly basis. Last proforma financials for the half year ended 30th September 2021 was submitted to RBI vide letter dated 25th November 2021.

g) Payment of DICGC insurance premium

Sr. No.	Particulars	31.03.2022	31.03.2021
i)	Payment of DICGC Insurance Premium	1,083.45	1,000.28
ii)	Arrears in payment of DICGC premium	--	--

15. DISCLOSURES AS PER ACCOUNTING STANDARDS ISSUED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

a. REVENUE RECOGNITION (AS 9)

Income and Expenditure have been accounted for on accrual basis except certain items of income are recognized on realization basis as per Accounting Policy no.3.4 of Schedule 17 of Significant Accounting Policies which however, is not considered to be material.

b. EMPLOYEE BENEFITS (AS 15 - REVISED)

i) Short Term Employment Benefits:

The undiscounted amounts of short-term employee benefits (e.g. medical benefits) payable wholly within twelve months of rendering the service are treated as short term and recognized during the period in which the employee rendered the service.

ii) Long Term Employee Benefits:

a) Defined Contribution Plans:

The Bank operates a new pension scheme (NPS) for all officers/ employees joining the Bank on or after 1st April, 2010, which is a defined contribution plan, such new joinees not being entitled to become members of the existing Pension Scheme. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with a 14% contribution from the Bank. Pending completion of registration procedures of the employees concerned, these contributions retained with the Bank. The Bank recognizes such annual contributions in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS Trust.

The Bank has Defined Contribution Pension Scheme (DCPS) applicable to all categories of officers and employees joining the Bank on or after April 1, 2010. The scheme is managed by National Pension Scheme (NPS) Trust under the aegis of the Pension Fund Regulatory and Development Authority. National Securities Depository Limited has been appointed as the Central Record Keeping Agency for the NPS. During F.Y. 2021-2022, the Bank has contributed Rs 501.51 crores including arrears of Rs120.35 crores (Previous Year ₹297.92 crore) to NPS.

b) Defined Benefit Plan:

Gratuity, Pension and Leave Encashment are defined benefit plans. These are provided for on the basis of an actuarial valuation as per Accounting Standard-15 "Employee Benefit" issued by the Institute of Chartered Accountants of India, made at the end of each financial year, based on the projected unit credit method. Actuarial gains/losses are immediately taken to the Profit & Loss account.

Defined Benefit Plans – Employee's Pension plan and Gratuity plan:

The Bank has accounted for employee benefits as per Accounting Standards issued by the Institute of Chartered Accountants of India, as per actuarial valuation report for the year ended March 31, 2022.

(₹ in crore)

S. No.	Particular	31-03-2022		31-03-2021	
		Gratuity	Pension	Gratuity	Pension
i)	Table showing change in Defined Benefit Obligation:				
	Liability at the beginning of the year	3,355.82	26,011.41	2,738.03	24,553.31
	Interest Cost	232.56	1,797.39	187.28	1,667.17
	Current Service Cost	161.12	212.30	137.71	265.17
	Past Service Cost (Vested Benefit Amortized)	NIL	NIL	NIL	NIL
	Past Service Cost (Vested Benefit)	NIL	1902.02	NIL	NIL
	Liability Transfer in	NIL	NIL	NIL	NIL
	Liability Transfer out	NIL	NIL	NIL	NIL
	(Benefit paid)	(465.84)	(2,341.52)	(433.15)	(1,682.84)
	Actuarial (Gain)/loss on obligation – due to change				
	In the financial assumption	(119.57)	(1,446.34)		
	in demographic assumption	2.86	63.46	(26.36)	(247.67)
	Actuarial (Gain) / Loss on obligations	30.86	2,452.27	752.31	1,456.27
	Liability at the end of the year	3,197.81	28,650.99	3,355.82	26,011.41

(₹ in crore)

S. No.	Particular	31-03-2022		31-03-2021	
		Gratuity	Pension	Gratuity	Pension
	Table of Fair value of Plan Assets:				
	Fair value of Plan Assets at the beginning of the year	2,746.43	26,720.88	2,671.12	23,145.31
	Expected return on Plan Assets	190.33	1846.41	182.70	1,571.57
	Contributions	843.37	551.42	291.35	3,605.19
	Transfer from Other Company	NIL	NIL	NIL	NIL
	Transfer to Other Company	NIL	NIL	NIL	NIL
ii)	(Benefit paid)	(465.84)	(2,341.52)	(433.15)	(1,682.84)
	Actuarial (Gain)/loss on Plan Assets	(53.31)	(266.31)	(34.41)	(81.65)
	Fair Value of Plan Assets at the end of the year	3,367.60	27,043.50	2,746.43	26,720.88
	Actuarial (Gain)/loss on obligation for the period	(85.85)	1,069.39	725.95	1,208.60
	Actuarial (Gain)/loss on Plan Assets	(53.31)	(266.31)	(34.41)	(81.65)
	Total Actuarial (Gain)/loss to be recognized	(139.16)	803.08	691.54	1,126.95
	Recognition of Transitional Liability :				
iii)	Transitional Liability at start	NIL	NIL	NIL	NIL
	Transitional Liability recognized during the year	NIL	NIL	NIL	NIL
	Transitional Liability at end	NIL	NIL	NIL	NIL
	Actual return on Plan Assets :				
iv)	Expected Return on Plan Assets	190.33	1,846.41	182.70	1,571.57
	Actuarial Gain/(Loss) on Plan Assets	53.31	266.31	34.41	81.65
	Actual return on Plan Assets	243.64	2112.72	217.11	1,653.22
v)	Expenses recognized in the Income Statement:				
	Current Service Cost	161.12	212.30	137.71	265.17
	Interest Cost	42.23	(49.02)	4.58	95.60
	Expected Return on Plan Assets	NIL	NIL	NIL	NIL
	Past Service Cost (Vested Benefit Amortized) recognized	NIL	NIL	NIL	NIL
	Past Service Cost (Vested Benefit) recognized(1/5 of enhanced family pension)	NIL	380.40	NIL	NIL
	Recognition of Transition Liability	NIL	NIL	NIL	NIL
	Actuarial (Gain) or Loss	(139.16)	803.08	691.54	1,126.95
	Expenses Recognized in P & L	64.19	1346.76	833.83	1,487.72
vi)	Balance Sheet Reconciliation:				
	Opening Net Liability (Last year net amount recognized in the balance sheet)	609.39	(709.47)	66.91	1,408.00
	Expenses as above	64.19	1346.76	833.83	1,487.72
	Transfer from other Company (Net)	NIL	NIL	NIL	NIL
	Transfer to other Company (Net)	NIL	NIL	NIL	NIL
	(Employer Contribution)	(843.37)	(551.42)	(291.35)	(3,605.19)
	Net (Asset)/Liability Amount recognized in Balance Sheet	(169.79)	85.87	609.39	(709.47)

(₹ in crore)

S. No.	Particular	31-03-2022		31-03-2021	
		Gratuity	Pension	Gratuity	Pension
vii)	Other Details:				
	Pension is payable at the rate of 1/66 Salary for Each Year of Service Subject to Maximum of 50%.				
	Gratuity is payable at the rate of 15 days salary for each year of service subject to maximum of Rs 20, 00,000 or as per the Bank scheme.				
	Actuarial gain / loss is accounted for in the year of occurrence.				
	Salary escalation is considered as advised by the company which is in line with the industry practice considering promotion and demand and supply of the employees.				
	No. of Members	75,201	23,216	78203	28235
	Salary Per Month	354.44	182.95	354.09	210.64
	Contribution for next year	-	592.76	354.09	-
viii)	Category of assets:				
	Government of India Assets	63.45	585.14	64.56	601.59
	Corporate Bonds/FDR	36.15	721.81	96.29	1029.07
	Special Deposits Scheme	-	-	-	-
	State Govt.	101.17	1185.78	125.89	1150.74
	Property	NIL	NIL	NIL	NIL
	Other	244.10	1733.36	185.67	1,426.35
	Insurer Managed Funds	2897.20	22,492.80	2,252.98	22,235.49
	Mutual Fund	25.53	324.61	21.04	277.64
	Total	3,367.60*	27,043.50*	2746.43	26,720.88

*Note: Return on investments in LIC & other insurance companies is considered as 7.25% while arriving Pension liability and as 7.00% while arriving Gratuity liability at the Fair Value of Plan Assets for the FY2021-22 as against the 7.00% considered for arriving Pension and Gratuity liability for the FY2020-21.

(₹ in crore)

Surplus/Deficit in the Plan:	Gratuity Plan				
	31.03.22	31.03.21	31.03.20*	31.03.19*	31.03.18*
Amount recognized in the Balance-Sheet					
Liability at the end of the year	3,197.81	3,355.82	1291.94	1,222.64	1,244.88
Fair value of Plan Assets at the end of the year	3,367.60	2,746.43	1219.01	1,202.14	1,302.00
Difference	169.79	(609.39)	(72.93)	(20.50)	57.12
Unrecognized Past Service Cost	Nil	Nil	Nil	Nil	Nil
Unrecognized Transition Liability	Nil	Nil	Nil	Nil	Nil
Amount Recognized in the Balance Sheet	169.79	(609.39)	(72.93)	(20.50)	57.12

*Amount mentioned for UBI Standalone

(₹ in crore)

Amount recognized in the Balance-Sheet	Gratuity Plan				
	31.03.22	31.03.21	31.03.20*	31.03.19*	31.03.18*
Experience Adjustment	31.03.22	31.03.21	31.03.20*	31.03.19*	31.03.18*
On plan liability (Gain) / Loss	30.86	752.31	25.87	7.91	(142.26)
On plan Assets (Loss) / Gain	53.31	34.41	7.20	(13.03)	10.64

*Amount mentioned for UBI Standalone

(₹ in crore)

Surplus/Deficit in the Plan:	Pension Plan				
	31.03.22	31.03.21	31.03.20*	31.03.19*	31.03.18*
Amount recognized in the Balance-Sheet	31.03.22	31.03.21	31.03.20*	31.03.19*	31.03.18*
Liability at the end of the year	28,650.99	26,011.41	12,746.69	12,158.43	11,803.32
Fair value of Plan Assets at the end of the year	27,043.50	26,720.88	12,607.16	12,308.84	12,115.00
Difference	(1,607.49)	709.47	(139.53)	150.41	311.68
Unrecognized Past Service Cost	1521.62	Nil	Nil	Nil	Nil
Unrecognized Transition Liability	Nil	Nil	Nil	Nil	Nil
Amount Recognized in the Balance Sheet	(85.87)	709.47	(139.53)	150.41	311.68

*Amount mentioned for UBI Standalone

(₹ in crore)

Amount recognized in the Balance-Sheet	Pension Plan				
	31.03.22	31.03.21	31.03.20*	31.03.19*	31.03.18*
Experience Adjustment					
On plan liability (Gain) / Loss	2,452.27	1,456.27	938.90	125.22	(37.82)
On plan Assets (Loss) / Gain	266.31	81.65	75.23	7.18	(21.39)

*Amount mentioned for UBI Standalone

Principal actuarial assumption used (%)	2021-2022		2020-2021	
	Gratuity	Pension	Gratuity	Pension
Discount Rate Prev.	6.93	6.91	6.84	6.79
Rate of return on Plan Assets Prev.	6.93	6.91	6.84	6.79
Salary Escalation Prev.	5.00	5.00	5.00	5.00
Attrition Rate Prev.	2.00	2.00	2.00	2.00
Discount Rate Current	7.31	7.40	6.93	6.91
Rate of Return on Plan Assets Current	7.31	7.40	6.93	6.91
Salary Escalation Current	5.00	5.00	5.00	5.00
Attrition Rate Current	2.00	2.00	2.00	2.00

iii) Other long term Employee Benefits:

Details of Provisions made for various Long-Term Employees Benefits during the year are as follows:

(₹ in crore)

Sr. No.	Other Long Term Benefits	31.03.2022	31.03.2021
1.	Pension	1,346.76	1,487.72
2.	Leave Travel Concession	13.41	27.45
3.	Leave Encashment	48.70	102.29

Bank is having provision of ₹236.12 Crore towards Sick Leave on prudential basis though there is no payout.

iv) **Unamortized Family pension & Gratuity Liabilities:**

Particulars	31.03.2022	31.03.2021
Pension		
a) Balance brought forward	NIL	NIL
b) Gross Liability	1,902.02	NIL
c) Charged to Profit & Loss account	380.40	NIL
d) Balance Carried forward	1,521.62	NIL
Gratuity		
a) Charged to Profit & Loss account	NIL	NIL
b) Carried forward	NIL	NIL

- c. The additional liability on account on enhancement in family pension for employees covered under XI Bi-partite settlement and Joint note dated 11th November, 2020 is arrived at ₹1,902.02 Crores as per Actuarial valuation. Further, in terms of RBI circular RBI/2021-22/105 DOR.ACC.REC.57/21.04.018/2021-22 dated October 4, 2021, Banks are permitted to amortize the said liability over a period of not exceeding 5 years beginning with FY ending 31.03.2022. Accordingly, Bank has opted to amortize the said liability over a period, of 5 years and charged an amount of ₹ 380.40 crore to the profit/loss account for year ended March 31, 2022 and the balance unamortized expense of ₹1,521.62 crore has been carried forward to be amortized in next 4 years. If the unamortized expenditure has been fully recognized in the profit or loss account, the net profit would be ₹3,710.48 Crore for the year ended 31st March 2022.

v) **SEGMENT REPORTING (AS-17)**

(₹ in crore)

Business Segment		Standalone	
		Year Ended	
		(Audited) 31.03.2022	(Audited) 31.03.2021
(a) Segment Revenue			
1	Treasury Operations	26,815.66	27,789.92
2	Retail Banking Operations	26,198.04	24,817.48
3	Corporate /Wholesale Banking	25,776.79	26,541.51
4	Other Banking Operations	1,397.64	1,371.55
5	Unallocated	403.35	133.91
	Total Segment Revenue	80,591.48	80,654.37
	Less Inter-segment Revenue	(122.7)	(142.54)
	Income from operations	80,468.78	80,511.83
(b) Segment Results			
1	Treasury Operations	6,002.74	6,157.83
2	Retail Banking Operations	4,508.68	4,197.57
3	Corporate Banking	(3,093.72)	(8,823.12)
4	Other Banking Operations	758.37	733.23
5	Unallocated	403.35	133.91
	Total Profit/(Loss) Before Tax	8,579.42	2,399.42
(c) Provision for Tax		3,347.31	(506.55)

(₹ in crore)

Business Segment		Standalone	
		Year Ended	
		(Audited)	(Audited)
		31.03.2022	31.03.2021
(d)	Net Profit/(Loss) after Tax	5,232.11	2,905.97
(e)	Segment Assets		
1	Treasury Operations	4,78,735.97	4,27,941.43
2	Retail Banking Operations	3,18,913.6	2,77,171.79
3	Corporate/Wholesale Banking	3,68,181.73	3,41,941.30
4	Other Banking Operations	--	--
5	Unallocated	21,759.76	24,651.32
	Total	11,87,591.06	10,71,705.84
(f)	Segment Liabilities		
1	Treasury Operations	4,70,252.54	4,19,807.14
2	Retail Banking Operations	2,90,449.81	2,53,344.66
3	Corporate/Wholesale Banking	3,35,313.11	3,10,531.92
4	Other Banking Operations	--	--
5	Unallocated	20,999.47	23,545.40
	Total	11,17,014.93	10,07,229.12
(g)	Capital Employed		
1	Treasury Operations	8,483.43	8,134.29
2	Retail Banking Operations	28,463.79	23,827.13
3	Corporate/Wholesale Banking	32,868.62	31,409.38
4	Other Banking Operations	--	--
5	Unallocated liabilities	760.29	1,105.92
	Total	70,576.13	64,476.72

Notes:

1. The Bank operates in four segments viz., Treasury, Retail, Corporate / Wholesale and Other Banking Operations. These segments have been identified in line with AS-17 on segment reporting after considering the nature and risk profile of the products and services, the target customer profiles, the organizational structure and the internal reporting system of the bank. The bank has disclosed the business segment as primary segment. The revenue and other parameters prescribed in AS-17 of foreign branch for the period are within the threshold limits as stipulated under AS-17 and hence the bank has only one reportable geographical segment.
2. Segment wise income, expenditure, Capital employed which are not directly allocable have been allocated to the reportable segments based on assumptions as considered appropriate by the management.
3. Figure of previous period have been regrouped/reclassified wherever necessary.

d. RELATED PARTY DISCLOSURES (AS-18)**i. List of Related Parties****a) Subsidiaries**

- Union Asset Management Co. Pvt. Ltd.
- Union Trustee Company Pvt. Ltd.
- Union Bank of India (UK) Ltd.
- Andhra Bank Financial Services Ltd.
- UBI Services Ltd.

b) Joint Venture

- Star Union Dai-Ichi Life Insurance Co. Ltd.
- ASREC (India) Ltd.
- India International Bank (Malaysia) Berhad

c) Associate

- Chaitanya Godavari Grameena Bank

d) Key Management Personnel

(₹ in crore)

Name	Designation	Remuneration paid for the Year ended 31 st March 2022
Shri Rajkiran Rai G.	Managing Director & CEO	0.37
Shri Gopal Singh Gusain @	Executive Director	0.26
Shri Dinesh Kumar Garg*	Executive Director	0.15
Shri Manas Ranjan Biswal	Executive Director	0.31
Shri Nitesh Ranjan	Executive Director	0.30
Shri Rajneesh Karnatak#	Executive Director	0.14
Shri Nidhu Saxena^	Executive Director	0.05

@ Till 31.01.2022

*Till 30.09.2021

From 21.10.2021

^ From 01.02.2022

Parties with whom transactions were entered into during the year

No disclosure is required in respect of related parties, which are "State controlled Enterprises" as per paragraph 9 of Accounting Standard (AS) 18. Further, in terms of paragraph 6 of AS 18, transactions in the nature of Banker – Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel.

e. "Leases" – Premises taken on Operating Lease (AS 19):

The Bank has no non-cancellable operating lease during the FY 2021-22. Hence, additional disclosure under AS-19 is not applicable. However, the amount of lease payment recognized in the profit & loss account for operating lease is ₹816.15 crore (PY ₹835.15 crore)

f. EARNING PER SHARE (AS-20)

Basic earnings per equity share are computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. The diluted earnings per equity share is computed using the weighted average number of equity shares and weighted average number of diluted potential equity shares outstanding during the year.

The computation of earnings per share is given below:

Particulars	31.03.2022	31.03.2021
Number of Equity shares at the beginning of the year	6,40,68,44,355	6,40,68,44,355
Number of Equity shares issued during the year	42,79,03,111	Nil
Number of Equity shares outstanding at the end of the year	6,83,47,47,466	6,40,68,44,355
Weighted Average Number of Equity Shares used in computing Basic Earnings per share	6,77,26,13,590	6,40,68,44,355
Weighted Average Number of Shares used in computing diluted Earnings per share	6,77,26,13,590	6,40,68,44,355
Net Profit/(Loss) ₹ in Crore	5,232.11	2,905.98
Basic Earnings per share (₹)	7.73	4.54
Diluted Earnings per share (₹)	7.73	4.54
Nominal Value per share (₹)	10.00	10.00

g. PROVISION FOR TAXES:

i. Deferred Tax (AS-22)

(₹ in crore)

Sr. No.	Particulars	31.03.2022	31.03.2021
	Deferred Tax Assets		
1	Employee Benefits (Leave Encashment)	474.78	457.76
2	Depreciation on Fixed Assets	358.42	299.18
3	On account of other provisions	14,069.38	18,146.08
4	Foreign Currency Translation Reserve	1.14	36.50
5	Standard Asset	588.37	--
	Total	15,492.08	18,939.52
	Deferred Tax Liabilities		
1	Accrued interest on securities	1,092.63	1,104.51
2	Special Reserves u/s 36(i)(viii)	2,107.08	1,924.67
3	Depreciation on Investment	--	237.86
	Total	3,199.71	3,267.04
	Net Deferred Tax Asset	12,292.37	15,672.48
	Net Deferred Tax Liability	Nil	Nil

ii. Direct Tax

(₹ in crore)

Particulars	31.03.2022	31.03.2021
Provision for Income Tax (Including Deferred tax)	3,347.31	(506.55)

CORPORATE TAXATION:

Provision for tax is made for both current and deferred taxes. Current tax is provided on the taxable income using applicable tax rates and tax laws. Deferred Tax Assets and Deferred Tax Liabilities arising on account of timing differences and which are capable of reversal in subsequent periods are recognized using the tax rates and the tax laws that have been enacted or substantively enacted till the date of the Balance Sheet.

Deferred Tax Assets are recognized only if there is virtual certainty of realization of such assets in future. Deferred Tax Assets/Liabilities are reviewed at each Balance Sheet date based on developments during the year.

h. INVESTMENT IN JOINT VENTURES (AS – 27)

Investments include ₹236.68 Crores (Previous year ₹435.72 Crores) representing Bank's interest in Star Union Dai-ichi Life Insurance Co., ASREC(India) Limited, and India International Bank (Malaysia) BHD.

i. IMPAIRMENT OF ASSET (AS-28)

In the opinion of the Management, there is no indication for Impairment during the year with regard to the asset to which Accounting Standards 28 applies.

j. CONTINGENT LIABILITIES (AS – 29)

Contingent liabilities referred to in Schedule-12 at S. No.(I) & (VI) are dependent upon the outcome of court/arbitration/out of court settlement, the amount being called up, terms of contractual obligations, devolvement and raising of demand by parties concerned, disposal of appeals respectively.

k. The bank has changed the method of appropriation of recovery in NPA accounts (other than the accounts where method of appropriation has been specifically agreed upon between borrower and the Bank) w.e.f. 1st April 2021. Accordingly, the recoveries in such NPA accounts are now first appropriated towards interest and then towards principal as contrary to the reverse process followed in the earlier periods. The change in accounting policy has resulted in increase in interest income for the quarter by ₹495.26 crore & for the year by ₹1081.77 crore and consequential non-reduction in Gross NPA by equivalent amount.

l. During the current year, there is no material prior period item (as per AS 5) and no discontinued operations (as per AS 24).

m. Climate Control

Union Bank of India has a policy in place in name of "Sustainable Development and Business Responsibility Policy" which is reviewed every year and last reviewed by the Board on 30.03.2022. Through this policy, the Bank is committed to make effort to protect and restore the environment. Bank has taken various initiatives like Electricity Conservations, avoid usage of plastic bottles for packaged drinking water etc.

- n. COVID-19 Pandemic has adversely impacted the economic activity across the globe including the Indian economy. During last Financial year also, India witnessed two more waves of COVID -19 pandemic and the re-imposition of the localized/regional lockdown measures in certain parts of the country. The Bank is continuously monitoring the situation and taking all possible measures including various digital initiatives to ensure continuance of customer outreach & full-fledged banking operations. Keeping in view of the various initiatives and steps taken by the Bank, Government & Reserve Bank of India and with the progress of vaccination program, the Management believes that there would not be any significant impact on Bank's performance in future and going concern assumptions.
- o. BALANCING OF BOOKS, RECONCILIATION OF INTER BRANCH / BANK TRANSACTIONS**
- (i) Confirmation/ Reconciliation of balance with foreign banks and other banks has been obtained/ carried out.
- (ii) Adjustment of outstanding entries in Suspense Accounts, Sundry Deposits, Clearing Adjustments, Bank Reconciliation Statements and various inter-branch/office accounts is in progress.
- (iii) Pending final clearance of the (i) and (ii), the overall impact, if any, on the accounts, in the opinion of the management will not be significant.
- p. Compliance to the Provision of MSME Development Act, 2006**
- Bank is complying with the extant provisions of MSME Development Act, 2006 and there has been no reported cases of any delayed payments of the principal amount or interest due thereon to Micro, Small and Medium Enterprises.

The figures of the previous year have been regrouped/rearranged wherever considered necessary.

Signatories to Schedules 1 to 18

(PANKAJ KUMAR)
DY. GENERAL MANAGER

(PRAFULLA KUMAR SAMAL)
CHIEF FINANCIAL OFFICER

(NIDHU SAXENA)
EXECUTIVE DIRECTOR

(RAJNEESH KARNATAK)
EXECUTIVE DIRECTOR

(NITESH RANJAN)
EXECUTIVE DIRECTOR

(RAJKIRAN RAI G.)
MANAGING DIRECTOR & CEO

(SAMEER SHUKLA)
DIRECTOR

(ARUN KUMAR SINGH)
DIRECTOR

(SURAJ SRIVASTAVA)
DIRECTOR

(LAXMAN S UPPAR)
DIRECTOR

(DR. JAYADEV MADUGULA)
DIRECTOR

(PRITI JAY RAO)
DIRECTOR

For **M/s R G N Price & Co.**
Chartered Accountants
FRN 002785S

For **M/s SARDA & PAREEK LLP**
Chartered Accountants
FRN 109262W/W100673

For **M/s C R Sagdeo & Co.**
Chartered Accountants
FRN 108959W

CA P. M. Veeramani
Partner
Membership No.023933
UDIN: 22023933AIXFGY6267

CA Giriraj Soni
Partner
Membership No.109738
UDIN: 22109738AIXFAO2016

CA Sachin V. Luthra
Partner
Membership No. 109127
UDIN: 22109127AIXFDY8530

For **M/s P V A R & Associates**
Chartered Accountants
FRN 005223C

For **M/s Gopal Sharma & Co.**
Chartered Accountants
FRN 002803C

For **M/s N B S & Co.**
Chartered Accountants
FRN 110100W

CA Sharad Bansal
Partner
Membership No. 423507
UDIN: 22423507AIXFRK9410

CA Gautam Sharma
Partner
Membership No. 079225
UDIN: 22079225AIXFAB5594

CA Pradeep J. Shetty
Partner
Membership No. 046940
UDIN: 22046940AIXEXO8437

Standalone Cash Flow Statement

For the Year Ended 31st March, 2022

(₹ in lacs)

S. No.	Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
A	CASH FLOW FROM OPERATING ACTIVITIES:		
	Net Profit Before Tax	8,57,941	2,39,941
	Adjustments for:		
	Depreciation on Fixed Assets	73,809	89,523
	Provision for Investments	21,461	55,922
	Provision for Non Performing Assets (Net)	11,61,326	13,91,961
	Provision for Standard Asset	1,36,521	1,37,517
	Provision for Staff Related Expenditures	-	86,605
	Provision for other items (Net)	10,072	13,983
	(Profit)/Loss on Sale or Disposal of Fixed Assets	35	(761)
	Interest on Borrowings : Capital Instruments	1,55,133	1,59,660
	Dividend received from Investments	(3,019)	(2,016)
	Sub Total	24,13,280	21,72,334
	Adjustments for:		
	Increase / (Decrease) in Deposits	1,08,58,729	55,17,273
	Increase / (Decrease) in Other Liabilities and Provisions	(90,800)	4,81,492
	(Increase) / Decrease in Investments	(17,40,928)	(51,75,058)
	(Increase) / Decrease in Advances	(81,63,505)	(5,07,273)
	(Increase) / Decrease in Other Assets	4,45,843	(7,04,838)
	Direct taxes paid (Net of Refund)	(1,73,612)	96,730
	Transfer to/from reserve	72,382	1,63,638
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)	36,21,389	20,44,299
B	CASH FLOW FROM INVESTING ACTIVITIES:		
	Purchase of Fixed Assets	(73,970)	(70,444)
	Proceeds from Sale/Adjustment of Fixed asset	15,382	9,739
	(Increase)/Decrease in Investment in Subsidiary	19,907	421
	Sale of stake in Subsidiary	--	--
	Dividend received from Investment	3,019	2,016
	NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(35,662)	(58,268)
C	CASH FLOW FROM FINANCING ACTIVITIES :		
	Proceeds from issue of Equity Share Capital Including Share Premium (Net)	1,44,208	--
	Proceeds from issue of Capital Instruments	7,00,000	3,70,500
	Repayments of Capital Instruments	(5,40,000)	(3,85,000)
	(Decrease)/Increase Borrowings other than Capital Instruments	(2,25,801)	(16,93,479)
	Interest Paid on Borrowings : Capital Instruments	(1,55,133)	(1,59,660)
	NET CASH FLOW FROM FINANCING ACTIVITIES (C)	(76,726)	(18,67,639)
	Cash and Cash equivalent received on account of amalgamation [D]	--	28,12,022
	Net Increase (Decrease) in Cash & Cash Equivalent (A)+(B)+(C)	35,09,001	29,30,413
	Cash and Cash Equivalents as at the beginning of the year	84,41,035	55,10,622
	Cash and Cash Equivalents as at the end of the year	1,19,50,036	84,41,035
	Components of Cash and Cash equivalents		

(₹ in lacs)

S. No.	Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
D	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	01.04.2021	31.03.2020
	Cash and Balances with RBI (including FC notes)	37,88,046	20,11,830
	Balances with Banks and Money at call	46,52,989	34,98,792
	Net cash and cash equivalents at the beginning of the year	84,41,035	55,10,622
E	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	31.03.2022	31.03.2021
	Cash and Balance with RBI (including FC notes)	46,11,259	37,88,046
	Balances with Banks and Money at call	73,38,777	46,52,989
	Net cash and cash equivalents at the end of the year	1,19,50,036	84,41,035

Previous Year's figures have been regrouped/recasted wherever considered necessary to correspond with the year ended classification/ presentation.

(PANKAJ KUMAR)
DY. GENERAL MANAGER

(PRAFULLA KUMAR SAMAL)
CHIEF FINANCIAL OFFICER

(NIDHU SAXENA)
EXECUTIVE DIRECTOR

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DIRECTOR

(LAXMAN S UPPAR)
DIRECTOR

(DR. JAYADEV MADUGULA)
DIRECTOR

(PRITI JAY RAO)
DIRECTOR

Auditors Certificate:

We, the undersigned Statutory Auditors of the Union Bank of India, have verified the above Standalone Cash Flow Statement of the Bank for the year ended 31.03.2022. The statement has been prepared in Indirect Method in accordance with the AS-3, "Cash Flow Statement" issued by The Institute of Chartered Accountants of India and with the requirements of the SEBI (Listing Obligations & Disclosure Requirements), 2015 and is based on and in agreement with the corresponding Standalone Profit & Loss Account and the Standalone Balance Sheet of the Bank covered by our report of the May 13, 2022 to the members.

For M/s R G N Price & Co.
Chartered Accountants
FRN 002785S

For M/s SARDA & PAREEK LLP
Chartered Accountants
FRN 109262W/W100673

For M/s C R Sagdeo & Co.
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CA Pradeep J. Shetty
Partner
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UDIN: 22046940AIXEXO8437

Place of Signature: Mumbai
Date of Report: 13.05.2022

Independent Auditors' Report

To

The President of India /

The Members of Union Bank of India

Mumbai

Report on Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying Consolidated Financial Statements of **Union Bank of India** (the "Bank") which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended, and Notes to the Consolidated Financial Statements including Significant Accounting Policies and other explanatory information, in which following are incorporated –
 - a. Audited Standalone Financial Statements of the Bank;
 - b. Audited Financial Statements of 2 domestic Subsidiaries, 1 domestic Jointly controlled Entities, 1 Regional Rural Banks (Associate) 1 foreign subsidiary and 1 foreign jointly controlled entity.
 - c. Unaudited financial statements of 2 Subsidiaries and 1 Jointly controlled Entity

The above entities together with the Bank are referred to as the "Group".

In our opinion and to the best of our information and according to explanations given to us, and based on the consideration of the reports of the other auditors on separate financial statements, the unaudited financial statements and the other financial information of the subsidiaries, Jointly controlled entities and associates as furnished by the management, the aforesaid Consolidated Financial Statements are in conformity with accounting principles generally accepted in India and give:

- a. true and fair view in case of the Consolidated Balance Sheet, of the state of affairs of the Bank as at March 31, 2022;
- b. true balance of Profit in case of Consolidated Profit & Loss account for the year ended on that date; and
- c. true and fair view of the cash flows in case of Consolidated Cash Flows Statement for the year ended on that date.

Basis of Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by Institute of Chartered Accountants of India (the "ICAI"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group Bank in accordance with the Code of Ethics issued by the ICAI together with ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

3. We draw your attention to Note No. 17 of schedule 18 – Notes to Accounts to the consolidated financial statements which describes that there is change in the accounting policies/estimates followed during the year ended 31st March,

2022 as compared to those followed in the preceding financial year ended 31st March, 2021 with effect from 1st April, 2021, in respect of appropriation of recovery in non performing accounts first towards interest unrealised and then towards principal outstanding as against towards principal first and then towards interest unrealised in earlier periods. Impact due to the change in accounting policy has resulted increase in income for the quarter by ₹495.26 crores and for the year by ₹1,081.77 crores and consequential non-reduction in gross non performing assets by equivalent amount.

We draw your attention to **Note No. 9 of schedule 18** – Notes to Accounts to the consolidated financial statements which describes amortization of additional liability on account of revision in family pension amounting to ₹1,902.02 crores. The bank has charged an amount of ₹380.40 crore to the profit and loss account during the year ended March 31, 2022, and the balance unamortized expenses of ₹1,521.62 crore has been carried forward.

We draw your attention to Note No. 16 of schedule 18 – Notes to Accounts to the consolidated financial statements which describes uncertainties due to outbreak of COVID-19 pandemic. In view of these circumstances, the impact on the Banks operations and financial results is dependent on future developments including actions being taken to mitigate the same and other regulatory measures.

Our opinion is not modified in respect of this matter.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters prescribed below to be the key audit matters to be communicated in our report.

Sr.	Key Audit Matter	How it was dealt with in our report
1	Income Recognition, Asset Classification (IRAC) and provisioning on Loans & Advances and Investments as per the regulatory requirements	
	<p>Loans & Advances and Investments are the largest class of assets forming 85.01% of the total assets as on March 31, 2022. Classification, income recognition and loss provisioning on the same are based on objective parameters as prescribed by the regulations (Reserve Bank of India's prudential norms and other guidelines). The management of the Bank relies heavily on its IT systems (including Core Banking Solution), exercise significant estimates and judgement, manual interventions, and uses services of experts (like independent valuers, Lawyers, legal experts and other professional) to determine asset classification, income recognition and provisioning for losses.</p> <p>The Bank has system based identification of non-performing assets in accordance with IRAC Norms</p>	<p>Our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances and associated impairment provisions.</p> <p>Our audit procedures included the assessment of controls over the approval, disbursements and monitoring of loans, and reviewing the logic and assumptions used in the CBS and other related IT systems for compliance of the IRAC and provisioning norms and its operating effectiveness.</p> <p>These included evaluation and understanding of following:</p> <ul style="list-style-type: none"> Bank's internal control system in adhering to the Relevant RBI guidelines regarding income recognition, asset classification and provisioning pertaining to advances/ investments;

Sr.	Key Audit Matter	How it was dealt with in our report
		<ul style="list-style-type: none"> • System controls and manual controls over the timely recognition of non-performing assets (NPA/NPI); • Operational existence and effectiveness of controls over provisioning calculation models from the IT systems; • Overall Controls on the loan approval, disbursement and monitoring process in case of advances and controls over the purchase, sale and hold decisions making system in case of investments • We tested sample of loans/investments (in cases of branches visited by us) to assess whether they had been identified as non performing on a timely manner, income recognized and provisioning made as per IRAC norms. • We have also reviewed the reliability, effectiveness and accuracy of manual interventions, wherever it has come to our notice, on test check basis. • We have relied on the reports/returns and work done by other Statutory Branch Auditors (SBA) in cases of branches not visited by us to get an overall comfort with respect to overall compliance in accordance with SA 600 - Using the Work of Another Auditor. • We have reviewed the work done by other experts like Independent valuers, Lawyers, Legal Experts and other such professionals who have rendered services to the Bank, in accordance with SA 620 Using the Work of an Auditor's Expert. • Further we have also reviewed the Bank's system of monitoring potentially weak and sensitive accounts which show a sign of stress. • We have also reviewed the reports and observations of the Bank's internal audit/inspection reports and observations of the concurrent auditors for the same. • Verification of valuation, classification, provisioning and income recognition of investments by carrying out substantive test including arithmetic accuracy, data accuracy and control over the financial reporting system. We have test checked and assessed the efficacy of the system based identification of NPA

Sr.	Key Audit Matter	How it was dealt with in our report
2	Information Technology (IT) and controls impacting financial reporting	
	<p>In the normal course of its business, the Bank's financial accounting and reporting systems are highly dependent on the effective working of the Core Banking Solution (CBS) and other IT systems linked to the CBS or working independently. Extensive volume, variety and complexity of transactions are processed daily and there is a risk that automated accounting procedures and related internal controls may not be accurately designed and operating effectively. Particular areas of focus relate to the logic that is fed into the system, sanctity and reliability of the data, access management and segregation of duties. These underlying principles are important because they ensure that changes to applications and data are appropriate, authorized, cleansed and monitored, so that the system generates accurate and reliable reports/ returns and other financial and non-financial information that is used for the preparation and presentation of the financial statements.</p> <p>We have relied on the consistent and accurate functioning of CBS and other IT systems for the following:</p> <ul style="list-style-type: none"> • Asset Classification and Income recognition as per the Reserve Bank of India guidelines; • Provisioning on the advance portfolio; • Identification of advances and liability items and its maturity pattern in various brackets; • Reconciliation and ageing of various suspense and sundry accounts, impersonal accounts, inter-branch balances and other such accounts; • Recording Investment transactions • Interest expense on deposits and other liabilities; 	<p>Our audit procedures included verifying, testing and reviewing the design and operating effectiveness of the IT system by verifying the reports/returns and other financial and non-financial information generated from the system on a test check basis.</p> <p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Ensuring that deficiencies noticed in our verification on test check basis were informed to the management for corrective action; • Carrying out independent alternative audit procedures like substantive testing in areas where deficiencies were noticed; • Analytical procedures like ratio analysis, trend analysis, reasonable tests, comparative analysis; • Reliance on the work performed by the statutory branch auditors and the rectification entries (MOCs) passed based on branch audits; • Reliance on external vendor inspection reports wherever made available. • Reviewed the IS Audit Reports and discussed with IT Department on compliance with key IT controls.

Sr.	Key Audit Matter	How it was dealt with in our report
3	<p>Recognition and measurement of Deferred tax</p> <p>The Bank has recognised a net deferred tax asset of ₹ 12,29,23,747 (in '000) as on March 31, 2022. Besides objective estimation, recognition and measurement of deferred tax asset is based on the judgment and numerous estimates regarding the availability and visibility of profits in the future. The recent decrease in the amount of deferred tax assets presumes availability and forecasting of profits over an extended period of time thus decreasing uncertainty and the inherent risk of inappropriate recognition of the said asset.</p>	<p>Our audit procedures included the risk assessment to gain an understanding of the applicable tax laws and relevant regulations applicable to the Bank. Based on our understanding, we performed both tests of related internal key controls and substantive audit procedures with the assistance of tax specialists. We performed the following audit procedures as part of our controls testing including, but not limited to:</p> <ul style="list-style-type: none"> • Evaluation of the policies used for recognition and measurement of deferred tax assets in accordance with AS 22 Accounting for Taxes on Income; • Assessed the method, assumptions and other parameters used with reference to uniformity, management representations, consistency and continuity like budget and midterm projections prepared by the management including earning growth and applicable tax rates and tested the arithmetical accuracy • Assessed the probability of the availability and visibility of profits against which the bank will be able to use this deferred tax asset in the future.
4	<p>COVID-19 Pandemic</p> <p>COVID-19 Pandemic has adversely impacted the economic activity across the country and the Government of India had announced series of lock down since March 2020 onwards, which were lifted & reimposed at various point of time in regionalized manner across the country based on the prevailing situation in the respective State.</p> <p>Correspondingly and in tune with the partial and complete lock downs, we experienced travel restrictions for some part of the year and the Bank facilitated carrying out audit remotely wherever physical access was not possible. This situation eased out considerably by the end of the year and therefore physical audit was most prevalent at the year end.</p> <p>Therefore wherever we could not gather audit evidence in person/physically/through discussions and personal interactions with the officials at the Branches /Regions & Zones/ Verticals / Corporate Offices, we have identified such modified audit procedures as a Key Audit Matter.</p> <p>Accordingly, our audit procedures were modified to carry out the audit remotely</p>	<p>Wherever physical access was not possible, necessary records/ reports/ documents/ certificates were made available to us by the Bank through digital medium including the designated audit portal of the bank, emails and remote access to CBS and closing package. To this extent, the audit process was carried out on the basis of such documents, reports and records made available to us which were relied upon as audit evidence for conducting the audit and reporting for the current period.</p> <p>Accordingly, we modified our audit procedures (based on regulatory and ICAI advisories) as follows:</p> <ul style="list-style-type: none"> • Conducted verification of necessary records/ documents/ CBS/closing package and other application software electronically through remote access/emails/in respect of some of the Branches/Regions/Zones/Verticals/ Corporate Offices and other offices of the Bank wherever physical access was not possible. • Carried out verification of scanned copies of the documents, deeds, certificates, returns from branches and the related records made available to us through emails and remote access over secure network of the Bank • Making enquires and gathering necessary audit evidence through Video Conferencing, dialogues and discussions over phone calls/conference calls, emails and similar communication channels. • Resolution of our audit observations telephonically/ through email instead of a face to-face interaction with the designated officials.

Information Other than the Consolidated Financial Statements and Auditors' Report thereon

5. The Bank's Board of Directors is responsible for the other information. The other information comprises the Highlights for the year, Directors' Report including annexures to Directors' Report, key financial ratios, Business responsibility Report and Corporate Governance report in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the consolidated financial statements does not cover the Other Information and Pillar 3 disclosures under the Basel III Disclosure and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the Other Information that we obtained prior to the date of this Auditors' Report, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The Bank's Board of Directors are responsible for preparation and presentation of these consolidated Financial Results that give a true and fair view of the consolidated financial position, financial performance and consolidated cash flows and other financial information of the Group including its associate and jointly controlled entity in accordance with the

Accounting Standard 21- "Consolidated Financial Statements", Accounting Standards 23- "Accounting for Investments in Consolidated Financial Statements" and Accounting Standards 27 – Financial Reporting of Interest in Joint Venture" issued by the Institute of Chartered Accountants of India, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India.

The respective Board of Directors of the entities included in the Group and of its associate and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act/ Banking Regulations Act, 1949 for safeguarding the assets of the Group and preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud and error.

In preparing the consolidated Financial statements, the respective Board of Directors of the entities included in the Group and of its associate and jointly controlled entity are responsible for assessing the ability of the group and of its associate and jointly controlled entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group and of its associate and jointly controlled entity are responsible for overseeing the financial reporting process of the Group and of its associate and jointly controlled entity.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are

required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality in the magnitude of the misstatements in the Consolidated financial statements that, individually or aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning of the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the

adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

8. We did not audit the financial statements of 3 subsidiaries and 2 Jointly controlled entities and one associate included in the consolidated financial statements, whose financial statements reflect total assets of ₹ 7,38,99,114 (in thousand) as at March 31, 2022 and total revenues of ₹ 1,42,06,742 (in thousand) for the year ended on that date net profit after tax amounting to ₹ 3,20,963 (in thousand) for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities, are based solely on the reports of the other auditors.

The consolidated financial statements also include the unaudited Financial Results of 2 subsidiaries and 1 jointly controlled entity whose Financial Statements/ Financial Results/ Financial information reflect Group's share of total assets of ₹ 23,61,162 (in thousands) as at 31st March 2022, Group's share of total revenue of ₹ 5,66,826 (in thousands) and Group's share of total net profit after tax of ₹ 3,22,462 (in thousands) for the year ended 31st March 2022, as considered in the consolidated Financial Results. These unaudited Financial Statements/Financial Results/ financial information has been furnished to us duly certified by the Bank's management and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled is based solely on such reviewed/unaudited Financial Statements/ Financial Results/Financial information. In our opinion and according to the information and explanations given to us by Bank's management, these Financial Statements/Financial Results / Financial information are not material to the Group.

The entities of the Group whose financial statements are included in the Consolidated Financial Statements are listed in Schedule 18 Notes to Accounts which forms part of the Consolidated Financial Statements of the Group

Our opinion on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

9. The Consolidated Balance Sheet and the Profit & Loss Account have been drawn up in accordance with section 29 of the Banking Regulation Act, 1949.
10. Subject to limitation of the audit indicated in paragraph 5 and 8 above and as required by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associate and jointly controlled entities, as noted in the 'other matter' paragraphs to the extent applicable and also subject to the limitations of disclosure required therein and we report that:
- We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
 - The transactions of Bank, which have come to our notice, have been within the power of Bank; and
 - The returns received from the offices and branches of the bank have been found adequate for the purpose of our audit.
11. We further report that:
- in our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;

- b) The Consolidated Balance Sheet, Consolidated Profit and Loss account and Consolidated Cash flow statement dealt with by this report are in agreement with the books of account and with the returns received from branches not visited by us;
- c) The reports on the accounts of the branch offices audited by branch auditors of the Bank under section 29 of the Banking Regulation Act, 1949 have been sent to us and have been properly dealt with by us in preparing this report;
- d) in our opinion, the Consolidated Balance Sheet, Consolidated Profit and Loss account and Consolidated Cash flow statement comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.

