

# 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, 2023, 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 Regional Rural Banks (Associate) 1 Foreign Subsidiary Entity and 1 Foreign Jointly Controlled Entity.
  - c. Unaudited financial statements of 2 domestic Subsidiaries and 2 Domestic Jointly Controlled Entities

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, 2023;
- 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. 8 (c) (ii) (a) of schedule 18 – Notes to Accounts to the standalone financial statements regarding unamortised part of additional liability on account of revision in family pension carried forward from last year amounting to ₹ 1,521.62 crores, has been fully charged to profit and loss account during the year ended March 31, 2023. There is no unamortised expenditure in the Balance Sheet on account of additional family pension.

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	<p><b>Income Recognition, Asset Classification (IRAC) and provisioning on Loans &amp; Advances and Investments as per the regulatory requirements</b></p> <p>Loans &amp; Advances and Investments are the largest class of assets forming 85.98% of the total assets as on March 31, 2023. 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"> <li>• Bank's internal control system in adhering to the Relevant RBI guidelines regarding income recognition, asset classification and provisioning pertaining to advances/investments;</li> <li>• System controls and manual controls over the timely recognition of non-performing assets (NPA/NPI);</li> <li>• Operational existence and effectiveness of controls over provisioning calculation models from the IT systems;</li> <li>• 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</li> <li>• 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.</li> <li>• We have also reviewed the reliability, effectiveness and accuracy of manual interventions, wherever it has come to our notice, on test check basis.</li> <li>• 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.</li> </ul>

Sr.	Key Audit Matter	How it was dealt with in our report
		<ul style="list-style-type: none"> <li>• 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.</li> <li>• Further we have also reviewed the Bank's system of monitoring potentially weak and sensitive accounts which show a sign of stress.</li> <li>• 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.</li> <li>• 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.</li> </ul> <p>We have test checked and assessed the efficacy of the system based identification of NPA</p>
<b>2</b>	<b>Information Technology (IT) and controls impacting financial reporting</b>	
	<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"> <li>• Asset Classification and Income recognition as per the Reserve Bank of India guidelines;</li> </ul>	<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"> <li>• Ensuring that deficiencies noticed in our verification on test check basis were informed to the management for corrective action;</li> <li>• Carrying out independent alternative audit procedures like substantive testing in areas where deficiencies were noticed;</li> <li>• Analytical procedures like ratio analysis, trend analysis, reasonable tests, comparative analysis;</li> <li>• Reliance on the work performed by the statutory branch auditors and the rectification entries (MOCs) passed based on branch audits;</li> <li>• Reliance on external vendor inspection reports wherever made available.</li> <li>• Reviewed the IS Audit Reports and discussed with IT Department on compliance with key IT controls.</li> </ul>

Sr.	Key Audit Matter	How it was dealt with in our report
	<ul style="list-style-type: none"> <li>• Provisioning on the advance portfolio;</li> <li>• Identification of advances and liability items and its maturity pattern in various brackets;</li> <li>• Reconciliation and ageing of various suspense and sundry accounts, impersonal accounts, inter-branch balances and other such accounts;</li> <li>• Recording Investment transactions</li> <li>• Interest expense on deposits and other liabilities;</li> </ul>	
<b>3</b>	<b>Recognition and measurement of Deferred tax</b>	
	<p>The Bank has recognised a net deferred tax asset of ₹ 8,65,97,447 (in '000) as on March 31, 2023. 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"> <li>• Evaluation of the policies used for recognition and measurement of deferred tax assets in accordance with AS 22 Accounting for Taxes on Income;</li> <li>• 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</li> <li>• 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.</li> </ul>

#### 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.

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 1 Jointly controlled entity included in the consolidated financial statements, whose financial statements reflect total assets of ₹ 4,47,55,068 (in thousand) as at March 31, 2023 and total revenues of ₹ 22,11,654 (in thousand) for the year ended on that date net Loss after tax amounting to ₹ 4,33,866 (in thousand) for the year ended on that date, as considered in the consolidated financial statements. The Consolidated Financial Statements also include the Group's share of Net Profit after tax amounting to ₹ 8,13,202 (in thousand) for the year ended 31st March, 2023 as considered in the Consolidated Financial Statements, in respect of one associate, whose Financial Statements / financial information have not been audited by us. 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 2 jointly controlled entities whose Financial Statements/ Financial Results/ Financial information reflect Group's share of total assets of ₹ 5,20,44,943 (in thousands) as at 31<sup>st</sup> March 2023, Group's share of total revenue of ₹ 1,77,52,017 (in thousands) and Group's share of total net profit after tax of ₹ 4,04,522 (in thousands) for the year ended 31<sup>st</sup> March 2023, 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 entities are 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 of 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 branches and 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

**CA P. M. Veeramani**  
Partner  
Membership No.023933  
UDIN: 23023933BGVFVC3602

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

**CA Ruchi Agarwal**  
Partner  
Membership No. 504134  
UDIN:23504134BGWTPQ8986

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

**CA Niranjan Joshi**  
Partner  
Membership No.102789  
UDIN: 23102789BGWREC1919

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

**CA Abhishek Sharma**  
Partner  
Membership No. 079224  
UDIN: 23079224BGTKQP5499

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

**CA Sachin V. Luthra**  
Partner  
Membership No. 109127  
UDIN: 23109127BGQVHR54391

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

**CA Pradeep J. Shetty**  
Partner  
Membership No. 046940  
UDIN: 23046940BGPTTT2512

Place of Signature: Mumbai

Date of Report: 06.05.2023

## Consolidated Balance Sheet As on 31<sup>st</sup> March, 2023

(₹ in 000')