For **M/s R G N Price & Co.**
Chartered Accountants
FRN 002785S

For **M/s SARDA & PAREEK LLP**
Chartered Accountants
FRN 109262W/W100673

For **M/s C R Sagdeo & Co.**
Chartered Accountants
FRN 108959W

CA P. M. Veeramani
Partner
Membership No.023933
UDIN: 22023933AIXFNV8228

CA Giriraj Soni
Partner
Membership No.109738
UDIN: 22109738AIXFFR2991

CA Sachin V. Luthra
Partner
Membership No. 109127
UDIN: 22109127AIXFLG9220

For **M/s P V A R & Associates**
Chartered Accountants
FRN 005223C

For **M/s Gopal Sharma & Co.**
Chartered Accountants
FRN 002803C

For **M/s N B S & Co.**
Chartered Accountants
FRN 110100W

CA Sharad Bansal
Partner
Membership No. 423507
UDIN: 22423507AIXFXC6066

CA Gautam Sharma
Partner
Membership No. 79225
UDIN: 22079225AIXFID6253

CA Pradeep J. Shetty
Partner
Membership No. 046940
UDIN: 22046940AIXFCS3650

Place of Signature: Mumbai
Date of Report: 13.05.2022

Consolidated Balance Sheet

As on 31st March, 2022

(₹ in 000')

Particulars	Schedule Number	As on 31 March, 2022	As on 31 March, 2021
CAPITAL	1	6,93,87,510	6,51,08,479
Reserves and Surplus	2	63,92,23,739	58,22,69,299
Minority Interest	2A	-	-
Deposits	3	10,34,36,77,535	9,25,65,39,262
Borrowings	4	51,24,51,999	51,92,22,312
Other Liabilities and Provisions	5	37,29,15,316	40,06,34,595
TOTAL		11,93,76,56,099	10,82,37,73,947
ASSETS			
Cash and Balances with Reserve Bank of India	6	46,11,58,920	37,88,57,135
Balances with Banks and Money at Call and Short Notice	7	73,64,23,289	46,87,76,239
Investments	8	3,51,83,90,437	3,39,05,85,059
Advances	9	6,63,35,56,506	5,93,32,00,827
Fixed Assets	10	7,20,83,095	7,36,64,201
Other Assets	11	51,60,43,852	57,86,90,486
Goodwill on Consolidation		-	-
TOTAL		11,93,76,56,099	10,82,37,73,947
Contingent Liabilities	12	6,51,14,68,340	3,71,78,14,658
Bills for Collection		66,08,94,128	34,69,48,137
Significant Accounting Policies	17		
Notes to Accounts	18		

The Schedules referred to above form an integral part of the Consolidated Balance Sheet

(PANKAJ KUMAR)
DY. GENERAL MANAGER

(PRAFULLA KUMAR SAMAL)
CHIEF FINANCIAL OFFICER

For and on behalf of the Board of Directors

(NIDHU SAXENA)
EXECUTIVE DIRECTOR

(RAJNEESH KARNATAK)
EXECUTIVE DIRECTOR

(NITESH RANJAN)
EXECUTIVE DIRECTOR

(RAJKIRAN RAI G.)
MANAGING DIRECTOR & CEO

(SAMEER SHUKLA)
DIRECTOR

(ARUN KUMAR SINGH)
DIRECTOR

(SURAJ SRIVASTAVA)
DIRECTOR

(LAXMAN S UPPAR)
DIRECTOR

(DR. JAYADEV MADUGULA)
DIRECTOR

(PRITI JAY RAO)
DIRECTOR

As per our report of even date attached

For M/s R G N Price & Co.
Chartered Accountants
FRN 002785S

For M/s SARDA & PAREEK LLP
Chartered Accountants
FRN 109262W/W100673

For M/s C R Sagdeo & Co.
Chartered Accountants
FRN 108959W

CA P. M. Veeramani
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Membership No.023933
UDIN: 22023933AIXFNV8228

CA Giriraj Soni
Partner
Membership No.109738
UDIN: 22109738AIXFFR2991

CA Sachin V. Luthra
Partner
Membership No. 109127
UDIN: 22109127AIXFLG9220

For M/s P V A R & Associates
Chartered Accountants
FRN 005223C

For M/s Gopal Sharma & Co.
Chartered Accountants
FRN 002803C

For M/s N B S & Co.
Chartered Accountants
FRN 110100W

CA Sharad Bansal
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CA Gautam Sharma
Partner
Membership No. 79225
UDIN: 22079225AIXFID6253

CA Pradeep J. Shetty
Partner
Membership No. 046940
UDIN: 22046940AIXFCS3650

Place of Signature: Mumbai
Date of Report: 13.05.2022

Consolidated Profit and Loss Account

For the Year Ended 31st March, 2022

(₹ in 000')

Particulars	Schedule Number	For the Year Ended 31 March, 2022	For the Year Ended 31 March, 2021
I. INCOME			
Interest Earned	13	68,22,96,573	69,31,14,562
Other Income	14	13,52,44,131	14,30,67,228
TOTAL		81,75,40,704	83,61,81,790
II. EXPENDITURE			
Interest Expended	15	40,17,84,651	44,11,23,988
Operating Expenses	16	19,70,26,117	19,75,15,212
Provision And Contingencies		16,66,44,918	16,92,62,404
TOTAL		76,54,55,686	80,79,01,605
iii. Consolidated Net Profit/(Loss) before Minority Interest and Share of Earnings in Associate			
		5,20,85,018	2,82,80,185
Add:-Share of profit in Associate		5,68,187	3,53,803
Consolidated Net Profit/(Loss) for the year before deducting Minority Interest		5,26,53,205	2,86,33,988
(Less):-Minority Interest		-	-
Consolidated Net Profit/(Net Loss) for the year attributable to the group		5,26,53,205	2,86,33,988
Add : Profit/(Loss) Brought Forward		35	35
Amount Available for Appropriation		5,26,53,240	2,86,34,023
IV. Appropriation			
Transfer To Statutory Reserve		1,31,93,989	73,35,683
Transfer To Capital Reserve		1,22,12,675	90,01,837
Transfer To Investment Fluctuatuion Risk Reserve		65,68,682	1,27,92,901
Transfer To Revenue And Other Reserves		24,71,838	(4,96,433)
Proposed Dividend		1,29,86,021	-
Transfer To Special Reserve [Sec36(l)(viii)] of the Income Tax Act,1961		52,20,000	-
Balance in Profit and Loss Account		35	35
TOTAL		5,26,53,240	2,86,34,023
Earnings per share (Basic and Diluted in Rs.) of FV of Rs.10/- each	18	7.77	4.47
Significant Accounting Policies	17		
Notes To Accounts	18		

The Schedules referred to above form an integral part of the Consolidated Profit & Loss A/c

(PANKAJ KUMAR)
DY. GENERAL MANAGER

(PRAFULLA KUMAR SAMAL)
CHIEF FINANCIAL OFFICER

For and on behalf of the Board of Directors

(NIDHU SAXENA)
EXECUTIVE DIRECTOR

(RAJNEESH KARNATAK)
EXECUTIVE DIRECTOR

(NITESH RANJAN)
EXECUTIVE DIRECTOR

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MANAGING DIRECTOR & CEO

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DIRECTOR

(LAXMAN S UPPAR)
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(DR. JAYADEV MADUGULA)
DIRECTOR

(PRITI JAY RAO)
DIRECTOR

As per our report of even date attached

For M/s R G N Price & Co.
Chartered Accountants
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CA P. M. Veeramani
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For M/s P V A R & Associates
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For M/s Gopal Sharma & Co.
Chartered Accountants
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CA Gautam Sharma
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UDIN: 22079225AIXFID6253

For M/s C R Sagdeo & Co.
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CA Sachin V. Luthra
Partner
Membership No. 109127
UDIN: 22109127AIXFLG9220

For M/s N B S & Co.
Chartered Accountants
FRN 110100W

CA Pradeep J. Shetty
Partner
Membership No. 046940
UDIN: 22046940AIXFCS3650

Place of Signature: Mumbai
Date of Report: 13.05.2022

Schedules forming part of the Consolidated Balance Sheet

As on 31st March, 2022

(₹ in 000')

Particulars	As on 31 March, 2022	As on 31 March, 2021
SCHEDULE 1 - CAPITAL :		
I. Authorised :		
10,00,00,00,000 Equity Shares of Rs.10 each (Previous Year 10,00,00,00,000 Equity Shares of Rs.10 each)	10,00,00,000	10,00,00,000
II. Issued, Subscribed & Paid up :		
i. 570,66,60,850 Equity Shares of Rs.10 each, held by Central Government (Previous Year 570,66,60,850 Equity Shares)	5,70,66,609	5,70,66,609
ii. 112,80,86,616 Equity Shares of Rs.10 each, held by Public	1,12,80,866	70,01,835
(Previous Year 70,01,83,505 Equity Shares)	6,83,47,475	6,40,68,444
SCHEDULE 1A - PREFERENCE SHARE CAPITAL ISSUED BY SUBSIDIARY COMPANY :		
10,40,03,544 Participatory Non-Redemable Compulsorily convertible Preference Shares of Rs. 10 Each (Issued by Union Asset Management Company Private Limited, a subsidiary company) to Dai Ichi Life Holdings Inc on May 17 2018 for a tenure of 20 years)	10,40,035	10,40,035
TOTAL	10,40,035	10,40,035

(₹ in 000')

Particulars	As on 31 March, 2022		As on 31 March, 2021	
SCHEDULE 2 - RESERVES & SURPLUS :				
I. Statutory Reserve :				
As per last Balance Sheet	13,36,27,665		12,62,91,983	
Addition during the year	1,31,93,989		73,35,682	
Deductions during the year	-	14,68,21,655	-	13,36,27,665
II. Capital Reserve :				
A) Capital Reserve				
As per last Balance Sheet	4,67,20,564		3,77,18,727	
Addition during the year	1,22,12,675		90,01,837	
Deductions during the year	-		-	
	5,89,33,239		4,67,20,564	
B) Revaluation Reserve :				
As per last Balance Sheet	4,89,84,778		4,99,77,701	
Addition during the year	79,200		40,444	
Deduction during the year	14,93,238		10,33,368	
	4,75,70,740		4,89,84,777	
C) Amalgamation Reserves				
As per last Balance Sheet	1,30,95,979		1,30,95,979	
Addition during the year	-		-	
Deduction during the year	-		-	
	1,30,95,979	11,95,99,958	1,30,95,979	10,88,01,321
III) Capital Reserve on Consolidation				
As per last Balance Sheet	6,63,498		6,63,498	
Addition during the year	-		-	

(₹ in 000')

Particulars	As on 31 March, 2022		As on 31 March, 2021	
Deduction during the year	2,42,147	4,21,351	-	6,63,498
IV. Share Premium :				
As per last Balance Sheet	17,37,85,077		50,13,70,025	
Addition during the year	1,01,92,653		-	
Deduction during the year	50,870	18,39,26,860	32,75,84,947	17,37,85,077
V. Revenue and other Reserves :				
i) Revenue Reserve :				
As per last Balance Sheet	9,53,58,032		8,20,08,797	
Addition during the year	1,36,44,810		2,60,02,442	
Deduction during the year	15,72,823		1,26,05,677	
	10,74,30,020		9,54,05,562	
Less:- Minority Interest	-		-	
	10,74,30,020		9,54,05,562	
ii) Special Reserve Sec 36(1)(viii)				
As per last Balance Sheet	5,50,78,789		5,50,78,789	
Addition during the year	52,20,000		-	
	6,02,98,789		5,50,78,789	
iii) Foreign Currency Translation Reserve				
As per last Balance Sheet	20,15,886		15,93,516	
Addition during the year	2,95,338		4,29,740	
Deduction during the year	10,37,597		9,044	
	12,73,628		20,14,212	
iv) Special Profit Reserve/ Cash Flow Hedge Reserve				
As per last Balance Sheet	58,485		58,485	
Addition during the year	-		454	
Deduction during the year	-		-	
	58,485		58,939	
v) Investment Fluctuation Reserves				
As per last Balance Sheet	1,27,92,901		41,300	
Addition during the year	65,68,682		1,27,92,901	
Deduction during the year	-		-	
	1,93,61,583		1,28,34,201	
vi) Debenture Redemtion reserve				
As per last Balance Sheet	-		-	
Addition during the year	31,375		-	
Deduction during the year	-		-	
	31,375	18,84,53,880	-	16,53,91,703
VI. Balance in Profit and Loss Account				
Balance in Profit and Loss Account		35		35
TOTAL		63,92,23,739		58,22,69,299

(₹ in 000')

Particulars	As on 31 March, 2022		As on 31 March, 2021	
SCHEDULE 2 A Minority Interest				
Opening Balance		-		-
Add/(Less):- Increase/(Decrease) during the year		-		-
Total Minority Interest		-		-

(₹ in 000')

Particulars	As on 31 March, 2022		As on 31 March, 2021	
SCHEDULE 3 - DEPOSITS :				
I. Demand Deposits				
i) From Banks	81,32,959		76,23,510	
ii) From Others	71,90,31,754	72,71,64,713	62,94,60,721	63,70,84,231
II. Savings Bank Deposits		3,04,57,69,582		2,71,99,65,042
III. Term Deposits				
i) From Banks	2,27,87,325		3,16,45,104	
ii) From Others	6,54,79,55,915	6,57,07,43,240	5,86,78,44,885	5,89,94,89,989
TOTAL		10,34,36,77,535		9,25,65,39,262
Deposits of branches in India		10,31,96,69,265		9,21,47,62,722
Deposits of branches outside India		2,40,08,270		4,17,76,540
TOTAL		10,34,36,77,535		9,25,65,39,262

(₹ in 000')

Particulars	As on 31 March, 2022		As on 31 March, 2021	
SCHEDULE 4 - BORROWINGS :				
A. Borrowings in India				
i. Reserve Bank of India	14,20,90,000		14,20,90,000	
ii. Other Banks	1,98,28,213		1,40,33,310	
iii. Other Institutions and Agencies	3,02,20,231		2,78,19,964	
iv. Perpetual Bonds	8,70,50,000		7,10,50,000	
v. Subordinated Bonds	10,05,00,000		10,05,00,000	
vi. 7 years infra bonds	-	37,96,88,444	50,01,000	36,04,94,274
B. Borrowings Outside India		13,27,63,555		15,87,28,038
TOTAL		51,24,51,999		51,92,22,312
Secured Borrowings included in (B) I & II above		14,70,29,470		14,20,90,000

(₹ in 000')

Particulars	As on 31 March, 2022	As on 31 March, 2021
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS ::		
I. Bills Payable	2,68,90,202	2,30,30,334
II. Interest Accrued	4,54,94,112	3,18,07,505
III. Others (including provisions)*	30,05,31,002	34,57,96,756
TOTAL	37,29,15,316	40,06,34,595

* Includes provision for Standard Assets ₹ 6,57,86,258 (Previous Year ₹ 5,12,25,996)

(₹ in 000')

Particulars	As on 31 March, 2022	As on 31 March, 2021
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA :		
I. Cash in Hand (including foreign currency notes and Gold)	3,78,48,706	3,78,64,974
II. Balances with Reserve Bank of India		
Balances with Reserve Bank of India In Current Account	42,33,09,768	34,09,87,188
Balances with Reserve Bank of India In Other Account	446	4,973
TOTAL	46,11,58,920	37,88,57,135

(₹ in 000')

Particulars	As on 31 March, 2022	As on 31 March, 2021
SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE :		
I) In India		
i) Balances with Banks		
a) In Current Accounts	24,07,403	58,71,512
b) In Other Deposit Accounts	6,15,83,178	7,11,41,687
ii) Money at Call & Short notice		
a) With Banks	-	-
b) With Other Institutions	55,41,14,877	29,55,40,000
	61,81,05,458	37,25,53,199
II. Outside India		
i) In Current Accounts	33,72,152	27,17,626
ii) In other Deposit Accounts	11,36,93,769	9,20,46,674
iii) Money at call & short notice	12,51,910	14,58,740
	11,83,17,831	9,62,23,040
TOTAL	73,64,23,289	46,87,76,239
SCHEDULE 8 - INVESTMENTS :		
I. Investments in India		
i) Government Securities	2,65,82,89,693	2,42,56,14,461
ii) Other Approved Securities	58,64,924	1,60,14,875
iii) Shares	2,62,42,463	3,27,94,407
iv) Debentures and Bonds	70,34,90,650	75,85,84,336
v) Subsidiaries and Joint Ventures/Associate	26,88,946	21,20,760
vi) Others (Commercial Paper,Mutual Funds, Venture Capital,Security Receipt, Etc.)	10,05,44,011	13,41,76,368
Total	3,49,71,20,687	3,36,93,05,207
II. Investments outside India		
i) Govt Securities (including Local Authorities)	1,85,57,542	1,87,83,099
ii) Shares	6,810	9,450
iii) Other Investments (Bonds)	27,05,398	24,87,303
iv) Subsidiaries and Joint Ventures	-	-
Total	2,12,69,750	2,12,79,852
TOTAL	3,51,83,90,437	3,39,05,85,059

(₹ in 000')

Particulars	As on 31 March, 2022	As on 31 March, 2021
III. Investments in India		
Gross Value	3,55,86,12,295	3,43,15,59,994
Less: Provision for Depreciation	6,14,91,607	6,22,54,787
Net Value of Investment in India	3,49,71,20,688	3,36,93,05,207
IV) Investments outside India		
Gross Value	2,15,85,972	21,2,99,300
Less: Provision for Depreciation	3,16,223	19,448
Net Value of Investment outside India	2,12,69,749	2,12,79,852
TOTAL	3,51,83,90,437	3,39,05,85,059

(₹ in 000')

Particulars	As on 31 March, 2022	As on 31 March, 2021
SCHEDULE 9 - ADVANCES (Net)		
I		
i) Bills Purchased and Discounted	3,87,31,665	4,11,53,857
ii) Cash Credits, Overdrafts and Loans Repayable on Demand	2,87,95,84,813	2,66,27,05,495
iii) Term Loans	3,71,52,40,028	3,22,93,41,475
TOTAL	6,63,35,56,506	5,93,32,00,827
II		
i) Secured by Tangible Assets (includes Advance against Book Debts)	5,36,44,78,377	5,09,22,54,335
ii) Covered by Bank/Government Guarantees	13,07,52,505	16,55,89,292
iii) Unsecured	1,13,83,25,624	67,53,57,201
TOTAL	6,63,35,56,506	5,93,32,00,828
A. Advances in India		
i) Priority Sector	2,59,52,39,457	2,52,92,91,622
ii) Public Sector	72,72,96,155	61,06,29,459
iii) Banks	2,22,975	3,07,310
iv) Others	3,13,83,22,359	2,62,94,41,664
TOTAL	6,46,10,80,946	5,76,96,70,055
B. Advances Outside India		
i) Due From Banks	5,45,65,135	3,47,68,977
ii) Due from Others		
a) Bills Purchased and Discounted	12,32,802	36,979
b) Syndicated Loans	5,47,141	11,83,093
c) Others	11,61,30,482	12,75,41,723
	17,24,75,560	16,35,30,772
TOTAL	6,63,35,56,506	5,93,32,00,827

(₹ in 000')

Particulars	As on 31 March, 2022		As on 31 March, 2021	
SCHEDULE 10 - FIXED ASSETS :				
A. TANGIBLE ASSETS				
I. Premises				
At cost/valuation as per last balance sheet	8,16,49,772		8,09,95,477	
Additions during the year	6,12,275		7,17,393	
Deductions during the year	12,79,323		4,738	
	8,09,82,724		8,17,08,132	
Less: Depreciation till Date	2,64,08,228	5,45,74,496	2,49,42,252	5,67,65,880
II. Capital Work-in-Progress				
At cost as per last balance sheet	6,30,768		5,96,816	
Additions during the year	1,87,638		2,18,977	
Deductions during the year	4,48,273	3,70,133	1,82,517	6,33,276
III. Land				
At cost as per last balance sheet	12,45,683		12,45,683	
Additions during the year	13,08,678		-	
Deductions during the year	55,725		-	
	24,98,636		12,45,683	
Less: Depreciation till Date	4,52,022	20,46,614	78,385	11,67,298
IV. Other Fixed Assets (including Furniture and Fixtures)				
a) Assets given on lease				
At cost as per last balance sheet	2,68,478		2,68,478	
Addition during the year	-		-	
Deductions during the year	-		-	
	2,68,478		2,68,478	
Less: Depreciation till Date	2,68,478	0	2,68,478	0
b) Others				
At cost/valuation as per last balance sheet	6,49,59,025		6,25,93,795	
Additions during the year	49,20,419		35,32,456	
Deductions during the year	8,19,609		9,93,375	
	6,90,59,835		6,51,32,876	
Less: Depreciation till Date	5,63,82,534	1,26,77,301	5,30,38,569	1,20,94,307
B. INTANGIBLE ASSETS				
(i) Computer Software				
At cost as per last balance sheet	1,14,93,797		89,51,793	
Additions during the year	9,10,278		2,720,989	
Deductions during the year	29,870		9,256	
	1,23,74,205		1,16,63,526	
Amortisation till Date	99,59,654	24,14,551	86,60,085	30,03,441
TOTAL		7,20,83,095		7,36,64,201

(₹ in 000')

Particulars	As on 31 March, 2022	As on 31 March, 2021
SCHEDULE 11 - OTHER ASSETS :		
I. Inter-Office Adjustments (net)	1,79,97,046	7,34,01,772
II. Interest Accrued	7,77,68,178	6,16,79,664
III. Tax paid/Tax deducted at source (Net of Provisions)	5,41,13,751	6,63,96,665
IV. Stationery and Stamps	63,349	68,176
V. Non-Banking Assets acquired in satisfaction of claims	1,334	1,238
VI. Deferred Tax Assets (Net)	12,29,53,434	15,67,50,030
VII. MAT Credit	2,96,94,268	1,19,72,569
VIII. Others	21,34,52,492	20,84,20,372
TOTAL	51,60,43,852	57,86,90,486
SCHEDULE 12 - CONTINGENT LIABILITIES :		
I. Claims against the Bank not acknowledged as debts	3,32,70,455	3,73,28,046
II. Liability for partly paid Investments	-	41,578
III. Liability on account of outstanding forward exchange contracts	4,37,12,08,481	2,30,09,22,075
IV. Guarantees given on behalf of Constituents		
i) In India	65,35,08,697	66,32,75,681
ii) Outside India	1,65,87,098	1,35,04,434
V. Acceptances, Endorsements and Other Obligations	1,26,99,57,903	52,14,77,693
VI. Other items of Contingent Liability	-	3,95,261
VII.) Disputed Tax demands under Appeals	13,81,64,819	15,71,17,481
VIII.) Amount transferred to DEAF Scheme 2014	2,87,70,887	2,37,52,409
TOTAL	6,51,14,68,340	3,71,78,14,658

Schedules forming part of the Consolidated Profit & Loss Account for the year ended 31st March 2022

(₹ in 000')

Particulars	Year Ended 31 March, 2022	Year Ended 31 March, 2021
SCHEDULE 13 - INTEREST EARNED :		
I. Interest/Discount on Advances/Bills	45,29,33,293	45,83,44,668
II. Income on Investments	20,15,94,684	21,03,54,155
III. Interest on Balances with RBI & Other Inter Bank Funds	2,14,39,537	1,61,06,390
IV. Others	63,29,059	83,09,349
TOTAL	68,22,96,573	69,31,14,562
SCHEDULE 14 - OTHER INCOME :		
I. Commission, Exchange and Brokerage	1,71,90,485	1,21,60,225
II. Profit on Sale of Investments - (Net)	3,52,44,503	4,32,96,427
III. Profit on revaluation of Investments (Net)	(13,43,760)	40,76,402
IV. Profit/ (Loss) on Fixed Asset - (Net)	(3,489)	2,05,851
V. Profit on Exchange Transactions - (Net)	60,83,678	43,40,878
VI. a) Lease Finance Income	-	-
b) Lease Management Fee	-	-
c) Overdue Charges	-	-
d) Interest on Lease Rent Receivables	-	-
VII. Miscellaneous Income	7,80,72,713	7,89,87,445
TOTAL	13,52,44,131	14,30,67,228
SCHEDULE 15 - INTEREST EXPENDED :		
I. Interest on Deposits	37,47,18,766	40,83,59,049
II. Interest on Reserve Bank of India/Inter Bank Borrowing	1,05,60,975	1,49,23,543
III. Others	1,65,04,910	1,78,41,396
TOTAL	40,17,84,651	44,11,23,988
SCHEDULE 16 - OPERATING EXPENSES :		
I. Payments to and Provisions for Employees	10,26,36,661	9,49,10,217
II. Rent, Taxes and Lighting	1,08,29,331	1,12,06,349
III. Printing and Stationery	9,75,941	9,30,033
IV. Advertisement and Publicity	6,94,846	7,18,677
V. a) Depreciation on Bank's Property other than Leased Assets	74,48,149	90,81,502
b) Depreciation on Leased Assets	-	-
VI. Directors' Fees, Allowances and Expenses	48,608	59,706
VII. Auditors' Fees and Expenses (including Branch Auditors)	6,70,847	10,94,891
VIII. Law Charges	15,25,868	13,66,141
IX. Postage, Telegrams, Telephones, etc.	31,25,474	23,36,294
X. Repairs and Maintenance	33,75,669	36,62,617
XI. Insurance	1,16,58,849	1,20,98,687
XII. Amortization of Goodwill, if any	-	-
XIII. Other Expenditure	5,40,35,874	6,00,50,099
TOTAL	19,70,26,117	19,75,15,212

Significant Accounting Policies (Consolidated) : Schedule 17

1. Basis of Preparation

The financial statements have been prepared and presented under the historical cost convention and accrual basis of accounting, unless otherwise stated. These are prepared following the Going Concern concept, in accordance with requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949. The accounting and reporting policies of the Bank used in the preparation of these financial statements conform to Generally Accepted Accounting Principles in India (Indian GAAP), the guidelines issued by Reserve Bank of India (RBI) from time to time and the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI) to the extent applicable and practices generally prevalent in the banking industry in India. In respect of foreign offices, statutory provisions and practices prevailing in foreign countries are complied with.

2. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumptions considered in the reported amount of Assets and Liabilities (including Contingent Liabilities) as of the date of the financial statements and the reported Income and the Expenses during the reporting period. Management believes that the estimates wherever used in the preparation of the financial statements are prudent and reasonable. Actual results can differ from these estimates. Any revision in the accounting estimates is recognized prospectively in the current and future period.

3. Basis of consolidation

a) Bank is having 5 subsidiaries, 3 JVs and 1 associate. The details are as under:-

S. No.	Nature	Entities	Stake
1	Subsidiary	Union Asset Management Company Pvt. Ltd.	100%
2	Subsidiary	Union Trustee Co Pvt. Ltd.	100%
3	Subsidiary	Union Bank of India(UK) Ltd.	100%
4	Subsidiary	Andhra Bank Financial Services Ltd.	100%

5	Subsidiary	UBI Services Ltd.	100%
6	JV	Star Union Dai-Ichi Life Insurance Co Ltd.	25.10%
7	JV	ASREC (India) Ltd	26.02%
8	JV	India International Bank (Malaysia) BHD	25.00%
9	Associate	Chaitanya Godavari Grameena Bank	35%

The consolidated financial statements are prepared on the basis of:

- 1) Audited Accounts of the parent bank (Union Bank of India)
 - 2) **Consolidation of Subsidiaries:** Line by Line aggregation of the Income/Expenditure/ Assets/Liabilities of the subsidiaries with the respective line item of the parent bank, after eliminating all intra-group transactions, unrealized profits/loss in terms of AS 21 on Consolidated Financial Statements issued by Institute of Chartered Accountants of India (ICAI).
 - 3) **Consolidation of Associates:** The Investment in Associate is accounted for consolidation as per Equity Method in terms of AS 23 on Accounting for Investments in Associates in Consolidated Financial Statement issued by Institute of Chartered Accountants of India (ICAI).
 - 4) **Consolidation of Joint Ventures:** Line by Line consolidation is done with proportionate share in Joint Venture in terms of AS-27 on Financials Reporting in Interest of Joint Venture issued by Institute of Chartered Accountants of India (ICAI).
- b) In case of Domestic Associate/Subsidiaries and Joint Venture, accounting adjustments arising due to different accounting policies followed by parent bank and associate/subsidiaries and Joint Venture have not been carried out due to practical difficulties on the basis of data provided by associates/ subsidiaries and Joint Venture as the amounts are not material.

- c) The difference between cost to the Group of its investment in the subsidiaries and the Parent's portion of the equity of the subsidiaries is recognized in the CFS as Goodwill / Capital Reserve, as the case may be.
- d) Minority interest in the net assets of the consolidated subsidiaries consists of:
- i) The amount of equity attributable to the minority at the date on which investment in a subsidiary is made and
 - ii) The minority share of movements in revenue reserves / loss and equity since the date the parent subsidiary relationship came into existence.
 - iii) The excess, and any further losses applicable to the minority, are adjusted against the majority interest except to the extent that the minority has a binding obligation to, and is able to, make good the losses

4. Revenue Recognition

a) Banking entities

- i) Income and Expenditure have been accounted for on accrual basis unless otherwise stated.
- ii) Income on Non-Performing Assets (NPAs) is recognized to the extent realized as per the prudential norms prescribed by the RBI. Income accounted for in the preceding year and remaining unrealized is derecognized in respect of assets classified as NPAs during the year.
- iii) Commission on Letter of Guarantee/Letter of Credit is accounted on accrual basis.
- iv) Exchange and brokerage earned, rent on Safe Deposit Lockers, income from Aadhaar cards Minimum balance charges etc. are accounted for on realization basis.
- v) Income (Other than interest) on investments in "Held to Maturity" (HTM) category acquired

at discount to the face value is recognized as follows:

- a) On interest bearing securities, it is recognized only at the time of sale/ redemption.
- b) On Zero-coupon securities, it is accounted for over the balance tenor of the securities on a constant yield basis.
- vi) Dividend is accounted on an accrual basis where the right to receive the dividend is established.
- vii) Sale of NPAs accounted in terms of extant RBI guidelines.
- viii) Interest on Income-tax refunds is accounted for on receipt of Intimation order from the Income Tax Department.

b) Non-Banking entities

Life Insurance

i. Premium Income

Premium (net of GST) is recognized as income when due. For linked business, premium is recognized when the associated units are created. Top up premiums are considered as single premium. Premium on lapsed policies is recognized as income when such policies are reinstated. Commission received on reinsurance ceded is recognized as income in the period in which reinsurance premium is ceded.

ii. Income from linked funds

Income from linked funds which includes premium allocation charges, policy administrative charges, mortality charges, fund management charges etc. are recovered from the linked funds in accordance with the terms and conditions of policies issued.

iii. Reinsurance Premium

Cost of reinsurance ceded is accounted for at the time of recognition of premium income in accordance with the treaty or in principle arrangement with the reinsurer. Profit commission on reinsurance ceded is netted off against premium ceded on reinsurance.

iv. Benefits paid (including claims)

Benefits paid comprise of policy benefits & claim settlement costs, if any. Death, rider & surrender claims are accounted for on receipt of intimation. Survival benefit claims and maturity claims are accounted for when due. Withdrawals & surrenders under linked policies are accounted for in the respective schemes when the associated units are cancelled. Reinsurance recoveries on claims are accounted for in the same period as the related claims.

v. Acquisition Costs

Acquisition costs are costs that vary with and are primarily related to acquisition of insurance contracts and are expensed in the period in which they are incurred.

vi. Liability for life policies

Actuarial liability for life policies in force and for policies in respect of which premium has been discontinued but a liability exists, is determined by the Appointed Actuary using the gross premium method and in case of group business, unearned premium reserve method, in accordance with accepted actuarial practice, requirements of Insurance Act, 1938, IRDA regulations and the stipulations of Institute of Actuaries of India.

Asset Management

- i. Investment management fees are recognized net of service tax on an accrual basis as a percentage of the average daily net assets of the mutual fund schemes (excluding the investments made by the company in

the schemes) such that it does not exceed the limit prescribed by the SEBI (Mutual Funds) Regulations, 1996 and any further amendments.

- ii. Investment advisory fees are recognized on accrual basis in accordance with the terms of contract with the customers.
- iii. Interest income is recognized using the time proportion method, based on the rates implicit in the transaction.
- iv. Dividend income is recognized when right to receive is established.

5. Investments

i) Classification

In conformity of the requirements in form A of the Third Schedule to the Banking Regulations Act, 1949, Investments are classified as under:

- a) Government Securities
- b) Other Approved Securities
- c) Shares
- d) Debentures & Bonds
- e) Investments in Subsidiaries & Joint Ventures, and
- f) Other Investments

The Investment portfolio of the Bank is further classified in accordance with the RBI guidelines contained in Master Circular Master Circular DoR.MRG.42/21.04.141 /201-22 dated August 25, 2021 into three categories viz.,

- a) Held to Maturity (HTM)
- b) Available for Sale (AFS)
- c) Held for Trading (HFT)

ii) Basis of Valuation

As per RBI guidelines, the following principles have been adopted for the purpose of valuation:

- a) Securities held in "HTM" – at acquisition cost: The excess of acquisition cost over the face value is amortized over the remaining period

of maturity and in case of discount; it is not recognized as income.

- b) Investment in Regional Rural Banks is valued at carrying cost.
- c) Investments in Subsidiaries and Joint Ventures are valued at carrying cost
- d) Diminution other than temporary, if any, in valuation of such investments is provided for.
- e) Securities held in "AFS" and "HFT" categories are valued classification wise and scrip wise and net depreciation, if any, in each classification is charged to Profit and Loss account while net appreciation, if any, is ignored.
- f) Valuation of other securities is arrived at as follows:

A	Govt. of India Securities (Central Govt. Securities)	As per quotations put out by Fixed Income Money Market and Derivatives Association (FIMMDA/FBIL)
B	State Development Loans, State Govt. Securities, Securities guaranteed by Central/ State Government, PSU Bonds	On appropriate yield to maturity basis as per FIMMDA/FBIL guidelines
C	Equity Shares	As per market rates, if quoted, otherwise at Break-up Value, as per latest Audited Balance Sheet (not more than 1 year old). In the absence of both, at ₹ 1/- per Company. The break-up Value is computed excluding revaluation reserve.
D	Preference Shares	As per market rates, if quoted, or on appropriate yield to maturity basis not exceeding redemption value as per FIMMDA/FBIL guidelines

E	Debentures/Bonds	As per market rates, if quoted, otherwise on appropriate yield to maturity basis as per FIMMDA/FBIL guidelines.
F	Mutual Funds(MF)	As per stock exchange quotations, if quoted. In case of unquoted units, as per latest Repurchase price declared by concerned MF. In cases where latest repurchase price is not available, as per Net Asset Value (NAV)
G	Treasury Bills / Certificate of Deposits / Commercial Papers	At carrying cost
H	Venture Capital Funds (VCF)	At declared NAV or Breakup NAV as per audited Balance Sheet which is not more than 18 months old. If NAV / audited financial statements are not available for more than 18 months continuously, at ₹ 1/- per VCF
I	Security Receipts	At NAV as declared by Securitization Companies

iii) Interbank REPO / Reverse REPO transactions are accounted for in accordance with extant RBI guidelines.

iv) As per the extant RBI guidelines, the shifting of securities from one category to another is accounted for as follows:

- a) From AFS / HFT categories to HTM category, at lower of book value or market value as on the date of shifting. Depreciation, if any, is fully provided for.

- b) From HTM category to AFS / HFT category,
- If the security is originally placed at discount in HTM category, at acquisition cost/ book value
 - If the security is originally placed at a premium, at an amortized cost.
- c) From AFS to HFT category and vice versa, at book value.
- d) The securities so shifted are revalued immediately and resultant depreciation is fully provided for.
- v) The non-performing investments are identified and provision is made as per the extant RBI guideline.
- vi) Profit / Loss on sale of investments & appreciation/ depreciation of investment in any category is taken to the Profit and Loss account. However, in case of profit on sale of investments in "HTM" category, an equivalent amount (net of taxes and net of transfer to Statutory Reserves) is appropriated to the Capital Reserve account.
- vii) Commission, brokerage, broken period interest etc. on securities is debited / credited to Profit & Loss account.
- viii) Income from the units of Mutual Fund, Venture Capital & Security Receipt is recognized on Cash Basis.
- ix) As per the extant RBI guidelines, the Bank follows 'Settlement Date' for accounting of investments transactions.

6. Derivative Contracts:

- a) The Interest Rate Swap which hedges interest bearing Asset or Liability are accounted for in the financial statements on accrual basis except the swap designated with an Asset or Liability that is carried at market value or lower of cost or market value. Gains or losses on the termination of swaps are recognized over the shorter of the remaining contractual life of the swap or the remaining life of the Asset / Liability.

- b) Trading swap transactions are marked to market with changes recorded in the financial statements. (profit if any, is ignored)
- c) In the case of option contracts, guidelines issued by Foreign Exchange Dealers Association of India (FEDAI) from time to time for recognition of income, premium and discount are being followed.

7. Advances

- i) Advances in India, are classified under four categories, i.e. (a) Standard, (b) Sub-standard, (c) Doubtful and (d) Loss assets. Provisions required on such advances are made as per the extant prudential norms issued by the RBI in terms of Master Circular DOR.No.STR.REC.55/21.04.048/2021-22 dated October 01,2021. In respect of foreign offices, Advances are classified in accordance with Prudential Norms prescribed by the RBI or local laws of the host country in which advances are made, whichever is more stringent.
- ii) Advances are stated net of specific loan loss provisions, counter cyclical provisioning buffer and provision for diminution in fair value of restructured advances and unrecovered interest held in sundry / claims received from Credit Guarantee Trust for Micro & Small Enterprises (CGTMSE)/Export Credit Guarantee Corporation (ECGC) relating to non-performing assets.
- iii) The general provision on standard advances is held in "Other Liabilities and Provisions" reflected in Schedule 5 of the balance sheet and is not considered for arriving at both net NPAs and net advances.
- iv) Amounts recovered against debts written off are recognized as revenue in the year of recovery.
- v) Provision on Suspense accounts entries outstanding for more than six months are made at 100% except the claim receivable from Govt./Govt. Bodies like Interest Subsidy on crop loan/export advance, Pension receivable etc.

8. Property, Plant and Equipment

- i) Premises and Other Fixed Assets are stated at

cost less accumulated depreciation as adjusted for impairment, if any. The cost comprises of purchase price, eligible borrowing costs and directly attributable costs of bringing the Asset to its working condition for the intended use less trade discounts and rebates. Subsequent expenditure incurred on assets put to use is capitalized only when it increases the future benefits from such assets or their functional capability. Land and Buildings, if revalued are stated at revalued amount. The appreciation on revaluation is credited to Revaluation Reserve and the depreciation provided thereon is deducted therefrom and shall be credited to Revenue Reserves in terms of revised AS-10 on "Property, Plant and Equipment.

- ii) Depreciation on Fixed Assets is provided for on the Straight Line Method at the rates prescribed in Expenditure Policy of the Bank from time to time. The applicable rates of depreciation are as under:

Sr. No.	Capital Asset	Useful Life (Years)	Rate in percentage
1	Immovable Property-Land	Not stipulated; accordingly, no depreciation	NIL
2	Building with RCC frame structure (Both Residential & Non-residential)	60	1.67
3	Furniture	10	10.00
4	Fixtures	10	10.00
5	Air-conditioning plants (Package & water/air cooled ductable)	10	10.00
6	Split & Window Air conditioners	5	20.00
7	Electrical installments and equipment	5	20.00
8	Solar Power Equipment	15	6.67
9	Elevators & Lifts	15	6.67
10	Civil & Flooring work in leased Premises	5	20.00
11	Telephone Equipment	5	20.00
12	Motor Cycles, Scooters & other mopeds	10	10.00

Sr. No.	Capital Asset	Useful Life (Years)	Rate in percentage
13	Motor Cars, Motor Lorries and Electrically operated vehicles including battery powered or fuel cell powered vehicles	8	12.50
14	Mobile Phones	3	33.33
15	Generators	15	6.67
16	Office Equipment	5	20.00
17	Computers & computer software forming integral part of hardware	3	33.33
18	ATM & allied items	3	33.33
19	UPS & allied items	5	20.00
20	Servers & Networks	6	16.66
21	End user devices such as desktops, laptops, i-pads, tablets, printer & Scanner, digital watches etc.	3	33.33

- iii) Depreciation on premises is provided on composite cost, wherever the value of Land and Buildings is not separately identifiable.
- iv) Depreciation on Leased assets and Leasehold improvements is recognized on a straight-line basis using rates determined with reference to the primary period of lease.
- v) Depreciation on fixed assets outside India and fixed assets of subsidiaries / associates is provided as per regulatory requirements / or prevailing practices of respective country / industry.

9. Impairment of Assets

The carrying costs of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying cost of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying cost

of the asset over its remaining useful life. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation, if there was no impairment.

10. Counter Cyclical Provisioning Buffer

The Bank has a policy for creation and utilization of Counter Cyclical Provisioning Buffer separately for advances and investments. The quantum of provision to be created is assessed at the end of each financial year. The counter cyclical provisions are utilized only for contingencies under extra ordinary circumstances specified in the policy with prior permission of the RBI.

11. Transactions involving Foreign Exchange

Accounting for transactions involving foreign exchange is done in accordance with AS 11, (The Effects of Changes in Foreign Exchange Rates), issued by the ICAI. As stipulated in AS 11, the foreign currency operations of the Bank are classified as under

- b) Integral Operations and
- c) Non Integral Operations.

All Overseas Branches, Offshore Banking Units, Overseas Subsidiaries are treated as Non Integral Operations and domestic operations in foreign exchange and Representative Offices are treated as Integral Operations.

a) Translation in respect of Integral Operations

- i.) Income and Expenditure items are recognized at the exchange rates prevailing on the date of the transaction.
- ii.) Foreign Currency Monetary and Non-Monetary Assets and Liabilities are translated at the closing spot rates notified by FEDAI at the end of each quarter.
- iii.) Contingent liabilities on account of guarantees, acceptances, endorsements and other obligations are stated at the exchange rates notified by FEDAI at the close of the year
- iv.) The resulting exchange differences are recognized as income or expenses and are accounted through Profit and Loss Account.

- v.) Forward exchange contracts are recorded at the exchange rate prevailing on the date of commitment. Outstanding forward exchange contracts are revalued at the exchange rates notified by FEDAI for specified maturities and at interpolated rates for contracts of 'in-between' maturities. The resultant gains or losses are recognized in the Profit and Loss account.

b) Translation in respect of Non Integral Operations

- i) Assets and Liabilities (including contingent liabilities) are translated at the closing spot rates notified by FEDAI at the end of each quarter
- ii) Foreign Exchange Spot and Forwards contingent liabilities outstanding as at the balance sheet date are translated at the closing spot and forward rates respectively notified by FEDAI and at interpolated rates for contracts of interim maturities.
- iii) Income and Expense are translated at quarterly average rate notified by FEDAI at the end of each quarter.
- iv) The resulting exchange differences are not recognized as income or expense for the period but accumulated in a separate account "Foreign Currency Translation Reserve" till the disposal of the net investment.

12. Employee Benefits

A. Short Term Employment Benefits:

The undiscounted amounts of short term employee benefits (e.g. medical benefits) payable wholly within twelve months of rendering the service are treated as short term and recognized during the period in which the employee rendered the service.

B. Long Term Employee Benefits:

i. Defined Contribution Plans:

The Bank operates a new pension scheme (NPS) for all officers/ employees joining the Bank on or after 1st April, 2010, which is a defined contribution plan, such new joiners not being entitled to become members of the existing Pension Scheme. As per the scheme, the covered employees contribute 10% of

their basic pay plus dearness allowance to the scheme together with 14% contribution from the Bank. Pending completion of registration procedures of the employees concerned, these contributions retained with the Bank. The Bank recognizes such annual contributions in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS Trust.

ii. Defined Benefit Plan:

Gratuity, Pension and Leave Encashment are defined benefit plans. These are provided for on the basis of an actuarial valuation as per Accounting Standard-15 "Employee Benefit" issued by the Institute of Chartered Accountants of India, made at the end of each financial year, based on the projected unit credit method. Actuarial gains/losses are immediately taken to the Profit & Loss account.

13. Segment Reporting

The Bank recognizes the Business segment as the Primary reporting segment and Geographical segment as the Secondary reporting segment, in accordance with the RBI guidelines and in the compliances with the Accounting Standard-17 "Segment Reporting" issued by the Institute of Chartered Accountants of India. Business segments are classified into:

- 13.1 Treasury Operations,
- 13.2 Corporate and Wholesale Banking,
- 13.3 Retail Banking Operations and
- 13.4 Other Banking Operations

14. Lease Transactions

Lease payments for assets taken on operating lease are amortized over the lease term. The properties taken on lease / rental basis are renewable / cancellable at the option of the Bank. The Bank's liabilities in respect of disputes pertaining to additional rent / lease rent are recognized on settlement or on renewal.

15. Earnings Per Share

Earnings per share are calculated by dividing the net profit or loss (after tax) for the year attributable to the

equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share reflect the potential dilution that could occur if contracts to issue equity shares were exercised or converted during the year. Diluted earnings per equity share are calculated by using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

16. Taxation

This comprises of provision for Income tax and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) as determined in accordance with AS-22 on "Accounting for taxes on Income" issued by ICAI. Provision for Tax is made for both current and deferred taxes. Current tax is provided on the taxable income using applicable tax rate. Deferred Tax Assets and Deferred Tax Liabilities arising on account of timing differences and which are capable of reversal in subsequent periods are recognized using the tax rates and the tax laws that have been enacted or substantively enacted till the date of the Balance Sheet. Deferred Tax Assets are not recognized unless there is 'reasonable certainty' that sufficient future taxable income will be available against which such Deferred Tax Assets will be realized. In case of carry forward of unabsorbed depreciation and tax losses, Deferred Tax Assets are recognized only if there is "virtual certainty".

17. Provisions, Contingent Liabilities and Contingent Assets

As per AS 29 (Provisions, Contingent Liabilities and Contingent Assets) issued by the ICAI, the Bank recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation 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.

18. Share Issue Expenses:

Share Issue expenses are charged to the Share Premium account in terms of Section 52 of the Companies Act, 2013.

SCHEDULE 18 – NOTES TO ACCOUNTS (CONSOLIDATED)

1. The particulars of the subsidiaries whose financial statements are consolidated with the standalone financial statement of the Bank (the Parent) are as under:

Names of Subsidiaries	Country of Incorporation	Proportion of Ownership by the parent as on 31.03.2022
Union Asset Management Company Private Limited	India	100%
Union Trustee Company Private Limited	India	100%
Union Bank of India (UK) Limited	United Kingdom	100%
Andhra Bank Financial Services Limited	India	100%
UBI Services Ltd	India	100%

2. The particulars of Joint Venture considered in the Consolidated Financial Statements are as under :

Names of Joint Venture	Country of Incorporation	Proportion of Ownership
Star Union Dai-Ichi Life Insurance Company Limited (Non- Banking)	India	25.10%
ASREC (India) Ltd	India	26.02%
India international Bank (MALAYSIA) Berhad	India	25.00%

3. The particulars of Associate considered in the Consolidated Financial Statements are as under:

Names of Associates	Country of Incorporation	Proportion of Ownership
Chaitanya Godavari Grameena Bank	India	35%

The value of the investment made by the Bank is ₹1,492.32 Crore as on 31st March 2022 which is treated as long term investment.