Particulars	Schedule Number	As on 31 March, 2023	As on 31 March, 2022
<b>CAPITAL AND LIABILITIES</b>			
Capital	1	6,83,47,475	6,83,47,475
Preference Share Capital Issued by Subsidiary Company	1A	10,40,035	10,40,035
Reserves and Surplus	2	71,86,47,629	63,92,23,739
Minority Interest	2A	-	-
Deposits	3	11,20,32,19,225	10,34,36,77,535
Borrowings	4	42,73,65,947	51,24,51,999
Other Liabilities and Provisions	5	46,49,50,783	37,29,15,316
<b>TOTAL</b>		<b>12,88,35,71,094</b>	<b>11,93,76,56,099</b>
<b>ASSETS</b>			
<b>Cash and Balances with Reserve Bank of India</b>	6	50,25,81,072	46,11,58,920
Balances with Banks and Money at Call and Short Notice	7	62,34,07,568	73,64,23,289
Investments	8	3,43,72,69,559	3,51,83,90,437
Advances	9	7,64,27,66,793	6,63,35,56,506
Fixed Assets	10	8,84,79,756	7,20,83,095
Other Assets	11	58,90,66,347	51,60,43,852
Goodwill on Consolidation		-	-
<b>TOTAL</b>		<b>12,88,35,71,094</b>	<b>11,93,76,56,099</b>
Contingent Liabilities	12	6,08,09,92,755	6,51,14,68,340
Bills for Collection		43,56,67,177	66,08,94,128
Significant Accounting Policies	17		
Notes to Accounts	18		

The Schedules referred to above form an integral part of the Consolidated Balance Sheet

<p style="text-align: center;"><b>(PANKAJ KUMAR)</b> DY. GENERAL MANAGER</p> <p>For and on behalf of the Board of Directors</p> <p style="text-align: center;"><b>(RAMASUBRAMANIAN S)</b> EXECUTIVE DIRECTOR</p> <p style="text-align: center;"><b>(ARUN KUMAR SINGH)</b> DIRECTOR</p> <p style="text-align: center;"><b>(LAXMAN S UPPAR)</b> DIRECTOR</p>	<p style="text-align: center;"><b>(NIDHU SAXENA)</b> EXECUTIVE DIRECTOR</p> <p style="text-align: center;"><b>(JAYADEV MADUGULA)</b> DIRECTOR</p> <p style="text-align: center;"><b>(A. MANIMEKHALAI)</b> MANAGING DIRECTOR &amp; CEO</p> <p style="text-align: center;"><b>(SRINIVASAN VARADARAJAN)</b> CHAIRMAN</p>	<p style="text-align: center;"><b>(PRAFULLA KUMAR SAMAL)</b> CHIEF FINANCIAL OFFICER</p> <p style="text-align: center;"><b>(NITESH RANJAN)</b> EXECUTIVE DIRECTOR</p> <p style="text-align: center;"><b>(SURAJ SRIVASTAVA)</b> DIRECTOR</p> <p style="text-align: center;"><b>(PRITI JAY RAO)</b> DIRECTOR</p>
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

As per our report of even date attached.

<p style="text-align: center;"><b>For M/s R G N Price &amp; Co.</b> Chartered Accountants FRN 002785S</p> <p style="text-align: center;"><b>CA P. M. Veeramani</b> Partner Membership No.023933 UDIN: 23023933BGVFVC3602</p>	<p style="text-align: center;"><b>For M/s SARDA &amp; PAREEK LLP</b> Chartered Accountants FRN 109262W/W100673</p> <p style="text-align: center;"><b>CA Niranjan Joshi</b> Partner Membership No.102789 UDIN: 23102789BGWREC1919</p>	<p style="text-align: center;"><b>For M/s C R Sagdeo &amp; Co.</b> Chartered Accountants FRN 108959W</p> <p style="text-align: center;"><b>CA Sachin V. Luthra</b> Partner Membership No. 109127 UDIN: 23109127BGQVHRS4391</p>
<p style="text-align: center;"><b>For M/s P V A R &amp; Associates</b> Chartered Accountants FRN 005223C</p> <p style="text-align: center;"><b>CA Ruchi Agarwal</b> Partner Membership No. 504134 UDIN:23504134BGWTPQ8986</p>	<p style="text-align: center;"><b>For M/s Gopal Sharma &amp; Co.</b> Chartered Accountants FRN 002803C</p> <p style="text-align: center;"><b>CA Abhishek Sharma</b> Partner Membership No. 079224 UDIN: 23079224BGTKQP5499</p>	<p style="text-align: center;"><b>For M/s N B S &amp; Co.</b> Chartered Accountants FRN 110100W</p> <p style="text-align: center;"><b>CA Pradeep J. Shetty</b> Partner Membership No. 046940 UDIN: 23046940BGPTTT2512</p>

## Consolidated Profit and Loss Account For the Year Ended 31<sup>st</sup> March, 2023

(₹ in 000')