4. The financial statements of the subsidiaries, joint venture and associate which are used in the consolidation have

been drawn up to the same reporting date as that of the Parent i.e. 31st March 2022.

5. The Consolidated Financial Statements have been prepared on the basis of audited financial statements of Star Union Dai-ichi Life Insurance Company Limited, Union Asset Management Company Private Limited, Union Trustee Company Private Limited, Union Bank of India (UK) Limited, Chaitanya Godavari Grameena Bank, India International Bank (Malaysia) BHD, UBI Services LTD. and financials of Andhra Bank Financial Services Limited and ASREC (India) Limited for the financial year ended 31.03.2022.
6. During the year, the Bank has divested 21% of its investment in IndiaFirst Life Insurance Co. Ltd. to Bank of Baroda. Consequently, the Bank's shareholding has been reduced from 30% to 9% and accordingly the financials of IndiaFirst Life Insurance Co. Ltd. has not been considered in CFS of the Bank as on 31.03.2022
7. Adjustment of outstanding entries in Suspense Accounts, Sundry Deposits, Clearing Adjustments, Bank Reconciliation Statements and various inter-branch/office accounts is in progress on an ongoing basis. Pending final clearance of the same, the overall impact, if any, on the accounts, in the opinion of the management will not be significant.

8 DISCLOSURES IN TERMS OF THE RESERVE BANK OF INDIA GUIDELINES**8.1. A. Capital**

The Bank is subjected to Basel III capital adequacy guidelines stipulated by RBI with effect from April 1, 2013. The guidelines provide a transition schedule for Basel III implementation till Oct. 1, 2021. As per RBI Guidelines, Basel III has been completely implemented from Oct. 1, 2021. As per guidelines, the Tier I capital is made up of Common Equity Tier I (CET I) and Additional Tier I Capital (AT 1).

Basel III guidelines require the Bank to maintain minimum capital to Risk Weighted Assets ratio (CRAR) of 11.50% with minimum CET I of 8.00% (inclusive of Capital Conservation Buffer of 2.50%) and minimum Tier I CRAR of 9.50% as at March 31, 2022.

During the year, the Bank has issued additional 42,79,03,111 number of equity shares under Qualified Institutions Placement (QIP) on 21st May, 2021 and raised an amount of ₹1,447.17 crore. Accordingly, the shareholding of Government of India in the Bank has reduced to 83.49% as compared to the shareholding of 89.07% as on 31st March, 2021. Further, the Bank has also issued Basel III compliant Tier-2 bonds of ₹2,000 Crore & additional Tier-1 Bonds of ₹5,000 crore in tranches and exercised call option for redemption of Basel III compliant Tier-2 bonds of ₹2,000.00 crore & additional Tier-1 Bonds of ₹3,400.00 crore.

The computation of Capital Adequacy as per the framework is indicated below:

(Amount in ₹ crore)			
Sr. No.	Particulars	31.03.2022	31.03.2021
i.	Common Equity Tier 1 capital (CET 1) / Paid up share capital and reserves (net of deductions, if any)	58,205.98	50,133.85
ii.	Additional Tier 1 capital/ Other Tier 1 capital	8,539.83	7,105.00
iii.	Tier 1 capital (i + ii)	66,745.81	57,238.85
iv.	Tier 2 capital	12,692.32	12,185.77
v.	Total capital (Tier 1+Tier 2)	79,438.12	69,424.62
vi.	Total Risk Weighted Assets (RWAs)	5,48,469.51	5,54,434.89
vii.	CET 1 Ratio (CET 1 as a percentage of RWAs) / Paid-up share capital and reserves as percentage of RWAs	10.61	9.04
viii.	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	12.17	10.32
ix.	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	2.31	2.20
x.	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	14.48	12.52
xi.	Leverage Ratio	5.17	4.82
xii.	Percentage of the shareholding of a) Government of India b) State Government (specify name) c) Sponsor Bank	83.49	89.07
xiii.	Amount of paid-up equity capital raised during the year	1,447.17	-
xiv.	Amount of non-equity Tier 1 capital raised during the year, of which: a) Basel III compliant Perpetual Non-Cumulative Preference Shares b) Basel III compliant Perpetual Debt Instruments	-- 5,000.00	-- 1,705.00
xv.	Amount of Tier 2 capital raised during the year, of which a) Perpetual Cumulative Preference Shares b) Redeemable Non-Cumulative Preference Shares c) Basel III compliant Redeemable non convertible tier II Bonds	-- -- 2,000.00	-- -- 2,000.00

8.2 Provisions and Contingencies

(₹ in crore)		
Break up of Provision & Contingencies shown under the head in Profit & Loss:	31.03.2022	31.03.2021
Provision / (Reversal) for Depreciation on Investment	200.48	839.74
Provision towards NPA	11,931.44	13,733.74
Provision towards Harmonization	--	323.86
Provision (Reversal) towards Standard Assets	1,451.35	1,246.34
Net Provision made towards Income Tax/Deferred tax	3,357.84	(500.84)
Other Provision and Contingencies:	(276.62)	1,283.40
TOTAL	16,664.49	16,926.24

8.3 Counter Cyclical Provisioning Buffer / Floating Provision:

(₹ in crore)

Sr. No.	Particulars	31.03.2022	31.03.2021
i)	Opening Balance	306.20	306.20
ii)	Additional provisions made during the accounting year	Nil	Nil
iii)	Amount of drawdown made during the accounting year	306.20	Nil
iv)	Closing balance	Nil	306.20

9 EMPLOYEE BENEFITS (AS 15 - REVISED) (Parent Bank)

i) Short Term Employment Benefits:

The undiscounted amounts of short-term employee benefits (e.g. medical benefits) payable wholly within twelve months of rendering the service are treated as short term and recognized during the period in which the employee rendered the service.

ii) Long Term Employee Benefits:

a) Defined Contribution Plans:

The Bank operates a new pension scheme (NPS) for all officers/ employees joining the Bank on or after 1st April, 2010, which is a defined contribution plan, such new joinees not being entitled to become members of the existing Pension Scheme. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with a 14% contribution from the Bank. Pending completion of registration procedures of the employees concerned, these contributions retained with the Bank. The Bank recognizes such annual contributions in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS Trust.

The Bank has Defined Contribution Pension Scheme (DCPS) applicable to all categories of officers and employees joining the Bank on or after April 1, 2010. The scheme is managed by National Pension Scheme (NPS) Trust under the aegis of the Pension Fund Regulatory and Development Authority. National Securities Depository Limited has been appointed as the Central Record Keeping Agency for the NPS. During F.Y. 2021-2022, the Bank has contributed ₹501.51 crores including arrears of ₹120.35 crores (Previous Year ₹297.92 crore) to NPS.

b) Defined Benefit Plan:

Gratuity, Pension and Leave Encashment are defined benefit plans. These are provided for on the basis of an actuarial valuation as per Accounting Standard-15 "Employee Benefit" issued by the Institute of Chartered Accountants of India, made at the end of each financial year, based on the projected unit credit method. Actuarial gains/losses are immediately taken to the Profit & Loss account.

Defined Benefit Plans – Employee's Pension plan and Gratuity plan:

The Bank has accounted for employee benefits as per Accounting Standards issued by the Institute of Chartered Accountants of India, as per actuarial valuation report for the year ended March 31, 2022.

(₹ in crore)

S. No.	Particular	31-03-2022		31-03-2021	
		Gratuity	Pension	Gratuity	Pension
i)	Table showing change in Defined Benefit Obligation:				
	Liability at the beginning of the year	3,355.82	26,011.41	2,738.03	24,553.31
	Interest Cost	232.56	1,797.39	187.28	1,667.17
	Current Service Cost	161.12	212.30	137.71	265.17
	Past Service Cost (Vested Benefit Amortized)	NIL	NIL	NIL	NIL
	Past Service Cost (Vested Benefit)	NIL	1902.02	NIL	NIL
	Liability Transfer in	NIL	NIL	NIL	NIL
	Liability Transfer out	NIL	NIL	NIL	NIL
	(Benefit paid)	(465.84)	(2,341.52)	(433.15)	(1,682.84)
	Actuarial (Gain)/loss on obligation – due to change				
	In the financial assumption	(119.57)	(1,446.34)	NIL	NIL
	in demographic assumption	2.86	63.46	(26.36)	(247.67)
	Actuarial (Gain) / Loss on obligations	30.86	2,452.27	752.31	1,456.27
	Liability at the end of the year	3,197.81	28,650.99	3,355.82	26,011.41
ii)	Table of Fair value of Plan Assets:				
	Fair value of Plan Assets at the beginning of the year	2,746.43	26,720.88	2,671.12	23,145.31
	Expected return on Plan Assets	190.33	1846.41	182.70	1,571.57
	Contributions	843.37	551.42	291.35	3,605.19
	Transfer from Other Company	NIL	NIL	NIL	NIL
	Transfer to Other Company	NIL	NIL	NIL	NIL
	(Benefit paid)	(465.84)	(2,341.52)	(433.15)	(1,682.84)
	Actuarial (Gain)/loss on Plan Assets	(53.31)	(266.31)	(34.41)	(81.65)
	Fair Value of Plan Assets at the end of the year	3,367.60	27,043.50	2,746.43	26,720.88
	Actuarial (Gain)/loss on obligation for the period	(85.85)	1,069.39	725.95	1,208.60
	Actuarial (Gain)/loss on Plan Assets	(53.31)	(266.31)	(34.41)	(81.65)
	Total Actuarial (Gain)/loss to be recognized	(139.16)	803.08	691.54	1,126.95
iii)	Recognition of Transitional Liability:				
	Transitional Liability at start	NIL	NIL	NIL	NIL
	Transitional Liability recognized during the year	NIL	NIL	NIL	NIL
	Transitional Liability at end	NIL	NIL	NIL	NIL
iv)	Actual return on Plan Assets:				
	Expected Return on Plan Assets	190.33	1,846.41	182.70	1,571.57
	Actuarial Gain/(Loss) on Plan Assets	53.31	266.31	34.41	81.65
	Actual return on Plan Assets	243.64	2,112.72	217.11	1,653.22

(₹ in crore)

S. No.	Particular	31-03-2022		31-03-2021	
		Gratuity	Pension	Gratuity	Pension
v)	Expenses recognized in the Income Statement:				
	Current Service Cost	161.12	212.30	137.71	265.17
	Interest Cost	42.23	(49.02)	4.58	95.60
	Expected Return on Plan Assets	NIL	NIL	NIL	NIL
	Past Service Cost (Vested Benefit Amortized) recognized	NIL	NIL	NIL	NIL
	Past Service Cost (Vested Benefit) recognized(1/5 of enhanced family pension)	NIL	380.40	NIL	NIL
	Recognition of Transition Liability	NIL	NIL	NIL	NIL
	Actuarial (Gain) or Loss	(139.16)	803.08	691.54	1,126.95
	Expenses Recognized in P & L	64.19	1346.76	833.83	1,487.72
vi)	Balance Sheet Reconciliation:				
	Opening Net Liability (Last year net amount recognized in the balance sheet)	609.39	(709.47)	66.91	1,408.00
	Expenses as above	64.19	1346.76	833.83	1,487.72
	Transfer from other Company (Net)	NIL	NIL	NIL	NIL
	Transfer to other Company (Net)	NIL	NIL	NIL	NIL
	(Employer Contribution)	(843.37)	(551.42)	(291.35)	(3,605.19)
	Net (Asset)/Liability Amount recognized in Balance Sheet	(169.79)	85.87	609.39	(709.47)
vii)	Other Details:				
	Pension is payable at the rate of 1/66 Salary for Each Year of Service Subject to Maximum of 50%.				
	Gratuity is payable at the rate of 15 days salary for each year of service subject to maximum of Rs 20, 00,000 or as per the Bank scheme.				
	Actuarial gain / loss is accounted for in the year of occurrence.				
	Salary escalation is considered as advised by the company which is in line with the industry practice considering promotion and demand and supply of the employees.				
	No. of Members	75,201	23,216	78,203	28,235
	Salary Per Month	354.44	182.95	354.09	210.64
	Contribution for next year	--	592.76	354.09	--

(₹ in crore)

S. No.	Particular	31-03-2022		31-03-2021	
		Gratuity	Pension	Gratuity	Pension
viii)	Category of assets:				
	Government of India Assets	63.45	585.14	64.56	601.59
	Corporate Bonds/FDR	36.15	721.81	96.29	1029.07
	Special Deposits Scheme	--	--	--	--
	State Govt.	101.17	1185.78	125.89	1150.74
	Property	NIL	NIL	NIL	NIL
	Other	244.10	1,733.36	185.67	1,426.35
	Insurer Managed Funds	2,897.20	22,492.80	2,252.98	22,235.49
	Mutual Fund	25.53	324.61	21.04	277.64
	Total	3,367.60*	27,043.50*	2,746.43	26,720.88

*Note: Return on investments in LIC & other insurance companies is considered as 7.25% while arriving Pension liability and as 7.00% while arriving Gratuity liability at the Fair Value of Plan Assets for the FY2021-22 as against the 7.00% considered for arriving Pension and Gratuity liability for the FY2020-21.

(₹ in crore)

Surplus/Deficit in the Plan:	Gratuity Plan				
	31.03.22	31.03.21	31.03.20*	31.03.19*	31.03.18*
Amount recognized in the Balance-Sheet					
Liability at the end of the year	3,197.81	3,355.82	1291.94	1,222.64	1,244.88
Fair value of Plan Assets at the end of the year	3,367.60	2,746.43	1219.01	1,202.14	1,302.00
Difference	169.79	(609.39)	(72.93)	(20.50)	57.12
Unrecognized Past Service Cost	Nil	Nil	Nil	Nil	Nil
Unrecognized Transition Liability	Nil	Nil	Nil	Nil	Nil
Amount Recognized in the Balance Sheet	169.79	(609.39)	(72.93)	(20.50)	57.12

*Amount mentioned for UBI Standalone

(₹ in crore)

Amount recognized in the Balance-Sheet	Gratuity Plan				
	31.03.22	31.03.21	31.03.20*	31.03.19*	31.03.18*
Experience Adjustment					
On plan liability (Gain) / Loss	30.86	752.31	25.87	7.91	(142.26)
On plan Assets (Loss) / Gain	53.31	34.41	7.20	(13.03)	10.64

*Amount mentioned for UBI Standalone

(₹ in crore)

Surplus/Deficit in the Plan:	Pension Plan				
	31.03.22	31.03.21	31.03.20*	31.03.19*	31.03.18*
Amount recognized in the Balance-Sheet					
Liability at the end of the year	28,650.99	26,011.41	12,746.69	12,158.43	11,803.32
Fair value of Plan Assets at the end of the year	27,043.50	26,720.88	12,607.16	12,308.84	12,115.00
Difference	(1,607.49)	709.47	(139.53)	150.41	311.68
Unrecognized Past Service Cost	1521.62	Nil	Nil	Nil	Nil
Unrecognized Transition Liability	Nil	Nil	Nil	Nil	Nil
Amount Recognized in the Balance Sheet	(85.87)	709.47	(139.53)	150.41	311.68

*Amount mentioned for UBI Standalone

(₹ in crore)

Amount recognized in the Balance-Sheet	Pension Plan				
Experience Adjustment	31.03.22	31.03.21	31.03.20*	31.03.19*	31.03.18*
On plan Liability (Gain) / Loss	2,452.27	1,456.27	938.90	125.22	(37.82)
On plan Assets (Loss) / Gain	266.31	81.65	75.23	7.18	(21.39)

*Amount mentioned for UBI Standalone

Principal actuarial assumption used (%)	2021-2022		2020-2021	
	Gratuity	Pension	Gratuity	Pension
Discount Rate Prev.	6.93	6.91	6.84	6.79
Rate of return on Plan Assets Prev.	6.93	6.91	6.84	6.79
Salary Escalation Prev.	5.00	5.00	5.00	5.00
Attrition Rate Prev.	2.00	2.00	2.00	2.00
Discount Rate Current	7.31	7.40	6.93	6.91
Rate of Return on Plan Assets Current	7.31	7.40	6.93	6.91
Salary Escalation Current	5.00	5.00	5.00	5.00
Attrition Rate Current	2.00	2.00	2.00	2.00

i) Other long term Employee Benefits:

Details of Provisions made for various Long-Term Employees Benefits during the year are as follows:

(₹ in crore)

Sr. No.	Other Long Term Benefits	31.03.2022	31.03.2021
1	Pension	1,346.76	1,487.72
2	Leave Travel Concession	13.41	27.45
3	Leave Encashment	48.70	102.29

Bank is having provision of ₹236.12 Crore towards Sick Leave on prudential basis though there is no payout.

ii) Unamortized Family pension & Gratuity Liabilities:

(₹ in crore)

Particulars	31.03.2022	31.03.2021
Pension		
a) Balance brought forward	NIL	NIL
b) Gross Liability	1,902.02	NIL
c) Charged to Profit & Loss account	380.40	NIL
d) Balance Carried forward	1,521.62	NIL
Gratuity		
a) Charged to Profit & Loss account	NIL	NIL
b) Carried forward	NIL	NIL

e) The additional liability on account on enhancement in family pension for employees covered under XI Bi-partite settlement and Joint note dated 11th November, 2020 is arrived at ₹1,902.02 Crores as per Actuarial valuation. Further, in terms of RBI circular RBI/2021-22/105 DOR.ACC.REC.57/21.04.018/2021-22 dated October 4, 2021, Banks are

permitted to amortize the said liability over a period of not exceeding 5 years beginning with FY ending 31.03.2022. Accordingly, Bank has opted to amortize the said liability over a period, of 5 years and charged an amount of ₹ 380.40 crore to the profit/loss account for year ended March 31, 2022 and the balance unamortized expense of ₹ 1,521.62 crore has been carried forward to be amortized in next 4 years. If the unamortized expenditure has been fully recognized in the Profit & Loss account, the net profit would be ₹ 3,743.70 Crore for the year ended 31st March 2022.

10. SEGMENT REPORTING (AS-17)

10.1. Business Segments:

Business Segment		(₹ in crore)	
		Consolidated	
		Year Ended	
		(Audited)	(Audited)
		31.03.2022	31.03.2021
(a)	Segment Revenue		
1	Treasury Operations	26,815.66	27,789.92
2	Retail Banking Operations	26,198.04	24,817.48
3	Corporate /Wholesale Banking	25,776.79	26,541.51
4	Other Banking Operations	1,397.64	1,371.55
5	Unallocated	1,688.64	3,240.26
	Total Segment Revenue	81,876.77	83,760.72
	Less Inter-segment Revenue	(122.70)	(142.54)
	Income from operations	81,754.07	83,618.18
(b)	Segment Results		
1	Treasury Operations	6,002.74	6,157.83
2	Retail Banking Operations	4,508.68	4,197.57
3	Corporate Banking	(3,093.72)	(8,823.12)
4	Other Banking Operations	758.37	733.23
5	Unallocated	390.27	61.67
	Total Profit/(Loss) Before Tax	8,566.34	2,327.18
(c)	Provision for Tax	3,357.84	(500.84)
(d)	Net Profit/(Loss) after Tax	5,208.50	2,828.02
	Add: Share of Profit in Associate	56.82	35.38
(e)	Consolidated Net Profit/(Loss)	5,265.32	2,863.40
(f)	Segment Assets		
1	Treasury Operations	4,78,735.97	4,27,941.43
2	Retail Banking Operations	3,18,913.60	2,77,171.79
3	Corporate/Wholesale Banking	3,68,181.73	3,41,941.30
4	Other Banking Operations	--	--
5	Unallocated	27,934.31	35,322.87
	Total	11,93,765.61	10,82,377.39
(g)	Segment Liabilities		
1	Treasury Operations	4,70,252.54	4,19,807.14
2	Retail Banking Operations	2,90,449.81	2,53,344.66
3	Corporate/Wholesale Banking	3,35,313.11	3,10,531.92

(₹ in crore)

Business Segment		Consolidated	
		Year Ended	
		(Audited)	(Audited)
		31.03.2022	31.03.2021
4	Other Banking Operations	--	--
5	Unallocated	26,889.03	33,955.90
	Total	11,22,904.49	10,17,639.62
(h) Capital Employed			
1	Treasury Operations	8,483.43	8,134.29
2	Retail Banking Operations	28,463.79	23,827.13
3	Corporate/Wholesale Banking	32,868.62	31,409.38
4	Other Banking Operations	--	--
5	Unallocated liabilities	1,045.28	1,366.97
	Total	70,861.12	64,737.77

Notes:

1. The Bank operates in four segments viz., Treasury, Retail, Corporate / Wholesale and Other Banking Operations. These segments have been identified in line with AS-17 on segment reporting issued by the Institute of Chartered Accountants of India (ICAI) after considering the nature and risk profile of the products and services, the target customer profiles, the organizational structure and the internal reporting system of the bank. The bank has disclosed the business segment as primary segment. The revenue and other parameters of foreign branch for the period are within the threshold limits stipulated as per AS-17 and hence the bank has only one reportable segment.
2. Segment wise income, expenditure, Capital employed which are not directly allocable have been allocated to the reportable segments based on assumptions as considered appropriate by the management.
3. Bank has divested its stake in one of its joint venture entity during the quarter (Please refer Notes No 6 mentioned above). Hence the figures are not comparable to that extent.

11. RELATED PARTY DISCLOSURES (AS-18)**11.1 List of Related Parties****a) Subsidiaries**

- Union Asset Management Co. Pvt. Ltd.
- Union Trustee Company Pvt. Ltd.
- Union Bank of India (UK) Ltd.
- Andhra Bank Financial Services Ltd.
- UBI Services Ltd.

b) Joint Venture

- Star Union Dai-Ichi Life Insurance Co. Ltd.
- ASREC (India) Ltd.
- India International Bank (Malaysia) Berhad

c) Associate

- Chaitanya Godavari Grameena Bank

d) Key Management Personnel

Name	Designation	Remuneration paid for the Year ended 31 st March 2022
Shri Rajkiran Rai G.	Managing Director & CEO	0.37
Shri Gopal Singh Gusain @	Executive Director	0.26
Shri Dinesh Kumar Garg*	Executive Director	0.15
Shri Manas Ranjan Biswal	Executive Director	0.31
Shri Nitesh Ranjan	Executive Director	0.30
Shri Rajneesh Karnatak#	Executive Director	0.14
Shri Nidhu Saxena^	Executive Director	0.05

@ Till 31.01.2022

*Till 30.09.2021

From 21.10.2021

^ From 01.02.2022

e) Key Management Personnel – Remuneration paid.

Particulars	(₹ in crore)	
	31.03.2022	31.03.2021
	Amount	Amount
CEO and Managing Director	0.37	0.34
Executive Directors	1.21	1.11
Total	1.58	1.45

Parties with whom transactions were entered into during the year

No disclosure is required in respect of related parties, which are "State controlled Enterprises" as per paragraph 9 of Accounting Standard (AS) 18. Further, in terms of paragraph 5 of AS 18, transactions in the nature of Banker – Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel.

12. EARNING PER SHARE (AS-20)

Basic earnings per equity share are computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. The diluted earnings per equity share is computed using the weighted average number of equity shares and weighted average number of diluted potential equity shares outstanding during the year.

The computation of earnings per share is given below:

Particulars	31.03.2022	31.03.2021
Number of Equity shares at the beginning of the year	640,68,44,355	640,68,44,355
Number of Equity shares issued during the year	42,79,03,111	Nil
Number of Equity shares outstanding at the end of the year	6,83,47,47,466	640,68,44,355
Weighted Average Number of Equity Shares used in computing Basic Earnings per share	6,77,26,13,590	640,68,44,355

Weighted Average Number of Shares used in computing diluted Earnings per share	6,77,26,13,590	640,68,44,355
Net Profit/(Loss) Rs in Crore	5,265.32	2,863.40
Basic Earnings per share (Rs)	7.77	4.47
Diluted Earnings per share (Rs)	7.77	4.47
Nominal Value per share (Rs)	10	10

13. PROVISION FOR TAXES:

Deferred Tax (AS-22)

		(₹ in crore)	
Sr. No.	Particulars	31.03.2022	31.03.2021
	Deferred Tax Assets		
1	Employee Benefits (Leave Encashment)	474.78	457.76
2	Depreciation on Fixed Assets	358.12	298.39
3	Provision for Non Performing Assets	14,072.58	18,156.51
4	Foreign Currency Translation Reserve	1.14	36.50
5	Standard Asset	588.37	--
6	Others	0.07	
	Total	15,495.05	18,949.16
	Deferred Tax Liabilities		
1	Accrued interest on securities	1,092.63	1,104.51
2	Special Reserves u/s 36(i)(viii)	2,107.08	1,924.67
3	Depreciation on Investment	--	237.86
	Total	3,199.71	3,267.04
	Net Deferred Tax Asset	12,295.34	15,682.12
	Net Deferred Tax Liability	Nil	Nil

14. IMPAIRMENT OF ASSET (AS-28)

In the opinion of the Management, there is no indication for Impairment during the year with regard to the asset to which Accounting Standards 28 applies.

15. Additional information disclosed in the separate financial statements of the parent and the subsidiaries have no bearing on the true and fair view of the Consolidated Financial Statements (CFS) and also the information pertaining the items which are not material, have not been disclosed in the CFS.
16. COVID-19 Pandemic has adversely impacted the economic activity across the globe including the Indian economy. During last Financial year also, India witnessed two more waves of COVID -19 pandemic and the re-imposition of the localized/regional lockdown measures in certain parts of the country. The Bank is continuously monitoring the situation and taking all possible measures including various digital initiatives to ensure continuance of customer outreach & full-fledged banking operations. Keeping in view of the various initiatives and steps taken by the Bank, Government & Reserve Bank of India and with the progress of vaccination program, the Management believes that there would not be any significant impact on Bank's performance in future and going concern assumptions.

17. The bank has changed the method of appropriation of recovery in NPA accounts (other than the accounts where method of appropriation has been specifically agreed upon between borrower and the Bank) w.e.f. 1st April 2021. Accordingly, the recoveries in such NPA accounts are now first appropriated towards interest and then towards principal as contrary to the reverse process followed in the earlier periods. The change in accounting policy has resulted in increase in interest income for the quarter by ₹495.26 crore & for the year by ₹1,081.77 crore and consequential non-reduction in Gross NPA by equivalent amount
18. The figures of the previous year have been regrouped / rearranged wherever considered necessary.

Signatories to Schedules 1 to 18

(PANKAJ KUMAR)
DY. GENERAL MANAGER

(PRAFULLA KUMAR SAMAL)
CHIEF FINANCIAL OFFICER

(NIDHU SAXENA)
EXECUTIVE DIRECTOR

(RAJNEESH KARNATAK)
EXECUTIVE DIRECTOR

(NITESH RANJAN)
EXECUTIVE DIRECTOR

(RAJKIRAN RAI G.)
MANAGING DIRECTOR & CEO

(SAMEER SHUKLA)
DIRECTOR

(ARUN KUMAR SINGH)
DIRECTOR

(SURAJ SRIVASTAVA)
DIRECTOR

(LAXMAN S UPPAR)
DIRECTOR

(DR. JAYADEV MADUGULA)
DIRECTOR

(PRITI JAY RAO)
DIRECTOR

For **M/s R G N Price & Co.**
Chartered Accountants
FRN 002785S

For **M/s SARDA & PAREEK LLP**
Chartered Accountants
FRN 109262W/W100673

For **M/s C R Sagdeo & Co.**
Chartered Accountants
FRN 108959W

CA P. M. Veeramani
Partner
Membership No.023933
UDIN: 22023933AIXFNV8228

CA Giriraj Soni
Partner
Membership No.109738
UDIN: 22109738AIXFFR2991

CA Sachin V. Luthra
Partner
Membership No. 109127
UDIN: 22109127AIXFLG9220

For **M/s P V A R & Associates**
Chartered Accountants
FRN 005223C

For **M/s Gopal Sharma & Co.**
Chartered Accountants
FRN 002803C

For **M/s N B S & Co.**
Chartered Accountants
FRN 110100W

CA Sharad Bansal
Partner
Membership No. 423507
UDIN: 22423507AIXFXC6066

CA Gautam Sharma
Partner
Membership No. 79225
UDIN: 22079225AIXFID6253

CA Pradeep J. Shetty
Partner
Membership No. 046940
UDIN: 22046940AIXFCS3650

Place of Signature: Mumbai
Date of Report: 13.05.2022

Consolidated Cash Flow Statement

For the Year Ended 31st March, 2022

(₹ in lacs)

S. No.	Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
A	CASH FLOW FROM OPERATING ACTIVITIES:		
	Net Profit Before Tax	8,56,634	2,32,677
	Adjustments for:		
	Depreciation on Fixed Assets	73,809	90,815
	Provision for Investments	20,048	55,624
	Provision for Non Performing Assets (Net)	11,62,524	14,05,760
	Provision for Standard Asset	1,36,754	1,37,588
	Provision for Staff Related Expenditures	-	86,605
	Provision for other items (Net)	11,339	16,367
	(Profit)/Loss on Sale or Disposal of Fixed Assets	35	(2,059)
	Interest on Borrowings : Capital Instruments	1,55,133	1,59,660
	Share of Profit in Associate	5,682	3,538
	Sub Total	24,21,959	21,86,576
	Adjustments for:		
	Increase / (Decrease) in Deposits	1,08,71,383	55,20,773
	Increase / (Decrease) in Other Liabilities and Provisions	(5,55,146)	6,26,592
	(Increase) / Decrease in Investments	(12,92,420)	(53,44,849)
	(Increase) / Decrease in Advances	(81,66,081)	(4,89,586)
	(Increase) / Decrease in Other Assets	3,45,116	(5,84,957)
	Direct taxes paid (Net of Refund)	(54,388)	(22,864)
	Transfer to/from reserve	63,465	1,61,050
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)	36,33,888	20,52,734
B	CASH FLOW FROM INVESTING ACTIVITIES :		
	Purchase of Fixed Assets	(74,953)	(71,898)
	Proceeds from Sale/Adjustment of Fixed asset	30,788	11,789
	(Increase)/ Decrease in Investment in Subsidiary	(11,606)	
	NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(55,771)	(60,109)
C	CASH FLOW FROM FINANCING ACTIVITIES :		
	Proceeds from Issue of Preference Share Capital Issued by Subsidiary Company Including Share Premium (Net)		-
	Proceeds from issue of Equity Share Capital Including Share Premium (Net)	1,44,209	3,70,500
	Proceeds from issue of Capital Instruments	7,00,000	
	Repayments of Capital Instruments	(5,40,000)	(3,85,000)
	(Decrease)/Increase Borrowings other than Capital Instruments	(2,27,704)	(17,11,906)
	Interest Paid on Borrowings: Capital Instruments	(1,55,133)	(1,59,660)
	NET CASH FLOW FROM FINANCING ACTIVITIES (C)	(78,628)	(18,86,066)
	Net Increase (Decrease) in Cash & Cash Equivalent (A)+(B)+(C)	34,99,488	1,06,559
	Cash and Cash Equivalents as at the beginning of the year	84,76,334	55,57,753
	Cash and Cash equivalent received on account of amalgamation	-	28,12,022

(₹ in lacs)

S. No.	Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
	Cash and Cash Equivalents as at the end of the year	1,19,75,822	84,76,334
	Components of Cash and Cash equivalents		
D	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	01.04.2021	01.04.2020
	Cash and Balances with RBI (including FC notes)	37,88,571	20,11,892
	Balances with Banks and Money at call	46,87,762	35,12,987
	Net cash and cash equivalents at the beginning of the year	84,76,334	55,24,879
E	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	31.03.2022	31.03.2021
	Cash and Balance with RBI (including FC notes)	46,11,589	37,88,571
	Balances with Banks and Money at call	73,64,233	46,87,762
	Net cash and cash equivalents at the end of the year	1,19,75,822	84,76,334

Previous Year's figures have been regrouped/recasted wherever considered necessary to correspond with the year ended classification/ presentation.

(PANKAJ KUMAR)
DY. GENERAL MANAGER

(PRAFULLA KUMAR SAMAL)
CHIEF FINANCIAL OFFICER

(NIDHU SAXENA)
EXECUTIVE DIRECTOR

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DIRECTOR

(LAXMAN S UPPAR)
DIRECTOR

(DR. JAYADEV MADUGULA)
DIRECTOR

(PRITI JAY RAO)
DIRECTOR

Auditors Certificate:

We, the undersigned Statutory Auditors of the Union Bank of India, have verified the above Consolidated Cash Flow Statement of the Bank for the year ended 31.03.2022. The statement has been prepared in Indirect Method in accordance with the AS-3, "Cash Flow Statement" issued by The Institute of Chartered Accountants of India and with the requirements of the SEBI (Listing Obligations & Disclosure Requirements), 2015 and is based on and in agreement with the corresponding Consolidated Profit & Loss Account and the Consolidated Balance Sheet of the Bank covered by our report of the May 13, 2022 to the members.

For M/s R G N Price & Co.
Chartered Accountants
FRN 002785S

For M/s SARDA & PAREEK LLP
Chartered Accountants
FRN 109262W/W100673

For M/s C R Sagdeo & Co.
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Partner
Membership No. 046940
UDIN: 22046940AIXFCS3650

Place of Signature: Mumbai
Date of Report: 13.05.2022

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Standalone & Consolidated Financial Statements and Report of the Auditors

in US Dollar

(Conversion of financial statements in US Dollar is only
for the convenience of users)

Exchange Rates used for Conversion:

1 US\$ = ₹ (INR) = 73.1100 as on March 31, 2021

1 US\$ = ₹ (INR) = 75.7925 as on March 31, 2022

Independent Auditors' Report

To

The President of India /

The Members of Union Bank of India Mumbai

Report on Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying Standalone Financial Statements of Union Bank of India ('the Bank'), which comprise the Balance Sheet as at 31 March 2022, the Profit and Loss Account and the Statement of Cash Flows for the year then ended, and notes to financial statements including a summary of significant accounting policies and other explanatory information in which are included the returns for the year ended on that date of
 - i) 20 branches, 1 Treasury Branch audited by us, 18 FGMO Offices audited by us
 - ii) 3413 branches audited by statutory branch auditors and
 - iii) 3 overseas branches audited by local auditors.

The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India (the RBI). Also incorporated in the Balance Sheet, the Profit and Loss Account and the Statement of Cash Flows are the returns from 5931 branches which have not been subjected to audit. These unaudited branches account for 16.36 percent of advances, 33.74 per cent of deposits, 37.35 per cent of interest income and 37.64 per cent of interest expenses.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Banking Regulation Act, 1949 in the manner so required for bank and are in conformity with accounting principles generally accepted in India and:

- a. the Balance Sheet, read with the notes thereon is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of the state of affairs of the Bank as at 31st March, 2022;
- b. the Profit and Loss Account, read with the notes thereon shows a true balance of profit for the year ended on that date; and
- c. the Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (the "ICAI"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the ICAI together with ethical requirements that are relevant to our audit of the financial statements in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by ICAI, and provisions of section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by Reserve Bank of India ("RBI") from time to time and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of the Matter

3. We draw your attention to Note No. 15.k of schedule 18 – Notes to Accounts to the standalone financial statements regarding change in the accounting policies/estimates followed during the year ended 31st March, 2022 as compared to those followed in the preceding financial year ended 31st March, 2021 with effect from 1st April, 2021, in respect of appropriation of recovery in non performing accounts first towards interest unrealised and then towards principal outstanding as against towards principal first and then towards interest unrealised in earlier periods. Impact due to the change in accounting policy has resulted increase in income for the quarter by ` 6.53 crores and for the year by

\$ 14.27 crores and consequential non-reduction in gross non performing assets by equivalent amount.

We draw your attention to Note No. 15.c of schedule 18 – Notes to Accounts to the standalone financial statements regarding amortization of additional liability on account of revision in family pension amounting to \$ 25.10 crores. The bank has charged an amount of \$ 5.02 crore to the profit and loss account during the year ended March 31, 2022, and the balance unamortized expenses of \$ 20.08 crore has been carried forward.

We draw your attention to Note No. 15.n of schedule 18 – Notes to Accounts to the standalone financial statements regarding uncertainties due to outbreak of COVID-19 pandemic. In view of these circumstances, the impact on the Banks operations and financial results is dependent on future developments including actions being taken to mitigate the same and other regulatory measures.

Our opinion is not modified in respect of these matters.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters prescribed below to be the key audit matters to be communicated in our report.

Sr.	Key Audit Matter	How it was dealt with in our report
1	Income Recognition, Asset Classification (IRAC) and provisioning on Loans & Advances and Investments as per the regulatory requirements	
	<p>Loans & Advances and Investments are the largest class of assets forming 85.01% of the total assets as on March 31, 2022. Classification, income recognition and loss provisioning on the same are based on objective parameters as prescribed by the regulations (Reserve Bank of India's prudential norms and other guidelines). The management of the Bank relies heavily on its IT systems (including Core Banking Solution), exercise significant estimates and judgement, manual interventions, and uses services of experts (like independent valuers, Lawyers, legal experts and other professional) to determine asset classification, income recognition and provisioning for losses.</p> <p>The Bank has system based identification of non-performing assets in accordance with IRAC Norms</p>	<p>Our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances and associated impairment provisions.</p> <p>Our audit procedures included the assessment of controls over the approval, disbursements and monitoring of loans, and reviewing the logic and assumptions used in the CBS and other related IT systems for compliance of the IRAC and provisioning norms and its operating effectiveness.</p> <p>These included evaluation and understanding of following:</p> <ul style="list-style-type: none"> Bank's internal control system in adhering to the Relevant RBI guidelines regarding income recognition, asset classification and provisioning pertaining to advances/ investments; System controls and manual controls over the timely recognition of non-performing assets (NPA/ NPI); Operational existence and effectiveness of controls over provisioning calculation models from the IT systems; Overall Controls on the loan approval, disbursement and monitoring process in case of advances and controls over the purchase, sale and hold decisions making system in case of investments

Sr.	Key Audit Matter	How it was dealt with in our report
		<ul style="list-style-type: none"> • We tested sample of loans/investments (in cases of branches visited by us) to assess whether they had been identified as non performing on a timely manner, income recognized and provisioning made as per IRAC norms. • We have also reviewed the reliability, effectiveness and accuracy of manual interventions, wherever it has come to our notice, on test check basis. • We have relied on the reports/returns and work done by other Statutory Branch Auditors (SBA) in cases of branches not visited by us to get an overall comfort with respect to overall compliance in accordance with SA 600 - Using the Work of Another Auditor. • We have reviewed the work done by other experts like Independent valuers, Lawyers, Legal Experts and other such professionals who have rendered services to the Bank, in accordance with SA 620 Using the Work of an Auditor's Expert. • Further we have also reviewed the Bank's system of monitoring potentially weak and sensitive accounts which show a sign of stress. • We have also reviewed the reports and observations of the Bank's internal audit/inspection reports and observations of the concurrent auditors for the same. • Verification of valuation, classification, provisioning and income recognition of investments by carrying out substantive test including arithmetic accuracy, data accuracy and control over the financial reporting system. We have test checked and assessed the efficacy of the system based identification of NPA
2	<p>Information Technology (IT) and controls impacting financial reporting</p> <p>In the normal course of its business, the Bank's financial accounting and reporting systems are highly dependent on the effective working of the Core Banking Solution (CBS) and other IT systems linked to the CBS or working independently. Extensive volume, variety and complexity of transactions are processed daily and there is a risk that automated accounting procedures and related internal controls may not be accurately designed and operating effectively. Particular areas of focus relate to the logic that is fed into the system, sanctity and reliability of the data, access management and segregation of duties. These underlying principles are important because they ensure that changes to applications and data are appropriate, authorized, cleansed and monitored, so that the system generates accurate and reliable reports/ returns and other financial and non-financial information that is used for the preparation and presentation of the financial statements.</p>	<p>Our audit procedures included verifying, testing and reviewing the design and operating effectiveness of the IT system by verifying the reports/returns and other financial and non- financial information generated from the system on a test check basis.</p> <p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Ensuring that deficiencies noticed in our verification on test check basis were informed to the management for corrective action; • Carrying out independent alternative audit procedures like substantive testing in areas where deficiencies were noticed;

Sr.	Key Audit Matter	How it was dealt with in our report
	<p>We have relied on the consistent and accurate functioning of CBS and other IT systems for the following:</p> <ul style="list-style-type: none"> • Asset Classification and Income recognition as per the Reserve Bank of India guidelines; • Provisioning on the advance portfolio; • Identification of advances and liability items and its maturity pattern in various brackets; • Reconciliation and ageing of various suspense and sundry accounts, impersonal accounts, inter-branch balances and others such accounts; • Recording Investment transactions • Interest expense on deposits and other liabilities; 	<ul style="list-style-type: none"> • Analytical procedures like ratio analysis, trend analysis, reasonable tests, comparative analysis; • Reliance on the work performed by the statutory branch auditors and the rectification entries (MOCs) passed based on branch audits; • Reliance on external vendor inspection reports wherever made available. • Reviewed the IS Audit Reports and discussed with IT Department on compliance with key IT controls.
3	Recognition and measurement of Deferred tax	
	<p>The Bank has recognised a net deferred tax asset of \$ 1621845.79 (in '000) as on March 31, 2022. Besides objective estimation, recognition and measurement of deferred tax asset is based on the judgment and numerous estimates regarding the availability and visibility of profits in the future. The recent decrease in the amount of deferred tax assets presumes availability and forecasting of profits over an extended period of time thus decreasing uncertainty and the inherent risk of inappropriate recognition of the said asset.</p>	<p>Our audit procedures included the risk assessment to gain an understanding of the applicable tax laws and relevant regulations applicable to the Bank. Based on our understanding, we performed both tests of related internal key controls and substantive audit procedures with the assistance of tax specialists. We performed the following audit procedures as part of our controls testing including, but not limited to:</p> <ul style="list-style-type: none"> • Evaluation of the policies used for recognition and measurement of deferred tax assets in accordance with AS 22 Accounting for Taxes on Income; • Assessed the method, assumptions and other parameters used with reference to uniformity, management representations, consistency and continuity like budget and midterm projections prepared by the management including earning growth and applicable tax rates and tested the arithmetical accuracy • Assessed the probability of the availability and visibility of profits against which the bank will be able to use this deferred tax asset in the future.
4	COVID-19 Pandemic	
	<p>COVID-19 Pandemic has adversely impacted the economic activity across the country and the Government of India had announced series of lock down since March 2020 onwards, which were lifted & reimposed at various point of time in regionalized manner across the country based on the prevailing situation in the respective State.</p>	<p>Wherever physical access was not possible, necessary records/ reports/ documents/ certificates were made available to us by the Bank through digital medium including the <u>designated audit portal</u> of the bank, emails and <u>remote access to CBS and closing package</u>. To this extent, the audit process was carried out on the basis of such documents, reports and records made available to us which were relied upon as audit evidence for conducting the audit and reporting for the current period.</p>

Sr.	Key Audit Matter	How it was dealt with in our report
	<p>Correspondingly and in tune with the partial and complete lock downs, we experienced travel restrictions for some part of the year and the Bank facilitated carrying out audit remotely wherever physical access was not possible. This situation eased out considerably by the end of the year and therefore physical audit was most prevalent at the year end.</p> <p>Therefore wherever we could not gather audit evidence in person/physically/ through discussions and personal interactions with the officials at the Branches /Regions & Zones/ Verticals / Corporate Offices, we have identified such modified audit procedures as a Key Audit Matter.</p> <p>Accordingly, our audit procedures were modified to carry out the audit remotely</p>	<p>Accordingly, we modified our audit procedures (based on regulatory and ICAI advisories) as follows:</p> <ul style="list-style-type: none"> • Conducted verification of necessary records/ documents/ CBS/closing package and other application software electronically through remote access/emails/in respect of some of the Branches/ Regions/Zones/Verticals/Corporate Offices and other offices of the Bank wherever physical access was not possible. • Carried out verification of scanned copies of the documents, deeds, certificates, returns from branches and the related records made available to us through emails and remote access over secure network of the Bank • Making enquires and gathering necessary audit evidence through Video Conferencing, dialogues and discussions over phone calls/conference calls, emails and similar communication channels. • Resolution of our audit observations telephonically/ through email instead of a face to-face interaction with the designated officials.

Information Other than the Standalone Financial Statements and Auditors' Report thereon

5. The Bank's Board of Directors is responsible for the other information. The other information comprises the Highlights for the year, Directors' Report including annexures to Directors' Report, key financial ratios, Business responsibility Report and Corporate Governance report in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the standalone financial statements does not cover the Other Information and Pillar 3 disclosures under the Basel III Disclosure and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the Other Information that we obtained prior to the date of this Auditors' Report, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

6. The Bank's Board of Directors is responsible with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by ICAI to the extent applicable, and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality in the magnitude of the misstatements in the standalone financial statements that, individually or aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning of the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

8. We did not audit the financial statements / information of 3416 domestic branches and processing centers including 3 foreign branches included in Standalone Financial Results of the Bank whose financial statements/ financial information reflects total assets of \$45433535.61 (in thousand) at March 31, 2022 and total revenue of \$ 3270667.23 (in thousand) for the year ended on that date, as considered in the Standalone Financial Results. These branches and processing centers cover 41.73 % of advances, 63.26% of deposits and 30.58 % of Non-performing assets as on 31st March 2022 and 31.63% of revenue for the year ended 31st March 2022. The financial statements/ information of these branches have been audited by the branch auditors whose reports have been furnished to us and in our opinion in so far as it relates to the amounts and disclosures included in respect of branches, are based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

9. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949;

Subject to the limitations of the audit indicated in paragraphs 5 and 8 above and as required by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980, and subject also to the limitations of disclosure required therein, we report that:

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
 - b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
 - c) The returns received from the offices and branches of the Bank have been found adequate for the purpose of our audit.
10. As required by letter No. DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 on "Appointment of Statutory Central Auditors (SCAs) in Public Sector Banks – Reporting obligations for SCAs from FY 2019-20", read with subsequent communication dated May 19, 2020 issued by the RBI, we further report on the matters specified in paragraph 2 of the aforesaid letter as under:
- (a) In our opinion, the aforesaid standalone financial statements comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by RBI.
 - (b) In our opinion there are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the bank.
 - (c) As the bank is not registered under the Companies Act, 2013 the disqualifications from being a director of the bank under sub-section (2) of Section 164 of the Companies Act, 2013 do not apply to the bank.
 - (d) There are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.
 - (e) Our audit report on the adequacy and operating effectiveness of the Bank's internal financial controls over financial reporting is given in Annexure A to this report. Our report expresses an unmodified opinion on the Bank's internal financial controls over financial reporting with reference to the Standalone Financial Statements as at 31 March 2022.
11. We further report that:
- a) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
 - b) the Balance Sheet, the Profit and Loss Account and the Statement of Cash Flows dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;
 - c) the reports on the accounts of the branch offices audited by branch auditors of the Bank under section 29 of the Banking Regulation Act, 1949 have been sent to us and have been properly dealt with by us in preparing this report; and

- d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Statement of Cash Flows comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by RBI.