Particulars	Schedule Number	For the Year Ended 31 March, 2023	For the Year Ended 31 March, 2022
<b>I. INCOME</b>			
Interest Earned	13	81,16,31,823	68,22,96,573
Other Income	14	15,91,53,525	13,52,44,131
<b>TOTAL</b>		<b>97,07,85,348</b>	<b>81,75,40,704</b>
<b>II. EXPENDITURE</b>			
Interest Expended	15	48,03,28,447	40,17,84,651
Operating Expenses	16	23,48,73,032	19,70,26,117
Provision And Contingencies		17,12,80,436	16,66,44,918
<b>TOTAL</b>		<b>88,64,81,915</b>	<b>76,54,55,686</b>
<b>iii. Consolidated Net Profit/(Loss) before Minority Interest and Share of Earnings in Associate</b>		<b>8,43,03,433</b>	<b>5,20,85,018</b>
Add:-Share of profit in Associate		8,13,202	5,68,187
Consolidated Net Profit/(Loss) for the year before deducting Minority Interest		8,51,16,635	5,26,53,205
(Less):-Minority Interest		-	-
<b>Consolidated Net Profit/(Net Loss) for the year attributable to the group</b>		<b>8,51,16,600</b>	<b>5,26,53,205</b>
Transfer from Investment Fluctuation Reserve		58,32,008	00,00,000
Add : Profit/(Loss) Brought Forward		35	35
<b>Amount Available for Appropriation</b>		<b>9,09,48,643</b>	<b>5,26,53,240</b>
<b>IV. Appropriation</b>			
Transfer To Statutory Reserve		2,10,83,194	1,31,93,989
Transfer To Capital Reserve		9,45,461	1,22,12,675
Transfer To Investment fluctuation Risk Reserve		-	65,68,682
Transfer To Revenue And Other Reserves		3,48,14,630	24,71,838
Transfer To Special Reserve [Sec36(l)(viii)]of the Income Tax Act,1961		60,00,000	52,20,000
Transfer to Investment Reserve Account		17,69,006	-
Proposed Dividend		2,05,04,309	1,29,86,021
Balance in Profit and Loss Account		58,32,043	35
<b>TOTAL</b>		<b>9,09,48,643</b>	<b>5,26,53,240</b>
Earnings per share (Basic and Diluted in ₹) of FV of ₹10/- each	18(13)	<b>12.45</b>	<b>7.77</b>
Significant Accounting Policies	17		
Notes To Accounts	18		

The Schedules referred to above form an integral part of the Consolidated Profit & Loss A/c

<p style="text-align: center;"><b>(PANKAJ KUMAR)</b> DY. GENERAL MANAGER</p> <p>For and on behalf of the Board of Directors</p> <p style="text-align: center;">(RAMASUBRAMANIAN S) EXECUTIVE DIRECTOR</p> <p style="text-align: center;">(ARUN KUMAR SINGH) DIRECTOR</p> <p style="text-align: center;">(LAXMAN S UPPAR) DIRECTOR</p>	<p style="text-align: center;"><b>(NIDHU SAXENA)</b> EXECUTIVE DIRECTOR</p> <p style="text-align: center;">(JAYADEV MADUGULA) DIRECTOR</p> <p style="text-align: center;">(A. MANIMEKHALAI) MANAGING DIRECTOR &amp; CEO (SRINIVASAN VARADARAJAN) CHAIRMAN</p>	<p style="text-align: center;"><b>(PRAFULLA KUMAR SAMAL)</b> CHIEF FINANCIAL OFFICER</p> <p style="text-align: center;">(NITESH RANJAN) EXECUTIVE DIRECTOR</p> <p style="text-align: center;">(SURAJ SRIVASTAVA) DIRECTOR</p> <p style="text-align: center;">(PRITI JAY RAO) DIRECTOR</p>
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

As per our report of even date attached.

<p style="text-align: center;"><b>For M/s R G N Price &amp; Co.</b> Chartered Accountants FRN 002785S</p> <p style="text-align: center;"><b>CA P. M. Veeramani</b> Partner Membership No.023933 UDIN: 23023933BGVFVC3602</p>	<p style="text-align: center;"><b>For M/s SARDA &amp; PAREEK LLP</b> Chartered Accountants FRN 109262W/W100673</p> <p style="text-align: center;"><b>CA Niranjan Joshi</b> Partner Membership No.102789 UDIN: 23102789BGWREC1919</p>	<p style="text-align: center;"><b>For M/s C R Sagdeo &amp; Co.</b> Chartered Accountants FRN 108959W</p> <p style="text-align: center;"><b>CA Sachin V. Luthra</b> Partner Membership No. 109127 UDIN: 23109127BGQVHRS4391</p>
<p style="text-align: center;"><b>For M/s P V A R &amp; Associates</b> Chartered Accountants FRN 005223C</p> <p style="text-align: center;"><b>CA Ruchi Agarwal</b> Partner Membership No. 504134 UDIN:23504134BGWTPQ8986</p>	<p style="text-align: center;"><b>For M/s Gopal Sharma &amp; Co.</b> Chartered Accountants FRN 002803C</p> <p style="text-align: center;"><b>CA Abhishek Sharma</b> Partner Membership No. 079224 UDIN: 23079224BGTKQP5499</p>	<p style="text-align: center;"><b>For M/s N B S &amp; Co.</b> Chartered Accountants FRN 110100W</p> <p style="text-align: center;"><b>CA Pradeep J. Shetty</b> Partner Membership No. 046940 UDIN: 23046940BGPTTT2512</p>

## Schedules forming part of the Consolidated Balance Sheet As on 31<sup>st</sup> March, 2023

(₹ in 000')

Particulars	As on 31 March, 2023	As on 31 March, 2022
<b>SCHEDULE 1 - CAPITAL :</b>		
<b>I. Authorised :</b>		
10,00,00,00,000 Equity Shares of ₹10 each	10,00,00,000	10,00,00,000
<b>II. Issued, Subscribed &amp; Paid up :</b>		
i. 570,66,60,850 Equity Shares of ₹10 each, held by Central Government	5,70,66,609	5,70,66,609
ii. 11280866110 Equity Shares of ₹10 each, held by Public	1,12,80,866	1,12,80,866
	<b>6,83,47,475</b>	<b>6,83,47,475</b>
<b>SCHEDULE 1A - PREFERENCE SHARE CAPITAL ISSUED BY SUBSIDIARY COMPANY :</b>		
10,40,03,544 Participatory Non-Redemable Compulsorily convertible Preference Shares of ₹ 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
<b>TOTAL</b>	<b>10,40,035</b>	<b>10,40,035</b>

(₹ in 000')

Particulars	As on 31 March, 2023		As on 31 March, 2022	
<b>SCHEDULE 2 - RESERVES &amp; SURPLUS :</b>				
<b>I. Statutory Reserve :</b>				
As per last Balance Sheet	14,68,21,655	16,79,04,849	13,36,27,665	14,68,21,655
Addition during the year	2,10,83,194		1,31,93,989	
<b>II. Capital Reserve :</b>				
<b>A) Capital Reserve</b>				
As per last Balance Sheet	5,89,33,239	13,42,98,904	4,67,20,564	11,95,99,958
Addition during the year	9,45,461		1,22,12,675	
Deductions during the year	-		-	
	5,98,78,700		5,89,33,239	
<b>B) Revaluation Reserve :</b>				
As per last Balance Sheet	4,75,70,740	13,42,98,904	4,89,84,778	11,95,99,958
Addition during the year	1,51,92,863		79,201	
Deduction during the year	14,39,378		14,93,238	
	6,13,24,225		4,75,70,741	
<b>C) Amalgamation Reserves</b>				
As per last Balance Sheet	1,30,95,979	13,42,98,904	1,30,95,979	11,95,99,958
Addition during the year	-		-	
Deduction during the year	-		-	
	1,30,95,979		1,30,95,979	
<b>III. Capital Reserve on Consolidation</b>				
As per last Balance Sheet	4,21,351	1,20,151	6,63,498	4,21,351
Addition during the year	-		-	
Deduction during the year	3,01,200		2,42,147	

(₹ in 000')

Particulars	As on 31 March, 2023		As on 31 March, 2022	
<b>IV. Share Premium :</b>				
As per last Balance Sheet	18,39,26,860		17,37,85,077	
Addition during the year	3,01,198		1,01,92,652	
Deduction during the year	-	18,42,28,058	50,870	18,39,26,860
<b>V. Revenue and other Reserves :</b>				
<b>i) Revenue Reserves :</b>				
As per last Balance Sheet	10,74,30,020		9,53,58,032	
Addition during the year	3,75,80,223		1,36,44,810	
Deduction during the year	25,786		15,72,823	
	14,49,84,457		10,74,30,020	
Less:- Minority Interest	-		-	
	14,49,84,457		10,74,30,020	
<b>ii) Special Reserve Sec 36(1)(viii)</b>				
As per last Balance Sheet	6,02,98,789		5,50,78,789	
Addition during the year	60,00,000		52,20,000	
	6,62,98,789		6,02,98,789	
<b>iii) Special Reserve profit on Fx Swap</b>				
As per last Balance Sheet	58,485		58,485	
Addition during the year	843		-	
Deduction during the year	-		-	
	59,328		58,485	
<b>iv) Investment fluctuation reserve</b>				
As per last Balance Sheet	1,93,61,583		1,27,92,901	
Addition during the year	-		65,68,682	
Deduction during the year	58,32,008		-	
	1,35,29,575		1,93,61,583	
<b>v) Foreign Currency Translation Reserve</b>				
As per last Balance Sheet	12,73,628		20,15,886	
Addition during the year	8,11,962		2,95,338	
Deduction during the year	24,94,495		10,37,597	
	(4,08,905)		12,73,628	
<b>vi) Debenture Redemption reserve</b>				
As per last Balance Sheet	31,375		-	
Addition during the year	-		31,375	
Deduction during the year	-		-	
	31,375		31,375	
<b>vii) Investment Reserve Account</b>				
As per last Balance Sheet	-		-	
Addition during the year	17,69,006		-	
Deduction during the year	-		-	
	17,69,006	22,62,63,624	-	18,84,53,880
<b>VI. Balance in Profit and Loss Account</b>				
Balance in Profit and Loss Account		58,32,043		35
<b>TOTAL</b>		<b>71,86,47,629</b>		<b>63,92,23,739</b>

(₹ in 000')

Particulars	As on 31 March, 2023		As on 31 March, 2022	
<b>SCHEDULE 2 A Minority Interest</b>				
Opening Balance		-		-
Add/(Less):- Increase/(Decrease) during the year		-		-
<b>Total Minority Interest</b>				

(₹ in 000')

Particulars	As on 31 March, 2023		As on 31 March, 2022	
<b>SCHEDULE 3 - DEPOSITS :</b>				
<b>I. Demand Deposits</b>				
i) From Banks	1,75,66,930		81,32,959	
ii) From Others	72,24,22,466	73,99,89,396	71,90,31,754	72,71,64,713
<b>II. Savings Bank Deposits</b>		3,20,10,49,443		3,04,57,69,582
<b>III. Term Deposits</b>				
i) From Banks	17,64,32,725		2,27,87,325	
ii) From Others	7,08,57,47,660	7,26,21,80,385	6,54,79,55,915	6,57,07,43,240
<b>TOTAL</b>		<b>11,20,32,19,225</b>		<b>10,34,36,77,535</b>
Deposits of branches in India		11,05,94,29,728		10,31,96,69,265
Deposits of branches outside India		14,37,89,497		2,40,08,270
<b>TOTAL</b>		<b>11,20,32,19,225</b>		<b>10,34,36,77,535</b>