For **M/s R G N Price & Co.**
Chartered Accountants
FRN 002785S

CA P. M. Veeramani
Partner
Membership No.023933
UDIN: 22023933AIXFGY6267

For **M/s P V A R & Associates**
Chartered Accountants
FRN 005223C

CA Sharad Bansal
Partner
Membership No. 423507
UDIN: 22423507AIXFRK9410

For **M/s SARDA & PAREEK LLP**
Chartered Accountants
FRN 109262W/W100673

CA Giriraj Soni
Partner
Membership No.109738
UDIN: 22109738AIXFAO2016

For **M/s Gopal Sharma & Co.**
Chartered Accountants
FRN 002803C

CA Gautam Sharma
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Membership No. 079225
UDIN: 22079225AIXFAB5594

For **M/s C R Sagdeo & Co.**
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FRN 108959W

CA Sachin V. Luthra
Partner
Membership No. 109127
UDIN: 22109127AIXFDY8530

For **M/s N B S & Co.**
Chartered Accountants
FRN 110100W

CA Pradeep J. Shetty
Partner
Membership No. 046940
UDIN: 22046940AIXEXO8437

Place of Signature: Mumbai
Date of Report: 13.05.2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT (Referred to in paragraph 10(a) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date) Report on the Internal Financial Controls Over Financial Reporting as required by the Reserve Bank of India (the "RBI") Letter DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 (as amended) (the "RBI communication")

We have audited the internal financial controls over financial reporting of Union Bank of India ("the Bank") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date which includes internal financial controls over financial reporting of the Bank's branches.

Management's Responsibility for Internal Financial Controls

The Bank's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Banking Regulation Act, 1949 and the circulars and guidelines issued by the Reserve Bank of India.

Auditor's Responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI") and the Standards on Auditing (SAs) issued by the ICAI, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal financial controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the branch auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Bank's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the branch auditors referred to in the Other Matters paragraph below, the Bank has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal control over financial reporting established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Other Matters

Our aforesaid report insofar as it relates to the operating effectiveness of internal financial controls over financial reporting of 3413 branches is based on the corresponding reports of the respective branch auditors of those branches.

Our opinion is not modified in respect of this matter.

For **M/s R G N Price & Co.**
Chartered Accountants
FRN 002785S

CA P. M. Veeramani
Partner
Membership No. 023933
UDIN: 22023933AIXFGY6267

For **M/s P V A R & Associates**
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CA Sharad Bansal
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CA Sachin V. Luthra
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For **M/s N B S & Co.**
Chartered Accountants
FRN 110100W

CA Pradeep J. Shetty
Partner
Membership No. 046940
UDIN: 22046940AIXEXO8437

Place of Signature: Mumbai
Date of Report: 13.05.2022

Standalone Balance Sheet

As on 31st March, 2022

(\$ in 000')

Particulars	Schedule Number	As on 31 st March 2022	As on 31 st March 2021
CAPITAL AND LIABILITIES			
Capital	1	901,771	876,329
Reserves and Surplus	2	8,409,986	7,942,811
Share Application Money		-	-
Deposits	3	136,213,034	126,358,274
Borrowings	4	6,752,528	7,090,290
Other Liabilities and Provisions	5	4,412,467	4,320,430
TOTAL		156,689,786	146,588,134
ASSETS			
Cash and Balances with Reserve Bank of India	6	6,084,057	5,181,297
Balances with Banks and Money at Call and Short Notice	7	9,682,722	6,364,367
Investments	8	45,981,778	45,344,247
Advances	9	87,212,411	80,834,753
Fixed Assets	10	948,815	1,004,496
Other Assets	11	6,780,004	7,858,974
		156,689,786	146,588,134
Contingent Liabilities	12	85,793,153	50,680,887
Bills for Collection		8,719,783	4,745,563
Significant Accounting Policies	17		
Notes to Accounts	18		

The Schedules referred to above form an integral part of the Standalone Balance Sheet

(PANKAJ KUMAR)
DY. GENERAL MANAGER

(PRAFULLA KUMAR SAMAL)
CHIEF FINANCIAL OFFICER

For and on behalf of the Board of Directors

(NIDHU SAXENA)
EXECUTIVE DIRECTOR

(RAJNEESH KARNATAK)
EXECUTIVE DIRECTOR

(NITESH RANJAN)
EXECUTIVE DIRECTOR

(RAJKIRAN RAI G.)
MANAGING DIRECTOR & CEO

(SAMEER SHUKLA)
DIRECTOR

(ARUN KUMAR SINGH)
DIRECTOR

(SURAJ SRIVASTAVA)
DIRECTOR

(LAXMAN S UPPAR)
DIRECTOR

(DR. JAYADEV MADUGULA)
DIRECTOR

(PRITI JAY RAO)
DIRECTOR

As per our report of even date attached.

For M/s R G N Price & Co.
Chartered Accountants
FRN 002785S

For M/s SARDA & PAREEK LLP
Chartered Accountants
FRN 109262W/W100673

For M/s C R Sagdeo & Co.
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For M/s Gopal Sharma & Co.
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CA Pradeep J. Shetty
Partner
Membership No. 046940
UDIN: 22046940AIXEXO8437

Place of Signature: Mumbai
Date of Report: 13.05.2022

Standalone Profit and Loss Account

For the Year Ended 31st March, 2022

(\$ in 000')

Particulars	Schedule Number	For the Year Ended 31 st March 2022	For the Year Ended 31 st March 2021
I. INCOME			
Interest Earned	13	8,964,469	9,406,009
Other Income	14	1,652,514	1,606,414
TOTAL		10,616,983	11,012,424
II. EXPENDITURE			
Interest Expended	15	5,298,346	6,029,122
Operating Expenses	16	2,432,704	2,293,256
Provision And Contingencies		2,195,615	2,292,568
TOTAL		9,926,665	10,614,945
III. PROFIT/(LOSS) FOR THE YEAR		690,318	397,478
ADD : PROFIT/(LOSS) BROUGHT FORWARD		-	-
TOTAL		690,318	397,478
IV. APPROPRIATIONS			
Transfer To Statutory Reserve		172,580	99,370
Transfer To Capital Reserve		161,133	123,127
Transfer To Investment Fluctuation Reserve		86,667	174,982
Transfer To Revenue and Other Reserves		29,730	-
Transfer To Special Reserve u/s Sec 36(1)(viii)		68,872	-
Proposed Dividend		171,336	-
Provision for Div On PNCPs		-	-
Dividend Tax		-	-
Balance in Profit and Loss Account		-	-
Dividend		-	-
TOTAL		690,318	397,478
EARNINGS PER SHARE (BASIC AND DILUTED) (FV \$ 0.1319)	18	0.10	0.06
Significant Accounting Policies	17		
Notes To Accounts	18		

The Schedules referred to above form an integral part of the Standalone Profit and Loss Account

(PANKAJ KUMAR)
DY. GENERAL MANAGER

(PRAFULLA KUMAR SAMAL)
CHIEF FINANCIAL OFFICER

For and on behalf of the Board of Directors

(NIDHU SAXENA)
EXECUTIVE DIRECTOR

(RAJNEESH KARNATAK)
EXECUTIVE DIRECTOR

(NITESH RANJAN)
EXECUTIVE DIRECTOR

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As per our report of even date attached.

For M/s R G N Price & Co.
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Place of Signature: Mumbai
Date of Report: 13.05.2022

Schedules forming part of The Standalone Balance Sheet

As on 31st March, 2022

(\$ in 000')

	As on 31 st March 2022	As on 31 st March 2021
SCHEDULE 1 - CAPITAL :		
I. Authorised :		
10,00,00,00,000 Equity Shares of \$ 0.1319 each (Previous Year 10,00,00,00,000 Equity Shares of \$ 0.1319each)	1,319,392	1,367,802
II. Issued, Subscribed, called up & Paid up :		
i. 570,66,60,850 Equity Shares of \$ 0.1319 each, held by Central Government (Previous Year 570,66,60,850 Equity Shares)	752,932	780,558
ii. 112,80,86,616 Equity Shares of \$ 0.1319 each, held by Public (Previous Year 70,01,83,505 Equity Shares)	148,839	95,771
Less: Calls unpaid	0,000	0,000
Add: Forfeited shares	0,000	0,000
TOTAL	901,771	876,329

(\$ in 000')

	As on 31 st March 2022		As on 31 st March 2021	
SCHEDULE 2 - RESERVES & SURPLUS :				
I. Statutory Reserve :				
As per last balance sheet	1,822,031	1,930,124	1,722,661	1,822,031
Addition during the year	108,094		99,370	
II. Capital Reserve :				
i) Revaluation Reserve :				
As per last balance sheet	670,015	1,577,880	683,596	1,488,072
Addition during the year	1,045		553	
Deduction during the year	43,416		14,134	
	627,644		670,015	
ii) Capital Reserve				
As per last balance sheet	638,930	2,419,920	515,803	2,369,991
Addition during the year	138,519		123,127	
	777,449		638,930	
iii) Amalgamation Adjustment Reserve	172,787		179,127	
III. Share Premium :				
As per last balance sheet	2,369,991	2,419,920	6,850,704	2,369,991
Addition during the year	50,601		-	
Deduction during the year	672		4,480,713	
IV. Revenue and Other Reserves :				
i) Revenue Reserves :				
As per last balance sheet	1,319,310	1,429,857	1,129,279	1,319,310
Addition during the year	126,363		362,452	
Deduction during the year	15,816		172,421	
Total	1,429,857		1,319,310	
ii) Special Reserve u/s Sec 36(1)(viii) of the Income Tax Act, 1961				
As per last balance sheet	753,369	795,577	753,369	753,369
Addition during the year	42,208		-	
Total	795,577		753,369	

(\$ in 000')

	As on 31 st March 2022		As on 31 st March 2021	
iii) Foreign Currency Translation Reserve				
As per last balance sheet	14,258		4,977	
Addition during the year	315		9,375	
Deduction during the year	14,172		95	
Total	400		14,258	
iv) Investment Fluctuation Reserve				
As per last balance sheet	174,982		-	
Addition during the year	80,475		174,982	
	255,456		174,982	
v) Special Reserve Profit on FX Swap	772	2,482,062	800	2,262,718
VI. Balance in Profit and Loss Account		-		-
TOTAL		8,409,986		7,942,811
SCHEDULE 3 - DEPOSITS :				
A.				
I. Demand Deposits				
i) From Banks	107,306		104,275	
ii) From Others	9,478,401	9,585,707	8,598,197	8,702,472
II. Savings Bank Deposits		40,180,860		37,199,847
III. Term Deposits				
i) From Banks	300,654		432,842	
ii) From Others	86,145,813	86,446,467	80,023,112	80,455,955
TOTAL		136,213,034		126,358,274
B.				
i). Deposits of branches in India		136,174,739		126,060,340
ii). Deposits of branches outside India		38,295		297,934
TOTAL		136,213,034		126,358,274
SCHEDULE 4 - BORROWINGS :				
A) Borrowings in India				
I. Reserve Bank of India	1,874,724		1,943,510	
II. Other Banks	262,952		191,500	
III. Other Institutions and Agencies	394,446		375,529	
IV. Perpetual Bonds- Tier I	1,148,531		971,823	
V. Subordinated Bonds - Tier II	1,325,989		1,374,641	
VI. 7 Years Infra Bonds	-	5,006,642	68,404	4,925,407
B) Borrowings Outside India		1,745,886		2,164,883
TOTAL		6,752,528		7,090,290
Secured Borrowings included in (B) I above		1,939,895		1,943,510

(\$ in 000')

	As on 31 st March 2022		As on 31 st March 2021	
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS:				
I. Bills Payable		354,787		315,009
II. Interest Accrued		596,814		429,470
III. Others* (Including Provisions)		3,460,867		3,575,950
TOTAL		4,412,467		4,320,430
*includes provision for Standard Assets & . \$866414.1 (Previous Year \$699352.56)				
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA:				
I. Cash in hand (Including Foreign Currency Notes and Gold)		498,986		517,274
II. Balances with Reserve Bank of India				
(a) in Current Account		5,585,072		4,664,023
(b) in Other Accounts		0,000		0,000
TOTAL		6,084,058		5,181,297
SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE :				
I. Balances with banks in India				
i) Balances with Banks				
a) In Current Accounts	29,347		71,585	
b) In Other Deposit Accounts	803,182		960,376	
ii) Money at Call and short notice				
a) with Banks	-		-	
b) with Other Institutions	7,310,946	8,143,475	4,042,402	5,074,363
II. Outside India				
i) In Current Accounts	39,321		31,002	
ii) In other Deposit Accounts	1,499,925		1,259,002	
iii) Money at call & Short Notice	-	1,539,246	-	1,290,004
TOTAL		9,682,722		6,364,367
SCHEDULE 8 - INVESTMENTS :				
I. Investments in India				
i) Government Securities		34,853,554		32,861,955
ii) Other Approved Securities		-		-
iii) Shares		304,160		275,778
iv) Debentures and Bonds		9,154,350		10,177,218
v) Subsidiaries and joint ventures		44,676		73,540
vi) Others (Commercial Paper, Mutual Funds, Venture Capital, Security Receipt etc.)		1,255,148		1,585,926
Total		45,611,887		44,974,417

(\$ in 000')

	As on 31 st March 2022	As on 31 st March 2021
II. Investments outside India		
i) Govt. Securities (Including Local Authority)	212,447	202,788
ii) Other Investments (Bonds)	6,073	10,112
iii) Subsidiaries and Joint Ventures	151,372	156,930
Total	369,891	369,830
TOTAL	45,981,778	45,344,247
III. i) Investments in India		
Gross Value	46,423,202	45,825,939
Provision for Depreciation	811,315	851,522
Net Value	45,611,887	44,974,417
ii) Investments outside India		
Gross Value	374,063	370,096
Provision for Depreciation	4,172	266
Net Value	369,891	369,830
TOTAL	45,981,778	45,344,247

(\$ in 000')

	As on 31 st March 2022	As on 31 st March 2021
SCHEDULE 9 - ADVANCES (Net)		
A.		
i) Bills purchased and discounted	510,735	562,397
ii) Cash Credits, Overdrafts and Loans repayable on demand	37,983,917	36,400,060
iii) Term Loans	48,717,759	43,872,295
TOTAL	87,212,411	80,834,753
B.		
i) Secured by tangible assets*	70,514,794	69,402,183
ii) Covered by Bank/Government Guarantees	1,723,934	2,259,333
iii) Unsecured	14,973,683	9,173,236
TOTAL	87,212,410	80,834,753
(* includes advances against Book Debt Rs. 61,83,30,066 (previous year Rs. 59,90,84,207))		
C. Sectorial Classification of Advances		
I. Advances in India:		
i) Priority Sector	34,241,376	34,595,700
ii) Public Sector	9,595,886	8,352,202
iii) Banks	2,942	4,203
iv) Others	41,406,207	35,964,522
TOTAL	85,246,410	78,916,627
II. Advances Outside India:		
i) Due From Banks	700,738	467,571
ii) Due from Others		
a) Bills Purchased and Discounted	15,978	-
b) Syndicated loans	7,219	16,182
c) Others	1,242,066	1,434,372
TOTAL	1,966,001	1,918,125
TOTAL	87,212,411	80,834,753

(\$ in 000')

	As on 31 st March 2022		As on 31 st March 2021	
SCHEDULE 10 - FIXED ASSETS :				
A. TANGIBLE ASSETS				
I. Premises				
At cost/valuation as per last balance sheet	1,115,261		1,105,510	
Additions during the year	8,051		9,797	
Deduction during the year	16,833		45	
	1,106,479		1,115,261	
Less: Depreciation till date	386,891	719,588	339,785	775,476
II. Capital Work-in-Progress				
At cost as per last balance sheet	8,520		7,929	
Additions during the year	1,368		2,149	
Deductions during the year	5,125	4,763	1,558	8,520
III. Land				
At cost as per last balance sheet	17,038		17,038	
Additions during the year	17,267		-	
Deductions during the year	735		-	
	33,570		17,038	
Less: Depreciation till date	6,567	27,003	1,072	15,966
IV. Other Fixed Assets (including Furniture and Fixtures)				
a) Assets given on lease				
At cost as per last balance sheet	3,501		3,629	
Less: Depreciation till date	3,501	-	3,629	-
b) Others				
At cost/valuation as per last balance sheet	883,641		849,088	
Additions during the year	32,948		47,839	
Deductions during the year	10,496		13,285	
	906,093		883,641	
Less: Depreciation till date	739,914	166,179	719,445	164,196
B. INTANGIBLE ASSETS				
Computer Software				
At cost as per last balance sheet	153,503		116,949	
Additions during the year	11,513		36,570	
Deduction during the Year	157		16	
	164,859		153,503	
Less: Amortisation till date	133,578	31,281	113,164	40,339
TOTAL		948,815		1,004,496

(\$ in 000')

	As on 31 st March 2022		As on 31 st March 2021	
SCHEDULE 11 - OTHER ASSETS :				
I. Inter-Office Adjustments (Net)		237,451		1,003,991
II. Interest Accrued		1,014,560		821,197
III. Tax Paid/ Tax deducted at source (Net of provision)		711,318		905,878
IV. Stationery and stamps		836		933
V. Non-Banking assets acquired in satisfaction of claims		18		17
VI. Others*		2,802,414		2,819,511
VII. Deferred Tax Assets (Net)		1,621,846		2,143,687
VIII. MAT Credit Entitlement		391,561		163,761
TOTAL		6,780,004		7,858,974
*Includes Deposit placed with NABARD/SIDBI/ NHB amounting to \$ 1272634 (Previous Year \$ 1522278)				
SCHEDULE 12 - CONTINGENT LIABILITIES :				
I. Claims against the bank not acknowledged as debts		437,117		510,288
II. Liability for partly paid Investments		-		81
III. Liability on account of outstanding Forward Exchange Contracts		57,571,618		31,321,409
IV. Guarantees given on behalf of Constituents				
a) In India	8,622,340		9,072,298	
b) Outside India	218,698	8,841,038	184,544	9,256,842
V. Acceptances, endorsements and other obligations		16,745,938		7,122,652
VI. Disputed Tax demands under appeals		1,817,841		2,144,728
VII. Amount transferred to DEAF Scheme 2014		379,601		324,886
TOTAL		85,793,153		50,680,887
Bills for Collection		8,719,783		4,745,563

Schedules forming part of the Standalone Profit & Loss Account

For the year ended 31st March, 2022

(\$ in 000')

	For the Year Ended 31 st March 2022	For the Year Ended 31 st March 2021
SCHEDULE 13 - INTEREST EARNED :		
I. Interest/Discount on advances/bills	5,968,334	6,259,860
II. Income on Investments	2,631,242	2,814,075
III. Interest on balances with Reserve Bank of India & other Inter Bank Funds	282,459	219,516
IV. Others	82,434	112,558
TOTAL	8,964,469	9,406,009
SCHEDULE 14 - OTHER INCOME :		
I. Commission, Exchange and Brokerage	229,550	169,869
II. Profit on sale of investments (Net)	450,069	499,426
III. Profit on revaluation of Investments (Net)	-14,131	55,757
IV. Profit / (Loss) on sale of land, buildings & other assets (Net)	-46	1,041
V. Profit on exchange transactions (Net)	80,227	59,311
VI. Income earned by way of Dividends, etc from subsidiaries and/or joint ventures abroad/ in India	326	-
VII. Miscellaneous Income	906,518	821,009
TOTAL	1,652,514	1,606,414
SCHEDULE 15 - INTEREST EXPENDED :		
I. Interest on Deposits	4,941,678	5,581,568
II. Interest on Reserve Bank of India/Inter-Bank Borrowings	139,327	203,837
III. Others	217,341	243,716
TOTAL	5,298,345	6,029,122
SCHEDULE 16 - OPERATING EXPENSES :		
I. Payments to and provisions for employees	1,334,513	1,269,814
II. Rent, Taxes and Lighting	141,264	150,979
III. Printing and Stationery	12,767	12,612
IV. Advertisement and Publicity	8,098	4,261
V. Depreciation on Bank's property	97,385	122,450
VI. Directors' fees, allowances and expenses	109	182
VII. Auditors' fees and expenses(including branch auditors)	8,316	14,439
VIII. Law Charges	18,585	17,067
IX. Postage, Telegrams, Telephones, etc.	41,041	31,885
X. Repairs and maintenance	43,168	48,698
XI. Insurance	169,898	173,245
XII. Other expenditure	557,560	447,625
TOTAL	2,432,705	2,293,256

Significant Accounting Policies (Standalone) : Schedule 17

1. Basis of Preparation

The financial statements have been prepared in accordance with requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949. The accounting and reporting policies of the Bank used in the preparation of these financial statements conform to Generally Accepted Accounting Principles in India (Indian GAAP), the guidelines issued by Reserve Bank of India (RBI) from time to time and the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI) to the extent applicable and practices generally prevalent in the banking industry in India.

2. Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of Assets and Liabilities (including Contingent Liabilities) as of the date of the financial statements and the reported Income and the Expenses during the reporting period. Management believes that the estimates wherever used in the preparation of the financial statements are prudent and reasonable. Difference between the actual results and estimates is recognized in the period in which the results are known / materialized.

3. Revenue Recognition

- 3.1. Income and Expenditure have been accounted for on accrual basis unless otherwise stated.
- 3.2. Income on Non-Performing Assets (NPAs) is recognized to the extent realized as per the prudential norms prescribed by the RBI. Income accounted for in the preceding year and remaining unrealized is derecognized in respect of assets classified as NPAs during the year.
- 3.3. Commission on Letter of Guarantee/Letter of Credit is accounted on accrual basis.
- 3.4. Exchange and brokerage earned, rent on Safe Deposit Lockers, income from Aadhaar cards,

Minimum balance charges etc. are accounted for on realization basis.

- 3.5. Income (Other than interest) on investments in "Held to Maturity" (HTM) category acquired at discount to the face value is recognized as follows:
 - 3.5.1. On interest bearing securities, it is recognized only at the time of sale/ redemption.
 - 3.5.2. On Zero- coupon securities, it is accounted for over the balance tenor of the securities on a constant yield basis.
- 3.6. Dividend is accounted on an accrual basis where the right to receive the dividend is established.
- 3.7. Sale of NPAs accounted in terms of extant RBI guidelines.
- 3.8. Interest on Income-tax refunds is accounted for on receipt of Intimation order from the Income Tax Department.

4. Appropriation of Recovery :

Appropriation of recoveries from one time settlement & NCLT Resolutions shall be as per terms of sanction. Recoveries other than by way of OTS/NCLT shall be appropriated as under:

- 4.1. When there is no agreement between the debtor and creditor as to how monies paid by the debtor are required to be appropriated by the creditor, the order of appropriation is as under :

For Term Loans:

- Towards expenses & costs etc.
- Towards unrecovered interest reversed on the date of NPA.
- Interest held in dummy ledger (unapplied interest).
- Towards arrears of principal/EMI till the date of recovery.
- Towards running ledger balance.

For Running Accounts:

- Towards expenses & costs etc.
 - Towards interest held in dummy ledger (unapplied interest) including unrecovered interest reversed at the time of NPA.
 - Towards principal.
- 4.2. In case borrower stipulates terms of appropriation differently than above and if such different terms of appropriation is accepted by Bank then appropriation of recoveries will be as per the accepted terms.
- 4.3. In case of Non Performing Investment recovery will be apportioned as mentioned below:
- a. Towards expenses & costs etc.
 - b. Towards unrecovered interest reversed on the date of NPI.
 - c. Interest held in dummy ledger (unapplied interest).
 - d. Towards arrears of principal/EMI till the date of recovery.
 - e. Towards running ledger balance

5. Cash Flow Statements:

Cash Flow statement of the Bank is prepared as per AS-3. Cash Flow statement is mainly classified as:

- 5.1. Cash flow from Operating Activities: This activity includes cash flow generated from Operational activities.
- 5.2. Cash Flow from Investing Activities: This activity includes cash flow generated by investments.
- 5.3. Cash Flow from Financials Activities: This activity includes the cash flow generated from financial instruments.

6. Investments

- 6.1. In conformity with the requirements of Form A of the Third Schedule to the Banking Regulations Act, 1949, Investments are classified as under:

- 6.1.1. Government Securities
- 6.1.2. Other Approved Securities
- 6.1.3. Shares
- 6.1.4. Debentures & Bonds
- 6.1.5. Investments in Subsidiaries & Joint Ventures and
- 6.1.6. Other Investments

The Investment portfolio of the Bank is further classified in accordance with the RBI guidelines contained in Master Circular DoR. MRG.42/21.04.141 /201-22 dated August 25, 2021 into three categories viz.,

- a) Held to Maturity (HTM)
- b) Available for Sale (AFS)
- c) Held for Trading (HFT)

- 6.2. As per RBI guidelines, the following principles have been adopted for the purpose of valuation

- 6.2.1. Securities held in "HTM" – at acquisition cost.
- 6.2.1.1. The excess of acquisition cost over the face value is amortized over the remaining period of maturity and in case of discount; it is not recognized as income.
- 6.2.1.2. Investments in Regional Rural Banks are valued at carrying cost.
- 6.2.1.3. Investments in Subsidiaries and Joint Ventures are valued at carrying cost.
- 6.2.1.4. Diminution, other than temporary, in the value of its investment in subsidiaries/joint ventures, which are included in HTM shall be provided for.
- 6.2.2. Securities held in "AFS" and "HFT" categories
- 6.2.2.1. Securities held in "AFS" and "HFT" categories are valued classification wise and scrip-wise and net depreciation, if any, in each classification is charged to Profit & Loss account while net appreciation, if any, is ignored.

6.2.2.2. Valuation of securities is arrived at as follows:

A	Govt. of India Securities (Central Govt. Securities)	As per quotations put out by Fixed Income Money Market and Derivatives Association (FIMMDA/FBIL)
B	State Development Loans, State Govt. Securities guaranteed by Central/ State Government, PSU Bonds	On appropriate yield to maturity basis as per FIMMDA/FBIL guidelines
C	Equity Shares	As per market rates, if quoted, otherwise at Break-up Value, as per latest Audited Balance Sheet (not more than 1 year old). In the absence of both, at ₹ 1/- per Company. The break-up Value is computed excluding revaluation reserve.
D	Preference Shares	As per market rates, if quoted, or on appropriate yield to maturity basis not exceeding redemption value as per FIMMDA/FBIL guidelines
E	Debentures/Bonds	As per market rates, if quoted, otherwise on appropriate yield to maturity basis as per FIMMDA/FBIL guidelines.
F	Mutual Funds(MF)	As per stock exchange quotations, if quoted. In case of unquoted units, as per latest Repurchase price declared by concerned MF. In cases where latest repurchase price is not available, as per Net Asset Value (NAV)
G	Treasury Bills / Certificate of Deposits / Commercial Papers	At carrying cost
H	Venture Capital Funds (VCF)	At declared NAV or Breakup NAV as per audited Balance Sheet which is not more than 18 months old. If NAV / audited financial statements are not available for more than 18 months continuously, at ₹ 1/- per VCF
I	Security Receipts	At NAV as declared by Securitization Companies

6.3. Interbank/RBI Repo and Interbank/ RBI Reverse Repo transactions are accounted for in accordance with

extant RBI guidelines.

6.4. As per the extant RBI guidelines, the shifting of securities from one category to another is accounted for as follows:

6.4.1. From AFS/HFT categories to HTM category, at lower of book value or market value as on the date of shifting. Depreciation, if any, is fully provided for.

6.4.2. From HTM category to AFS/HFT category,

6.4.2.1. If the security is originally placed at discount in HTM category, at acquisition cost / book value.

6.4.2.2. If the security is originally placed at a premium, at amortized cost.

The securities so shifted are revalued immediately and resultant depreciation is fully provided for.

6.4.3. From AFS to HFT category and vice versa, at book value.

6.5. The non-performing investments are identified and depreciation / provision is made as per the extant RBI guidelines.

6.6. Profit / Loss on sale of investments & appreciation/ depreciation of investment in any category are taken to the Profit & Loss account. However, in case of profit on sale of investments in "HTM" category, an equivalent amount (net of taxes and net of transfer to Statutory Reserves) is appropriated to the Capital Reserve account.

6.7. Commission, brokerage, broken period interest etc on securities is debited / credited to Profit & Loss Account.

6.8. Brokerage and STT paid on purchase and sale of Equity is accounted to price of the deal.

6.9. The Amortization of premium on HTM Securities is computed using Straight-line Method.

6.10. The Bank is following weighted average Price (WAP) for accounting of investment portfolio.

6.11. As per the extant RBI guidelines, the Bank follows 'Settlement Date' for accounting of investments transactions.

- 6.12. Income from the units of Mutual Fund, Venture Capital & Security Receipt is recognized on Cash Basis.
- 6.13. Derivative Contracts
- 6.13.1. The Interest Rate Swap which hedges interest bearing Asset or Liability are accounted for in the financial statements on accrual basis except the swap designated with an Asset or Liability that is carried at market value or lower of cost or market value. Gains or losses on the termination of swaps are recognized over the shorter of the remaining contractual life of the swap or the remaining life of the Asset / Liability.
- 6.13.2. Trading swap transactions are marked to market with changes recorded in the financial statements. (profit if any, is ignored)
- 6.13.3. In the case of option contracts, guidelines issued by Foreign Exchange Dealers Association of India (FEDAI) from time to time for recognition of income, premium and discount are being followed.
- 7. Advances**
- 7.1. All advances are classified under four categories:
- 7.1.1. Standard,
- 7.1.2. Sub-standard,
- 7.1.3. Doubtful and
- 7.1.4. Loss assets.
- Provisions required on such advances are made as per the extant prudential norms issued by the RBI in terms of Master Circular DoR No.STR. REC.55/21.04.048/2021-22 dated October 01, 2021 as under:
- 7.2. Loans and Advances are classified as performing and non-performing, based on the guidelines issued by the RBI. Loan Assets become Non-Performing Assets (NPAs) where:
- 7.2.1. In respect of term loans, interest and/or instalment of principal remains overdue for a period of more than 90 days;
- 7.2.2. In respect of Overdraft or Cash Credit advances, the account remains "out of order", i.e.
- 7.2.2.1. the outstanding balance in the CC/OD account remains continuously in excess of the sanctioned limit/drawing power for 90 days, or the outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but there are no credits continuously for 90 days, or
- 7.2.2.2. the outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but credits are not enough to cover the interest debited during the previous 90 days period.
- 7.2.3. In respect of bills purchased/discounted, the bill remains overdue for a period of more than 90 days;
- 7.2.4. In respect of agricultural advances for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons.
- 7.2.5. In respect of agricultural advances for long duration crops, where the principal or interest remains overdue for one crop season.
- 7.2.6. A working capital borrowal account will become NPA if such irregular drawings are permitted in the account for a continuous period of 90 days even though the unit may be working or the borrower's financial position is satisfactory.
- 7.2.7. In respect of MSME accounts where RBI dispensation benefit is passed on the Bank will adhere to Income Recognition, Asset Classification and Provisioning norms as spelt out RBI circular DBR.No.BP. BC.100/21.04.048/2017-18 dated 7th February, 2018 and DBR.No.BP.BC.108/21.04.048/2017/18 dated 6th June, 2018.
- 7.2.8. In respect of MSME accounts which will be restructured in terms of RBI Circular No DOR. No.BP.BC.34/21.04.048/2019-20 February 11, 2020 with reference to Circular No DBR.No.BP. BC.18/21.04.048/2018-19 dated 1st January, 2019 and kept in standard category, the Bank shall maintain a provision of 5% in addition to the provision already held. Reversal of said provision shall be made in accordance with the said circular.

7.2.9. In terms of RBI guidelines relating to 'Covid 19 Regulatory Package' on Asset Classification and Provisioning dated 27th March, 2020, 17th April 2020 and 23rd May, 2020, the Bank has extended moratorium on payment of instalment and/or interest as applicable, falling due between 1st March, 2020 to 31st August, 2020 to eligible borrowers classified as standard, even if overdue, as on 29th February, 2020 without considering the same as restructuring. Further as per RBI circular no.DOR. No.BP.BC/3/21.04.048/2020-21 & circular no. DOR. No.BP.BC/4/21.04.048/2020-21 dated 06th August, 2020, DoR.STR.REC.12/21.04.048/2021-22 & DoR. STR.REC.11/21.04.048/2021-22 dated May 05th, 2021 with reference to restructuring of Corporate & Retail Loan, Bank shall maintain necessary provision in this regard.

7.3. NPAs are classified into Sub-Standard, Doubtful and Loss Assets, based on the following criteria stipulated by RBI:

7.3.1. Sub-standard: A loan asset that has remained non performing for a period less than or equal to 12 months,

7.3.2. Doubtful: A loan asset that has remained in the sub-standard category for a period exceeding 12 months,

7.3.3. Loss: A loan asset where loss has been identified but the amount has not been fully written off.

7.4. Provisions are made for NPAs as per the extant guidelines prescribed by the regulatory authorities, subject to minimum provisions as prescribed below:

Sub-Standard Assets:	<ul style="list-style-type: none"> i. A general of 15% of the total outstanding ii. Additional provision of 10% for exposures which are unsecured ab-initio; iii. However, Unsecured Exposure, ab-initio, in respect of infrastructure loan accounts where certain safeguards such as escrow accounts are available - 20% (instead of 25% as stated above)
Doubtful-Secured Portion	<ul style="list-style-type: none"> i. Up to one year – 25% ii. One to three years – 40% iii. More than three years – 100%
Doubtful Unsecured Portion	100%
Loss Asset	100%

7.5. Advances are stated net of specific loan loss provisions, Counter cyclical provisioning buffer, Provision for diminution in fair value of restructured advances and unrecovered interest held in Sundry /claims received from Credit Guarantee Trust Fund (CGTF) / Export Credit Guarantee Corporation (ECGC) relating to non-performing assets.

7.6. In respect of foreign offices, classification of loans and advances and provisions for NPAs are made as per the local regulations or as per the norms of RBI, whichever is more stringent.

7.7. For restructured/rescheduled assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the loan before and after restructuring is provided for, in addition to provision for NPAs.

7.8. In the case of loan accounts classified as NPAs, an account may be reclassified as a performing asset if it conforms to the guidelines prescribed by the regulators.

7.9. Amounts recovered against debts written off are recognized as revenue in the year of recovery.

7.10. The general provision on Standard Advances is held in "Other Liabilities and Provisions" reflected in schedule 5 of the Balance Sheet and is not considered for arriving at both net NPAs and net advances. Standard Assets provision to be made as per IRAC RBI Master Circular RBI/2021-2022/104 DOR.No.STR.REC.55/21.04.048/2021-22 dated October 01,2021 and any subsequent circular issued from time to time.

7.11. Provision on Suspense accounts entries outstanding for more than six months are made at 100% except the claim receivable from Govt./ Govt. Bodies like Interest Subsidy on crop loan/ export advance, Pension receivable etc.

8. Property, Plant and Equipment

8.1. Premises and Other Fixed Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises

of purchase price, eligible borrowing costs and directly attributable costs of bringing the Asset to its working condition for the intended use less trade discounts and rebates. Subsequent expenditure incurred on assets put to use is capitalized only when it increases the future benefits from such assets or their functional capability. Land and Buildings, if revalued are stated at revalued amount. The appreciation on revaluation is credited to Revaluation Reserve and the depreciation provided thereon is deducted there from and shall be credited to Revenue Reserves in terms of revised AS-10 on "Property, Plant and Equipment".

8.2. Depreciation on Fixed Assets is provided for on the Straight Line Method at the rates prescribed in Expenditure Policy of the Bank from time to time. The applicable rates of depreciation are as under:

S. No.	Capital Asset	Useful Life (Years)	Rate in percentage
1	Immovable Property-Land	Not stipulated; accordingly, no depreciation	NIL
2	Building with RCC frame structure (Both Residential & Non residential)	60	1.67
3	Furniture	10	10.00
4	Fixtures	10	10.00
5	Air-conditioning plants (Package & water/air cooled ductable)	10	10.00
6	Split & Window Air conditioners	5	20.00
7	Electrical installation and equipments	5	20.00
8	Solar Power Equipment	15	6.67
9	Elevators & Lifts	15	6.67
10	Civil & Flooring work in leased Premises	5	20.00
11	Telephone Equipment	5	20.00
12	Motor Cycles, Scooters & other mopeds	10	10.00

S. No.	Capital Asset	Useful Life (Years)	Rate in percentage
13	Motor Cars, Motor Lorries and Electrically operated vehicles including battery powered or fuel cell powered vehicles	8	12.50
14	Mobile Phones	3	33.33
15	Generators	15	6.67
16	Office Equipment/ Appliances, SDV lockers, Strong Room door, Cash Safe etc.	5	20.00
17	Computers & computer software forming integral part of hardware	3	33.33
18	ATM & allied items	3	33.33
19	UPS & allied items	5	20.00
20	Servers & Networks	6	16.66
21	End user devices such as desktops, laptops, i-pads, tablets, printer & Scanner, digital watches etc.	3	33.33

8.3. Depreciation on premises is provided on composite cost, wherever the value of Land and Buildings is not separately identifiable.

8.4. Depreciation on Leased assets and Leasehold improvements is recognized on a straight-line basis using rates determined with reference to the primary period of lease.

9. Impairment of Assets

Impairment losses (if any) on Fixed Assets (including revalued assets) are recognised in accordance with AS-28 on "Impairment of Assets" issued by the ICAI and charged off to Profit and Loss Account. The carrying costs of assets are reviewed at each Balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying cost of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and

value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying cost of the asset over its remaining useful life. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

10. Counter Cyclical Provisioning Buffer

The Bank has a policy of creation and utilization of Counter Cyclical Provisioning Buffer separately for Advances and Investments. The quantum of provision to be created is assessed at the end of each financial year. The counter Cyclical Provisions are utilized only for contingencies under extra ordinary circumstances specified in the policy with prior permission of the RBI.

11. Transactions involving Foreign Exchange

Accounting for transactions involving foreign exchange is done in accordance with AS-11 on "The Effects of Changes in Foreign Exchange Rates", issued by the ICAI. In terms of AS-11, the foreign currency operations of the Bank are classified as a) Integral Operations and b) Non Integral Operations.

All overseas branches, offshore banking units, overseas subsidiaries are treated as non- integral operations and domestic operations in foreign exchange and representative offices are treated as integral operations.

Accounting for Integral operations:

- 11.1. Monetary and Non- Monetary Assets and Liabilities are revalued at the exchange rates notified by FEDAI at the close of the year and resultant gain / loss is recognized in the Profit & Loss Account.
- 11.2. Income & Expenditure items are recognized at the exchange rates prevailing on the date of the transaction.

- 11.3. Forward exchange contracts are recorded at the exchange rate prevailing on the date of commitment. Outstanding forward exchange contracts are revalued at the exchange rates notified by FEDAI for specified maturities and at interpolated rates for contracts of 'in-between' maturities. The resultant gains or losses are recognized in the Profit & Loss account.

- 11.4. Contingent liabilities on account of guarantees, acceptances, endorsements and other obligations are stated at the exchange rates notified by FEDAI at the close of the year.

12. Accounting for Non-Integral operations

12.1. Revenue Recognition

Income and Expenditure are recognized / accounted for as per the local laws of the respective countries.

12.2. Asset Classification and Loan Loss Provisioning

Asset classification and loan loss provisioning are made as per the local laws of the respective countries or as per RBI guidelines whichever is higher.

12.3. Fixed Assets and Depreciation

- 12.3.1. Fixed Assets are accounted for at historical cost.

- 12.3.2. Depreciation on Fixed Assets is provided as per the applicable laws of the respective countries.

- 12.4. Assets and Liabilities (monetary and non-monetary as well as Contingent Liabilities) are translated at the closing rates notified by FEDAI at the close of the year.

- 12.5. Income & Expenditure are translated at the quarterly average closing rates notified by FEDAI at the end of respective quarters.

- 12.6. All resulting exchange differences are accumulated in 'Foreign Currency Translation Reserve'.

13. Employee Benefits:

13.1. Short Term Employment Benefits:

The undiscounted amounts of short term employee benefits (eg medical benefits) payable wholly within twelve months of rendering the services are treated as short term and recognized during the period in which the employee rendered the service.

13.2. Long term Employee Benefits:

13.2.1. Defined Contribution Plans:

The Bank operates a new pension scheme (NPS) for all officers/employees joining the Bank on or after 1st April,2010, which is a defined contribution plan, such new joiners not being entitled to become members of the existing Pension Scheme. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with 14% contribution from the Bank. Pending completion of registration procedures of the employees concerned, these contributions retained with the Bank. The Bank recognizes such annual contributions in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS trust.

13.2.2. Defined Benefit Plan:

Gratuity, Pension and Leave Encashment are defined benefits plans. These are provided for on the basis of an actuarial valuation as per Accounting Standard-15 "Employee Benefit" issued by the Institute of Chartered Accountants of India, made at the end of each financial year, based on the projected unit credit method. Actuarial gains/losses are immediately taken to the Profit & Loss account.

14. Segment Reporting

The Bank recognizes the Business segment as the Primary reporting segment and Geographical segment as the Secondary reporting segment, in accordance with the RBI guidelines and in the compliances with the

Accounting Standard-17 "Segment Reporting" issued by the Institute of Chartered Accountants of India. Business segments are classified into

- 14.1. Treasury Operations,
- 14.2. Corporate and Wholesale Banking,
- 14.3. Retail Banking Operations and
- 14.4. Other Banking Operations.

15. Lease Transactions

Lease payments for Assets taken on operating lease recognized as an expenses in the profit and loss account on a straight-line basis over the lease term.

16. Earnings per Share

The Bank reports the basic and diluted Earnings per Share in accordance with AS 20. Earnings per Share is calculated by dividing the net Profit or Loss (after tax) for the year attributable to the Equity shareholders by the weighted average number of Equity shares outstanding during the year. Diluted earnings per share reflect the potential dilution that could occur if contracts to issue Equity shares were exercised or converted during the year. Diluted earnings per Equity share is calculated by using the weighted average number of Equity shares and dilutive potential Equity shares outstanding as at the year-end.

17. Taxation:

This comprises of provision for Income tax and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) as determined in accordance with AS-22 on "Accounting for taxes on Income" issued by the ICAI. Provision for Tax is made for both current and deferred taxes. Current tax is provided on the taxable income using applicable tax rate. Deferred Tax Assets and Deferred Tax Liabilities arising on account of timing differences and which are capable of reversal in subsequent periods are recognized using the tax rates and the tax laws that have been enacted or substantively enacted till the date of the Balance Sheet. Deferred Tax Assets are not recognized unless there is 'reasonable certainty' that sufficient future taxable income will be available against which such Deferred Tax Assets will be realized. In case of carry forward of

unabsorbed depreciation and tax losses, Deferred Tax Assets are recognized only if there is "virtual certainty".

18. Provisions, Contingent Liabilities and Contingent Assets

In terms of AS 29-Provisions, Contingent Liabilities and Contingent Assets issued by the ICAI, the Bank recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may not be realized.

19. Share Issue Expenses:

Share Issue expenses are charged to the Share Premium account in terms of Section 52 of the Companies Act, 2013.

20. Consolidation of the Accounts:

Bank is having five subsidiaries i.e. Union Asset Management Company Private Limited, Union Trustee Company Private Limited, Union Bank of India (UK) Limited, Andhra Bank Financial Services Limited and UBI Services Ltd.

Bank is having three Joint Ventures i.e. Star Union Dai-ichi Life Insurance Company Ltd., ASREC (India) Ltd. and India International Bank (Malaysia) Berhad.

Bank is having one associate Chaitanya Godavari Grameen Bank.

The consolidated financial statements are prepared on the basis of:

- 20.1. Audited Accounts of the parent bank (Union Bank of India)
- 20.2. Consolidation of Subsidiaries: Line by Line aggregation of the Income/Expenditure/Assets/Liabilities of the subsidiaries with the respective line item of the parent bank, after eliminating all intra-group transactions, unrealized profits/loss in terms of AS 21 on Consolidated Financial

Statements issued by Institute of Chartered Accountants of India (ICAI).

20.3. Consolidation of Associates: The Investment in Associate is accounted for consolidation as per Equity Method in terms of AS 23 on Accounting for Investments in Associates in Consolidated Financial Statement issued by Institute of Chartered Accountants of India (ICAI).

20.4. Consolidation of Joint Ventures: Line by Line consolidation is done with proportionate share in Joint Venture in terms of AS-27 on Financials Reporting in Interest of Joint Venture issued by Institute of Chartered Accountants of India (ICAI).

SCHEDULE 18 – NOTES TO ACCOUNTS (STANDALONE):

1. REGULATORY CAPITAL

The Bank is subjected to Basel III capital adequacy guidelines stipulated by RBI with effect from April 1, 2013. The guidelines provide a transition schedule for Basel III implementation till Oct. 1, 2021. As per RBI Guidelines, Basel III has been completely implemented from Oct. 1, 2021. As per guidelines, the Tier I capital is made up of Common Equity Tier I (CET I) and Additional Tier I Capital (AT I).