(₹ in 000')

Particulars	As on 31 March, 2023		As on 31 March, 2022	
<b>SCHEDULE 4 - BORROWINGS :</b>				
<b>A. Borrowings in India</b>				
i. Reserve Bank of India	13,38,20,000		14,20,90,000	
ii. Other Banks	75,821		1,98,28,213	
iii. Other Institutions and Agencies	2,34,63,987		3,02,20,231	
iv. Perpetual Bonds	9,68,80,000		8,70,50,000	
v. Subordinated Bonds	9,95,00,000		10,05,00,000	
vi. 7 years infra bonds	-		-	
		35,37,39,808		37,96,88,444
<b>B. Borrowings Outside India</b>		7,36,26,139		13,27,63,555
<b>TOTAL</b>		<b>42,73,65,947</b>		<b>51,24,51,999</b>
Secured Borrowings included in A & B above		<b>13,90,42,858</b>		<b>14,70,29,470</b>

(₹ in 000')

Particulars	As on 31 March, 2023	As on 31 March, 2022
<b>SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS ::</b>		
I. Bills Payable	2,64,97,502	2,68,90,202
II. Interest Accrued	6,03,43,341	4,54,94,112
III. Others (including provisions)*	37,81,09,940	30,05,31,002
<b>TOTAL</b>	<b>46,49,50,783</b>	<b>37,29,15,316</b>

\* Includes provision for Standard Assets ₹ 5,59,63,289 (Previous Year ₹ 6,57,86,258)

(₹ in 000')

Particulars	As on 31 March, 2023	As on 31 March, 2022
<b>SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA :</b>		
I. Cash in Hand (including foreign currency notes and Gold)	2,84,16,340	3,78,48,706
II. Balances with Reserve Bank of India		
(a) in Current Account	47,41,54,986	42,33,09,768
(b) in other Account	9,747	446
<b>TOTAL</b>	<b>50,25,81,072</b>	<b>46,11,58,920</b>

(₹ in 000')

Particulars	As on 31 March, 2023	As on 31 March, 2022
<b>SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE :</b>		
<b>I) In India</b>		
i) Balances with Banks		
a) In Current Accounts	61,55,270	24,07,403
b) In Other Deposit Accounts	5,85,95,898	6,15,83,178
ii) Money at Call & Short notice		
a) With Banks	5,00,000	-
b) With Other Institutions	31,23,03,614	55,41,14,877
	<b>37,75,54,782</b>	<b>61,81,05,458</b>
<b>II. Outside India</b>		
i) In Current Accounts	54,81,900	33,72,152
ii) In other Deposit Accounts	23,88,70,885	11,36,93,769
iii) Money at call & short notice	15,00,001	12,51,910
	<b>24,58,52,785</b>	<b>11,83,17,831</b>
<b>TOTAL</b>	<b>62,34,07,568</b>	<b>73,64,23,289</b>
<b>SCHEDULE 8 - INVESTMENTS :</b>		
<b>I. Investments in India</b>		
i) Government Securities	2,62,25,87,764	2,65,82,89,693
ii) Other Approved Securities	91,11,365	58,64,924
iii) Shares	2,45,33,686	2,62,42,463
iv) Debentures and Bonds	64,33,93,358	70,34,90,650
v) Subsidiaries and Joint Ventures/Associate	35,02,148	26,88,946
vi) Others ( Commercial Paper, Mutual Funds, Venture Capital, Security Receipt, Etc.)	11,10,88,502	10,05,44,011
<b>Total</b>	<b>3,41,42,16,823</b>	<b>3,49,71,20,687</b>
<b>II. Investments outside India</b>		
i) Govt Securities (including Local Authorities)	1,86,90,375	1,85,57,542
ii) Shares	3,35,490	6,810
iii) Other Investments (Bonds)	40,26,870	27,05,398
iv) Subsidiaries and Joint Ventures	0	0
<b>Total</b>	<b>2,30,52,736</b>	<b>2,12,69,750</b>
<b>TOTAL</b>	<b>3,43,72,69,559</b>	<b>3,51,83,90,437</b>

(₹ in 000')

Particulars	As on 31 March, 2023	As on 31 March, 2022
<b>III. Investments in India</b>		
Gross Value	3,49,25,11,153	3,55,86,12,295
Less: Provision for Depreciation	7,82,94,330	6,14,91,607
Net Value of Investment in India	<b>3,41,42,16,823</b>	<b>3,49,71,20,688</b>
<b>IV. Investments outside India</b>		
Gross Value	2,33,14,075	2,15,85,972
Less: Provision for Depreciation	2,61,339	3,16,223
Net Value of Investment outside India	<b>2,30,52,736</b>	<b>2,12,69,749</b>
<b>TOTAL</b>	<b>3,43,72,69,559</b>	<b>3,51,83,90,437</b>

(₹ in 000')