Basel III guidelines require the Bank to maintain minimum capital to Risk Weighted Assets ratio (CRAR) of 11.50% with minimum CET I of 8.00% (inclusive of Capital Conservation Buffer of 2.50%) and minimum Tier I CRAR of 9.50% as at March 31, 2022.

During the year, the Bank has issued additional 42,79,03,111 number of equity shares under Qualified Institutions Placement (QIP) on 21st May, 2021 and raised an amount of \$19.09 crore. Accordingly, the shareholding of Government of India in the Bank has reduced to 83.49% as compared to the shareholding of 89.07% as on 31st March, 2021. Further, the Bank has also issued Basel III compliant Tier-2 bonds of \$26.39 Crore & additional Tier-1 Bonds of \$65.97 crore in tranches and exercised call option for redemption of Basel III compliant Tier-2 bonds of \$26.39 crore & additional Tier-1 Bonds of \$44.86 crore.

a) Composition of Regulatory Capital:

				(\$ in Crore)	
Sr. No	Particulars	31.03.2022	31.03.2021		
i.	Common Equity Tier 1 capital (CET 1) / Paid up share capital and reserves@ (net of deductions, if any)	765.89	683.91		
ii.	Additional Tier 1 capital/ Other Tier 1 capital	112.67	96.97		
iii.	Tier 1 capital (i + ii)	878.57	780.88		
iv.	Tier 2 capital	167.46	166.49		
v.	Total capital (Tier 1+Tier 2)	1046.03	947.37		
vi.	Total Risk Weighted Assets (RWAs)	7202.86	7543.71		
vii.	CET 1 Ratio (CET 1 as a percentage of RWAs) / Paid-up share capital and reserves as percentage of RWAs	10.63	907.00		
viii.	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	12.20	10.35		
ix.	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	2.32	2.21		
x.	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	14.52	12.56		
xi.	Leverage Ratio	5.17	4.82		
xii.	Percentage of the shareholding of				
	a) Government of India	83.49	89.07		
	b) State Government (specify name)	--	--		
	c) Sponsor Bank	--	--		
xiii.	Amount of paid-up equity capital raised during the year	19.09	--		
xiv.	Amount of non-equity Tier 1 capital raised during the year, of which:				
	a) Basel III compliant Perpetual Non-Cumulative Preference Shares	--	--		
	b) Basel III compliant Perpetual Debt Instruments	65.97	23.32		
xv.	Amount of Tier 2 capital raised during the year, of which	--			
	a) Perpetual Cumulative Preference Shares				
	b) Redeemable Non-Cumulative Preference Shares	--	--		
	c) Basel III compliant Redeemable non convertible tier II Bonds	26.39	27.36		

b) Draw down from Reserves:

During the year 2021-22, the Bank has drawn \$1.58 crore from other reserves towards unamortized portion of Frauds.

2. ASSET LIABILITY MANAGEMENT

a) Maturity pattern of certain items of assets and liabilities

Current Year 2021-22

(\$ in crore)

	Day 1	2-7 DAYS	8-14 DAYS	15-30 DAYS	31 days-2 months	>2-3 months	>3-6 months	>6 months-1 year	>1-3 years	>3-5 years	> 5 years	TOTAL
Deposits	168.23	297.76	204.58	319.61	416.83	450.06	1029.06	1940.26	1594.46	1136.96	6063.49	13621.30
Advances	79.68	148.44	125.13	289.11	62.13	233.85	452.90	827.77	3935.69	941.12	1625.42	8721.24
Investments	1905.30	240.12	23.07	67.76	19.02	301.61	349.69	340.82	178.18	270.41	902.21	4598.18
Borrowings	10.60	10.27	7.95	14.95	10.97	14.58	22.61	74.46	259.61	48.50	200.75	675.25
Foreign currency assets	64.66	36.91	39.08	30.86	47.96	78.84	62.96	71.70	134.18	98.29	0.36	665.80
Foreign currency liabilities	38.55	12.24	21.62	21.78	21.93	43.22	44.80	74.39	83.42	85.66	3.50	451.11

Previous year 2020-21

(\$ in crore)

	Day 1	2-7 DAYS	8-14 DAYS	15-30 DAYS	31 days-2 months	>2-3 months	>3-6 months	>6 months-1 year	>1-3 years	>3-5 years	> 5 years	TOTAL
Deposits	159.96	254.51	188.22	321.75	506.38	428.21	938.19	1466.09	1482.46	1006.04	5884.02	12635.83
Advances	98.11	157.09	92.11	226.96	87.78	257.39	364.96	667.41	3794.59	935.46	1401.61	8083.48
Investments	1376.97	162.85	13.80	35.03	16.12	45.21	251.21	246.25	497.05	363.17	1526.77	4534.42
Borrowings	10.98	8.70	-	15.68	26.43	11.88	142.16	17.56	249.52	29.77	196.35	709.03
Foreign currency assets	48.43	14.83	7.67	36.58	28.73	23.31	36.80	129.07	126.72	71.10	41.50	564.74
Foreign currency liabilities	30.00	10.24	1.17	23.36	32.91	13.86	146.49	80.39	45.41	50.45	10.74	445.02

b) Liquidity Coverage Ratio

LCR aims to ensure that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLAs) that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario specified by RBI.

LCR is the ratio of HQLA to Net Cash Outflow.

$$\text{LCR} = \frac{\text{HQLA}}{\text{Net Cash Outflows over 30 days}}$$

Where Net Cash Outflow = Max ((Cash Outflows-Cash Inflows), 25% of Cash Outflow)

Minimum requirement of LCR as stipulated by RBI is 100% for the calendar year 2019 onwards. LCR is applicable to Bank's domestic operations as well as overseas operations.

High Quality Liquid Assets (HQLA):

Liquid assets comprise of high quality assets that can be readily sold or used as collateral to obtain funds in a range of stress scenarios. They should be unencumbered i.e. without legal, regulatory or operational impediments. Assets are considered to be high quality liquid assets if they can be easily and immediately converted into cash at little or no loss of value. HQLA is categorized into two : a) Level 1 Assets, and b) Level 2 Assets. Level 2 Assets are further sub divided into Level 2A Assets & Level 2B Assets based on Liquidity & Price Volatility.

Level 1 assets are stock of HQLA without any haircut. Level 1 Assets mainly comprise Cash including excess Cash Reserve Ratio (CRR), Excess SLR (Statutory Liquidity Ratio), Marginal Standing Facility (2% of Net Demand and Time Liability w.e.f. 01st January 2022) & FALLCR (15.00% of Net Demand and Time Liability).

A haircut of 15% is applied on current market value of Level 2A asset. Level 2A assets mainly comprise of securities with 20% risk weight. A 50% haircut is applied on current market value of Level 2B asset. Level 2B assets should not be more than 15% of the total stock of HQLA. Level 2B assets mainly comprise Securities with risk weights higher than 20% but not higher than 50%.

Net Cash Outflows

The total net cash outflows is defined as the total expected cash outflows minus total expected cash inflows. In order to determine cash outflows, the Bank, in terms of RBI guidelines, segregates its deposits into various customer segments, viz Retail (which include deposits from Natural Persons), Small Business Customers (those with total aggregated funding upto \$ 0.10 crore) and deposits from Non-Financial Customers (NFC) and Other Legal Entity Customers (OLE). Total expected cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by the rates at which they are expected to flow in, up to an aggregate cap of 75% of total expected cash outflows.

Brief about LCR of the Bank

The Bank during the three months ended 31st March 2022 maintained average HQLA of \$ 3697.33 crore. Level 1 assets are the main drivers of HQLA for the bank. They contribute to 96% of the total stock of HQLA. Based on daily averages for the quarter ended 31st March 2022, Facility to avail Liquidity for Liquidity Coverage Ratio constitutes the highest portion to HQLA i.e. around 52% of the total HQLA. Level 2 assets which are lower in quality as compared to Level 1 assets, constitute 4% of the total stock of HQLA against maximum permissible level of 40%.

Bank's exposure is mainly in Indian Rupee. Unsecured wholesale funding constitute major portion of total funding sources. Retail deposits and deposits from small business customers contributed around 22% and 5% of the total weighted cash outflows, respectively. Deposits from non-financial corporates contributed around 38% of the total weighted cash outflows. The other contingent funding obligations primarily include bank guarantees (BGs) and letters of credit (LCs) issued on behalf of the Bank's clients. Inflows by various counterparties contribute around 75% of the total weighted cash inflows.

Bank has calculated LCR for all working days over the March 2022 quarter. The average of the daily observation of 67 data points is calculated. The average LCR for the quarter ended 31st March 2022 is 175.38% as against 184.89% for the quarter ended December 2021, and is well above the present minimum requirement prescribed by RBI of 100% for the calendar year 2022.

Movement of Average LCR during the F.Y 2021-22:

Quarter	June 2021	Sept. 2021	Dec. 2021	March 2022	FY 2021-22
LCR Ratio:	168.64	174.79	184.89	175.38	175.79

Quantitative Disclosure (Quarter wise)

(\$ in crore)

	March 2021 Quarter		June 2021 Quarter		September 2021 quarter		December 2021 quarter		March 2022 quarter	
	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)	Total Unweighted Value (Average)	Total Weighted Value (Average)
High Quality Liquid Assets										
1 Total High Quality Liquid Assets (HQLA)	3611.85	3567.23	3706.35	3661.74	3582.19	3541.01	3778.53	3741.88	3697.33	3663.36
Cash Outflows										
2 Retail deposits and deposits from small business customers, of which:	8014.60	609.08	8008.43	611.02	8070.16	616.83	8129.36	622.72	8105.49	621.69
(i) Stable deposits	3847.65	192.38	3796.51	189.83	3803.67	190.18	3804.24	190.21	3777.25	188.86
(ii) Less stable deposits	4166.95	416.69	4211.92	421.19	4266.49	426.65	4325.12	432.51	4328.23	432.82
3 Unsecured wholesale funding, of which:	2466.61	1224.97	2752.29	1365.58	2580.19	1294.44	2647.49	1339.01	2646.68	1340.77
(i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-	-	-
(ii) Non-operational deposits (all counterparties)	2466.61	1224.97	2752.29	1365.58	2580.19	1294.44	2647.49	1339.01	2646.68	1340.77
(iii) Unsecured debt				0.00	0.00	0.00				
4 Secured wholesale funding	4.49	-	2.61	0.01	0.98	0.01	9.57	-	5.57	0.10
5 Additional requirements, of which	2011.76	257.38	2306.29	336.05	1806.34	261.81	1610.02	239.01	1751.33	285.69
(i) Outflows related to derivative exposures and other collateral requirements	0.04	0.04	0.06	0.06	0.02	0.02	0.05	0.05	0.36	0.36
(ii) Outflows related to loss of funding on debt products										
(iii) Credit and liquidity facilities	2011.71	257.34	2306.23	336.00	1806.32	261.80	1609.97	238.95	1750.97	285.33
6 Other contractual funding obligations	32.87	32.87	37.87	37.87	39.11	39.11	44.53	44.53	42.24	42.24
7 Other contingent funding obligations	968.15	29.05	927.13	27.82	1209.94	36.30	1208.15	36.25	1187.85	35.64
8 TOTAL CASH OUTFLOWS	13498.48	2153.34	14034.97	2378.71	13707.08	2248.86	13649.49	2281.89	13739.16	2326.14
Cash Inflows										
9 Secured lending (e.g reverse repos)	302.18	-	317.34	-	260.04	-	440.46	-	477.30	0.00
10 Inflows from fully performing exposures	38.81	38.81	59.11	59.11	234.49	165.35	263.04	195.60	243.53	177.98
11 Other cash inflows	204.98	143.81	212.47	148.24	57.63	57.63	62.49	62.49	59.36	59.36
12 TOTAL CASH INFLOWS	545.98	182.62	588.91	207.35	552.16	222.99	766.00	258.08	780.19	237.34
13 TOTAL HQLA		3567.23		3661.74		3541.01		3741.88		3663.36
14 TOTAL NET CASH OUTFLOWS		1970.72		2171.36		2025.88		2023.81		2088.79
15 LIQUIDITY COVERAGE RATIO (%)		181.01%		168.64%		174.79%		184.89%		175.38%

c) Net Stable Funding ratio

i) Qualitative Disclosure:

The objective of the Net Stable Funding Ratio (NSFR) is to promote the resilience of bank's liquidity risk profiles and to incentivize a more resilient banking sector over a longer time horizon. The NSFR will require banks to maintain a stable funding profile in the form of Capital & liabilities in relation to the composition of their assets and off-balance sheet activities.

NSFR is defined as the amount of available stable funding relative to the amount of required stable funding.

$$\text{NSFR} = \frac{\text{Available Stable Funding (ASF)}}{\text{Required Stable Funding (RSF)}}$$

RBI issued the regulations on the implementation of the Net Stable Funding Ratio in May 2018 with minimum requirement of equal to at least 100%. The implementation is effective from 1st October, 2021. NSFR is applicable to Bank's domestic operations as well as overseas operations and computed at standalone and consolidated level.

Available Stable Funding (ASF) is defined as the portion of capital and liabilities expected to be reliable which is determined by various factor weights according to the nature and maturity of liabilities with liabilities having maturity of 1 year or more receiving 100 weight.

Required Stable Funding (RSF) is defined as the portion of on balance sheet and off-balance sheet exposures which requires to be funded on an ongoing basis. The amount of such stable funding required is a function of the liquidity characteristics and residual maturities of the various assets held.

Brief about NSFR of the Bank

The main drivers of the Available Stable Funding (ASF) are the capital base, retail deposit base, and funding from non-financial companies and long-term funding from institutional clients. The capital base formed around 9%, retail deposits (including deposits from small sized business customers) formed 68% and wholesale funding formed 21% of the total Available Stable Funding, after applying the relevant weights.

The Required Stable Funding primarily comprised lending to corporates, retail clients and financial institutions which constituted 82% of the total RSF after applying the relevant weights. The stock of High-Quality Liquid Assets which majorly includes cash and reserve balances with the RBI, government debt issuances attracted no or low amount of stable funding due to their high quality and liquid characteristic. Accordingly, the HQLA constituted only 3% of the Required Stable Funding after applying the relevant weights. Other assets and Contingent funding obligations, such as committed credit facilities, guarantees and letters of credit constituted 15% of the Required Stable Funding.

Bank has maintained comfortable stable funding buffers with Available Stable Funding at consolidated level of \$ 119637.76 Mio against \$81158.42 Mio of Required Stable Funding, resulting in a consolidated NSFR of 147.41% as on 31st March, 2022.

ii) Quantitative Disclosure

NSFR Disclosure Consolidated, March, 2022

(\$ in crore)

Sr. No.	Details	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	Capital: (2+3)	869.03	6.60	36.94	215.30	1,084.32
2	Regulatory capital	869.03	0.00	0.00	11.38	880.41
3	Other capital instruments	0.00	6.60	36.94	203.91	203.91
4	Retail deposits and deposits from small business customers: (5+6)	4,037.54	1,627.83	1,480.74	1,569.39	8,126.20
5	Stable deposits	2,074.14	219.59	212.32	263.29	2,644.04
6	Less stable deposits	1,963.40	1,408.25	1,268.42	1,306.10	5,482.16
7	Wholesale funding: (8+9)	939.91	2,008.63	1,380.36	605.33	2,481.28
8	Operational deposits	0	0	0	0	0
9	Other wholesale funding	939.91	2,008.63	1,380.36	605.33	2,481.28
10	Other liabilities: (11+12)	505.55	91.93	63.90	271.97	271.97
11	NSFR derivative liabilities	0	0	0	0	0
12	All other liabilities and equity not included in the above categories	505.55	91.93	63.90	271.97	271.97
13	Total ASF (1+4+7+10)					11,963.78
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)					209.43
15	Deposits held at other financial institutions for operational purposes	0.52	-	-	-	0.26
16	Performing loans and securities: (17+18+19+21+23)	29.54	2,264.59	482.05	7,367.93	6,676.04
17	Performing loans to financial institutions secured by Level 1 HQLA	0	0	0	0	0
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0	1,282.00	16.54	324.06	375.32
19	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	0	934.81	377.35	5,619.33	5,134.42
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	536.08	49.04	1,486.74	1,258.94
21	Performing residential mortgages, of which:	0	0.70	1.69	787.78	513.25
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	0.70	1.69	787.78	513.25
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	29.54	47.07	86.47	636.75	653.04
24	Other assets: (sum of rows 25 to 29)	1,037.04	156.06	0.00	26.34	1,152.87
25	Physical traded commodities, including gold	0.00				0.00
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		26.55	0	0	22.57
27	NSFR derivative assets		2.29	-	-	2.29
28	NSFR derivative liabilities before deduction of variation margin posted		1.15	-	-	1.15
29	All other assets not included in the above categories	1,037.04	126.07	0.00	26.34	1,126.86
30	Off-balance sheet items		1,545.07	0	0	77.25
31	Total RSF (14+15+16+24+30)					8,115.84
32	Net Stable Funding Ratio (%)					147.41%

NSFR Disclosure - Consolidated, December 2021

(\$ in crore)

Sr. No.	Details	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	Capital: (2+3)	844.20	26.91	37.67	198.92	1,043.12
2	Regulatory capital	844.20	0.00	0.00	11.19	855.39
3	Other capital instruments	0.00	26.91	37.67	187.73	187.73
4	Retail deposits and deposits from small business customers: (5+6)	3,918.25	1,593.70	1,475.96	1,495.65	7,909.68
5	Stable deposits	2,053.11	225.46	219.55	273.90	2,647.11
6	Less stable deposits	1,865.15	1,368.24	1,256.41	1,221.75	5,262.57
7	Wholesale funding: (8+9)	748.37	1,798.75	1,024.81	582.94	2,104.32
8	Operational deposits	0.00	0.00	0.00	0.00	0.00
9	Other wholesale funding	748.37	1,798.75	1,024.81	582.94	2,104.32
10	Other liabilities: (11+12)	563.30	155.96	50.56	268.04	268.04
11	NSFR derivative liabilities	0.00	0.00	0.00	0.00	0.00
12	All other liabilities and equity not included in the above categories	563.30	155.96	50.56	268.04	268.04
13	Total ASF (1+4+7+10)					11,325.15
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)					203.63
15	Deposits held at other financial institutions for operational purposes	1.10	0.00	0.00	0.00	0.55
16	Performing loans and securities: (17+18+19+21+23)	36.16	1561.30	471.96	7099.02	6421.73
17	Performing loans to financial institutions secured by Level 1 HQLA	0.00	0.00	0.00	0.00	0.00
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0.00	753.10	36.06	243.53	310.43
19	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	0.00	768.88	368.35	5136.23	4745.55
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	355.52	19.54	939.78	798.39
21	Performing residential mortgages, of which:	0.00	5.98	0.51	1026.95	670.77
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	5.98	0.51	1026.95	670.77
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	36.16	33.35	67.03	692.31	694.98
24	Other assets: (sum of rows 25 to 29)	1094.75	207.26	0.00	30.87	1241.01
25	Physical traded commodities, including gold	0.00				0.00
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		24.88	0.00	0.00	21.15
27	NSFR derivative assets		2.89	0.00	0.00	2.89
28	NSFR derivative liabilities before deduction of variation margin posted		1.78	0.00	0.00	1.78
29	All other assets not included in the above categories	1094.75	177.71	0.00	30.87	1215.19
30	Off-balance sheet items		2987.13	1.26	0.00	125.13
31	Total RSF (14+15+16+24+30)					7,992.04
32	Net Stable Funding Ratio (%)					141.71%

3. Investments

a) Composition of investment portfolio

As at 31.03.2022

	Investments in India										Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total investments outside India	Subsidiaries and/or joint ventures	Others	Total investments outside India		
														Government Securities	
Held to maturity															
Gross	2628.73	-	0.79	748.92	4.53	4.58	3387.55	--	15.16	0.01	15.16	0.01	15.16	3402.71	
Less: Provision for non-performing investments (NPI)	-	-	-	(1.06)	(0.07)	-	(1.12)	--	(0.02)	-	(0.02)	-	(0.02)	(1.14)	
Net	2628.73	-	0.79	747.86	4.47	4.58	3386.43	--	15.14	0.01	15.14	0.01	15.14	3401.57	
Available for sale															
Gross	862.11	-	67.10	187.12	-	143.93	1260.25	21.64	-	0.60	22.25	-	22.25	1282.50	
Less: Provision for depreciation & NPI	-	-	(37.47)	(19.55)	-	(22.99)	(80.01)	(0.40)	-	-	(0.40)	-	(0.40)	(80.41)	
Net	862.11	-	29.63	167.57	-	120.94	1180.24	21.24	-	0.60	21.85	-	21.85	1202.09	
Held for trading															
Gross	(5.48)	-	-	-	-	-	(5.48)	--	-	-	-	-	-	(5.48)	
Less: Provision for depreciation & NPI	-	-	-	-	-	-	0.00	--	-	-	-	-	-	-	
Net	(5.48)	-	-	-	-	-	(5.48)	--	-	-	-	-	-	(5.48)	
Total Investments	3485.36	-	67.89	936.04	4.53	148.50	4642.32	21.64	15.16	0.61	37.41	0.61	37.41	4679.73	
Less: Provision for NPI	-	-	-	(1.06)	(0.07)	-	(1.12)	-	(0.02)	-	(0.02)	-	(0.02)	(1.14)	
Less: Provision for depreciation & NPI	-	-	(37.47)	(19.55)	-	(22.99)	(80.01)	(0.40)	-	-	(0.40)	-	(0.40)	(80.41)	
Net	3485.36	0.00	30.42	915.44	4.47	125.51	4561.19	21.24	15.14	0.61	36.99	0.61	36.99	4598.18	

Note:

- Provision provided in Subsidiaries and/or Joint Venture (in India & outside India) is on account of Standard MTM and not NPI.
- Provision for Non-performing investments includes only Held to Maturity Category.
- Provision for depreciation and NPI includes Available for sale and Held for Trading Category.
- After selling 21% stake in IndiaFirst Life Insurance Co. Ltd, our holding has come down to 9%. Hence, the same is classified in Equity Private (HTM) instead of Subsidiary & JV

	As at 31.03.2021											Total Investments
	Investments in India						Investments outside India				Total investments outside India	
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others		
Held to maturity												
Gross	2612.32	-	-	805.99	7.42	3.17	3428.91	--	15.71	0.01	15.72	3444.63
Less: Provision for non-performing investments (NPI)	-	-	-	-0.41	-0.07	-	-0.48	--	-0.02	0.00	-0.02	-0.50
Net	2612.32	-	-	805.58	7.35	3.17	3428.43	--	15.69	0.01	15.70	3444.13
Available for sale												
Gross	672.99	-	69.81	231.53	-	177.18	1151.51	20.29	-	1.01	21.29	1172.80
Less: Provision for depreciation & NPI	-0.60	-	-42.23	-20.08	-	-21.76	-84.67	-0.01	-	-	-0.01	-84.68
Net	672.38	-	27.58	211.45	-	155.42	1066.84	20.28	-	1.01	21.28	1088.12
Held for trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gross	1.49	-	-	0.68	-	-	2.17	-	-	-	-	2.17
Less: Provision for depreciation & NPI	-	-	-	0.00	-	-	0.00	-	-	-	0.00	0.00
Net	1.49	-	-	0.68	-	-	2.17	-	-	-	-	2.17
Total Investments	3286.80	-	69.81	1038.21	7.42	180.35	4582.59	20.29	15.71	1.01	37.01	4619.60
Less: Provision for NPI	-	-	-	-0.41	-0.07	-	-0.48	-	-0.02	-	-0.02	-0.50
Less: Provision for depreciation & NPI	-0.60	-	-42.23	-20.08	-	-21.76	-84.67	-0.01	-	-	-0.01	-84.68
Net	3286.20	0.00	27.58	1017.72	7.35	158.59	4497.44	20.28	15.69	1.01	36.98	4534.42

Note:

- Provision provided in Subsidiaries and/or Joint Venture (in India & outside India) is on account of Standard MTM and not NPI.
- Provision for Non-performing investments includes only Held to Maturity Category.
- Provision for depreciation and NPI includes Available for sale and Held for Trading Category.

b) Movements of Provisions for Depreciation and Investment Fluctuation Reserve

		(\$ in crore)	
	Particulars	2021-2022	2020-2021
i)	Movement of provisions held towards depreciation on investments		
	a) Opening Balance	82.16	86.39
	b) Add: Provisions made during the year	8.34	10.43
	c) Less: Write off / Write back of excess provisions during the year	8.95	11.65
	d) Closing Balance	81.56	85.18
ii)	Movement of Investment Fluctuation Reserve	0.00	0.00
	a) Opening Balance	16.88	0.00
	b) Add: Amount transferred during the year	8.67	17.50
	c) Less: Drawdown	0.00	0.00
	d) Closing Balance	25.55	17.50
iii)	Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category	2	1.64

c) Sale and transfers to/from HTM category

The Bank has not made sales and transfers to/from HTM category during the financial year 2021 - 22 exceeding 5 per cent of the book value of investments held in HTM category at the beginning of the year. The 5 per cent threshold to above will exclude:

- i) The one-time transfer of securities to/from HTM category with the approval of Board of Directors permitted to be undertaken by banks at the beginning of the accounting year.
- ii) Direct sale from HTM for bringing down SLR holding in HTM category consequent to a downward revision in SLR requirements by RBI.
- iii) Sale to Reserve Bank of India under liquidity management operations of RBI like Open Market Operations (OMO) and the Government securities acquisition program (GSAP).
- iv) Repurchase of Government Securities by Government of India from banks under buyback / switch operations.
- v) Repurchase of State Development Loans by respective state governments under buyback / switch operations.
- vi) Additional shifting of securities explicitly permitted by the Reserve Bank of India.

d) Non-SLR investment portfolio

- i) Non-performing non-SLR investments

		(\$ in crore)	
S. no.	Particulars	2021-2022	2020-2021
a)	Opening Balance	63.48	63.44
b)	Additions during the year since 1 st April	7.47	12.76
c)	Reductions during the above period	12.48	10.39
d)	Closing balance	58.47	65.81
e)	Total provisions held	53.26	55.96

ii) Issuer composition of non-SLR investments

The issuer composition of investments in securities, other than government and other approved securities is given below:

(\$ in crore)

Sl. no.	Issuer	Amount		Extent of Private Placement		Extent of Below Investment Grade Securities		Extent of Unrated Securities		Extent of Unlisted Securities	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
a)	PSUs	53.72	76.75	15.44	15.52	-	-	42.18	46.41	0.30	0.31
b)	FIs	35.56	72.26	7.86	2.93	-	-	-	-	-	-
c)	Banks	27.15	26.52	24.41	8.19	-	-	-	-	-	-
d)	Private Corporate	386.60	408.68	316.72	265.05	6.02	12.92	5.46	2.96	1.83	0.46
e)	Subsidiaries/ Joint Ventures	19.69	23.13	19.69	23.13	-	-	-	-	-	-
f)	Others	671.65	725.46	624.21	646.66	-	-	-	-	-	-
g)	Provision held towards depreciation	(81.15)	(84.57)	-	-	-	-	-	-	-	-
	TOTAL	1,113.22	1,248.24	1,008.33	961.49	6.02	12.92	47.64	49.37	2.13	0.77

e) Repo Transactions (in face value terms)

The following tables set forth for the periods indicated, the details of securities sold and purchased under repo and reverse repo transactions respectively including transactions under Liquidity Adjustment Facility (LAF) and Marginal Standing Facility (MSF).

(\$ in crore)

	Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on
					31.03.2022
i)	Securities sold under Repo				
	a) Government securities	189.83	210.75	196.51	202.73
	b) Corporate debt securities	--	--	--	--
	c) Any other securities	0.00	0.14	0.11	0.14
ii)	Securities purchased under Reverse Repo				
	a) Government securities	13.33	790.72	359.87	689.32
	b) Corporate debt securities	--	--	--	--
	c) Any other securities	--	--	--	--

- f) Profit of \$27.97 Crore (previous year \$25.23 crore) on sale of "Held to Maturity" category securities has been taken to profit and loss account initially.
- g) In respect of "Held to Maturity" category, the excess of acquisition cost over face value of the securities amortized during the year amounted to \$9.61 crore (previous year \$9.50 Crore).
- h) Total investments made in shares, convertible debentures and units of equity linked mutual funds / venture capital funds and also advances against shares aggregate to \$33.29 crore (previous year \$32.65 crore).

4. Asset Quality

a) Classification of advances and provisions held

(\$ in crore)

FY 2021-22	Standard	Non-performing			Total Non-Performing Advances	Total
	Total Standard Advances	Sub-standard	Doubtful	Loss		
Gross Standard Advances and NPAs						
Opening Balance	7440.00	177.98	666.83	339.85	1184.66	8624.66
Add: Additions during the year					301.84	301.84
Less: Reductions during the year*					436.44	436.44
Closing balance	8402.16	145.67	652.43	251.96	1050.07	9452.23
*Reductions in Gross NPAs due to:					436.44	436.44
i) Upgradation					102.16	102.16
ii) Recoveries (excluding recoveries from upgraded accounts)					77.20	77.20
iii) Technical/ Prudential Write-offs					237.83	237.83
iv) Write-offs other than those under (iii) above					19.25	19.25
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	67.46	29.99	460.42	325.61	816.02	883.48
Add: Fresh provisions made during the year					157.26	157.26
Less: Excess provision reversed/ Write-off loans					252.15	252.15
Closing balance of provisions held	86.64	31.37	443.99	245.78	721.13	807.78
Amount kept in Sundry Deposits-ECGC Claim received/Recovery in suit filed accounts/sacrifice in restructured NPA accounts					8.28	8.28
Net NPAs						
Opening Balance					428.46	428.46
Add: Fresh additions during the year					197.05	197.05
Less: Reductions during the year					252.37	252.37
Closing Balance		153.16	207.44	12.55	373.14	373.14
Floating Provisions						
Opening balance						4.19
Add: Fresh provisions made during the year						--
Less: Amount draw down during the year						--
Closing balance of floating provisions						4.04
Technical write-offs and the recoveries made thereon						
Opening Balance of Technical write-offs/ Prudential written off accounts						4.04
Add: Technical/Prudential write-off during the year						4.04
Less: Recoveries made from previously Technical/Prudential written-off accounts during the year						68.51
Closing Balance						764.30

(\$ in crore)

FY 2020-21	Standard	Non-performing			Total Non-Performing Advances	Total
	Total Standard Advances	Sub-standard	Doubtful	Loss		
Gross Standard Advances and NPAs						
Opening Balance	7,781.76	221.43	825.50	282.48	1,329.40	9,111.17
Add: Additions during the year					238.58	238.58
Less: Reductions during the year*					339.86	339.86
Closing balance	7,712.98	184.51	691.29	352.32	1,228.12	8,941.11
*Reductions in Gross NPAs due to:					339.86	339.86
i) Upgradation					36.58	36.58
ii) Recoveries (excluding recoveries from upgraded accounts)					70.99	70.99
iii) Technical/ Prudential Write-offs					201.71	201.71
iv) Write-offs other than those under (iii) above					30.58	30.58
Provisions (excluding Floating Provisions)						
Opening balance of provisions held					892.21	892.21
Add: Fresh provisions made during the year					190.29	190.29
Less: Excess provision reversed/ Write-off loans					236.55	236.55
Closing balance of provisions held	69.94	31.09	477.31	337.56	845.96	915.89
Amount kept in Sundry Deposits-ECGC Claim received/Recovery in suit filed accounts/sacrifice in restructured NPA accounts/floating provision					9.02	9.02
Net NPAs						
Opening Balance					428.46	428.46
Add: Fresh additions during the year					197.05	197.05
Less: Reductions during the year					252.37	252.37
Closing Balance		153.16	207.44	12.55	373.14	373.14
Floating Provisions						
Opening balance						4.19
Add: Fresh provisions made during the year						--
Less: Amount draw down during the year						--
Closing balance of floating provisions						4.19
Technical write-offs and the recoveries made thereon						
Opening Balance of Technical write-offs/ Prudential written off accounts						4.04
Add: Technical / Prudential write-off during the year						4.04
Less: Recoveries made from previously Technical / Prudential written-off accounts during the year						68.51
Closing Balance						764.30

Ratios (in per cent)	2021-2022	2020-2021
Gross NPA to Gross Advances	11.11	13.74
Net NPA to Net Advances	3.68	4.62
Provision coverage ratio	83.61	81.27

Note: As per RBI notification RBI/2021-22/28 DOR.STR.REC.10/21.04.048/2021-22 dated May 5, 2021, Banks are permitted to utilize 100% of floating provision/countercyclical provisioning buffer held by them as on December 31, 2020 for making specific provisions for NPAs with the prior approval of their respective Boards. The Bank has obtained requisite prior approval from its Board of Directors and has utilized floating provision amounting to \$4.04 Crore towards making specific NPA provision during the quarter/year ended March 31, 2022.

b) Sector-wise Advances and Gross NPAs

(\$ in crore)

Sr. No.	Sector	2021-22			2020-21		
		Outstanding Total Advances	Gross NPA	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
i)	Priority Sector						
a)	Agriculture and allied activities	1,641.26	178.69	10.89	1,599.56	196.69	12.3
b)	Advances to industries sector eligible as priority sector lending	524.66	107.76	20.54	585.22	138.48	23.66
c)	Services	991.52	176.13	17.76	1,089.31	203.80	18.71
d)	Personal loans	518.20	27.69	5.34	550.66	32.68	5.94
	Sub-total (i)	3,675.64	490.27	13.34	3,824.75	571.65	14.95
ii)	Non Priority Sector						
a)	Agriculture and allied activities	114.74	24.58	21.42	43.68	1.73	3.97
b)	Industry	1,891.72	271.46	14.35	1,733.87	360.52	20.79
c)	Services	2,181.27	184.06	8.44	1,560.20	188.18	12.06
d)	Personal loans	1,588.86	79.70	5.02	1,778.59	106.05	5.96
	Sub-total (ii)	5,776.59	559.80	9.69	5,116.35	656.48	12.83
	Total (i+ii)	9,452.23	1,050.07	11.11	8,941.11	1,228.12	13.74

Details of industry wherein Sub-sector advances is more than 10% of the total advances of industry sector:

Sr. No.	Industry Sector	FY 2021-22			FY 2020-21		
		Outstanding Total Advances	Gross NPA	Percentage of Gross NPAs to total Advances in that sector	Outstanding Total Advances	Gross NPA	Percentage of Gross NPAs to total Advances in that sector
i	Basic Metals & Metal products	211	60	28.46	322	46	14.33
ii	Construction	537	117	21.84	678	115	16.97
iii	Food manufacturing & processing	247	67	27.19	280	61	21.68

c) OVERSEAS ASSETS, NPAs AND REVENUE

(\$ in crore)

Particulars	31.03.2022	31.03.2021
Total Assets	348.56	316.63
Total NPAs	29.89	34.82
Total Revenue	5.62	7.73

d) (i) Particulars of resolution plan and restructuring under RBI circular DBR.No..BP.BC.45/31.04.048/2018-19 dated June 7, 2019:

(\$ in crore)

Particulars	No. of accounts	Investment value	Provision Held
Debt converted into Equity Based on RBI June 2019 Circular	4	0.48	0.40

ii) Details of accounts subjected to restructuring

(\$ in crore)

Standard		Agriculture and allied activities		Corporates (excluding MSME)		Micro, Small and Medium Enterprises (MSME)		Retail (excluding agriculture and MSME)		Total	
		Mar-21	Mar-22	Mar-21	Mar-22	Mar-21	Mar-22	Mar-21	Mar-22	Mar-21	Mar-22
Standard	Number of borrowers	455.00	6683.00	11.00	32.00	125209.00	105979.00	31416.00	70032.00	157091.00	182926.00
	Gross Amount	0.27	4.39	32.09	122.00	68.00	75.30	52.31	125.78	152.67	327.47
	Provision held	0.01	0.43	2.04	8.89	2.55	5.74	4.35	12.53	8.95	27.59
Substandard	Number of borrowers	70.00	579.00	0.00	2.00	16383.00	34772.00	532.00	3088.00	16985.00	38441.00
	Gross Amount	0.07	0.19	0.00	0.96	10.93	13.31	1.77	3.94	12.77	18.40
	Provision held	0.01	0.03	0.00	0.17	1.65	2.12	0.27	0.61	1.93	2.93
Doubtful	Number of borrowers	1368.00	1224.00	87.00	67.00	8784.00	21852.00	863.00	1202.00	11102.00	24345.00
	Gross Amount	3.02	2.74	154.56	133.84	22.61	26.82	0.41	2.02	180.61	165.42
	Provision held	2.61	2.28	148.37	116.34	16.53	17.81	0.29	1.17	167.79	137.60
Loss	Number of borrowers	27.00	54.00	66.00	59.00	241.00	2144.00	158.00	1814.00	492.00	4071.00
	Gross Amount	1.36	2.26	81.61	92.00	6.18	7.45	0.11	1.18	89.27	102.89
	Provision held	1.36	2.26	77.64	91.94	6.17	7.48	0.11	1.17	85.27	102.86
Total	Number of borrowers	1920.00	8740.00	164.00	160.00	150617.00	164747.00	32969.00	76136.00	185670.00	249783.00
	Gross Amount	4.72	9.58	268.27	348.80	107.73	122.88	54.60	132.92	435.32	614.18
	Provision held	3.98	5.19	228.05	225.31	26.91	34.36	5.01	16.06	263.94	280.93

Divergence is asset classification and provisioning

- e) In terms of RBI circular DBR.BP.BC.No. 32/21.04.018/2018-19 dated 1st April, 2019, the Bank should disclose the divergence, resulting due to RBI's Supervisory Program for Assessment of Risk and Capital, wherever either or both of the following conditions are satisfied:
- The additional provisioning for NPAs assessed by RBI exceeds 10 percent of the reported profit before provisions and contingencies for the reference period, and;
 - The additional Gross NPAs identified by RBI exceeds 15 percent of the published incremental Gross NPAs for the reference period.

As the divergence are within the prescribed threshold limit, hence no disclosure is required with respect to RBI's annual supervisory process for the FY 2020-21.

f) Disclosure of transfer of loan exposure:

- i. The Bank has not transferred any loans not in default during FY 2021-22.
- ii. Details of loans not in default acquired through assignment are given below

(\$ in crore)

Particulars	2021-22	2020-21
Aggregate Amount of Loans acquired	25.89	--
Weighted average residual maturity (in months)	1.90	--
Weighted average holding period by originator (in months)	0.27	--
Retention of beneficial economic interest by the originator	10.00%	--
Tangible Security Coverage	273.96%	--

The loans acquired are not rated as these are to Non-corporate Borrowers.

- iii. The Bank has not acquired any non-performing assets during FY 2021-22.
- iv. Details of non-performing loans transferred are given below:

FY 2021-22

(\$ in crore)

Particulars	To ARCs	To permitted transferees	To other transferees (please specify)
No. of accounts	8	Nil	Nil
Aggregate principal outstanding of loans transferred	15.59		
Weighted average residual tenor of the loans transferred	Nil		
Net book value of loans transferred (at the time of transfer)	1.43		
Aggregate consideration	8.23		
Additional consideration realized in respect of accounts transferred in earlier years	0.38		

FY 2020-21

(Amount in ₹ crore)

Particulars	To ARCs	To permitted transferees	To other transferees (please specify)
No. of accounts	3	Nil	Nil
Aggregate principal outstanding of loans transferred	5		
Weighted average residual tenor of the loans transferred	Nil		
Net book value of loans transferred (at the time of transfer)	0.63		
Aggregate consideration	2.58		
Additional consideration realized in respect of accounts transferred in earlier years	Nil		

Note: During the year, excess provision of \$6.74 crore (PY \$2.23 crore) was reversed to profit & loss account on account of sale of stressed asset.

- v. Distribution of the SRs held across the various categories of Recovery Ratings assigned to such SRs by the credit rating agencies as on 31st March, 2022 are as under:

Recovery Rating Band	Book Value (\$ in crore)	
	As on 31.03.2022	As on 31.03.2021
RR1+	0.16	0.20
RR1	11.59	11.27
RR2	4.00	7.31
RR3	1.96	3.49
RR4	5.05	4.54
RR5	4.97	3.58
RR6	0.33	0.24
Unrated	1.03	1.09
Total	29.10	31.71

No new SR is added in the SR portfolio during the FY ending 31st March, 2022.

g) **Fraud Accounts**

Particulars	(\$ in crore)	
	31.03.2022	31.03.2021
Number of frauds reported	638	579
Amount involved in fraud	52.02	174.96
Amount of Provision made for such frauds	46.90	134.47
Amount of Unamortized Provision debited from "other reserve" as at the end of Year	1.58	12.83

- h) Details of resolution plan implemented under Resolution framework for Covid 19 related stress as per RBI circular dtd. 6th August 2020 and 5th May, 2021 are as below:

Type of borrower	(\$ in crore)				
	(A) Exposure to accounts classified as standard consequent to implementation of resolution plan- position as at 30.09.21 (A)	(B) of (A) aggregate debt that slipped into NPA during the half-year	(C) Of (A), Amount written off during the half year	(D) Of (A) amount paid by the borrower during the half year	(E) Exposure to accounts classified as standard consequent to implementation of resolution plan- position as at 31.03.2022
Personal Loans	130.54	3.01	-	2.94	121.96
Corporate persons	110.31	27.44	-	5.67	74.67
Of which, MSMEs	4.08	0.00	-	0.13	3.86
Others	4.59	0.16	-	0.03	4.31
Total	245.44	30.61	-	9.47	200.93

- i) In terms of RBI Circular No. DBR.BP.BC.18/21.04.048/2018-19 dated 1st January, 2019, DOR.No. BP.BC.34/21.04.048/2019-20 dated 11th February, 2020, DOR.No.BP.BC/4/21.04.048/2020-21 dated 6th August, 2020 and DOR.STR.REC.12/21.04.048/2021-22 dated 5th May, 2021 on "Restructuring of Advances – Micro, Small & Medium Enterprises (MSME) Sector (One Time Restructuring)", the Bank has restructured the MSME borrower accounts as under:

No of Accounts restructured	\$ in crore
1,65,685	97.06

- j) In terms of RBI circular no. DOR.STR.REC.11/21.04.048/2021-22 dated 05.05.2021 under Resolution Framework 2.0 for Individuals & Small Business, the details are as under:

Sector	Position as of 31.03.2022	
	No. of borrowers	Amount in \$ crore
Personal & Small Business	47810	84.07
Agri/Allied	7465	4.92
Total	55275	88.99

- k) 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, the bank is holding provision as on 31st March, 2022 in 12 accounts as detailed below:

(\$ in crore)				
Amount of loans impacted by RBI circular	Amount of loans to be classified as NPA	Amount of loans as on 31.03.2022 out of (B) to be classified as NPA	Provisions required for loans covered under RBI circular out of (A)	Provision held on 31.03.2022
(A)	(B)	(C)	(D)	(E)
51.36	35.17	35.17	16.09	16.09

- l) As per RBI circular No. DBR No. BP. 15199/21.04.048/2016-17 and DBR No. BP. 1906/21.04.048/2016-17 dated June 23, 2017 and August 28, 2017 respectively, for the accounts covered under the provisions of the Insolvency and Bankruptcy Code (IBC), the Bank has made a total provision of \$181.50 Crore covering 100% of the total outstanding as on 31st March, 2022.

5. EXPOSURES

- a) Exposure to Real Estate Sector

(\$ in crore)				
Sr. No.	Category	31.03.2022	31.03.2021	
i)	Direct exposure	1,201.16	1,268.54	
a)	Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; - Out of the above, individual housing loan eligible for inclusion in Priority Sector Advances	1,005.23 457.86	1,073.91 520.04	
b)	Commercial Real Estate – lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family 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.	195.92	194.62	

(\$ in crore)

Sr. No.	Category	31.03.2022	31.03.2021
c)	Investments in Mortgage Backed Securities (MBS) and other securitized exposures - i. Residential, ii. Commercial Real Estate.	Nil Nil	Nil Nil
ii)	Indirect Exposure Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	591.91	481.40
	Total Exposure to Real Estate Sector	1,793.06	1,749.94

b) Exposure to Capital Market

(\$ in crore)

Sr. No.	Category	31.03.2022	31.03.2021
i)	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.	18.01	17.57
ii)	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	0.02	0.09
iii)	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	4.21	5.09
iv)	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	10.89	17.30
v)	Secured and unsecured advances to stock brokers and guarantees issued on behalf of stock brokers and market makers	5.19	6.19
vi)	Loans sanctioned to corporate against the security of shares /bonds/ debentures or other securities or on clean basis for meeting promoter contribution to the equity of new companies in anticipation of raising resources	--	0.34
vii)	Bridge loans to companies against expected equity flows /issues.	--	
viii)	Underwriting commitments taken up by the Banks in respect of primary issue of shares or convertible bonds or convertible debentures and units of equity oriented mutual funds	--	
ix)	Financing to stock brokers for margin trading	--	
x)	All exposures to venture capital funds (both registered and unregistered) will be deemed to be on par with equity and hence will reckon for compliance with the capital market exposure.	15.29	15.08
	Total exposure to Capital Market	53.61	61.66

c) Risk Category -wise Country Exposure

(\$ in crore)

Risk Category	Net Exposure 31.03.2022	Provision held 31.03.2022	Net Exposure 31.03.2021	Provision held 31.03.2021
Insignificant	215.67	Nil	227.89	Nil
Low	176.75	Nil	136.63	Nil
Moderate	5.16	Nil	3.92	Nil
High	0.02	Nil	0.01	Nil
Very High	0.07	Nil	0.00	Nil
Restricted	0.00	Nil	0.00	Nil
Off-credit	0.00	Nil	0.00	Nil
Total	397.65	Nil	368.45	Nil

As per Country Risk Policy 2021-22, Bank has used ECGC country risk classification for the Trade Exposure and other than Trade exposure in India both for branches in India and for overseas branches.