Particulars	As on 31 March, 2023	As on 31 March, 2022
<b>SCHEDULE 9 - ADVANCES (Net)</b>		
I		
i) Bills Purchased and Discounted	3,29,74,692	3,87,31,665
ii) Cash Credits, Overdrafts and Loans Repayable on Demand	3,48,61,71,808	2,87,95,84,813
iii) Term Loans	4,12,36,20,293	3,71,52,40,028
<b>TOTAL</b>	<b>7,64,27,66,793</b>	<b>6,63,35,56,506</b>
II		
i) Secured by Tangible Assets (includes Advance against Book Debts)	6,25,80,98,735	5,36,44,78,377
ii) Covered by Bank/Government Guarantees	12,26,93,689	13,07,52,505
iii) Unsecured	1,26,19,74,369	1,13,83,25,624
<b>TOTAL</b>	<b>7,64,27,66,793</b>	<b>6,63,35,56,506</b>
III Sectorial Classification of Advances		
<b>A. Advances in India</b>		
i) Priority Sector	2,85,85,94,969	2,59,52,39,457
ii) Public Sector	81,73,80,496	72,72,96,155
iii) Banks	6,33,569	2,22,975
iv) Others	3,71,92,11,698	3,13,83,22,359
<b>TOTAL</b>	<b>7,39,58,20,732</b>	<b>6,46,10,80,946</b>
<b>B. Advances Outside India</b>		
i) Due From Banks	5,39,13,567	5,45,65,135
ii) Due from Others		
a) Bills Purchased and Discounted	4,08,197	12,32,802
b) Syndicated Loans	-	5,47,141
c) Others	19,26,24,296	11,61,30,482
	<b>24,69,46,060</b>	<b>17,24,75,560</b>
<b>TOTAL</b>	<b>7,64,27,66,793</b>	<b>6,63,35,56,506</b>

(₹ in 000)

Particulars	As on 31 March, 2023		As on 31 March, 2022	
<b>SCHEDULE 10 - FIXED ASSETS :</b>				
<b>A. TANGIBLE ASSETS</b>				
<b>I. Premises</b>				
At cost/valuation as per last balance sheet	8,09,82,724		8,16,49,772	
Additions during the year	2,16,26,582		6,12,275	
Deductions during the year	67,17,063		12,79,323	
	9,58,92,243		8,09,82,724	
Less: Depreciation till Date	2,76,06,610	6,82,85,633	2,64,08,228	5,45,74,496
<b>II. Capital Work-in-Progress</b>				
At cost as per last balance sheet	3,70,133		6,30,768	
Additions during the year	3,25,262		1,87,638	
Deductions during the year	4,73,766	2,21,629	4,48,273	3,70,133
<b>III. Land</b>				
At cost as per last balance sheet	24,98,636		12,45,683	
Additions during the year	12,33,904		13,08,678	
Deductions during the year	97,572		55,725	
	36,34,968		24,98,636	
Less: Depreciation till Date	7,02,457	29,32,511	4,52,022	20,46,614
<b>IV. Other Fixed Assets</b> (including Furniture and Fixtures)				
<b>a) Assets given on lease</b>				
At cost as per last balance sheet	2,68,478		2,68,478	
Addition during the year	45,920		-	
Deductions during the year	-		-	
	3,14,398		2,68,478	
Less: Depreciation till Date	3,12,863	1,536	2,68,478	-
<b>b) Others</b>				
At cost/valuation as per last balance sheet	6,90,59,835		6,49,59,025	
Additions during the year	70,01,866		49,20,419	
Deductions during the year	12,54,203		8,19,609	
	7,48,07,497		6,90,59,835	
Less: Depreciation till Date	5,96,87,939	1,51,19,558	5,63,82,534	1,26,77,301
<b>B. INTANGIBLE ASSETS</b>				
<b>(i) Computer Software</b>				
At cost as per last balance sheet	1,23,74,205		1,14,93,797	
Additions during the year	9,41,715		9,10,278	
Deductions during the year	11,51,692		29,870	
	1,21,64,227		1,23,74,205	
Amortisation till Date	1,02,45,338	19,18,889	99,59,654	24,14,551
<b>TOTAL</b>		<b>8,84,79,756</b>		<b>7,20,83,095</b>

(₹ in 000')

Particulars	As on 31 March, 2023	As on 31 March, 2022
<b>SCHEDULE 11 - OTHER ASSETS :</b>		
I. Inter-Office Adjustments (net)	2,20,20,700	1,79,97,046
II. Interest Accrued	9,19,16,723	7,77,68,178
III. Tax paid/Tax deducted at source (Net of Provisions)	6,75,66,225	5,41,13,751
IV. Stationery and Stamps	62,780	63,349
V. Non-Banking Assets acquired in satisfaction of claims	1,334	1,334
VI. Others	27,57,45,972	21,34,52,492
VII. Deferred Tax Assets (Net)	8,66,27,845	12,29,53,434
VIII. MAT Credit	4,51,24,768	2,96,94,268
<b>TOTAL</b>	<b>58,90,66,347</b>	<b>51,60,43,852</b>
<b>SCHEDULE 12 - CONTINGENT LIABILITIES :</b>		
I. Claims against the Bank not acknowledged as debts	3,02,43,174	3,32,70,455
II. Liability for partly paid Investments	-	-
III. Liability on account of outstanding forward exchange contracts	4,13,37,63,836	4,37,12,08,481
IV. Guarantees given on behalf of Constituents		
i) In India	66,40,64,012	65,35,08,697
ii) Outside India	1,42,33,661	1,65,87,098
V. Acceptances, Endorsements and Other Obligations	99,64,20,847	1,26,99,57,903
VI. Other items of Contingent Liability	-	-
VII. Disputed Tax demands under Appeals	21,02,78,944	13,81,64,819
VIII. Amount transferred to DEAF Scheme 2014	3,19,88,282	2,87,70,887
<b>TOTAL</b>	<b>6,08,09,92,755</b>	<b>6,51,14,68,340</b>

## Schedules forming part of the Consolidated Profit & Loss Account for the year ended 31<sup>st</sup> March 2023

(₹ in 000')

Particulars	Year Ended 31 March, 2023	Year Ended 31 March, 2022
<b>SCHEDULE 13 - INTEREST EARNED:</b>		
I. Interest/Discount on Advances/Bills	56,87,45,745	45,29,33,293
II. Income on Investments	21,63,56,463	20,15,94,684
III. Interest on Balances with RBI & Other Inter Bank Funds	2,13,17,912	2,14,39,537
IV. Others	52,11,704	63,29,059
<b>TOTAL</b>	<b>81,16,31,823</b>	<b>68,22,96,573</b>
<b>SCHEDULE 14 - OTHER INCOME :</b>		
I. Commission, Exchange and Brokerage	2,18,70,990	1,71,90,485
II. Profit on Sale of Investments - (Net)	86,24,178	3,52,44,503
III. Profit on revaluation of Investments (Net)	25,73,612	(13,43,760)
IV. Profit/ (Loss) on Fixed Asset - (Net)	(14,860)	(3,489)
V. Profit on Exchange Transactions - (Net)	81,33,570	60,83,678
VI. a) Lease Finance Income	-	-
b) Lease Management Fee	-	-
c) Overdue Charges	-	-
d) Interest on Lease Rent Receivables	-	-
VII. Miscellaneous Income	11,79,66,035	7,80,72,713
<b>TOTAL</b>	<b>15,91,53,525</b>	<b>13,52,44,131</b>
<b>SCHEDULE 15 - INTEREST EXPENDED :</b>		
I. Interest on Deposits	44,38,31,965	37,47,18,766
II. Interest on Reserve Bank of India/Inter Bank Borrowing	1,85,04,007	1,05,60,975
III. Others	1,79,92,476	1,65,04,910
<b>TOTAL</b>	<b>48,03,28,447</b>	<b>40,17,84,651</b>
<b>SCHEDULE 16 - OPERATING EXPENSES :</b>		
I. Payments to and Provisions for Employees	12,52,40,040	10,26,36,661
II. Rent, Taxes and Lighting	1,08,23,277	1,08,29,331
III. Printing and Stationery	11,55,291	9,75,942
IV. Advertisement and Publicity	13,34,511	6,94,846
V. a) Depreciation on Bank's Property other than Leased Assets	74,45,671	74,48,149
b) Depreciation on Leased Assets	-	-
VI. Directors' Fees, Allowances and Expenses	61,641	48,608
VII. Auditors' Fees and Expenses (including Branch Auditors)	7,44,948	6,70,847
VIII. Law Charges	17,37,120	15,25,868
IX. Postage, Telegrams, Telephones, etc.	32,23,483	31,25,474
X. Repairs and Maintenance	37,33,263	33,75,669
XI. Insurance	1,37,50,448	1,16,58,849
XII. Amortization of Goodwill, if any	-	-
XIII. Other Expenditure	6,56,23,339	5,40,35,874
<b>TOTAL</b>	<b>23,48,73,032</b>	<b>19,70,26,117</b>

## 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 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 DoR. MRG.42/21.04.141 /2021-22 dated August 25, 2021 (updated March 23,2022, March 31, 2022, April 08, 2022 and December 08, 2022) 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 & 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 Quotation put out by Financial Benchmarks India Pvt Ltd (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 Guidelines
C	Equity Shares	As per Market rates, if quoted, otherwise at break-up value, as per latest audited balance sheet (not more than 18 months old). In 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 guidelines.
E	Debentures/Bonds	As per Market rates, if quoted, otherwise on appropriate yield to maturity basis as per FIMMDA 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	Valuation of the same will be done as per RBI Guidelines on classification, valuation and operation of Investment portfolio of commercial Banks (RBI/ DOR/2021-22/81 DOR. MGR.42/21.04.141/2021-22) dated Aug 25, 2021 and as amended from time to time.

- 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 & net depreciation on investment in any category are taken to the profit & loss account (net appreciation is ignored). 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) Brokerage and STT paid on purchase and sale of Equity is accounted to price of the deal.
- ix) The Amortization of premium on HTM Securities is computed using Straight-line Method.
- x) The Bank is following weighted average Price (WAP) for accounting of investment portfolio.
- xi) As per the extant RBI guidelines, the Bank follows

'Settlement Date' for accounting of investments transactions.

- xii) Income from the units of Mutual Fund, Venture Capital & Security Receipt shall be recognized on Cash Basis.

## 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.
- d) Arbitrage Income earned on forex swap transactions is accounted in Profit / Loss on Exchange Transactions category.

## 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 RBI/2022-2023/15 DOR.STR.REC.4/21.04.048/2022-23 dated April 01,2022. 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 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. Standard Assets provision to be made as per IRAC RBI/2022-2023/15 DOR.STR. REC.4/21.04.048/2022-23 dated April 01,2022 and any subsequent circular issued from time to time.
- 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, 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".