Bank will make provision for country risk exposure only in respect of a country where the net funded exposure is 1% or more if its total assets.

d) Unsecured advances

(\$ in crore)

Particulars	31.03.2022	31.03.2021
Total amount of advances outstanding against charge over intangible securities such as the rights, licenses, authority etc.	Nil	Nil
Estimated value of such intangible collateral securities	Nil	Nil

e) Factoring exposure

(\$ in crore)

Particulars	31.03.2022	31.03.2021
TReDS Exposure in terms of DBR.No.FSD.BC.32/24.01.007/2015-16 dated 30 th July 2015 (Para 8).	7.17	5.36

f) Intra Group Exposure

(\$ in crore)

Particulars	31.03.2022	31.03.2021
Total amount of Intra group exposure	6.4708	5.2774
Total amount of Top 20 Intra group exposure	6.4708	5.2774
Percentage of Intra group exposure to Total exposure of the Bank on borrowers/customers	0.0007	0.0007
Details of breach of limits on Intra group exposure and regulatory action thereon	NIL	NIL

g) Un-Hedged Foreign Currency Exposures

In terms of guidelines issued by Reserve Bank of India with regard to UFCE, Bank has approved Policy on Unhedged Foreign Currency Exposure of Clients 2021-22. While framing the policy, bank has taken into consideration the exchange risks arising out of volatility in the forex market and accordingly has made suitable provisions to reduce the risks. Bank has also taken into consideration credit risks arising out of unhedged foreign currency exposure and accordingly Bank has put in place risk mitigation measures by incorporating additional loan pricing framework. Total provision made for exposures to entities with UFCE for the year ended March 2022 is \$0.40 Crores.

6. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAs:

a) Concentration of Deposits

(\$ in crore)

Particulars	31.03.2022	31.03.2021
Total Deposits of twenty largest depositors	1,289.78	1,008.05
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank.	9.47	7.99%

b) Concentration of Advances

(\$ in crore)

Particulars	31.03.2022	31.03.2021
Total Advances of twenty largest borrowers/customers	1,377.69	981.02
Percentage of Advances of twenty largest borrowers to Total Advances of the Bank	14.35%	10.83%

c) Concentration of Exposures

(\$ in crore)

Particulars	31.03.2022	31.03.2021
Total Exposures of twenty largest borrowers/customers	1,835.70	1,520.00
Percentage of Exposures of twenty largest borrowers/customers to Total Exposures of the Bank on borrowers / customers	14.57%	13.09%

d) Concentration of NPAs

(\$ in crore)

Particulars	31.03.2022	31.03.2021
Total Exposures to top twenty NPA accounts	146.44	228.65
Percentage of Exposures to the twenty largest NPA Exposures to total Gross NPAs	13.95%	18.62%

7. DERIVATIVES

a) Forward Rate Agreement/Interest Rate Swap

(\$ in crore)

Sr. No.	Particulars	31.03.2022	31.03.2021
i)	The notional principal of swap agreements	235.38	146.22
ii)	Losses which would be incurred if counter parties failed to fulfill their obligations under the agreements	1.46	3.27
iii)	Collateral required by the Bank upon entering into swaps	Nil	Nil
iv)	Concentration of credit risk arising from the Swaps	Banking Industry	Banking Industry
v)	The fair value of the swap book	0.07	0.27

Note:

- I. Interest rate swaps in Indian Rupees were undertaken for hedging Reciprocal Loan Arrangements.
- II. The Bank has entered into Floating to Fixed or Fixed to Floating Interest Rate Swap transactions for trading during the year.
- III. All underlying for hedge transactions are on accrual basis.

b) Exchange Traded Interest Rate Derivatives

(\$ in crore)

Sr. No.	Particulars	31.03.2022		31.03.2021	
		Buy	Sell	Buy	Sell
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)				
	a) 577GS2030	0.92	0.92	1.78	1.78
	b) 585GS2030	25.90	25.90	--	--
	c) 664GS2035	5.65	5.65	--	--
	d) 610GS2031	40.04	40.04	--	--
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 st March 2022 (instrument-wise)				
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)				
iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)*				

c) Disclosures on Risk Exposures in Derivatives**i) Qualitative disclosure:**

The Bank deals in two groups of derivative transactions within the framework of RBI guidelines.

- i) Over the Counter Derivatives
- ii) Exchange Traded Derivatives

The Bank deals in Forward Rate Agreement, Interest Rate Swaps, Cross Currency Swap and Currency Options in Over the Counter Derivatives group.

In Exchange Traded Derivatives Group, the Bank trades in Currency Futures and Interest Rate Futures. The Bank is Trading & clearing member with three Exchanges viz. National Stock Exchange (NSE), Bombay Stock Exchange (BSE) & Metropolitan Stock Exchange (MSEIL), on their Currency Derivative segment, as permitted by Reserve Bank of India. The Bank carries out proprietary trading in currency futures on these exchanges. The Bank has set up the necessary infrastructure for Front, Mid and Back office operations. Daily Mark to Market (MTM) and Margin obligations are settled with the exchanges as per guidelines issued by the Regulators.

The Bank trades in Interest Rate Futures on National Stock Exchange. The bank has necessary infrastructure for Front, Mid and Back office operations in place. Daily Mark to Market (MTM) and Margin obligations are settled with the exchanges as per guidelines issued by the Regulators.

The Bank undertakes derivative transactions for proprietary trading/market making, hedging own balance sheet and for offering to customers, who use them for hedging their risks within the prevalent regulations. Proprietary trading/market making positions are taken in Rupee Interest Rate Swap, Currency Futures and Interest Rate Futures. While derivative instruments present immense opportunity for making a quantum leap in non-interest income and also for hedging market risk, it exposes the Bank to various risks. The Bank has adopted the following mechanism for managing different risks arising out of derivative transactions.

- a) In terms of the structure, operations in the Treasury Branch are segregated into following three functional areas, which are provided with trained officers with necessary systems support and their responsibilities are clearly defined.
- l) Front Office (Dealing Room) - Ensures Compliance with trade origination requirements as per Bank's policy and RBI guidelines.

II) Mid-Office - Risk Management, Accounting Policies and Management

III) Back Office - Settlement, Reconciliation, Accounting.

Mid Office monitors transactions in the trading book and excesses, if any, are reported to Risk management Department for necessary action. Mid Office also measures the financial risk for transactions in the trading book on a daily basis, by way of Mark to Market. Daily Mark to Market position is reported to Risk Management Department, for onward reporting of the risk profile to the Directors' Committee on the Assets and Liability Management.

In case of corporate clients transactions are concluded only after the inherent credit exposures are quantified and approved in terms of approval process laid down in the Treasury Policy for customer appropriateness and suitability. The necessary documents like ISDA agreements are duly executed. The bank has adopted Current Exposure Method for monitoring credit exposures.

Bank has entered into Credit Support Annex (CSA) with few banks. CSA is a legal document regulating the term and condition under which collateral of posted to mitigate counterparty credit risk in bilateral credit transactions.

- b) Treasury Policy of the Bank lays down the types of financial derivative instruments, scope of usages, and approval process as also the limits like the open position limits, deal size limits, stop loss limits and counterparty exposure limit for trading in approved instruments.

Various Risk Limits are set up and actual exposures are monitored vis-à-vis the limits.

These limits are set up taking in to account market volatility, business strategy and management experience. Risk limits are in place for risk parameters viz. PV01, stop loss, counterparty credit exposure. Actual positions are measured against these limits periodically and breaches if any are reported promptly. The Bank ensures that the Gross PV01 position arising out of all non option derivative contracts is within the 0.25% of net worth of the Bank.

- c) The Bank also uses financial derivative transactions for hedging its own Balance Sheet Exposures. Treasury Policy of the Bank spells out approval process for hedging the exposures. The hedge transactions are monitored on a regular basis. The notional profit or loss calculated on Mark to Market basis, PV01 and VaR on these deals are reported to the Assets Liability Committee (ALCO) every month. Hedge effectiveness is the degree to which changes in the fair value or cash flows of the hedged items that are attributed to a hedged risk are offset by changes in the fair value or cash flows of the hedging instruments. This exercise is carried out periodically to ensure hedge effectiveness.
- d) The hedged/un-hedged transactions are recorded separately. The hedged transactions are accounted for on accrual basis. All trading contracts are mark-to-market and resultant gross gain or loss is recorded in income statement.

In case of Option contracts, guidelines issued by FEDAI from time to time for recognition of income, premium, and discount are being followed.

To mitigate the credit risk, the Bank has policy in place to sanction limits to the counterparty Banks and Counterparty clients. The Bank adopts Current Exposure method for monitoring counterparty exposure periodically. While sanctioning derivative limit, the competent authority may stipulate condition of obtaining collaterals/margin as deemed appropriate. The derivative limit is reviewed periodically along with other credit limits.

The customer related derivative transactions are covered with counterparty banks, on back-to-back basis for identical amount and tenure and the bank does not carry any market risk.

ii) Quantitative disclosure:

(\$ in crore)

Quantitative Disclosures					
S. No.	Particular	31-03-2022		31-03-2021	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(a)	Derivatives (Notional Principal Amount)				
	(i) For Hedging	4.89	28.76	10.15	62.23
	(ii) For Trading	5858.21	206.62	3152.43	83.98
(b)	Marked to Market Position				
	(i) Asset (+)	24.00	1.17	17.87	1.43
	(ii) Liability (-)	(22.21)	(1.17)	(16.16)	(1.50)
(c)	Credit Exposure (*)	145.69	3.52	114.43	4.46
(d)	Likely impact of one percentage change in interest rate (100*PV01) (in Lacs)				
	(i) On Hedging Derivatives	0.00	57.95	0.00	74.16
	(ii) On Trading Derivatives	0.00	1.77	0.00	5.28
(e)	Maximum and minimum of 100*PV01 observed during the year (in Lacs)				
	I. Maximum				
	(i) On Hedging	0.00	71.96	0.00	139.54
	(ii) On Trading	0.00	30.94	0.00	7.96
	II. Minimum				
	(i) On Hedging	0.00	18.57	0.00	73.99
	(ii) On Trading	0.00	0.30	0.00	0.05

d) CREDIT DEFAULT SWAPS:

The Bank has not entered into any Credit Default Swap transactions during the FY 21-22.

8. Disclosures relating to securitisation: Nil**9. Off – Balance Sheet SPVs sponsored by the Bank: Nil****10. TRANSFERS TO DEPOSITOR EDUCATION AND AWARENESS FUND (DEAF)**

(\$ in crore)

Particulars	31.03.2022	31.03.2021
Opening balance amounts transferred to DEAF	31.34	26.19
Add: Amount transferred to DEAF during the Year	7.19	6.71
Less: Amount reimbursed by DEAF towards claims	0.57	0.41
Closing balance of Amount transferred to DEAF	37.96	32.49

11. DISCLOSURE OF COMPLAINTS:

Summary information on complaints received by the bank from customers and from the OBOs

Complaints received by the Bank from its customers				
Sr. No.		Particulars	2021-22	2020-21
1.		Number of complaints pending at beginning of the year (Including BO Complaints)	10,780	2,872
2.		Number of complaints received during the year (Including BO Complaints)	3,28,216	4,15,035
3.		Number of complaints disposed during the year (Including BO Complaints)	3,37,601	4,07,127
	3.1	Of which, number of complaints rejected by the bank	415	1131
4.		Number of complaints pending at the end of the year (Including BO Complaints)	1,395	10,780
Maintainable complaints received by the bank from OBOs				
5.		Number of maintainable complaints received by the bank from OBOs	7,971	8,544
	5.1	Of 5, number of complaints resolved in favour of the bank by BOs	7,229	6,446
	5.2	Of 5, Number of complaints resolved through conciliation/ mediation/ advisories issued by BOs	740	1182
	5.3	Of 5, number of complaints resolved after passing of Awards by BOs against the bank.	2	8
6.		Number of Awards unimplemented within the stipulated time (Other than those appealed)	0	0

Note:-

- 1) Maintainable complaints refer to complaints on the grounds specifically mentioned in BO Scheme 2006. However, the above data collated from CMS site also includes those complaints settled by agreement per Clause 11 as well as Rejected Complaints as per Clause 13 of Ombudsman Scheme 2006 which is under correspondence.

Top five grounds of complaints received by the Bank from customers (Including BO Complaints)					
Grounds of complaints (i.e. Complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year (2021-22)					
ATM/Debit Cards	4,583	2,13,956	-26.73	324	50
Internet/Mobile/Electronic Banking	344	62,068	1.61	213	-
Levy of Charges Without prior Notice/Excessive Charges/ Foreclosure Charges	2,389	10,355	23.19	47	71
Cheques/Drafts/Bills	52	3410	-36.03	11	-
Credit Cards	27	3194	-17.10	32	17
Others	3,385	35,233	-20.51	768	60
Total	10,780	3,28,216	-20.92	1395	198

Top five grounds of complaints received by the Bank from customers (Including BO Complaints)					
Grounds of complaints (i.e. Complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
Previous Year (2020-21)					
ATM/Debit Cards	1,250	2,92,035	3.30%	4,583	2,342
Internet/Mobile/Electronic Banking	214	61,087	44.16%	344	205
Levy of Charges Without prior Notice/Excessive Charges/Foreclosure Charges	171	8,406	37.51%	2,389	1,746
Cheques/Drafts/Bills	20	5331	129.48%	52	24
Loans & Advances	16	3853	146.04%	27	8
Others	1,201	44,323	146.48%	3,385	1,847
Total	2,872	4,15,035	17.39%	10,780	6,172

12. DISCLOSURE OF PENALTIES IMPOSED BY RBI AND OTHER REGULATOR:

(\$ in crore)

Name of Regulator	Year ended 31 st March 2022		Year ended 31 st March 2021	
	No. of Cases	Amount	No. of Cases	Amount
Banking Regulation Act, 1949	1	0.013	-	-
Other Regulators	1	0.006	-	-

13. Key Management Personnel – Remuneration paid.

(\$ in crore)

Particulars	31.03.2022	31.03.2021
	Amount	Amount
CEO and Managing Director	0.005	0.005
Executive Directors	0.018	0.015
Total	0.021	0.020

14. Other Disclosures

a) BUSINESS RATIOS

(\$ in crore)

Sr. No.	Particulars	31.03.2022	31.03.2021
i)	Interest Income as a percentage to Working Funds	6.11	6.34
ii)	Non-interest income as a percentage to Working Funds	1.13	1.08
iii)	Cost of Deposit	4.12	4.66
iv)	Net Interest Margin	2.71	2.47
v)	Operating Profit as a percentage to Working Funds	1.97	1.81
vi)	Return on Assets	0.47	0.27
vii)	Average Business (Deposits plus advances) per employee (\$ in crore)	0.270	0.263
vi)	Net Profit per employee (Rs in crore)	0.001	0.001

b) BANCASSURANCE BUSINESS:

The breakup of income derived from bancassurance business is given here below

(\$ in crore)

Sr. No.	Nature of Income	31.03.2022	31.03.2021
1.	Life Insurance Policies	2.25	1.94
2.	Non Life Insurance Policies	0.64	0.67
3.	Health Insurance	0.50	0.44

c) Marketing and distribution

Details of fees / remuneration received in respect of the marketing and distribution function (excluding bancassurance business):

(\$ in crore)

Sr. No.	Nature of Income	31.03.2022	31.03.2021
1.	Distributing Mutual Fund Business	0.23	0.24

d) Priority Sector Lending Certificate

Other income of the Bank inter alia includes commission income of \$1.89 Crore from sale of Priority Sector Lending Certificate. Traded value of PSCL certificate are given below:

(\$ in crore)

Category	Traded Value
PSLC-General	68.04
PSLC-Small & Marginal Farmer	48.82
Total	117

e) Provision & Contingencies

(\$ in crore)

Break up of Provision & Contingencies. shown under the head in Profit & Loss:	31.03.2022	31.03.2021
Provision / (Reversal) for NPI on Investment	2.83	13.22
Provision towards NPA	153.22	185.96
Provision towards Harmonization (refer note below)	--	4.43 *
Provision/(Reversal) towards Standard Assets	19.12	17.04
Net Provision made towards Income Tax (IT)/ Deferred tax assets (DTA)	44.16	(6.93)
Other Provision and Contingencies:		
- Shifting Loss	--	--
- Restructured Advances	(0.43)	1.12
- Others	0.66	14.41
TOTAL	219.56	229.26

* On account of amalgamation of Andhra Bank and Corporation Bank with Union Bank of India, the Bank had made additional harmonization provision of \$4.430 Crore during the FY 2020-21.

f) ROADMAP FOR IMPLEMENTATION OF INDIAN ACCOUNTING STANDARDS (Ind-AS)

The RBI vide DBR.BP.BC.No. 76/21.07.001/2015-16 dated 11th February 2016, has prescribed the roadmap for implementation of Indian Accounting Standards (Ind-AS) in the Banks and the Banks needs to disclose the strategy for Ind-AS implementation, including the progress made in this regard. The Bank accordingly, has appointed a Consultant to assist in implementation of the Ind-AS. The Bank has also constituted a Steering Committee to oversee the progress made and the Audit Committee of the Board is being apprised of the same from time to time. Further, in terms of DO.DBR.BP.No.2535/21.07.001/2017-18 dated 13th September 2017, the Bank had been submitting Proforma Ind AS financial statements to the RBI on quarterly basis till 31st March 2021. Thereafter, in term of RBI's (Department of Regulation) mail dated 8th August 2021, bank has been advised to submit Proforma Ind AS financial statements on half yearly basis. Last proforma financials for the half year ended 30th September 2021 was submitted to RBI vide letter dated 25th November 2021.

g) Payment of DICGC insurance premium

Sr. No.	Particulars	31.03.2022	31.03.2021
i)	Payment of DICGC Insurance Premium	14.29	13.68
ii)	Arrears in payment of DICGC premium	--	--

15. DISCLOSURES AS PER ACCOUNTING STANDARDS ISSUED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

a. REVENUE RECOGNITION (AS 9)

Income and Expenditure have been accounted for on accrual basis except certain items of income are recognized on realization basis as per Accounting Policy no. 3.4 of Schedule 17 of Significant Accounting Policies which however, is not considered to be material.

b. EMPLOYEE BENEFITS (AS 15 - REVISED)

i) Short Term Employment Benefits:

The undiscounted amounts of short-term employee benefits (e.g. medical benefits) payable wholly within twelve months of rendering the service are treated as short term and recognized during the period in which the employee rendered the service.

ii) Long Term Employee Benefits:

a) Defined Contribution Plans:

The Bank operates a new pension scheme (NPS) for all officers/ employees joining the Bank on or after 1st April, 2010, which is a defined contribution plan, such new joinees not being entitled to become members of the existing Pension Scheme. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with a 14% contribution from the Bank. Pending completion of registration procedures of the employees concerned, these contributions retained with the Bank. The Bank recognizes such annual contributions in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS Trust.

The Bank has Defined Contribution Pension Scheme (DCPS) applicable to all categories of officers and employees joining the Bank on or after April 1, 2010. The scheme is managed by National Pension Scheme (NPS) Trust under the aegis of the Pension Fund Regulatory and Development Authority. National Securities Depository Limited has been appointed as the Central Record Keeping Agency for the NPS. During F.Y. 2021-2022, the Bank has contributed \$ 6.617 crores including arrears of \$1.588 crores (Previous Year \$4.075 crore) to NPS.

b) Defined Benefit Plan:

Gratuity, Pension and Leave Encashment are defined benefit plans. These are provided for on the basis of an actuarial valuation as per Accounting Standard-15 "Employee Benefit" issued by the Institute of Chartered Accountants of India, made at the end of each financial year, based on the projected unit credit method. Actuarial gains/losses are immediately taken to the Profit & Loss account.

Defined Benefit Plans – Employee's Pension plan and Gratuity plan:

The Bank has accounted for employee benefits as per Accounting Standards issued by the Institute of Chartered Accountants of India, as per actuarial valuation report for the year ended March 31, 2022.

(\$ in crore)

S. No.	Particular	31-03-2022		31-03-2021	
		Gratuity	Pension	Gratuity	Pension
i)	Table showing change in Defined Benefit Obligation:				
	Liability at the beginning of the year	44.28	343.19	37.45	335.84
	Interest Cost	3.07	23.71	2.56	22.80
	Current Service Cost	2.13	2.80	1.88	3.63
	Past Service Cost (Vested Benefit Amortized)	NIL	NIL	NIL	NIL
	Past Service Cost (Vested Benefit)	NIL	25.10	NIL	NIL
	Liability Transfer in	NIL	NIL	NIL	NIL
	Liability Transfer out	NIL	NIL	NIL	NIL
	(Benefit paid)	(6.15)	(30.89)	(5.92)	(23.02)
	Actuarial (Gain)/loss on obligation – due to change				
	In the financial assumption	(1.58)	(19.08)		
	in demographic assumption	0.04	0.84	(0.36)	(3.39)
	Actuarial (Gain) / Loss on obligations	0.41	32.36	10.29	19.92
	Liability at the end of the year	42.19	378.02	45.90	355.78

(\$ in crore)

S. No.	Particular	31-03-2022		31-03-2021	
		Gratuity	Pension	Gratuity	Pension
	Table of Fair value of Plan Assets:				
	Fair value of Plan Assets at the beginning of the year	36.24	352.55	36.54	316.58
	Expected return on Plan Assets	2.51	24.36	2.50	21.50
	Contributions	11.13	7.28	3.99	49.31
	Transfer from Other Company	NIL	NIL	NIL	NIL
	Transfer to Other Company	NIL	NIL	NIL	NIL
ii)	(Benefit paid)	(6.15)	(30.89)	(5.92)	(23.02)
	Actuarial (Gain)/loss on Plan Assets	(0.70)	(3.51)	(0.47)	(1.12)
	Fair Value of Plan Assets at the end of the year	44.43	356.81	37.57	365.49
	Actuarial (Gain)/loss on obligation for the period	(1.13)	14.11	9.93	16.53
	Actuarial (Gain)/loss on Plan Assets	(0.70)	(3.51)	(0.47)	(1.12)
	Total Actuarial (Gain)/loss to be recognized	(1.84)	10.60	9.46	15.41
	Recognition of Transitional Liability :				
iii)	Transitional Liability at start	NIL	NIL	NIL	NIL
	Transitional Liability recognized during the year	NIL	NIL	NIL	NIL
	Transitional Liability at end	NIL	NIL	NIL	NIL
	Actual return on Plan Assets :				
iv)	Expected Return on Plan Assets	2.51	24.36	2.50	21.50
	Actuarial Gain/(Loss) on Plan Assets	1.139	3.51	0.47	1.12
	Actual return on Plan Assets	3.64	27.88	2.97	22.61
v)	Expenses recognized in the Income Statement:				
	Current Service Cost	2.13	2.80	1.88	3.63
	Interest Cost	0.56	(0.65)	0.06	1.31
	Expected Return on Plan Assets	NIL	NIL	NIL	NIL
	Past Service Cost (Vested Benefit Amortized) recognized	NIL	NIL	NIL	NIL
	Past Service Cost (Vested Benefit) recognized(1/5 of enhanced family pension)	NIL	5.02	NIL	NIL
	Recognition of Transition Liability	NIL	NIL	NIL	NIL
	Actuarial (Gain) or Loss	(1.84)	10.60	9.46	15.41
	Expenses Recognized in P & L	0.85	17.77	11.41	20.35
vi)	Balance Sheet Reconciliation:				
	Opening Net Liability (Last year net amount recognized in the balance sheet)	8.04	(9.36)	0.92	19.26
	Expenses as above	0.85	17.77	11.41	20.35
	Transfer from other Company (Net)	NIL	NIL	NIL	NIL
	Transfer to other Company (Net)	NIL	NIL	NIL	NIL
	(Employer Contribution)	(11.13)	(7.28)	(3.99)	(49.31)
	Net (Asset)/Liability Amount recognized in Balance Sheet	(2.24)	1.13	8.34	(9.70)

(\$ in crore)

S. No.	Particular	31-03-2022		31-03-2021	
		Gratuity	Pension	Gratuity	Pension
vii)	Other Details:				
	Pension is payable at the rate of 1/66 Salary for Each Year of Service Subject to Maximum of 50%.				
	Gratuity is payable at the rate of 15 days salary for each year of service subject to maximum of Rs 20, 00,000 or as per the Bank scheme.				
	Actuarial gain / loss is accounted for in the year of occurrence.				
	Salary escalation is considered as advised by the company which is in line with the industry practice considering promotion and demand and supply of the employees.				
	No. of Members	75201	23216	78203	28235
	Salary Per Month	4.68	2.41	4.84	2.88
	Contribution for next year	-	7.82	4.84	-
viii)	Category of assets:				
	Government of India Assets	0.84	7.72	0.88	8.23
	Corporate Bonds/FDR	0.48	9.52	1.32	14.08
	Special Deposits Scheme	-	-	-	-
	State Govt.	1.33	15.65	1.72	15.74
	Property	NIL	NIL	NIL	NIL
	Other	3.22	22.87	2.54	19.51
	Insurer Managed Funds	38.23	296.77	30.82	304.14
	Mutual Fund	0.34	4.28	0.29	3.80
	Total	44.43*	356.81*	37.57	365.49

*Note: Return on investments in LIC & other insurance companies is considered as 7.25% while arriving Pension liability and as 7.00% while arriving Gratuity liability at the Fair Value of Plan Assets for the FY2021-22 as against the 7.00% considered for arriving Pension and Gratuity liability for the FY2020-21.

(\$ in crore)

Surplus/Deficit in the Plan:	Gratuity Plan				
	31.03.22	31.03.21	31.03.20*	31.03.19*	31.03.18*
Amount recognized in the Balance-Sheet					
Liability at the end of the year	42.19	45.90	17.07	17.68	19.10
Fair value of Plan Assets at the end of the year	44.43	37.57	16.11	17.38	19.98
Difference	2.24	(8.34)	(0.96)	(0.30)	0.88
Unrecognized Past Service Cost	Nil	Nil	Nil	Nil	Nil
Unrecognized Transition Liability	Nil	Nil	Nil	Nil	Nil
Amount Recognized in the Balance Sheet	2.24	(8.34)	(0.96)	(0.30)	0.88

*Amount mentioned for UBI Standalone

(\$ in crore)

Amount recognized in the Balance-Sheet	Gratuity Plan				
	31.03.22	31.03.21	31.03.20*	31.03.19*	31.03.18*
Experience Adjustment					
On plan liability (Gain) / Loss	0.41	10.29	0.34	0.11	(2.18)
On plan Assets (Loss) / Gain	0.70	0.47	0.10	(0.19)	0.16

*Amount mentioned for UBI Standalone

(\$ in crore)

Surplus/Deficit in the Plan:	Pension Plan				
	31.03.22	31.03.21	31.03.20*	31.03.19*	31.03.18*
Amount recognized in the Balance-Sheet					
Liability at the end of the year	378.02	355.78	168.46	175.81	181.10
Fair value of Plan Assets at the end of the year	356.81	365.49	166.62	177.99	185.88
Difference	(21.21)	9.70	(1.84)	2.17	4.78
Unrecognized Past Service Cost	20.08	Nil	Nil	Nil	Nil
Unrecognized Transition Liability	Nil	Nil	Nil	Nil	Nil
Amount Recognized in the Balance Sheet	(1.13)	9.70	(1.84)	2.17	4.78

*Amount mentioned for UBI Standalone

(\$ in crore)

Amount recognized in the Balance-Sheet	Pension Plan				
	31.03.22	31.03.21	31.03.20*	31.03.19*	31.03.18*
Experience Adjustment					
On plan liability (Gain) / Loss	32.36	19.92	12.41	1.81	(0.58)
On plan Assets (Loss) / Gain	3.51	1.12	0.99	0.10	(0.33)

*Amount mentioned for UBI Standalone

Principal actuarial assumption used (%)	2021-2022		2020-2021	
	Gratuity	Pension	Gratuity	Pension
Discount Rate Prev.	6.93	6.91	6.84	6.79
Rate of return on Plan Assets Prev.	6.93	6.91	6.84	6.79
Salary Escalation Prev.	5.00	5.00	5.00	5.00
Attrition Rate Prev.	2.00	2.00	2.00	2.00
Discount Rate Current	7.31	7.40	6.93	6.91
Rate of Return on Plan Assets Current	7.31	7.40	6.93	6.91
Salary Escalation Current	5.00	5.00	5.00	5.00
Attrition Rate Current	2.00	2.00	2.00	2.00

iii) Other long term Employee Benefits:

Details of Provisions made for various Long-Term Employees Benefits during the year are as follows:

(\$ in crore)

Sr. No.	Other Long Term Benefits	31.03.2022	31.03.2021
1.	Pension	17.77	20.35
2.	Leave Travel Concession	0.18	0.38
3.	Leave Encashment	0.64	1.40

Bank is having provision of \$3.115 Crore towards Sick Leave on prudential basis though there is no payout.

iv) **Unamortized Family pension & Gratuity Liabilities:**

Particulars	31.03.2022	31.03.2021
Pension		
a) Balance brought forward	NIL	NIL
b) Gross Liability	25.10	NIL
c) Charged to Profit & Loss account	5.02	NIL
d) Balance Carried forward	20.08	NIL
Gratuity		
a) Charged to Profit & Loss account	NIL	NIL
b) Carried forward	NIL	NIL

- c. The additional liability on account on enhancement in family pension for employees covered under XI Bi-partite settlement and Joint note dated 11th November, 2020 is arrived at \$25.095 Crores as per Actuarial valuation. Further, in terms of RBI circular RBI/2021-22/105 DOR.ACC.REC.57/21.04.018/2021-22 dated October 4, 2021, Banks are permitted to amortize the said liability over a period of not exceeding 5 years beginning with FY ending 31.03.2022. Accordingly, Bank has opted to amortize the said liability over a period, of 5 years and charged an amount of \$5.019 crore to the profit/loss account for year ended March 31, 2022 and the balance unamortized expense of \$20.076 crore has been carried forward to be amortized in next 4 years. If the unamortized expenditure has been fully recognized in the profit or loss account, the net profit would be \$48.956 Crore for the year ended 31st March 2022.

v) **SEGMENT REPORTING (AS-17)**

(\$ in crore)

Business Segment		Standalone	
		Year Ended	
		(Audited)	(Audited)
		31.03.2022	31.03.2021
(a)	Segment Revenue		
1	Treasury Operations	353.80	380.11
2	Retail Banking Operations	345.65	339.45
3	Corporate /Wholesale Banking	340.10	363.04
4	Other Banking Operations	18.44	18.76
5	Unallocated	5.32	1.83
	Total Segment Revenue	1,063.32	1,103.19
	Less Inter-segment Revenue	(1.62)	(1.95)
	Income from operations	1,061.70	1,101.24
(b)	Segment Results	-	-
1	Treasury Operations	79.20	84.23
2	Retail Banking Operations	59.49	57.41
3	Corporate Banking	(40.82)	(120.68)
4	Other Banking Operations	10.01	10.03
5	Unallocated	5.32	1.83
	Total Profit/(Loss) Before Tax	113.20	32.82
(c)	Provision for Tax	44.16	(6.93)

(\$ in crore)

Business Segment		Standalone	
		Year Ended	
		(Audited)	(Audited)
		31.03.2022	31.03.2021
(d)	Net Profit/(Loss) after Tax	69.03	39.75
(e)	Segment Assets	-	-
1	Treasury Operations	6,316.40	5,853.39
2	Retail Banking Operations	4,207.72	3,791.16
3	Corporate/Wholesale Banking	4,857.76	4,677.08
4	Other Banking Operations	--	--
5	Unallocated	287.10	337.18
	Total	15,668.98	14,658.81
(f)	Segment Liabilities	-	-
1	Treasury Operations	6,204.47	5,742.13
2	Retail Banking Operations	3,832.17	3,465.25
3	Corporate/Wholesale Banking	4,424.09	4,247.46
4	Other Banking Operations	--	--
5	Unallocated	277.07	322.05
	Total	14,737.80	13,776.90
(g)	Capital Employed	-	-
1	Treasury Operations	111.93	111.26
2	Retail Banking Operations	375.55	325.91
3	Corporate/Wholesale Banking	433.67	429.62
4	Other Banking Operations	--	--
5	Unallocated liabilities	10.03	15.13
	Total	931.18	881.91

Notes:

- The Bank operates in four segments viz., Treasury, Retail, Corporate / Wholesale and Other Banking Operations. These segments have been identified in line with AS-17 on segment reporting after considering the nature and risk profile of the products and services, the target customer profiles, the organizational structure and the internal reporting system of the bank. The bank has disclosed the business segment as primary segment. The revenue and other parameters prescribed in AS-17 of foreign branch for the period are within the threshold limits as stipulated under AS-17 and hence the bank has only one reportable geographical segment.
- Segment wise income, expenditure, Capital employed which are not directly allocable have been allocated to the reportable segments based on assumptions as considered appropriate by the management.
- Figure of previous period have been regrouped/reclassified wherever necessary.

d. RELATED PARTY DISCLOSURES (AS-18)**i. List of Related Parties****a) Subsidiaries**

- Union Asset Management Co. Pvt. Ltd.

- Union Trustee Company Pvt. Ltd.
 - Union Bank of India (UK) Ltd.
 - Andhra Bank Financial Services Ltd.
 - UBI Services Ltd.
- b) Joint Venture**
- Star Union Dai-Ichi Life Insurance Co. Ltd.
 - ASREC (India) Ltd.
 - India International Bank (Malaysia) Berhad
- c) Associate**
- Chaitanya Godavari Grameena Bank
- d) Key Management Personnel**

(\$ in crore)

Name	Designation	Remuneration paid for the Year ended 31 st March 2022
Shri Rajkiran Rai G.	Managing Director & CEO	0.005
Shri Gopal Singh Gusain @	Executive Director	0.003
Shri Dinesh Kumar Garg*	Executive Director	0.002
Shri Manas Ranjan Biswal	Executive Director	0.004
Shri Nitesh Ranjan	Executive Director	0.004
Shri Rajneesh Karnatak#	Executive Director	0.002
Shri Nidhu Saxena^	Executive Director	0.001

@ Till 31.01.2022

*Till 30.09.2021

From 21.10.2021

^ From 01.02.2022

Parties with whom transactions were entered into during the year

No disclosure is required in respect of related parties, which are "State controlled Enterprises" as per paragraph 9 of Accounting Standard (AS) 18. Further, in terms of paragraph 6 of AS 18, transactions in the nature of Banker – Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel.

e. "Leases" – Premises taken on Operating Lease (AS 19):

The Bank has no non-cancellable operating lease during the FY 2021-22. Hence, additional disclosure under AS-19 is not applicable. However, the amount of lease payment recognized in the profit & loss account for operating lease is \$10.768 crore (PY \$11.423 crore)

f. EARNING PER SHARE (AS-20)

Basic earnings per equity share are computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. The diluted earnings per equity share is computed using the weighted average number of equity shares and weighted average number of diluted potential equity shares outstanding during the year.

The computation of earnings per share is given below:

Particulars	31.03.2022	31.03.2021
Number of Equity shares at the beginning of the year	6,40,68,44,355	6,40,68,44,355
Number of Equity shares issued during the year	42,79,03,111	Nil
Number of Equity shares outstanding at the end of the year	6,83,47,47,466	6,40,68,44,355
Weighted Average Number of Equity Shares used in computing Basic Earnings per share	6,77,26,13,590	6,40,68,44,355
Weighted Average Number of Shares used in computing diluted Earnings per share	6,77,26,13,590	6,40,68,44,355
Net Profit/(Loss) \$ in Crore	69.03	39.75
Basic Earnings per share (\$)	0.10	0.06
Diluted Earnings per share (\$)	0.10	0.06
Nominal Value per share (\$)	0.13	0.14

g. PROVISION FOR TAXES:

i. Deferred Tax (AS-22)

(\$ in crore)

Sr. No.	Particulars	31.03.2022	31.03.2021
	Deferred Tax Assets		
1	Employee Benefits (Leave Encashment)	6.26	6.26
2	Depreciation on Fixed Assets	4.73	4.09
3	On account of other provisions	185.63	248.20
4	Foreign Currency Translation Reserve	0.02	0.50
5	Standard Asset	7.76	--
	Total	204.40	259.06
	Deferred Tax Liabilities	0.00	0.00
1	Accrued interest on securities	14.42	15.11
2	Special Reserves u/s 36(i)(viii)	27.80	26.33
3	Depreciation on Investment	--	3.25
	Total	42.22	44.69
	Net Deferred Tax Asset	162.18	214.37
	Net Deferred Tax Liability	Nil	Nil

ii. Direct Tax

(\$ in crore)

Particulars	31.03.2022	31.03.2021
Provision for Income Tax (Including Deferred tax)	44.16	(6.93)

CORPORATE TAXATION:

Provision for tax is made for both current and deferred taxes. Current tax is provided on the taxable income using applicable tax rates and tax laws. Deferred Tax Assets and Deferred Tax Liabilities arising on account of timing differences and which are capable of reversal in subsequent periods are recognized using the tax rates and the tax laws that have been enacted or substantively enacted till the date of the Balance Sheet.

Deferred Tax Assets are recognized only if there is virtual certainty of realization of such assets in future. Deferred Tax Assets/Liabilities are reviewed at each Balance Sheet date based on developments during the year.

h. INVESTMENT IN JOINT VENTURES (AS – 27)

Investments include \$3.123 Crores (Previous year \$5.960 Crores) representing Bank's interest in Star Union Dai-ichi Life Insurance Co., ASREC(India) Limited, and India International Bank (Malaysia) BHD.

i. IMPAIRMENT OF ASSET (AS-28)

In the opinion of the Management, there is no indication for Impairment during the year with regard to the asset to which Accounting Standards 28 applies.

j. CONTINGENT LIABILITIES (AS – 29)

Contingent liabilities referred to in Schedule-12 at S. No.(I) & (VI) are dependent upon the outcome of court/arbitration/out of court settlement, the amount being called up, terms of contractual obligations, devolvement and raising of demand by parties concerned, disposal of appeals respectively.

k. The bank has changed the method of appropriation of recovery in NPA accounts (other than the accounts where method of appropriation has been specifically agreed upon between borrower and the Bank) w.e.f. 1st April 2021. Accordingly, the recoveries in such NPA accounts are now first appropriated towards interest and then towards principal as contrary to the reverse process followed in the earlier periods. The change in accounting policy has resulted in increase in interest income for the quarter by \$6.53 crore & for the year by \$14.27 crore and consequential non-reduction in Gross NPA by equivalent amount.

l. During the current year, there is no material prior period item (as per AS 5) and no discontinued operations (as per AS 24).

m. Climate Control

Union Bank of India has a policy in place in name of "Sustainable Development and Business Responsibility Policy" which is reviewed every year and last reviewed by the Board on 30.03.2022. Through this policy, the Bank is committed to make effort to protect and restore the environment. Bank has taken various initiatives like Electricity Conservations, avoid usage of plastic bottles for packaged drinking water etc.

n. COVID-19 Pandemic has adversely impacted the economic activity across the globe including the Indian economy. During last Financial year also, India witnessed two more waves of COVID -19 pandemic and the re-imposition of the localized/regional lockdown measures in certain parts of the country. The Bank is continuously monitoring the situation and taking all possible measures including various digital initiatives to ensure continuance of customer outreach & full-fledged banking operations. Keeping in view of the various initiatives and steps taken by the Bank, Government & Reserve Bank of India and with the progress of vaccination program, the Management believes that there would not be any significant impact on Bank's performance in future and going concern assumptions.

o. BALANCING OF BOOKS, RECONCILIATION OF INTER BRANCH / BANK TRANSACTIONS

(i) Confirmation/ Reconciliation of balance with foreign banks and other banks has been obtained/ carried out.

(ii) Adjustment of outstanding entries in Suspense Accounts, Sundry Deposits, Clearing Adjustments, Bank Reconciliation Statements and various inter-branch/office accounts is in progress.

(iii) Pending final clearance of the (i) and (ii), the overall impact, if any, on the accounts, in the opinion of the management will not be significant.

p. Compliance to the Provision of MSME Development Act, 2006

Bank is complying with the extant provisions of MSME Development Act, 2006 and there has been no reported cases of any delayed payments of the principal amount or interest due thereon to Micro, Small and Medium Enterprises.

The figures of the previous year have been regrouped/rearranged wherever considered necessary.

Signatories to Schedules 1 to 18

(PANKAJ KUMAR)
DY. GENERAL MANAGER

(PRAFULLA KUMAR SAMAL)
CHIEF FINANCIAL OFFICER

(NIDHU SAXENA)
EXECUTIVE DIRECTOR

(RAJNEESH KARNATAK)
EXECUTIVE DIRECTOR

(NITESH RANJAN)
EXECUTIVE DIRECTOR

(RAJKIRAN RAI G.)
MANAGING DIRECTOR & CEO

(SAMEER SHUKLA)
DIRECTOR

(ARUN KUMAR SINGH)
DIRECTOR

(SURAJ SRIVASTAVA)
DIRECTOR

(LAXMAN S UPPAR)
DIRECTOR

(DR. JAYADEV MADUGULA)
DIRECTOR

(PRITI JAY RAO)
DIRECTOR

For **M/s R G N Price & Co.**
Chartered Accountants
FRN 002785S

For **M/s SARDA & PAREEK LLP**
Chartered Accountants
FRN 109262W/W100673

For **M/s C R Sagdeo & Co.**
Chartered Accountants
FRN 108959W

CA P. M. Veeramani
Partner
Membership No.023933
UDIN: 22023933AIXFGY6267

CA Giriraj Soni
Partner
Membership No.109738
UDIN: 22109738AIXFAO2016

CA Sachin V. Luthra
Partner
Membership No. 109127
UDIN: 22109127AIXFDY8530

For **M/s P V A R & Associates**
Chartered Accountants
FRN 005223C

For **M/s Gopal Sharma & Co.**
Chartered Accountants
FRN 002803C

For **M/s N B S & Co.**
Chartered Accountants
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CA Sharad Bansal
Partner
Membership No. 423507
UDIN: 22423507AIXFRK9410

CA Gautam Sharma
Partner
Membership No. 079225
UDIN: 22079225AIXFAB5594

CA Pradeep J. Shetty
Partner
Membership No. 046940
UDIN: 22046940AIXEXO8437

Place of Signature: Mumbai
Date of Report: 13.05.2022

Standalone Cash Flow Statement

For the Year Ended 31st March, 2022

		(\$ in lacs)	
S. No.	Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
A	CASH FLOW FROM OPERATING ACTIVITIES:		
	Net Profit Before Tax	11320	3282
	Adjustments for:		
	Depreciation on Fixed Assets	974	1224
	Provision for Investments	283	765
	Provision for Non Performing Assets (Net)	15322	19039
	Provision for Standard Asset	1801	1881
	Provision for Staff Related Expenditures	-	1185
	Provision for other items (Net)	133	191
	(Profit)/Loss on Sale or Disposal of Fixed Assets	0	(10)
	Interest on Borrowings : Capital Instruments	2047	2184
	Dividend received from Investments	(40)	(28)
	Sub Total	31841	29713
	Adjustments for:		
	Increase / (Decrease) in Deposits	143269.18	75465.37
	Increase / (Decrease) in Other Liabilities and Provisions	(1198)	6586
	(Increase) / Decrease in Investments	(22970)	(70785)
	(Increase) / Decrease in Advances	(107709)	(6938)
	(Increase) / Decrease in Other Assets	5882	(9641)
	Direct taxes paid (Net of Refund)	(2291)	1323
	Transfer to/from reserve	955	2238
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)	47780	27962
B	CASH FLOW FROM INVESTING ACTIVITIES:		
	Purchase of Fixed Assets	(976)	(964)
	Proceeds from Sale/Adjustment of Fixed asset	203	133
	(Increase)/Decrease in Investment in Subsidiary	263	6
	Sale of stake in Subsidiary	--	--
	Dividend received from Investment	40	28
	NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(471)	(797)
C	CASH FLOW FROM FINANCING ACTIVITIES :		
	Proceeds from issue of Equity Share Capital Including Share Premium (Net)	1903	--
	Proceeds from issue of Capital Instruments	9236	5068
	Repayments of Capital Instruments	(7125)	(5266)
	(Decrease)/Increase Borrowings other than Capital Instruments	(2979)	(23163)
	Interest Paid on Borrowings : Capital Instruments	(2047)	(2184)
	NET CASH FLOW FROM FINANCING ACTIVITIES (C)	(1012)	(25546)
	Cash and Cash equivalent received on account of amalgamation [D]	--	38462.89
	Net Increase (Decrease) in Cash & Cash Equivalent (A)+(B)+(C)	47780	40082
	Cash and Cash Equivalents as at the beginning of the year	111370	75374
	Cash and Cash Equivalents as at the end of the year	157668	115457
	Components of Cash and Cash equivalents		

(\$ in lacs)			
S. No.	Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
D	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	01.04.2021	01.04.2020
	Cash and Balances with RBI (including FC notes)	49979	27518
	Balances with Banks and Money at call	61391	47857
	Net cash and cash equivalents at the beginning of the year	111370	75374
E	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	31.03.2022	31.03.2021
	Cash and Balance with RBI (including FC notes)	60841	51813
	Balances with Banks and Money at call	96827	63644
	Net cash and cash equivalents at the end of the year	157668	115457

Previous Year's figures have been regrouped/recasted wherever considered necessary to correspond with the year ended classification/ presentation.

(PANKAJ KUMAR)
DY. GENERAL MANAGER

(PRAFULLA KUMAR SAMAL)
CHIEF FINANCIAL OFFICER

(NIDHU SAXENA)
EXECUTIVE DIRECTOR

(RAJNEESH KARNATAK)
EXECUTIVE DIRECTOR

(NITESH RANJAN)
EXECUTIVE DIRECTOR

(RAJKIRAN RAI G.)
MANAGING DIRECTOR & CEO

(SAMEER SHUKLA)
DIRECTOR

(ARUN KUMAR SINGH)
DIRECTOR

(SURAJ SRIVASTAVA)
DIRECTOR

(LAXMAN S UPPAR)
DIRECTOR

(DR. JAYADEV MADUGULA)
DIRECTOR

(PRITI JAY RAO)
DIRECTOR

Auditors Certificate:

We, the undersigned Statutory Auditors of the Union Bank of India, have verified the above Standalone Cash Flow Statement of the Bank for the year ended 31.03.2022. The statement has been prepared in Indirect Method in accordance with the AS-3, "Cash Flow Statement" issued by The Institute of Chartered Accountants of India and with the requirements of the SEBI (Listing Obligations & Disclosure Requirements), 2015 and is based on and in agreement with the corresponding Standalone Profit & Loss Account and the Standalone Balance Sheet of the Bank covered by our report of the May 13, 2022 to the members.

For M/s R G N Price & Co.
Chartered Accountants
FRN 002785S

For M/s SARDA & PAREEK LLP
Chartered Accountants
FRN 109262W/W100673

For M/s C R Sagdeo & Co.
Chartered Accountants
FRN 108959W

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UDIN: 22023933AIXFGY6267

CA Giriraj Soni
Partner
Membership No.109738
UDIN: 22109738AIXFAO2016

CA Sachin V. Luthra
Partner
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UDIN: 22079225AIXFAB5594

CA Pradeep J. Shetty
Partner
Membership No. 046940
UDIN: 22046940AIXEXO8437

Place of Signature: Mumbai
Date of Report: 13.05.2022

Independent Auditors' Report

To

The President of India /

The Members of Union Bank of India Mumbai

Report on Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying Consolidated Financial Statements of Union Bank of India (the "Bank") which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended, and Notes to the Consolidated Financial Statements including Significant Accounting Policies and other explanatory information, in which following are incorporated –
 - a. Audited Standalone Financial Statements of the Bank;
 - b. Audited Financial Statements of 2 domestic Subsidiaries, 1 domestic Jointly controlled Entities, 1 Regional Rural Banks (Associate) 1 foreign subsidiary and 1 foreign jointly controlled entity.
 - c. Unaudited financial statements of 2 Subsidiaries and 1 Jointly controlled Entity The above entities together with the Bank are referred to as the "Group".

In our opinion and to the best of our information and according to explanations given to us, and based on the consideration of the reports of the other auditors on separate financial statements, the unaudited financial statements and the other financial information of the subsidiaries, Jointly controlled entities and associates as furnished by the management, the aforesaid Consolidated Financial Statements are in conformity with accounting principles generally accepted in India and give:

- a. true and fair view in case of the Consolidated Balance Sheet, of the state of affairs of the Bank as at March 31, 2022;
- b. true balance of Profit in case of Consolidated Profit & Loss account for the year ended on that date; and
- c. true and fair view of the cash flows in case of Consolidated Cash Flows Statement for the year ended on that date.

Basis of Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by Institute of Chartered Accountants of India (the "ICAI"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group Bank in accordance with the Code of Ethics issued by the ICAI together with ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

3. We draw your attention to Note No. 17 of schedule 18 – Notes to Accounts to the consolidated financial statements which describes that there is change in the accounting policies/estimates followed during the year ended 31st March, 2022 as compared to those followed in the preceding financial year ended 31st March, 2021 with effect from 1st April, 2021, in respect of appropriation of recovery in non performing accounts first towards interest unrealised and then towards principal outstanding as against towards principal first and then towards interest unrealised in earlier periods. Impact due to the change in accounting policy has resulted increase in income for the quarter by \$6.53 crores and for the year by \$ 14.27 crores and consequential non-reduction in gross non performing assets by equivalent amount.

We draw your attention to Note No. 9 of schedule 18 – Notes to Accounts to the consolidated financial statements which describes amortization of additional liability on account of revision in family pension amounting to \$25.10 crores. The bank has charged an amount of \$ 5.02 crore to the profit and loss account during the year ended March 31, 2022, and the balance unamortized expenses of \$20.08 crore has been carried forward.

We draw your attention to Note No. 16 of schedule 18 – Notes to Accounts to the consolidated financial statements which describes uncertainties due to outbreak of COVID-19 pandemic. In view of these circumstances, the impact on the Banks operations and financial results is dependent on future developments including actions being taken to mitigate the same and other regulatory measures.

Our opinion is not modified in respect of this matter.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters prescribed below to be the key audit matters to be communicated in our report.

Sr.	Key Audit Matter	How it was dealt with in our report
1	Income Recognition, Asset Classification (IRAC) and provisioning on Loans & Advances and Investments as per the regulatory requirements	
	<p>Loans & Advances and Investments are the largest class of assets forming 85.01% of the total assets as on March 31, 2022. Classification, income recognition and loss provisioning on the same are based on objective parameters as prescribed by the regulations (Reserve Bank of India's prudential norms and other guidelines). The management of the Bank relies heavily on its IT systems (including Core Banking Solution), exercise significant estimates and judgement, manual interventions, and uses services of experts (like independent valuers, Lawyers, legal experts and other professional) to determine asset classification, income recognition and provisioning for losses.</p> <p>The Bank has system based identification of non- performing assets in accordance with IRAC Norms</p>	<p>Our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances and associated impairment provisions.</p> <p>Our audit procedures included the assessment of controls over the approval, disbursements and monitoring of loans, and reviewing the logic and assumptions used in the CBS and other related IT systems for compliance of the IRAC and provisioning norms and its operating effectiveness.</p> <p>These included evaluation and understanding of following:</p> <ul style="list-style-type: none"> • Bank's internal control system in adhering to the Relevant RBI guidelines regarding income recognition, asset classification and provisioning pertaining to advances/ investments; • System controls and manual controls over the timely recognition of non-performing assets (NPA/NPI); • Operational existence and effectiveness of controls over provisioning calculation models from the IT systems; • Overall Controls on the loan approval, disbursement and monitoring process in case of advances and controls over the purchase, sale and hold decisions making system in case of investments • We tested sample of loans/investments (in cases of branches visited by us) to assess whether they had been identified as non performing on a timely manner, income recognized and provisioning made as per IRAC norms. • We have also reviewed the reliability, effectiveness and accuracy of manual interventions, wherever it has come to our notice, on test check basis.

Sr.	Key Audit Matter	How it was dealt with in our report
		<ul style="list-style-type: none"> • We have relied on the reports/returns and work done by other Statutory Branch Auditors (SBA) in cases of branches not visited by us to get an overall comfort with respect to overall compliance in accordance with SA 600 - Using the Work of Another Auditor. • We have reviewed the work done by other experts like Independent valuers, Lawyers, Legal Experts and other such professionals who have rendered services to the Bank, in accordance with SA 620 Using the Work of an Auditor's Expert. • Further we have also reviewed the Bank's system of monitoring potentially weak and sensitive accounts which show a sign of stress. • We have also reviewed the reports and observations of the Bank's internal audit/inspection reports and observations of the concurrent auditors for the same. • Verification of valuation, classification, provisioning and income recognition of investments by carrying out substantive test including arithmetic accuracy, data accuracy and control over the financial reporting system. We have test checked and assessed the efficacy of the system based identification of NPA
2	Information Technology (IT) and controls impacting financial reporting	
	<p>In the normal course of its business, the Bank's financial accounting and reporting systems are highly dependent on the effective working of the Core Banking Solution (CBS) and other IT systems linked to the CBS or working independently. Extensive volume, variety and complexity of transactions are processed daily and there is a risk that automated accounting procedures and related internal controls may not be accurately designed and operating effectively. Particular areas of focus relate to the logic that is fed into the system, sanctity and reliability of the data, access management and segregation of duties. These underlying principles are important because they ensure that changes to applications and data are appropriate, authorized, cleansed and monitored, so that the system generates accurate and reliable reports/ returns and other financial and non-financial information that is used for the preparation and presentation of the financial statements.</p>	<p>Our audit procedures included verifying, testing and reviewing the design and operating effectiveness of the IT system by verifying the reports/returns and other financial and non-financial information generated from the system on a test check basis.</p> <p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Ensuring that deficiencies noticed in our verification on test check basis were informed to the management for corrective action; • Carrying out independent alternative audit procedures like substantive testing in areas where deficiencies were noticed; • Analytical procedures like ratio analysis, trend analysis, reasonable tests, comparative analysis; • Reliance on the work performed by the statutory branch auditors and the rectification entries (MOCs) passed based on branch audits; • Reliance on external vendor inspection reports wherever made available. • Reviewed the IS Audit Reports and discussed with IT Department on compliance with key IT controls.

Sr.	Key Audit Matter	How it was dealt with in our report
	<p>We have relied on the consistent and accurate functioning of CBS and other IT systems for the following:</p> <ul style="list-style-type: none"> • Asset Classification and Income recognition as per the Reserve Bank of India guidelines; • Provisioning on the advance portfolio; • Identification of advances and liability items and its maturity pattern in various brackets; • Reconciliation and ageing of various suspense and sundry accounts, impersonal accounts, inter-branch balances and other such accounts; • Recording Investment transactions • Interest expense on deposits and other liabilities; 	
3	Recognition and measurement of Deferred tax	
	<p>The Bank has recognised a net deferred tax asset of \$ 1621845.79 (in '000) as on March 31, 2022. Besides objective estimation, recognition and measurement of deferred tax asset is based on</p> <p>the judgment and numerous estimates regarding the availability and visibility of profits in the future. The recent decrease in the amount of deferred tax assets presumes availability and forecasting of profits over an extended period of time thus decreasing uncertainty and the inherent risk of inappropriate recognition of the said asset.</p>	<p>Our audit procedures included the risk assessment to gain an understanding of the applicable tax laws and relevant regulations applicable to the Bank. Based on our understanding, we performed both tests of related internal key controls and substantive audit procedures with the assistance of tax specialists. We performed the following audit procedures as part of our controls testing including, but not limited to:</p> <ul style="list-style-type: none"> • Evaluation of the policies used for recognition and measurement of deferred tax assets in accordance with AS 22 Accounting for Taxes on Income; • Assessed the method, assumptions and other parameters used with reference to uniformity, management representations, consistency and continuity like budget and midterm projections prepared by the management including earning growth and applicable tax rates and tested the arithmetical accuracy • Assessed the probability of the availability and visibility of profits against which the bank will be able to use this deferred tax asset in the future.
4	COVID-19 Pandemic	
	<p>COVID-19 Pandemic has adversely impacted the economic activity across the country and the Government of India had announced series of lock down since March 2020 onwards, which were lifted & reimposed at various point of time in regionalized manner across the country based on the prevailing situation in the respective State.</p>	<p>Wherever physical access was not possible, necessary records/ reports/ documents/ certificates were made available to us by the Bank through digital medium including the designated audit portal of the bank, emails and remote access to CBS and closing package. To this extent, the audit process was carried out on the basis of such documents, reports and records made available to us which were relied upon as audit evidence for conducting the audit and reporting for the current period.</p>

Sr.	Key Audit Matter	How it was dealt with in our report
	<p>Correspondingly and in tune with the partial and complete lock downs, we experienced travel restrictions for some part of the year and the Bank facilitated carrying out audit remotely wherever physical access was not possible. This situation eased out considerably by the end of the year and therefore physical audit was most prevalent at the year end.</p> <p>Therefore wherever we could not gather audit evidence in person/physically/ through discussions and personal interactions with the officials at the Branches /Regions & Zones/ Verticals / Corporate Offices, we have identified such modified audit procedures as a Key Audit Matter.</p> <p>Accordingly, our audit procedures were modified to carry out the audit remotely</p>	<p>Accordingly, we modified our audit procedures (based on regulatory and ICAI advisories) as follows:</p> <ul style="list-style-type: none"> • Conducted verification of necessary records/ documents/ CBS/closing package and other application software electronically through remote access/emails/in respect of some of the Branches/Regions/Zones/Verticals/ Corporate Offices and other offices of the Bank wherever physical access was not possible. • Carried out verification of scanned copies of the documents, deeds, certificates, returns from branches and the related records made available to us through emails and remote access over secure network of the Bank • Making enquires and gathering necessary audit evidence through Video Conferencing, dialogues and discussions over phone calls/conference calls, emails and similar communication channels. • Resolution of our audit observations telephonically/ through email instead of a face to-face interaction with the designated officials.

Information Other than the Consolidated Financial Statements and Auditors' Report thereon

5. The Bank's Board of Directors is responsible for the other information. The other information comprises the Highlights for the year, Directors' Report including annexures to Directors' Report, key financial ratios, Business responsibility Report and Corporate Governance report in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the consolidated financial statements does not cover the Other Information and Pillar 3 disclosures under the Basel III Disclosure and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the Other Information that we obtained prior to the date of this Auditors' Report, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with

Governance for the Consolidated Financial Statements

6. The Bank's Board of Directors are responsible for preparation and presentation of these consolidated Financial Results that give a true and fair view of the consolidated financial position, financial performance and consolidated cash flows and other financial information of the Group including its associate and jointly controlled entity in accordance with the Accounting Standard 21 - "Consolidated Financial Statements", Accounting Standards 23- "Accounting for Investments in Consolidated Financial Statements" and Accounting Standards 27 - Financial Reporting of Interest in Joint Venture" issued by the Institute of Chartered Accountants of India, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines")

and other accounting principles generally accepted in India.

The respective Board of Directors of the entities included in the Group and of its associate and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act/ Banking Regulations Act, 1949 for safeguarding the assets of the Group and preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud and error.

In preparing the consolidated Financial statements, the respective Board of Directors of the entities included in the Group and of its associate and jointly controlled entity are responsible for assessing the ability of the group and of its associate and jointly controlled entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group and of its associate and jointly controlled entity are responsible for overseeing the financial reporting process of the Group and of its associate and jointly controlled entity.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

- Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality in the magnitude of the misstatements in the Consolidated financial statements that, individually or aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning of the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

8. We did not audit the financial statements of 3 subsidiaries and 2 Jointly controlled entities and one associate included in the consolidated financial statements, whose financial statements reflect total assets of \$ 975018.82 (in thousand) as at March 31, 2022 and total revenues of \$ 187442.58 (in thousand) for the year ended on that date net profit after tax amounting to \$ 4234.76 (in thousand) for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities, are based solely on the reports of the other auditors.

The consolidated financial statements also include the unaudited Financial Results of 2 subsidiaries and 1 jointly controlled entity whose Financial Statements/ Financial Results/ Financial information reflect Group's share of total assets of \$ 31152.98 (in thousands) as at 31st March 2022, Group's share of total revenue of \$7478.66 (in thousands) and Group's share of total net profit after tax of \$ 4254.54 (in thousands) for the year ended 31st March 2022, as considered in the consolidated Financial Results. These unaudited Financial Statements/Financial Results/ financial information has been furnished to us duly certified by the Bank's management and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled is based solely on such reviewed/unaudited Financial Statements/ Financial Results/Financial information. In our opinion and according to the information and explanations given to us by Bank's management, these Financial Statements/Financial Results / Financial information are not material to the Group.

The entities of the Group whose financial statements are included in the Consolidated Financial Statements are listed in Schedule 18 Notes to Accounts which forms part of the Consolidated Financial Statements of the Group

Our opinion on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

9. The Consolidated Balance Sheet and the Profit & Loss Account have been drawn up in accordance with section 29 of the Banking Regulation Act, 1949.
10. Subject to limitation of the audit indicated in paragraph 5 and 8 above and as required by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associate and jointly controlled entities, as noted in the 'other matter' paragraphs to the extent applicable and also subject to the limitations of disclosure required therein and we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
 - b) The transactions of Bank, which have come to our notice, have been within the power of Bank; and
 - c) The returns received from the offices and branches of the bank have been found adequate for the purpose of our audit.

11. We further report that:

- a) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- b) The Consolidated Balance Sheet, Consolidated Profit and Loss account and Consolidated Cash flow statement dealt with by this report are in agreement with the books of account and with the returns received from branches not visited by us;
- c) The reports on the accounts of the branch offices audited by branch auditors of the Bank under section 29 of the Banking Regulation Act, 1949 have been sent to us and have been properly dealt with by us in preparing this report;
- d) in our opinion, the Consolidated Balance Sheet, Consolidated Profit and Loss account and Consolidated Cash flow statement comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.

For **M/s R G N Price & Co.**
Chartered Accountants
FRN 002785S

For **M/s SARDA & PAREEK LLP**
Chartered Accountants
FRN 109262W/W100673

For **M/s C R Sagdeo & Co.**
Chartered Accountants
FRN 108959W

CA P. M. Veeramani
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Membership No.023933
UDIN: 22023933AIXFNV8228

CA Giriraj Soni
Partner
Membership No.109738
UDIN: 22109738AIXFFR2991

CA Sachin V. Luthra
Partner
Membership No. 109127
UDIN: 22109127AIXFLG9220

For **M/s P V A R & Associates**
Chartered Accountants
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For **M/s Gopal Sharma & Co.**
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UDIN: 22423507AIXFXC6066

CA Gautam Sharma
Partner
Membership No. 79225
UDIN: 22079225AIXFID6253

CA Pradeep J. Shetty
Partner
Membership No. 046940
UDIN: 22046940AIXFCS3650

Place of Signature: Mumbai
Date of Report: 13.05.2022

Consolidated Balance Sheet

As on 31st March, 2022

(\$ in 000')

CAPITAL AND LIABILITIES	Schedule Number	As on 31 st March, 2022	As on 31 st March, 2021
Capital	1	915,493	890,555
Reserves and Surplus	2	8,433,865	7,964,291
Minority Interest	2A	-	-
Deposits	3	136,473,629	126,611,124
Borrowings	4	6,761,249	7,101,933
Other Liabilities and Provisions	5	4,920,214	5,479,888
TOTAL		157,504,451	148,047,790
ASSETS			
Cash and Balances with Reserve Bank of India	6	6,084,493	5,182,015
Balances with Banks and Money at Call and Short Notice	7	9,716,308	6,411,930
Investments	8	46,421,354	46,376,488
Advances	9	87,522,598	81,154,436
Fixed Assets	10	951,058	1,007,580
Other Assets	11	6,808,640	7,915,340
Goodwill on Consolidation		-	-
TOTAL		157,504,451	148,047,790
Contingent Liabilities	12	85,911,777	50,852,341
Bills for Collection		8,719,783	4,745,563
Significant Accounting Policies	17		
Notes to Accounts	18		

The Schedules referred to above form an integral part of the Consolidated Balance Sheet

(PANKAJ KUMAR)
DY. GENERAL MANAGER

(PRAFULLA KUMAR SAMAL)
CHIEF FINANCIAL OFFICER

For and on behalf of the Board of Directors

(NIDHU SAXENA)
EXECUTIVE DIRECTOR

(RAJNEESH KARNATAK)
EXECUTIVE DIRECTOR

(NITESH RANJAN)
EXECUTIVE DIRECTOR

(RAJKIRAN RAI G.)
MANAGING DIRECTOR & CEO

(SAMEER SHUKLA)
DIRECTOR

(ARUN KUMAR SINGH)
DIRECTOR

(SURAJ SRIVASTAVA)
DIRECTOR

(LAXMAN S UPPAR)
DIRECTOR

(DR. JAYADEV MADUGULA)
DIRECTOR

(PRITI JAY RAO)
DIRECTOR

As per our report of even date attached.

For M/s R G N Price & Co.
Chartered Accountants
FRN 002785S

For M/s SARDA & PAREEK LLP
Chartered Accountants
FRN 109262W/W100673

For M/s C R Sagdeo & Co.
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UDIN: 22109738AIXFAO2016

CA Sachin V. Luthra
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For M/s P V A R & Associates
Chartered Accountants
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For M/s Gopal Sharma & Co.
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UDIN: 22079225AIXFAB5594

CA Pradeep J. Shetty
Partner
Membership No. 046940
UDIN: 22046940AIXEXO8437

Place of Signature: Mumbai
Date of Report: 13.05.2022

Consolidated Profit and Loss Account

For the Year Ended 31st March, 2022

(\$ in 000')

	Schedule Number	For the Year Ended 31 st March, 2022	For the Year Ended 31 st March, 2021
I. INCOME			
Interest Earned	13	9,002,165	9,480,434
Other Income	14	1,784,400	1,956,876
TOTAL		10,786,565	11,437,311
II. EXPENDITURE			
Interest Expended	15	5,301,114	6,033,702
Operating Expenses	16	2,599,546	2,701,617
Provision And Contingencies		2,198,699	2,315,174
TOTAL		10,099,359	11,050,494
iii. Consolidated Net Profit/(Loss) before Minority Interest and Share of Earnings in Associate		687,205	386,817
Add:-Share of profit in Associate		7,497	4,839
Consolidated Net Profit/(Loss) for the year before deducting Minority Interest		694,702	391,656
(Less):-Minority Interest		-	-
Consolidated Net Profit/(Net Loss) for the year attributable to the group		694,702	391,656
Add : Profit/(Loss) Brought Forward		-	-
Amount Available for Appropriation		694,703	391,657
IV. Appropriation			
Transfer To Statutory Reserve		174,080	100,338
Transfer To Capital Reserve		161,133	123,127
Transfer To Investment Fluctuatuion Risk Reserve		86,667	174,982
Transter To Revenue And Other Reserves		32,613	- 6,790
Proposed Dividend		171,336	-
Transfer To Special Reserve [Sec36(I)(viii)]of the Income Tax Act, 1961		68,872	-
Balance in Profit and Loss Account		0.46	0.48
TOTAL		694,703	391,657
Earnings per share (Basic and Diluted in \$) of FV of \$0.1319 each	18(13)	0.10	0.06
Significant Accounting Policies	17		
Notes To Accounts	18		

The Schedules referred to above form an integral part of the Consolidated Profit & Loss A/c

(PANKAJ KUMAR)

DY. GENERAL MANAGER

(PRAFULLA KUMAR SAMAL)

CHIEF FINANCIAL OFFICER

For and on behalf of the Board of Directors

(NIDHU SAXENA)

EXECUTIVE DIRECTOR

(RAJNEESH KARNATAK)

EXECUTIVE DIRECTOR

(NITESH RANJAN)

EXECUTIVE DIRECTOR

(RAJKIRAN RAI G.)
MANAGING DIRECTOR & CEO

(SAMEER SHUKLA)

DIRECTOR

(ARUN KUMAR SINGH)

DIRECTOR

(SURAJ SRIVASTAVA)

DIRECTOR

(LAXMAN S UPPAR)

DIRECTOR

(DR. JAYADEV MADUGULA)

DIRECTOR

(PRITI JAY RAO)

DIRECTOR

As per our report of even date attached.

For M/s R G N Price & Co.
Chartered Accountants
FRN 002785SCA P. M. Veeramani
Partner
Membership No.023933
UDIN: 22023933AIXFGY6267For M/s P V A R & Associates
Chartered Accountants
FRN 005223CCA Sharad Bansal
Partner
Membership No. 423507
UDIN: 22423507AIXFRK9410For M/s SARDA & PAREEK LLP
Chartered Accountants
FRN 109262W/W100673CA Giriraj Soni
Partner
Membership No.109738
UDIN: 22109738AIXFAO2016For M/s Gopal Sharma & Co.
Chartered Accountants
FRN 002803CCA Gautam Sharma
Partner
Membership No. 079225
UDIN: 22079225AIXFAB5594For M/s C R Sagdeo & Co.
Chartered Accountants
FRN 108959WCA Sachin V. Luthra
Partner
Membership No. 109127
UDIN: 22109127AIXFDY8530For M/s N B S & Co.
Chartered Accountants
FRN 110100WCA Pradeep J. Shetty
Partner
Membership No. 046940
UDIN: 22046940AIXEXO8437Place of Signature: Mumbai
Date of Report: 13.05.2022

Bank Overview

Statutory Reports

Financial Statements

Schedules forming part of the Consolidated Balance Sheet

As on 31st March, 2022

(\$ in 000')

SCHEDULE 1 - CAPITAL :	As on 31st March, 2022	As on 31st March, 2021
I. Authorised :		
10,00,00,00,000 Equity Shares of \$0.1319 each (Previous Year 10,00,00,00,000 Equity Shares of \$0.1319 each)	1,319,392	1,367,802
II. Issued, Subscribed & Paid up :		
i. 570,66,60,850 Equity Shares of \$0.1319 each, held by Central Government (Previous Year 570,66,60,850 Equity Shares)	752,932	780,558
	-	-
	-	-
ii. 112,80,86,616 Equity Shares of \$0.1319 each, held by Public (Previous Year 70,01,83,505 Equity Shares)	148,839	95,771
	901,771	876,329
SCHEDULE 1A - PREFERENCE SHARE CAPITAL ISSUED BY SUBSIDIARY COMPANY :		
10,40,03,544 Participatory Non-Redemable Compulsorily convertible Preference Shares of \$0.1319 Each (Issued by Union Asset Management Company Private Limited, a subsidiary company) to Dai Ichi Life Holdings Inc on May 17 2018 for a tenure of 20 years)	13,722	14,226
TOTAL	13,722	14,226

(\$ in 000')

SCHEDULE 2 - RESERVES & SURPLUS :	As on 31st March, 2022		As on 31st March, 2021	
I. Statutory Reserve :				
As per last Balance Sheet	1,827,762		1,727,424	
Addition during the year	109,391		100,338	
Deductions during the year	-	1,937,153	-	1,827,762
II. Capital Reserve :				
A) Capital Reserve				
As per last Balance Sheet	639,045		515,917	
Addition during the year	138,516		123,127	
Deductions during the year	-		-	
	777,560		639,045	
B) Revaluation Reserve :				
As per last Balance Sheet	670,015		683,596	
Addition during the year	1,045		553	
Deduction during the year	43,416		14,134	
	627,644		670,015	
C) Amalgamation Reserves				
As per last Balance Sheet	179,127		179,127	
Addition during the year	-		-	
Deduction during the year	6,340		-	
	172,787	1,577,991	179,127	1,488,187
III) Capital Reserve on Consolidation				
As per last Balance Sheet	9,075		9,075	
Addition during the year	-		-	
Deduction during the year	3,516	5,559	-	9,075

(\$ in 000')

	As on 31 st March, 2022		As on 31 st March, 2021	
IV. Share Premium :				
As per last Balance Sheet	2,377,036		6,857,749	
Addition during the year	134,481		-	
Deduction during the year	84,802	2,426,716	4,480,713	2,377,036
V. Revenue Reserves :				
i) Revenue and other Reserves :				
As per last Balance Sheet	1,304,959		1,121,718	
Addition during the year	180,029		355,662	
Deduction during the year	67,565		172,421	
	1,417,423		1,304,959	
Less:- Minority Interest	-		-	
	1,417,423		1,304,959	
ii) Special Reserve Sec 36(1)(viii)				
As per last Balance Sheet	753,369		753,369	
Addition during the year	42,208		-	
	795,577		753,369	
iii) Foreign Currency Translation Reserve				
As per last Balance Sheet	27,550		21,796	
Addition during the year	3,897		5,878	
Deduction during the year	14,643		124	
	16,804		27,550	
iv) Special Profit Reserve/ Cash Flow Hedge Reserve				
As per last Balance Sheet	806		800	
Addition during the year	-		6	
Deduction during the year	35		-	
	772		806	
v) Investment Fluctuation Reserves				
As per last Balance Sheet	175,546		565	
Addition during the year	86,667		174,982	
Deduction during the year	6,758		-	
	255,455		175,546	
vi) Debenture Redemtion reserve				
As per last Balance Sheet	-		-	
Addition during the year	414		-	
Deduction during the year	-		-	
	414	2,486,445	-	2,262,231
VI. Balance in Profit and Loss Account				
Balance in Profit and Loss Account		0.46		0.48
TOTAL		8,433,864		7,964,291
SCHEDULE 2 A Minority Interest				
Opening Balance	-		-	-
Add/(Less):- Increase/(Decrease) during the year	-		-	-
Total Minority Interest	-		-	-

(\$ in 000')

	As on 31 st March, 2022		As on 31 st March, 2021	
SCHEDULE 3 - DEPOSITS :				
I. Demand Deposits				
i) From Banks	107,306		104,275	
ii) From Others	9,486,846	9,594,151	8,609,776	8,714,050
II. Savings Bank Deposits		40,185,633		37,203,735
III. Term Deposits				
i) From Banks	300,654		432,842	
ii) From Others	86,393,191	86,693,845	80,260,496	80,693,339
TOTAL		136,473,629		126,611,124
Deposits of branches in India		136,156,866		126,039,703
Deposits of branches outside India		316,763		571,420
TOTAL		136,473,629		126,611,124
SCHEDULE 4 - BORROWINGS :				
A. Borrowings in India				
i. Reserve Bank of India	1,874,724		1,943,510	
ii. Other Banks	261,612		191,948	
iii. Other Institutions and Agencies	398,723		380,522	
iv. Perpetual Bonds	1,148,531		971,823	
v. Subordinated Bonds	1,325,989		1,374,641	
vi. 7 years infra bonds	-	5,009,578	68,404	4,930,848
B. Borrowings Outside India		1,751,671		2,171,085
TOTAL		6,761,249		7,101,932
Secured Borrowings included in (B) I above I & II above		1,939,895		1,943,510

(\$ in 000')

	As on 31 st March, 2022	As on 31 st March, 2021
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS :		
I. Bills Payable	354,787	315,009
II. Interest Accrued	600,246	435,064
III. Others (including provisions)	3,965,181	4,729,815
TOTAL	4,920,214	5,479,888
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA :		
I. Cash in Hand (including foreign currency notes and Gold)	499,373	517,918
	-	-
II. Balances with Reserve Bank of India		
Balances with Reserve Bank of India In Current Account	5,585,114	4,664,029
Balances with Reserve Bank of India In Other Account	6	68
TOTAL	6,084,493	5,182,015

(\$ in 000')

	As on 31 st March, 2022	As on 31 st March, 2021
SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE :		
I) In India		
i) Balances with Banks		
a) In Current Accounts	31,763	80,311
b) In Other Deposit Accounts	812,523	973,077
ii) Money at Call & Short notice		
a) With Banks	-	-
b) With Other Institutions	7,310,946	4,042,402
	8,155,232	5,095,790
II. Outside India		
i) In Current Accounts	44,492	37,172
ii) In other Deposit Accounts	1,500,066	1,259,016
iii) Money at call & short notice	16,518	19,953
	1,561,076	1,316,141
TOTAL	9,716,308	6,411,930
SCHEDULE 8 - INVESTMENTS :		
I. Investments in India		
i) Government Securities	35,073,255	33,177,602
ii) Other Approved Securities	77,381	219,052
iii) Shares	346,241	448,563
iv) Debentures and Bonds	9,281,798	10,375,931
v) Subsidiaries and Joint Ventures/Associate	35,478	29,008
vi) Others (Commercial Paper, Mutual Funds, Venture Capital, Security Receipt, Etc.)	1,326,569	1,835,267
Total	46,140,722	46,085,422
II. Investments outside India		
i) Govt Securities (including Local Authorities)	244,847	256,916
ii) Shares	90	129
iii) Other Investments (Bonds)	35,695	34,021
iv) Subsidiaries and Joint Ventures	0	-
Total	280,631	291,066
TOTAL	46,421,354	46,376,488
III. Investments in India		
Gross Value	46,952,037	46,936,944
Less: Provision for Depreciation	811,315	851,522
Net Value of Investment in India	46,140,722	46,085,422
IV) Investments outside India		
Gross Value	284,804	291,332
Less: Provision for Depreciation	4,172	266
Net Value of Investment outside India	280,631	291,066
TOTAL	46,421,354	46,376,488

(\$ in 000')

	As on 31 st March, 2022	As on 31 st March, 2021
SCHEDULE 9 - ADVANCES (Net)		
I i) Bills Purchased and Discounted	511,022	562,903
ii) Cash Credits, Overdrafts and Loans Repayable on Demand	37,993,005	36,420,537
iii) Term Loans	49,018,571	44,170,995
TOTAL	87,522,598	81,154,436
II i) Secured by Tangible Assets (includes Advance against Book Debts)	70,778,486	69,651,954
ii) Covered by Bank/Government Guarantees	1,725,138	2,264,934
iii) Unsecured	15,018,974	9,237,549
TOTAL	87,522,598	81,154,436
A. Advances in India		
i) Priority Sector	34,241,376	34,595,700
ii) Public Sector	9,595,886	8,352,202
iii) Banks	2,942	4,203
iv) Others	41,406,767	35,965,554
TOTAL	85,246,970	78,917,659
B. Advances Outside India		
i) Due From Banks	719,928	475,571
ii) Due from Others	-	-
a) Bills Purchased and Discounted	16,265	506
b) Syndicated Loans	7,219	16,182
c) Others	1,532,216	1,744,518
	2,275,628	2,236,777
TOTAL	87,522,598	81,154,436

(\$ in 000')

	As on 31 st March, 2022		As on 31 st March, 2021	
SCHEDULE 10 - FIXED ASSETS				
A. TANGIBLE ASSETS				
I. Premises				
At cost/valuation as per last balance sheet	1,117,605		1,107,858	
Additions during the year	8,078		9,813	
Deductions during the year	57,204		65	
	1,068,479		1,117,605	
Less: Depreciation till Date	348,428	720,051	341,161	776,445
II. Capital Work-in-Progress				
At cost as per last balance sheet	8,662		8,163	
Additions during the year	2,476		2,995	
Deductions during the year	6,254	4,883	2,496	8,662
III. Land				
At cost as per last balance sheet	15,966		17,038	
Additions during the year	17,736		-	
Deductions during the year	735		-	
	32,967		17,038	
Less: Depreciation till Date	5,964	27,003	1,072	15,966

(\$ in 000')

	As on 31 st March, 2022		As on 31 st March, 2021	
IV. Other Fixed Assets (including Furniture and Fixtures)				
a) Assets given on lease				
At cost as per last balance sheet	3,672		3,672	
Addition during the year	-		-	
Deductions during the year	130		-	
	3,542		3,672	
Less: Depreciation till Date	3,542		3,672	
b) Others				
At cost/valuation as per last balance sheet	890,889		856,159	
Additions during the year	64,920		48,317	
Deductions during the year	44,639		13,587	
	911,169		890,889	
Less: Depreciation till Date	743,907	167,263	725,463	165,426
B. INTANGIBLE ASSETS				
(i) Computer Software				
At cost as per last balance sheet	159,534		122,443	
Additions during the year	12,010		37,218	
Deductions during the year	8,280		127	
	163,264		159,534	
Amortisation till Date	131,407	31,857	118,453	41,081
TOTAL		951,057		1,007,580

(\$ in 000')

	As on 31 st March, 2022	As on 31 st March, 2021
SCHEDULE 11 - OTHER ASSETS :		
I. Inter-Office Adjustments (net)	237,452	1,003,991
II. Interest Accrued	1,026,067	843,656
III. Tax paid/Tax deducted at source (Net of Provisions)	713,972	908,175
IV. Stationery and Stamps	836	933
V. Non-Banking Assets acquired in satisfaction of claims	18	17
VI. Deferred Tax Assets (Net)	1,622,237	2,144,030
VII. MAT Credit	391,784	163,761
VIII. Others	2,816,275	2,850,778
TOTAL	6,808,640	7,915,340

(\$ in 000')

	As on 31 st March, 2022	As on 31 st March, 2021
SCHEDULE 12 - CONTINGENT LIABILITIES :		
I. Claims against the Bank not acknowledged as debts	438,968	510,574
II. Liability for partly paid Investments	-	569
III. Liability on account of outstanding forward exchange contracts	57,673,365	31,472,057
IV. Guarantees given on behalf of Constituents		
i) In India	8,622,340	9,072,298
ii) Outside India	218,849	184,714
V. Acceptances, Endorsements and Other Obligations	16,755,720	7,132,782
VI. Other items of Contingent Liability	-	5,406
VII. Disputed Tax demands under Appeals	1,822,935	2,149,056
VIII. Amount transferred to DEAF Scheme 2014	379,601	324,886
TOTAL	85,911,777	50,852,341

Schedules forming part of the Consolidated Profit & Loss Account for the year ended 31st March 2022

(\$ in 000')

	For the Year Ended 31 st March, 2022	For the Year Ended 31 st March, 2021
SCHEDULE 13 - INTEREST EARNED :		
I. Interest/Discount on Advances/Bills	5,975,965	6,269,247
II. Income on Investments	2,659,824	2,877,228
III. Interest on Balances with RBI & Other Inter Bank Funds	282,871	220,304
IV. Others	83,505	113,655
TOTAL	9,002,165	9,480,434
SCHEDULE 14 - OTHER INCOME :		
I. Commission, Exchange and Brokerage	226,810	166,328
II. Profit on Sale of Investments - (Net)	465,013	592,209
III. Profit on revaluation of Investments (Net)	- 17,729	55,757
IV. Profit/ (Loss) on Fixed Asset - (Net)	- 46	2,816
V. Profit on Exchange Transactions - (Net)	80,268	59,375
VI. a) Lease Finance Income	-	-
b) Lease Management Fee	-	-
c) Overdue Charges	-	-
d) Interest on Lease Rent Receivables	-	-
VII. Miscellaneous Income	1,030,085	1,080,392
TOTAL	1,784,400	1,956,876
SCHEDULE 15 - INTEREST EXPENDED :		
I. Interest on Deposits	4,944,009	5,585,543
II. Interest on Reserve Bank of India/Inter Bank Borrowing	139,341	204,125
III. Others	217,764	244,035
TOTAL	5,301,114	6,033,702
SCHEDULE 16 - OPERATING EXPENSES :		
I. Payments to and Provisions for Employees	1,354,180	1,298,184
II. Rent, Taxes and Lighting	142,881	153,281
III. Printing and Stationery	12,876	12,721
IV. Advertisement and Publicity	9,168	9,830
V. a) Depreciation on Bank's Property other than Leased Assets	98,270	124,217
b) Depreciation on Leased Assets	-	-
VI. Directors' Fees, Allowances and Expenses	641	817
VII. Auditors' Fees and Expenses (including Branch Auditors)	8,851	14,976
VIII. Law Charges	20,132	18,686
IX. Postage, Telegrams, Telephones, etc.	41,237	31,956
X. Repairs and Maintenance	44,538	50,097
XI. Insurance	153,826	165,486
XII. Amortization of Goodwill, if any	-	-
XIII. Other Expenditure	712,945	821,366
TOTAL	2,599,546	2,701,617

Significant Accounting Policies (Consolidated) : Schedule 17

1. Basis of Preparation

The financial statements have been prepared and presented under the historical cost convention and accrual basis of accounting, unless otherwise stated. These are prepared following the Going Concern concept, in accordance with requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949. The accounting and reporting policies of the Bank used in the preparation of these financial statements conform to Generally Accepted Accounting Principles in India (Indian GAAP), the guidelines issued by Reserve Bank of India (RBI) from time to time and the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI) to the extent applicable and practices generally prevalent in the banking industry in India. In respect of foreign offices, statutory provisions and practices prevailing in foreign countries are complied with.

2. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumptions considered in the reported amount of Assets and Liabilities (including Contingent Liabilities) as of the date of the financial statements and the reported Income and the Expenses during the reporting period. Management believes that the estimates wherever used in the preparation of the financial statements are prudent and reasonable. Actual results can differ from these estimates. Any revision in the accounting estimates is recognized prospectively in the current and future period.

3. Basis of consolidation

a) Bank is having 5 subsidiaries, 3 JVs and 1 associate. The details are as under:-

S. No.	Nature	Entities	Stake
1	Subsidiary	Union Asset Management Company Pvt. Ltd.	100%
2	Subsidiary	Union Trustee Co Pvt. Ltd.	100%
3	Subsidiary	Union Bank of India(UK) Ltd.	100%

4	Subsidiary	Andhra Bank Financial Services Ltd.	100%
5	Subsidiary	UBI Services Ltd.	100%
6	JV	Star Union Dai-Ichi Life Insurance Co Ltd.	25.10%
7	JV	ASREC (India) Ltd	26.02%
8	JV	India International Bank (Malaysia) BHD	25.00%
9	Associate	Chaitanya Godavari Grameena Bank	35%

The consolidated financial statements are prepared on the basis of:

- 1) Audited Accounts of the parent bank (Union Bank of India)
 - 2) **Consolidation of Subsidiaries:** Line by Line aggregation of the Income/Expenditure/ Assets/Liabilities of the subsidiaries with the respective line item of the parent bank, after eliminating all intra-group transactions, unrealized profits/loss in terms of AS 21 on Consolidated Financial Statements issued by Institute of Chartered Accountants of India (ICAI).
 - 3) **Consolidation of Associates:**The Investment in Associate is accounted for consolidation as per Equity Method in terms of AS 23 on Accounting for Investments in Associates in Consolidated Financial Statement issued by Institute of Chartered Accountants of India (ICAI).
 - 4) **Consolidation of Joint Ventures:** Line by Line consolidation is done with proportionate share in Joint Venture in terms of AS-27 on Financials Reporting in Interest of Joint Venture issued by Institute of Chartered Accountants of India (ICAI).
- b) In case of Domestic Associate/Subsidiaries and Joint Venture, accounting adjustments arising due to different accounting policies followed by parent bank and associate/subsidiaries and Joint Venture have not been carried out due to practical difficulties on the basis of data provided by

associates/ subsidiaries and Joint Venture as the amounts are not material.

- c) The difference between cost to the Group of its investment in the subsidiaries and the Parent's portion of the equity of the subsidiaries is recognized in the CFS as Goodwill / Capital Reserve, as the case may be.
- d) Minority interest in the net assets of the consolidated subsidiaries consists of:
 - i) The amount of equity attributable to the minority at the date on which investment in a subsidiary is made and
 - ii) The minority share of movements in revenue reserves / loss and equity since the date the parent subsidiary relationship came into existence.
 - iii) The excess, and any further losses applicable to the minority, are adjusted against the majority interest except to the extent that the minority has a binding obligation to, and is able to, make good the losses

4. Revenue Recognition

a) Banking entities

- i) Income and Expenditure have been accounted for on accrual basis unless otherwise stated.
- ii) Income on Non-Performing Assets (NPAs) is recognized to the extent realized as per the prudential norms prescribed by the RBI. Income accounted for in the preceding year and remaining unrealized is derecognized in respect of assets classified as NPAs during the year.
- iii) Commission on Letter of Guarantee/Letter of Credit is accounted on accrual basis.
- iv) Exchange and brokerage earned, rent on Safe Deposit Lockers, income from Aadhaar cards Minimum balance charges etc. are accounted for on realization basis.

- v) Income (Other than interest) on investments in "Held to Maturity" (HTM) category acquired at discount to the face value is recognized as follows:

- a) On interest bearing securities, it is recognized only at the time of sale/redemption.
- b) On Zero-coupon securities, it is accounted for over the balance tenor of the securities on a constant yield basis.
- vi) Dividend is accounted on an accrual basis where the right to receive the dividend is established.
- vii) Sale of NPAs accounted in terms of extant RBI guidelines.
- viii) Interest on Income-tax refunds is accounted for on receipt of Intimation order from the Income Tax Department.

b) Non-Banking entities

Life Insurance

i. Premium Income

Premium (net of GST) is recognized as income when due. For linked business, premium is recognized when the associated units are created. Top up premiums are considered as single premium. Premium on lapsed policies is recognized as income when such policies are reinstated. Commission received on reinsurance ceded is recognized as income in the period in which reinsurance premium is ceded.

ii. Income from linked funds

Income from linked funds which includes premium allocation charges, policy administrative charges, mortality charges, fund management charges etc. are recovered from the linked funds in accordance with the

terms and conditions of policies issued.

iii. Reinsurance Premium

Cost of reinsurance ceded is accounted for at the time of recognition of premium income in accordance with the treaty or in principle arrangement with the reinsurer. Profit commission on reinsurance ceded is netted off against premium ceded on reinsurance.

iv. Benefits paid (including claims)

Benefits paid comprise of policy benefits & claim settlement costs, if any. Death, rider & surrender claims are accounted for on receipt of intimation. Survival benefit claims and maturity claims are accounted for when due. Withdrawals & surrenders under linked policies are accounted for in the respective schemes when the associated units are cancelled. Reinsurance recoveries on claims are accounted for in the same period as the related claims.

v. Acquisition Costs

Acquisition costs are costs that vary with and are primarily related to acquisition of insurance contracts and are expensed in the period in which they are incurred.

vi. Liability for life policies

Actuarial liability for life policies in force and for policies in respect of which premium has been discontinued but a liability exists, is determined by the Appointed Actuary using the gross premium method and in case of group business, unearned premium reserve method, in accordance with accepted actuarial practice, requirements of Insurance Act, 1938, IRDA regulations and the stipulations of Institute of Actuaries of India.

Asset Management

- i. Investment management fees are recognized net of service tax on an accrual basis as a percentage of the average daily net assets

of the mutual fund schemes (excluding the investments made by the company in the schemes) such that it does not exceed the limit prescribed by the SEBI (Mutual Funds) Regulations, 1996 and any further amendments.

- ii. Investment advisory fees are recognized on accrual basis in accordance with the terms of contract with the customers.
- iii. Interest income is recognized using the time proportion method, based on the rates implicit in the transaction.
- iv. Dividend income is recognized when right to receive is established.

5. Investments

i) Classification

In conformity of the requirements in form A of the Third Schedule to the Banking Regulations Act, 1949, Investments are classified as under:

- a) Government Securities
- b) Other Approved Securities
- c) Shares
- d) Debentures & Bonds
- e) Investments in Subsidiaries & Joint Ventures, and
- f) Other Investments

The Investment portfolio of the Bank is further classified in accordance with the RBI guidelines contained in Master Circular Master Circular DoR.MRG.42/21.04.141 /201-22 dated August 25, 2021 into three categories viz.,

- a) Held to Maturity (HTM)
- b) Available for Sale (AFS)
- c) Held for Trading (HFT)

ii) Basis of Valuation

As per RBI guidelines, the following principles have been adopted for the purpose of valuation:

- a) Securities held in "HTM" – at acquisition cost: The excess of acquisition cost over the face value is amortized over the remaining period of maturity and in case of discount; it is not recognized as income.
- b) Investment in Regional Rural Banks is valued at carrying cost.
- c) Investments in Subsidiaries and Joint Ventures are valued at carrying cost
- d) Diminution other than temporary, if any, in valuation of such investments is provided for.
- e) Securities held in "AFS" and "HFT" categories are valued classification wise and scrip wise and net depreciation, if any, in each classification is charged to Profit and Loss account while net appreciation, if any, is ignored.
- f) Valuation of other securities is arrived at as follows:

A	Govt. of India Securities (Central Govt. Securities)	As per quotations put out by Fixed Income Money Market and Derivatives Association (FIMMDA/FBIL)
B	State Development Loans, State Govt. Securities, Securities guaranteed by Central/ State Government, PSU Bonds	On appropriate yield to maturity basis as per FIMMDA/FBIL guidelines
C	Equity Shares	As per market rates, if quoted, otherwise at Break-up Value, as per latest Audited Balance Sheet (not more than 1 year old). In the absence of both, at ₹ 1/- per Company. The break-up Value is computed excluding revaluation reserve.
D	Preference Shares	As per market rates, if quoted, or on appropriate yield to maturity basis not exceeding redemption value as per FIMMDA/FBIL guidelines

E	Debentures/Bonds	As per market rates, if quoted, otherwise on appropriate yield to maturity basis as per FIMMDA/FBIL guidelines.
F	Mutual Funds(MF)	As per stock exchange quotations, if quoted. In case of unquoted units, as per latest Repurchase price declared by concerned MF. In cases where latest repurchase price is not available, as per Net Asset Value (NAV)
G	Treasury Bills / Certificate of Deposits / Commercial Papers	At carrying cost
H	Venture Capital Funds (VCF)	At declared NAV or Breakup NAV as per audited Balance Sheet which is not more than 18 months old. If NAV / audited financial statements are not available for more than 18 months continuously, at ₹ 1/- per VCF
I	Security Receipts	At NAV as declared by Securitization Companies

iii) Interbank REPO / Reverse REPO transactions are accounted for in accordance with extant RBI guidelines.

iv) As per the extant RBI guidelines, the shifting of securities from one category to another is accounted for as follows:

- a) From AFS / HFT categories to HTM category, at lower of book value or market value as on the date of shifting. Depreciation, if any, is fully provided for.
- b) From HTM category to AFS / HFT category,
- If the security is originally placed at discount in HTM category, at acquisition cost/ book value

- If the security is originally placed at a premium, at an amortized cost.
- c) From AFS to HFT category and vice versa, at book value.
- d) The securities so shifted are revalued immediately and resultant depreciation is fully provided for.
- v) The non-performing investments are identified and provision is made as per the extant RBI guideline.
- vi) Profit / Loss on sale of investments & appreciation/ depreciation of investment in any category is taken to the Profit and Loss account. However, in case of profit on sale of investments in "HTM" category, an equivalent amount (net of taxes and net of transfer to Statutory Reserves) is appropriated to the Capital Reserve account.
- vii) Commission, brokerage, broken period interest etc. on securities is debited / credited to Profit & Loss account.
- viii) Income from the units of Mutual Fund, Venture Capital & Security Receipt is recognized on Cash Basis.
- ix) As per the extant RBI guidelines, the Bank follows 'Settlement Date' for accounting of investments transactions.

6. Derivative Contracts:

- a) The Interest Rate Swap which hedges interest bearing Asset or Liability are accounted for in the financial statements on accrual basis except the swap designated with an Asset or Liability that is carried at market value or lower of cost or market value. Gains or losses on the termination of swaps are recognized over the shorter of the remaining contractual life of the swap or the remaining life of the Asset / Liability.
- b) Trading swap transactions are marked to market with changes recorded in the financial statements. (profit if any, is ignored)
- c) In the case of option contracts, guidelines issued by Foreign Exchange Dealers Association of India

(FEDA) from time to time for recognition of income, premium and discount are being followed.

7. Advances

- i) Advances in India, are classified under four categories, i.e. (a) Standard, (b) Sub-standard, (c) Doubtful and (d) Loss assets. Provisions required on such advances are made as per the extant prudential norms issued by the RBI in terms of Master Circular DOR.No.STR.REC.55/21.04.048/2021-22 dated October 01,2021. In respect of foreign offices, Advances are classified in accordance with Prudential Norms prescribed by the RBI or local laws of the host country in which advances are made, whichever is more stringent.
- ii) Advances are stated net of specific loan loss provisions, counter cyclical provisioning buffer and provision for diminution in fair value of restructured advances and unrecovered interest held in sundry / claims received from Credit Guarantee Trust for Micro & Small Enterprises (CGTMSE)/Export Credit Guarantee Corporation (ECGC) relating to non-performing assets.
- iii) The general provision on standard advances is held in "Other Liabilities and Provisions" reflected in Schedule 5 of the balance sheet and is not considered for arriving at both net NPAs and net advances.
- iv) Amounts recovered against debts written off are recognized as revenue in the year of recovery.
- v) Provision on Suspense accounts entries outstanding for more than six months are made at 100% except the claim receivable from Govt./Govt. Bodies like Interest Subsidy on crop loan/export advance, Pension receivable etc.

8. Property, Plant and Equipment

- i) Premises and Other Fixed Assets are stated at cost less accumulated depreciation as adjusted for impairment, if any The cost comprises of purchase price, eligible borrowing costs and directly attributable costs of bringing the Asset to its working condition for the intended use less trade

discounts and rebates. Subsequent expenditure incurred on assets put to use is capitalized only when it increases the future benefits from such assets or their functional capability. Land and Buildings, if revalued are stated at revalued amount. The appreciation on revaluation is credited to Revaluation Reserve and the depreciation provided thereon is deducted there from and shall be credited to Revenue Reserves in terms of revised AS-10 on "Property, Plant and Equipment.

- ii) Depreciation on Fixed Assets is provided for on the Straight Line Method at the rates prescribed in Expenditure Policy of the Bank from time to time. The applicable rates of depreciation are as under:

Sr. No.	Capital Asset	Useful Life (Years)	Rate in percentage
1	Immovable Property-Land	Not stipulated; accordingly, no depreciation	NIL
2	Building with RCC frame structure (Both Residential & Non-residential)	60	1.67
3	Furniture	10	10.00
4	Fixtures	10	10.00
5	Air-conditioning plants (Package & water/air cooled ductable)	10	10.00
6	Split & Window Air conditioners	5	20.00
7	Electrical installments and equipment	5	20.00
8	Solar Power Equipment	15	6.67
9	Elevators & Lifts	15	6.67
10	Civil & Flooring work in leased Premises	5	20.00
11	Telephone Equipment	5	20.00
12	Motor Cycles, Scooters & other mopeds	10	10.00
13	Motor Cars, Motor Lorries and Electrically operated vehicles including battery powered or fuel cell powered vehicles	8	12.50
14	Mobile Phones	3	33.33

Sr. No.	Capital Asset	Useful Life (Years)	Rate in percentage
15	Generators	15	6.67
16	Office Equipment	5	20.00
17	Computers & computer software forming integral part of hardware	3	33.33
18	ATM & allied items	3	33.33
19	UPS & allied items	5	20.00
20	Servers & Networks	6	16.66
21	End user devices such as desktops, laptops, i-pads, tablets, printer & Scanner, digital watches etc.	3	33.33

- iii) Depreciation on premises is provided on composite cost, wherever the value of Land and Buildings is not separately identifiable.
- iv) Depreciation on Leased assets and Leasehold improvements is recognized on a straight-line basis using rates determined with reference to the primary period of lease.
- v) Depreciation on fixed assets outside India and fixed assets of subsidiaries / associates is provided as per regulatory requirements / or prevailing practices of respective country / industry.

9. Impairment of Assets

The carrying costs of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying cost of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying cost of the asset over its remaining useful life. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation, if there was no impairment.

10. Counter Cyclical Provisioning Buffer

The Bank has a policy for creation and utilization of Counter Cyclical Provisioning Buffer separately for advances and investments. The quantum of provision to be created is assessed at the end of each financial year. The counter cyclical provisions are utilized only for contingencies under extra ordinary circumstances specified in the policy with prior permission of the RBI.

11. Transactions involving Foreign Exchange

Accounting for transactions involving foreign exchange is done in accordance with AS 11, (The Effects of Changes in Foreign Exchange Rates), issued by the ICAI. As stipulated in AS 11, the foreign currency operations of the Bank are classified as under

- b) Integral Operations and
- c) Non Integral Operations.

All Overseas Branches, Offshore Banking Units, Overseas Subsidiaries are treated as Non Integral Operations and domestic operations in foreign exchange and Representative Offices are treated as Integral Operations.

a) Translation in respect of Integral Operations

- i.) Income and Expenditure items are recognized at the exchange rates prevailing on the date of the transaction.
- ii.) Foreign Currency Monetary and Non-Monetary Assets and Liabilities are translated at the closing spot rates notified by FEDAI at the end of each quarter.
- iii.) Contingent liabilities on account of guarantees, acceptances, endorsements and other obligations are stated at the exchange rates notified by FEDAI at the close of the year
- iv.) The resulting exchange differences are recognized as income or expenses and are accounted through Profit and Loss Account.
- v.) Forward exchange contracts are recorded at the exchange rate prevailing on the date of commitment. Outstanding forward exchange contracts are revalued at the exchange rates notified by FEDAI for specified maturities and at interpolated rates for contracts of 'in-

between' maturities. The resultant gains or losses are recognized in the Profit and Loss account.

b) Translation in respect of Non Integral Operations

- i) Assets and Liabilities (including contingent liabilities) are translated at the closing spot rates notified by FEDAI at the end of each quarter
- ii) Foreign Exchange Spot and Forwards contingent liabilities outstanding as at the balance sheet date are translated at the closing spot and forward rates respectively notified by FEDAI and at interpolated rates for contracts of interim maturities.
- iii) Income and Expense are translated at quarterly average rate notified by FEDAI at the end of each quarter.
- iv) The resulting exchange differences are not recognized as income or expense for the period but accumulated in a separate account "Foreign Currency Translation Reserve" till the disposal of the net investment.

12. Employee Benefits

A. Short Term Employment Benefits:

The undiscounted amounts of short term employee benefits (e.g. medical benefits) payable wholly within twelve months of rendering the service are treated as short term and recognized during the period in which the employee rendered the service.

B. Long Term Employee Benefits:

i. Defined Contribution Plans:

The Bank operates a new pension scheme (NPS) for all officers/ employees joining the Bank on or after 1st April, 2010, which is a defined contribution plan, such new joinees not being entitled to become members of the existing Pension Scheme. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with 14% contribution from the Bank. Pending completion of registration procedures of the employees concerned, these contributions retained with the Bank. The

Bank recognizes such annual contributions in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS Trust.

ii. Defined Benefit Plan:

Gratuity, Pension and Leave Encashment are defined benefit plans. These are provided for on the basis of an actuarial valuation as per Accounting Standard-15 "Employee Benefit" issued by the Institute of Chartered Accountants of India, made at the end of each financial year, based on the projected unit credit method. Actuarial gains/losses are immediately taken to the Profit & Loss account.

13. Segment Reporting

The Bank recognizes the Business segment as the Primary reporting segment and Geographical segment as the Secondary reporting segment, in accordance with the RBI guidelines and in the compliances with the Accounting Standard-17 "Segment Reporting" issued by the Institute of Chartered Accountants of India. Business segments are classified into:

- 13.1 Treasury Operations,
- 13.2 Corporate and Wholesale Banking,
- 13.3 Retail Banking Operations and
- 13.4 Other Banking Operations

14. Lease Transactions

Lease payments for assets taken on operating lease are amortized over the lease term. The properties taken on lease / rental basis are renewable / cancellable at the option of the Bank. The Bank's liabilities in respect of disputes pertaining to additional rent / lease rent are recognized on settlement or on renewal.

15. Earnings Per Share

Earnings per share are calculated by dividing the net profit or loss (after tax) for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share reflect the potential dilution that could occur if contracts to issue equity shares were

exercised or converted during the year. Diluted earnings per equity share are calculated by using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

16. Taxation

This comprises of provision for Income tax and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) as determined in accordance with AS-22 on "Accounting for taxes on Income" issued by ICAI. Provision for Tax is made for both current and deferred taxes. Current tax is provided on the taxable income using applicable tax rate. Deferred Tax Assets and Deferred Tax Liabilities arising on account of timing differences and which are capable of reversal in subsequent periods are recognized using the tax rates and the tax laws that have been enacted or substantively enacted till the date of the Balance Sheet. Deferred Tax Assets are not recognized unless there is 'reasonable certainty' that sufficient future taxable income will be available against which such Deferred Tax Assets will be realized. In case of carry forward of unabsorbed depreciation and tax losses, Deferred Tax Assets are recognized only if there is "virtual certainty".

17. Provisions, Contingent Liabilities and Contingent Assets

As per AS 29 (Provisions, Contingent Liabilities and Contingent Assets) issued by the ICAI, the Bank recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation 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.

18. Share Issue Expenses:

Share Issue expenses are charged to the Share Premium account in terms of Section 52 of the Companies Act, 2013.

SCHEDULE 18 – NOTES TO ACCOUNTS (CONSOLIDATED)

1. The particulars of the subsidiaries whose financial statements are consolidated with the standalone

financial statement of the Bank (the Parent) are as under:

Names of Subsidiaries	Country of Incorporation	Proportion of Ownership by the parent as on 31.03.2022
Union Asset Management Company Private Limited	India	100%
Union Trustee Company Private Limited	India	100%
Union Bank of India (UK) Limited	United Kingdom	100%
Andhra Bank Financial Services Limited	India	100%
UBI Services Ltd	India	100%

2. The particulars of Joint Venture considered in the Consolidated Financial Statements are as under :

Names of Joint Venture	Country of Incorporation	Proportion of Ownership
Star Union Dai-Ichi Life Insurance Company Limited (Non- Banking)	India	25.10%
ASREC (India) Ltd	India	26.02%
India international Bank (MALAYSIA) Berhad	India	25.00%

3. The particulars of Associate considered in the Consolidated Financial Statements are as under:

Names of Associates	Country of Incorporation	Proportion of Ownership
Chaitanya Godavari Grameena Bank	India	35%

The value of the investment made by the Bank is \$19.69 Crore as on 31st March 2022 which is treated as long term investment.

- 4 The financial statements of the subsidiaries, joint venture and associate which are used in the consolidation have been drawn up to the same reporting date as that of the Parent i.e. 31st March 2022.

- 5 The Consolidated Financial Statements have been prepared on the basis of audited financial statements of Star Union Dai-ichi Life Insurance Company Limited, Union Asset Management Company Private Limited, Union Trustee Company Private Limited, Union Bank of India (UK)Limited, Chaitanya Godavari Grameena Bank, India International Bank (Malaysia) BHD, UBI Services LTD. and financials of Andhra Bank Financial Services Limited and ASREC(India) Limited for the financial year ended 31.03.2022.

- 6 During the year, the Bank has divested 21% of its investment in IndiaFirst Life Insurance Co. Ltd. to Bank of Baroda. Consequently, the Bank's shareholding has been reduced from 30% to 9% and accordingly the financials of IndiaFirst Life Insurance Co. Ltd. has not been considered in CFS of the Bank as on 31.03.2022

- 7 Adjustment of outstanding entries in Suspense Accounts, Sundry Deposits, Clearing Adjustments, Bank Reconciliation Statements and various inter-branch/office accounts is in progress on an ongoing basis. Pending final clearance of the same, the overall impact, if any, on the accounts, in the opinion of the management will not be significant.

8 DISCLOSURES IN TERMS OF THE RESERVE BANK OF INDIA GUIDELINES

8.1. A. Capital

The Bank is subjected to Basel III capital adequacy guidelines stipulated by RBI with effect from April 1, 2013. The guidelines provide a transition schedule for Basel III implementation till Oct. 1, 2021. As per RBI Guidelines, Basel III has been completely implemented from Oct. 1, 2021. As per guidelines, the Tier I capital is made up of Common Equity Tier I (CET I) and Additional Tier I Capital (AT 1).

Basel III guidelines require the Bank to maintain minimum capital to Risk Weighted Assets ratio (CRAR) of 11.50% with minimum CET I of 8.00% (inclusive of Capital Conservation Buffer of 2.50%) and minimum Tier I CRAR of 9.50% as at March 31, 2022.

During the year, the Bank has issued additional 42,79,03,111 number of equity shares under Qualified Institutions Placement (QIP) on 21st May, 2021 and

raised an amount of \$19.69 crore. Accordingly, the shareholding of Government of India in the Bank has reduced to 83.49% as compared to the shareholding of 89.07% as on 31st March, 2021. Further, the Bank has also issued Basel III compliant Tier-2 bonds of \$26.39 Crore & additional Tier-1 Bonds of ₹65.97 crore in tranches and exercised call option for redemption of Basel III compliant Tier-2 bonds of \$26.39 crore & additional Tier-1 Bonds of \$44.86 crore.

The computation of Capital Adequacy as per the framework is indicated below:

(\$ in crore)

Sr. No.	Particulars	31.03.2022	31.03.2021
i.	Common Equity Tier 1 capital (CET 1) / Paid up share capital and reserves(net of deductions, if any)	767.96	685.73
ii.	Additional Tier 1 capital/ Other Tier 1 capital	112.67	97.18
iii.	Tier 1 capital (i + ii)	880.64	782.91
iv.	Tier 2 capital	167.46	166.68
v.	Total capital (Tier 1+Tier 2)	1,048.10	949.59
vi.	Total Risk Weighted Assets (RWAs)	7,236.46	7,583.57
vii.	CET 1 Ratio (CET 1 as a percentage of RWAs) / Paid-up share capital and reserves as percentage of RWAs	10.61	9.04
viii.	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	12.17	10.32
ix.	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	2.31	2.20
x.	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	14.48	12.52
xi.	Leverage Ratio	5.17	4.82
xii.	Percentage of the shareholding of a) Government of India b) State Government (specify name) c) Sponsor Bank	83.49	89.07
xiii.	Amount of paid-up equity capital raised during the year	19.09	--
xiv.	Amount of non-equity Tier 1 capital raised during the year, of which: a) Basel III compliant Perpetual Non-Cumulative Preference Shares b) Basel III compliant Perpetual Debt Instruments	-- 65.97	-- 23.32
xv.	Amount of Tier 2 capital raised during the year, of which a) Perpetual Cumulative Preference Shares b) Redeemable Non-Cumulative Preference Shares c) Basel III compliant Redeemable non convertible tier II Bonds	-- -- 26.39	-- -- 27.36

8.2 Provisions and Contingencies

(\$ in crore)

Break up of Provision & Contingencies. shown under the head in Profit & Loss:	31.03.2022	31.03.2021
Provision / (Reversal) for Depreciation on Investment	2.65	5.91
Provision towards NPA	157.42	187.85
Provision towards Harmonization	--	4.43
Provision(Reversal) towards Standard Assets	19.15	17.05
Net Provision made towards Income Tax/Deferred tax	44.30	(6.85)
Other Provision and Contingencies:	(3.65)	17.55
TOTAL	219.87	225.94

8.3 Counter Cyclical Provisioning Buffer / Floating Provision:

(\$ in crore)

Sr. No.	Particulars	31.03.2022	31.03.2021
i)	Opening Balance	4.04	4.19
ii)	Additional provisions made during the accounting year	Nil	Nil
iii)	Amount of drawdown made during the accounting year	4.04	Nil
iv)	Closing balance	Nil	4.19

9 EMPLOYEE BENEFITS (AS 15 - REVISED) (Parent Bank)

i) Short Term Employment Benefits:

The undiscounted amounts of short-term employee benefits (e.g. medical benefits) payable wholly within twelve months of rendering the service are treated as short term and recognized during the period in which the employee rendered the service.

ii) Long Term Employee Benefits:

a) Defined Contribution Plans:

The Bank operates a new pension scheme (NPS) for all officers/ employees joining the Bank on or after 1st April, 2010, which is a defined contribution plan, such new joinees not being entitled to become members of the existing Pension Scheme. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with a 14% contribution from the Bank. Pending completion of registration procedures of the employees concerned, these contributions retained with the Bank. The Bank recognizes such annual contributions in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS Trust.

The Bank has Defined Contribution Pension Scheme (DCPS) applicable to all categories of officers and employees joining the Bank on or after April 1, 2010. The scheme is managed by National Pension Scheme (NPS) Trust under the aegis of the Pension Fund Regulatory and Development Authority. National Securities Depository Limited has been appointed as the Central Record Keeping Agency for the NPS. During F.Y. 2021-2022, the Bank has contributed \$6.62 crores including arrears of \$1.59 crores (Previous Year \$4.07 crore) to NPS.

b) Defined Benefit Plan:

Gratuity, Pension and Leave Encashment are defined benefit plans. These are provided for on the basis of an actuarial valuation as per Accounting Standard-15 "Employee Benefit" issued by the Institute of Chartered Accountants of India, made at the end of each financial year, based on the projected unit credit method. Actuarial gains/losses are immediately taken to the Profit & Loss account.

Defined Benefit Plans – Employee's Pension plan and Gratuity plan:

The Bank has accounted for employee benefits as per Accounting Standards issued by the Institute of Chartered Accountants of India, as per actuarial valuation report for the year ended March 31, 2022.

(\$ in crore)

S. No.	Particular	31-03-2022		31-03-2021	
		Gratuity	Pension	Gratuity	Pension
i)	Table showing change in Defined Benefit Obligation:				
	Liability at the beginning of the year	44.28	343.19	37.45	335.84
	Interest Cost	3.07	23.71	2.56	22.80
	Current Service Cost	2.13	2.80	1.88	3.63
	Past Service Cost (Vested Benefit Amortized)	NIL	NIL	NIL	NIL
	Past Service Cost (Vested Benefit)	NIL	25.10	NIL	NIL
	Liability Transfer in	NIL	NIL	NIL	NIL
	Liability Transfer out	NIL	NIL	NIL	NIL
	(Benefit paid)	(6.15)	(30.89)	(5.92)	(23.02)
	Actuarial (Gain)/loss on obligation – due to change				
	In the financial assumption	(1.58)	(19.08)	NIL	NIL
	in demographic assumption	0.04	0.84	(0.36)	(3.39)
	Actuarial (Gain) / Loss on obligations	0.41	32.36	10.29	19.92
	Liability at the end of the year	42.19	378.02	45.90	355.78
ii)	Table of Fair value of Plan Assets:				
	Fair value of Plan Assets at the beginning of the year	36.24	352.55	36.54	316.58
	Expected return on Plan Assets	2.51	24.36	2.50	21.50
	Contributions	11.13	7.28	3.99	49.31
	Transfer from Other Company	NIL	NIL	NIL	NIL
	Transfer to Other Company	NIL	NIL	NIL	NIL
	(Benefit paid)	(6.15)	(30.89)	(5.92)	(23.02)
	Actuarial (Gain)/loss on Plan Assets	(0.70)	(3.51)	(0.47)	(1.12)
	Fair Value of Plan Assets at the end of the year	44.43	356.81	37.57	365.49
	Actuarial (Gain)/loss on obligation for the period	(1.13)	14.11	9.93	16.53
	Actuarial (Gain)/loss on Plan Assets	(0.70)	(3.51)	(0.47)	(1.12)
	Total Actuarial (Gain)/loss to be recognized	(1.84)	10.60	9.46	15.41
iii)	Recognition of Transitional Liability:				
	Transitional Liability at start	NIL	NIL	NIL	NIL
	Transitional Liability recognized during the year	NIL	NIL	NIL	NIL
	Transitional Liability at end	NIL	NIL	NIL	NIL
iv)	Actual return on Plan Assets:				
	Expected Return on Plan Assets	2.51	24.36	2.50	21.50
	Actuarial Gain/(Loss) on Plan Assets	0.70	3.51	0.47	1.12
	Actual return on Plan Assets	3.21	27.88	2.97	22.61

(\$ in crore)

S. No.	Particular	31-03-2022		31-03-2021	
		Gratuity	Pension	Gratuity	Pension
v)	Expenses recognized in the Income Statement:				
	Current Service Cost	2.13	2.80	1.88	3.63
	Interest Cost	0.56	(0.65)	0.06	1.31
	Expected Return on Plan Assets	NIL	NIL	NIL	NIL
	Past Service Cost (Vested Benefit Amortized) recognized	NIL	NIL	NIL	NIL
	Past Service Cost (Vested Benefit) recognized(1/5 of enhanced family pension)	NIL	5.02	NIL	NIL
	Recognition of Transition Liability	NIL	NIL	NIL	NIL
	Actuarial (Gain) or Loss	(1.84)	10.60	9.46	15.41
	Expenses Recognized in P & L	0.85	17.77	11.41	20.35
vi)	Balance Sheet Reconciliation:				
	Opening Net Liability (Last year net amount recognized in the balance sheet)	8.04	(9.36)	0.92	19.26
	Expenses as above	0.85	17.77	11.41	20.35
	Transfer from other Company (Net)	NIL	NIL	NIL	NIL
	Transfer to other Company (Net)	NIL	NIL	NIL	NIL
	(Employer Contribution)	(11.13)	(7.28)	(3.99)	(49.31)
	Net (Asset)/Liability Amount recognized in Balance Sheet	(2.24)	1.13	8.34	(9.70)
vii)	Other Details:				
	Pension is payable at the rate of 1/66 Salary for Each Year of Service Subject to Maximum of 50%.				
	Gratuity is payable at the rate of 15 days salary for each year of service subject to maximum of \$ 26387.84 or as per the Bank scheme.				
	Actuarial gain / loss is accounted for in the year of occurrence.				
	Salary escalation is considered as advised by the company which is in line with the industry practice considering promotion and demand and supply of the employees.				
	No. of Members	992.20	306.31	1,069.66	386.20
	Salary Per Month	4.68	2.41	4.84	2.88
	Contribution for next year	--	7.82	4.84	--

(\$ in crore)

S. No.	Particular	31-03-2022		31-03-2021	
		Gratuity	Pension	Gratuity	Pension
viii)	Category of assets:				
	Government of India Assets	0.84	7.72	0.88	8.23
	Corporate Bonds/FDR	0.48	9.52	1.32	14.08
	Special Deposits Scheme	--	--	--	--
	State Govt.	1.33	15.65	1.72	15.74
	Property	NIL	NIL	NIL	NIL
	Other	3.22	22.87	2.54	19.51
	Insurer Managed Funds	38.23	296.77	30.82	304.14
	Mutual Fund	0.34	4.28	0.29	3.80
	Total	44.43*	356.81*	37.57	365.49

*Note: Return on investments in LIC & other insurance companies is considered as 7.25% while arriving Pension liability and as 7.00% while arriving Gratuity liability at the Fair Value of Plan Assets for the FY2021-22 as against the 7.00% considered for arriving Pension and Gratuity liability for the FY2020-21.

(\$ in crore)

Surplus/Deficit in the Plan:	Gratuity Plan				
	31.03.22	31.03.21	31.03.20*	31.03.19*	31.03.18*
Amount recognized in the Balance-Sheet					
Liability at the end of the year	42.19	44.28	1,291.94	1,222.64	1,244.88
Fair value of Plan Assets at the end of the year	44.43	36.24	1,219.01	1,202.14	1,302.00
Difference	2.24	(8.04)	(72.93)	(20.50)	57.12
Unrecognized Past Service Cost	Nil	Nil	Nil	Nil	Nil
Unrecognized Transition Liability	Nil	Nil	Nil	Nil	Nil
Amount Recognized in the Balance Sheet	2.24	(8.04)	(72.93)	(20.50)	57.12

*Amount mentioned for UBI Standalone

(\$ in crore)

Amount recognized in the Balance-Sheet	Gratuity Plan				
	31.03.22	31.03.21	31.03.20*	31.03.19*	31.03.18*
Experience Adjustment					
On plan liability (Gain) / Loss	0.41	10.29	0.34	0.11	(2.18)
On plan Assets (Loss) / Gain	0.70	0.47	0.10	-0.19	0.16

*Amount mentioned for UBI Standalone

(\$ in crore)

Surplus/Deficit in the Plan:	Pension Plan				
	31.03.22	31.03.21	31.03.20*	31.03.19*	31.03.18*
Amount recognized in the Balance-Sheet					
Liability at the end of the year	378.02	355.78	168.46	175.81	181.10
Fair value of Plan Assets at the end of the year	356.81	365.49	166.62	177.99	185.88
Difference	(21.21)	9.70	(1.84)	2.17	4.78
Unrecognized Past Service Cost	20.08	Nil	Nil	Nil	Nil
Unrecognized Transition Liability	Nil	Nil	Nil	Nil	Nil
Amount Recognized in the Balance Sheet	(1.13)	9.70	(1.84)	2.17	4.78

*Amount mentioned for UBI Standalone

(\$ in crore)

Amount recognized in the Balance-Sheet	Pension Plan				
Experience Adjustment	31.03.22	31.03.21	31.03.20*	31.03.19*	31.03.18*
On plan Liability (Gain) / Loss	32.36	19.92	12.41	1.81	(0.58)
On plan Assets (Loss) / Gain	3.51	1.12	0.99	0.10	(0.33)

*Amount mentioned for UBI Standalone

Principal actuarial assumption used (%)	2021-2022		2020-2021	
	Gratuity	Pension	Gratuity	Pension
Discount Rate Prev.	6.93	6.91	6.84	6.79
Rate of return on Plan Assets Prev.	6.93	6.91	6.84	6.79
Salary Escalation Prev.	5.00	5.00	5.00	5.00
Attrition Rate Prev.	2.00	2.00	2.00	2.00
Discount Rate Current	7.31	7.40	6.93	6.91
Rate of Return on Plan Assets Current	7.31	7.40	6.93	6.91
Salary Escalation Current	5.00	5.00	5.00	5.00
Attrition Rate Current	2.00	2.00	2.00	2.00

i) Other long term Employee Benefits:

Details of Provisions made for various Long-Term Employees Benefits during the year are as follows:

(\$ in crore)

Sr. No.	Other Long Term Benefits	31.03.2022	31.03.2021
1	Pension	17.77	20.35
2	Leave Travel Concession	0.18	0.38
3	Leave Encashment	0.64	1.40

Bank is having provision of ₹236.12 Crore towards Sick Leave on prudential basis though there is no payout.

ii) Unamortized Family pension & Gratuity Liabilities:

(\$ in crore)

Particulars	31.03.2022	31.03.2021
Pension		
a) Balance brought forward	NIL	NIL
b) Gross Liability	25.10	NIL
c) Charged to Profit & Loss account	5.02	NIL
d) Balance Carried forward	20.08	NIL
Gratuity		
a) Charged to Profit & Loss account	NIL	NIL
b) Carried forward	NIL	NIL

- e) The additional liability on account on enhancement in family pension for employees covered under XI Bi-partite settlement and Joint note dated 11th November, 2020 is arrived at \$25.10 Crores as per Actuarial valuation. Further, in terms of RBI circular RBI/2021-22/105 DOR.ACC.REC.57/21.04.018/2021-22 dated October 4, 2021, Banks are permitted to amortize the said liability over a period of not exceeding 5 years beginning with FY ending 31.03.2022.

Accordingly, Bank has opted to amortize the said liability over a period, of 5 years and charged an amount of \$ 5.02 crore to the profit/loss account for year ended March 31, 2022 and the balance unamortized expense of \$ 20.08 crore has been carried forward to be amortized in next 4 years. If the unamortized expenditure has been fully recognized in the Profit & Loss account, the net profit would be \$ 49.39 Crore for the year ended 31st March 2022.

10. SEGMENT REPORTING (AS-17)

10.1. Business Segments:

Business Segment		(\$ in crore)	
		Consolidated	
		Year Ended	
		(Audited)	(Audited)
		31.03.2022	31.03.2021
(a)	Segment Revenue		
1	Treasury Operations	353.80	380.11
2	Retail Banking Operations	345.65	339.45
3	Corporate /Wholesale Banking	340.10	363.04
4	Other Banking Operations	18.44	18.76
5	Unallocated	22.28	44.32
	Total Segment Revenue	1,080.28	1,145.68
	Less Inter-segment Revenue	(1.62)	(1.95)
	Income from operations	1,078.66	1,143.73
(b)	Segment Results		
1	Treasury Operations	79.20	84.23
2	Retail Banking Operations	59.49	57.41
3	Corporate Banking	(40.82)	(120.68)
4	Other Banking Operations	10.01	10.03
5	Unallocated	5.15	0.84
	Total Profit/(Loss) Before Tax	113.02	31.83
(c)	Provision for Tax	44.30	-6.85
(d)	Net Profit/(Loss) after Tax	68.72	38.68
	Add: Share of Profit in Associate	0.75	0.48
(e)	Consolidated Net Profit/(Loss)	69.47	39.17
(f)	Segment Assets		
1	Treasury Operations	6,316.40	5,853.39
2	Retail Banking Operations	4,207.72	3,791.16
3	Corporate/Wholesale Banking	4,857.76	4,677.08
4	Other Banking Operations	--	--
5	Unallocated	368.56	483.15
	Total	15,750.45	14,804.78
(g)	Segment Liabilities		
1	Treasury Operations	6,204.47	5,742.13
2	Retail Banking Operations	3,832.17	3,465.25
3	Corporate/Wholesale Banking	4,424.09	4,247.46
4	Other Banking Operations	--	--

(\$ in crore)

Business Segment		Consolidated	
		Year Ended	
		(Audited)	(Audited)
		31.03.2022	31.03.2021
5	Unallocated	354.77	464.45
	Total	14,815.51	13,919.29
(h)	Capital Employed		
1	Treasury Operations	111.93	111.26
2	Retail Banking Operations	375.55	325.91
3	Corporate/Wholesale Banking	433.67	429.62
4	Other Banking Operations	--	--
5	Unallocated liabilities	13.79	18.70
	Total	934.94	885.48

Notes:

- The Bank operates in four segments viz., Treasury, Retail, Corporate / Wholesale and Other Banking Operations. These segments have been identified in line with AS-17 on segment reporting issued by the Institute of Chartered Accountants of India (ICAI) after considering the nature and risk profile of the products and services, the target customer profiles, the organizational structure and the internal reporting system of the bank. The bank has disclosed the business segment as primary segment. The revenue and other parameters of foreign branch for the period are within the threshold limits stipulated as per AS-17 and hence the bank has only one reportable segment.
- Segment wise income, expenditure, Capital employed which are not directly allocable have been allocated to the reportable segments based on assumptions as considered appropriate by the management.
- Bank has divested its stake in one of its joint venture entity during the quarter (Please refer Notes No 6 mentioned above). Hence the figures are not comparable to that extent.

11. RELATED PARTY DISCLOSURES (AS-18)**11.1 List of Related Parties****a) Subsidiaries**

- Union Asset Management Co. Pvt. Ltd.
- Union Trustee Company Pvt. Ltd.
- Union Bank of India (UK) Ltd.
- Andhra Bank Financial Services Ltd.
- UBI Services Ltd.

b) Joint Venture

- Star Union Dai-Ichi Life Insurance Co. Ltd.
- ASREC (India) Ltd.
- India International Bank (Malaysia) Berhad

c) Associate

- Chaitanya Godavari Grameena Bank

d) Key Management Personnel

(\$ in crore)

Name	Designation	Remuneration paid for the Year ended 31 st March 2022
Shri Rajkiran Rai G.	Managing Director & CEO	0.005
Shri Gopal Singh Gusain @	Executive Director	0.003
Shri Dinesh Kumar Garg*	Executive Director	0.002
Shri Manas Ranjan Biswal	Executive Director	0.004
Shri Nitesh Ranjan	Executive Director	0.004
Shri Rajneesh Karnatak#	Executive Director	0.002
Shri Nidhu Saxena^	Executive Director	0.001

@ Till 31.01.2022

*Till 30.09.2021

From 21.10.2021

^ From 01.02.2022

e) Key Management Personnel – Remuneration paid.

(\$ in crore)

Particulars	31.03.2022	31.03.2021
	Amount	Amount
CEO and Managing Director	0.005	0.005
Executive Directors	0.016	0.015
Total	0.021	0.020

Parties with whom transactions were entered into during the year

No disclosure is required in respect of related parties, which are "State controlled Enterprises" as per paragraph 9 of Accounting Standard (AS) 18. Further, in terms of paragraph 5 of AS 18, transactions in the nature of Banker – Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel.

12. EARNING PER SHARE (AS-20)

Basic earnings per equity share are computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. The diluted earnings per equity share is computed using the weighted average number of equity shares and weighted average number of diluted potential equity shares outstanding during the year.

The computation of earnings per share is given below:

Particulars	31.03.2022	31.03.2021
Number of Equity shares at the beginning of the year	640,68,44,355	640,68,44,355
Number of Equity shares issued during the year	42,79,03,111	Nil
Number of Equity shares outstanding at the end of the year	6,83,47,47,466	640,68,44,355
Weighted Average Number of Equity Shares used in computing Basic Earnings per share	6,77,26,13,590	640,68,44,355

Particulars	31.03.2022	31.03.2021
Weighted Average Number of Shares used in computing diluted Earnings per share	6,77,26,13,590	640,68,44,355
Net Profit/(Loss) \$ in Crore	69.47	39.17
Basic Earnings per share (\$)	0.10	0.06
Diluted Earnings per share (\$)	0.10	0.06
Nominal Value per share (\$)	0.13	0.14

13. PROVISION FOR TAXES:

Deferred Tax (AS-22)

		(\$ in crore)	
Sr. No.	Particulars	31.03.2022	31.03.2021
	Deferred Tax Assets		
1	Employee Benefits (Leave Encashment)	6.26	6.26
2	Depreciation on Fixed Assets	4.73	4.08
3	Provision for Non Performing Assets	185.67	248.35
4	Foreign Currency Translation Reserve	0.02	0.50
5	Standard Asset	7.76	--
6	Others	0.00	
	Total	204.44	259.19
	Deferred Tax Liabilities		
1	Accrued interest on securities	14.42	15.11
2	Special Reserves u/s 36(i)(viii)	27.80	26.33
3	Depreciation on Investment	--	3.25
	Total	42.22	44.69
	Net Deferred Tax Asset	162.22	214.50
	Net Deferred Tax Liability	Nil	Nil

14. IMPAIRMENT OF ASSET (AS-28)

In the opinion of the Management, there is no indication for Impairment during the year with regard to the asset to which Accounting Standards 28 applies.

15. Additional information disclosed in the separate financial statements of the parent and the subsidiaries have no bearing on the true and fair view of the Consolidated Financial Statements (CFS) and also the information pertaining the items which are not material, have not been disclosed in the CFS.

16. COVID-19 Pandemic has adversely impacted the economic activity across the globe including the Indian economy. During last Financial year also, India witnessed two more waves of COVID -19 pandemic and the re-imposition of the localized/regional lockdown measures in certain parts of the country. The Bank is continuously monitoring the situation and taking all possible measures including various digital initiatives to ensure continuance of customer outreach & full-fledged banking operations. Keeping in view of the various initiatives and steps taken by the Bank, Government & Reserve Bank of India and with the progress of vaccination program, the Management believes that there would not be any significant impact on Bank's performance in future and going concern assumptions.

17. The bank has changed the method of appropriation of recovery in NPA accounts (other than the accounts where method of appropriation has been specifically agreed upon between borrower and the Bank) w.e.f. 1st April 2021. Accordingly, the recoveries in such NPA accounts are now first appropriated towards interest and then towards principal as contrary to the reverse process followed in the earlier periods. The change in accounting policy has resulted in increase in interest income for the quarter by \$6.53 crore & for the year by \$14.27 crore and consequential non-reduction in Gross NPA by equivalent amount
18. The figures of the previous year have been regrouped / rearranged wherever considered necessary.

Signatories to Schedules 1 to 18

(PANKAJ KUMAR)
DY. GENERAL MANAGER

(PRAFULLA KUMAR SAMAL)
CHIEF FINANCIAL OFFICER

(NIDHU SAXENA)
EXECUTIVE DIRECTOR

(RAJNEESH KARNATAK)
EXECUTIVE DIRECTOR

(NITESH RANJAN)
EXECUTIVE DIRECTOR

(RAJKIRAN RAI G.)
MANAGING DIRECTOR & CEO

(SAMEER SHUKLA)
DIRECTOR

(ARUN KUMAR SINGH)
DIRECTOR

(SURAJ SRIVASTAVA)
DIRECTOR

(LAXMAN S UPPAR)
DIRECTOR

(DR. JAYADEV MADUGULA)
DIRECTOR

(PRITI JAY RAO)
DIRECTOR

For **M/s R G N Price & Co.**
Chartered Accountants
FRN 002785S

For **M/s SARDA & PAREEK LLP**
Chartered Accountants
FRN 109262W/W100673

For **M/s C R Sagdeo & Co.**
Chartered Accountants
FRN 108959W

CA P. M. Veeramani
Partner
Membership No.023933
UDIN: 22023933AIXFNV8228

CA Giriraj Soni
Partner
Membership No.109738
UDIN: 22109738AIXFFR2991

CA Sachin V. Luthra
Partner
Membership No. 109127
UDIN: 22109127AIXFLG9220

For **M/s P V A R & Associates**
Chartered Accountants
FRN 005223C

For **M/s Gopal Sharma & Co.**
Chartered Accountants
FRN 002803C

For **M/s N B S & Co.**
Chartered Accountants
FRN 110100W

CA Sharad Bansal
Partner
Membership No. 423507
UDIN: 22423507AIXFXC6066

CA Gautam Sharma
Partner
Membership No. 79225
UDIN: 22079225AIXFID6253

CA Pradeep J. Shetty
Partner
Membership No. 046940
UDIN: 22046940AIXFCS3650

Place of Signature: Mumbai
Date of Report: 13.05.2022

Consolidated Cash Flow Statement

For the Year Ended 31st March, 2022

(\$ in lacs)

S. No.	Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
A	CASH FLOW FROM OPERATING ACTIVITIES:		
	Net Profit Before Tax	11,302	3,183
	Adjustments for:		
	Depreciation on Fixed Assets	974	1,242
	Provision for Investments	265	761
	Provision for Non Performing Assets (Net)	15,338	19,228
	Provision for Standard Asset	1,804	1,882
	Provision for Staff Related Expenditures	-	1,185
	Provision for other items (Net)	150	224
	(Profit)/Loss on Sale or Disposal of Fixed Assets	-	(28)
	Interest on Borrowings : Capital Instruments	2,047	2,184
	Share of Profit in Associate	75	48
	Sub Total	31,955	29,908
	Adjustments for:		
	Increase / (Decrease) in Deposits	143,436	75,513
	Increase / (Decrease) in Other Liabilities and Provisions	(7,325)	8,571
	(Increase) / Decrease in Investments	(17,052)	(73,107)
	(Increase) / Decrease in Advances	(107,743)	(6,697)
	(Increase) / Decrease in Other Assets	4,553	(8,001)
	Direct taxes paid (Net of Refund)	(718)	(313)
	Transfer to/from reserve	837	2,203
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)	47,945	28,077
B	CASH FLOW FROM INVESTING ACTIVITIES :		
	Purchase of Fixed Assets	(989)	(983)
	Proceeds from Sale/Adjustment of Fixed asset	406	161
	(Increase)/ Decrease in Investment in Subsidiary	(153)	
	NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(736)	(822)
C	CASH FLOW FROM FINANCING ACTIVITIES :		
	Proceeds from Issue of Preference Share Capital Issued by Subsidiary Company Including Share Premium (Net)		-
	Proceeds from issue of Equity Share Capital Including Share Premium (Net)	1,903	5,068
	Proceeds from issue of Capital Instruments	9,236	
	Repayments of Capital Instruments	(7,125)	(5,266)
	(Decrease)/Increase Borrowings other than Capital Instruments	(3,004)	(23,415)
	Interest Paid on Borrowings: Capital Instruments	(2,047)	(2,184)
	NET CASH FLOW FROM FINANCING ACTIVITIES (C)	(1,037)	(25,798)
	Net Increase (Decrease) in Cash & Cash Equivalent (A)+(B)+(C)	46,172	1,458
	Cash and Cash Equivalents as at the beginning of the year	111,836	76,019
	Cash and Cash equivalent received on account of amalgamation	-	38,463

(\$ in lacs)

S. No.	Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
	Cash and Cash Equivalents as at the end of the year	158,008	115,939
	Components of Cash and Cash equivalents		
D	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	01.04.2021	01.04.2020
	Cash and Balances with RBI (including FC notes)	49,986	27,519
	Balances with Banks and Money at call	61,850	48,051
	Net cash and cash equivalents at the beginning of the year	111,836	75,569
E	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	31.03.2022	31.03.2021
	Cash and Balance with RBI (including FC notes)	60,845	51,820
	Balances with Banks and Money at call	97,163	64,119
	Net cash and cash equivalents at the end of the year	158,008	115,939

Previous Year's figures have been regrouped/recasted wherever considered necessary to correspond with the year ended classification/ presentation.

(PANKAJ KUMAR)
DY. GENERAL MANAGER

(PRAFULLA KUMAR SAMAL)
CHIEF FINANCIAL OFFICER

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DIRECTOR

(LAXMAN S UPPAR)
DIRECTOR

(DR. JAYADEV MADUGULA)
DIRECTOR

(PRITI JAY RAO)
DIRECTOR

Auditors Certificate:

We, the undersigned Statutory Auditors of the Union Bank of India, have verified the above Consolidated Cash Flow Statement of the Bank for the year ended 31.03.2022. The statement has been prepared in Indirect Method in accordance with the AS-3, "Cash Flow Statement" issued by The Institute of Chartered Accountants of India and with the requirements of the SEBI (Listing Obligations & Disclosure Requirements), 2015 and is based on and in agreement with the corresponding Consolidated Profit & Loss Account and the Consolidated Balance Sheet of the Bank covered by our report of the May 13, 2022 to the members.

For M/s R G N Price & Co.
Chartered Accountants
FRN 002785S

For M/s SARDA & PAREEK LLP
Chartered Accountants
FRN 109262W/W100673

For M/s C R Sagdeo & Co.
Chartered Accountants
FRN 108959W

CA P. M. Veeramani
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UDIN: 22109738AIXFFR2991

CA Sachin V. Luthra
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UDIN: 22109127AIXFLG9220

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For M/s Gopal Sharma & Co.
Chartered Accountants
FRN 002803C

For M/s N B S & Co.
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FRN 110100W

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UDIN: 22423507AIXFC6066

CA Gautam Sharma
Partner
Membership No. 79225
UDIN: 22079225AIXFID6253

CA Pradeep J. Shetty
Partner
Membership No. 046940
UDIN: 22046940AIXFCS3650

Place of Signature: Mumbai
Date of Report: 13.05.2022

Corporate Social Responsibility



यूनियन बैंक
ऑफ इंडिया



Union Bank
of India

भारत सरकार का उपक्रम A Government of India Undertaking



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Amrit Mahotsav

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Be wary and cautious of unsolicited emails that demand immediate action