- 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 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	Motorcycles, 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
15	Generators	15	6.67
16	Office Equipment/ Appliances,	5	20.00
17	Computers & computer software forming integral part of hardware	3	33.33
18	ATM & allied items	5	20.00
19	UPS & allied items	5	20.00
20	Servers & Networks	6	16.66

Sr. No.	Capital Asset	Useful Life (Years)	Rate in percentage
21	End user devices such as desktops, laptops, i-pads, tablets, printer & Scanner, digital watches etc.	3	33.33
22	SDV lockers, Strong Room door, Cash Safe etc. (Along with Fixtures).	20	5.00
23	Items provided to staff (Furniture/Electrical and etc.)	5	20.00

- 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

- 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.

### 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 1<sup>st</sup> 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% of their basic pay plus dearness allowance as 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 (w/w Digital Banking Segment as and when applicable)
- 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 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".

## 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 31.03.2023
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) BHD	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 ₹ 1,542.52 Crore as on 31<sup>st</sup> March 2023 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. 31<sup>st</sup> March 2023 except for India International Bank (Malaysia) BHD for 31<sup>st</sup> December, 2022.
- 5 The Consolidated Financial Statements have been prepared on the basis of audited financial statements of Union Asset Management Company Private Limited, Union Trustee Company Private Limited, Union Bank of India (UK) Limited, Chaitanya Godavari Grameena Bank for the financial year ended 31.03.2023, India International Bank (Malaysia) BHD for the period ended 31.12.2022 and unaudited financials of Star Union Dai-ichi Life Insurance Company Limited, UBI Services LTD, ASREC(INDIA) Limited and Andhra Bank Financial Services Limited for the financial year ended 31.03.2023.
- 6 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.

## 7 DISCLOSURES IN TERMS OF THE RESERVE BANK OF INDIA GUIDELINES

### 7.1. 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, 2023.

During the year, the Bank has issued Basel III compliant Tier-2 bonds of ₹ 2,200 Crore & additional Tier-1 Bonds of ₹ 1,983 crore in tranches and exercised call option for redemption of Basel III compliant Tier-2 bonds of ₹ 2,300.00 crore & additional Tier-1 Bonds of ₹ 1,000.00 crore.

The computation of Capital Adequacy as per the framework is indicated below:

(Amount in ₹ crore)			
Sr. No.	Particulars	31.03.2023	31.03.2022
i.	Common Equity Tier 1 capital (CET 1) / Paid up share capital and reserves (net of deductions, if any)	71,879.53	58,205.98
ii.	Additional Tier 1 capital / Other Tier 1 capital	8,985.99	8,539.83
iii.	Tier 1 capital (i + ii)	80,865.52	66,745.81
iv.	Tier 2 capital	12,299.90	12,692.32
v.	Total capital (Tier 1+Tier 2)	93,165.42	79,438.12
vi.	Total Risk Weighted Assets (RWAs)	5,82,024.83	5,48,469.51
vii.	CET 1 Ratio (CET 1 as a percentage of RWAs) / Paid-up share capital and reserves as percentage of RWAs	12.35	10.61
viii.	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	13.89	12.17
ix.	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	2.11	2.31
x.	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	16.01	14.48
xi.	Leverage Ratio	5.74	5.17
xii.	Percentage of the shareholding of		
	a) Government of India	83.49	83.49
	b) State Government (specify name)	--	--
	c) Sponsor Bank	--	--
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	1,983.00	5,000.00
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 2 Bonds	2,200.00	2,000.00

## 7.2 Provisions and Contingencies

(₹ in crore)		
<b>Break up of Provision &amp; Contingencies. shown under the head in Profit &amp; Loss:</b>	<b>31.03.2023</b>	<b>31.03.2022</b>
Provision / (Reversal) for Depreciation on Investment	1,915.53	200.48
Provision towards NPA	12,506.77	11931.44
Provision/(Reversal) towards Standard Assets	(988.37)	1451.35
Net Provision made towards Income Tax/Deferred tax	3,716.20	3357.84
Other Provision and Contingencies:	(22.08)	(276.62)
<b>TOTAL</b>	<b>17,128.04</b>	<b>16664.49</b>

## 7.3 Counter Cyclical Provisioning Buffer / Floating Provision:

(₹ in crore)			
Sr. No.	Particulars	31.03.2023	31.03.2022
i)	Opening Balance	Nil	306.20
ii)	Additional provisions made during the accounting year	Nil	Nil
iii)	Amount of drawdown made during the accounting year	Nil	306.20
iv)	Closing balance	Nil	Nil

## 8 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 1<sup>st</sup> 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.

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. 2022-2023, the Bank has contributed ₹ 525.36 crores including arrears of ₹ 0.12 crores (Previous Year ₹501.51 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.

**c) 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, 2023.

(₹ in crore)

S. No.	Particular	31.03.2023		31.03.2022	
		Gratuity	Pension	Gratuity	Pension
i)	<b>Table showing change in Defined Benefit Obligation:</b>				
	Liability at the beginning of the year	3,197.81	28,650.99	3,355.82	26,011.41
	Interest Cost	233.76	2,120.17	232.56	1,797.39
	Current Service Cost	163.00	184.38	161.12	212.30
	Past Service Cost (Vested Benefit Amortized)	NIL	NIL	NIL	NIL
	Past Service Cost (Vested Benefit)	NIL	NIL	NIL	1902.02
	Liability Transfer in	NIL	NIL	NIL	NIL
	Liability Transfer out	NIL	NIL	NIL	NIL
	(Benefit paid)	(334.38)	(2,120.73)	(465.84)	(2,341.52)
	Actuarial (Gain)/loss on obligation –due to change				
	In the financial assumption	(63.88)	(278.47)	(119.57)	(1,446.34)
	in demographic assumption	NIL	NIL	2.86	63.46
	Actuarial (Gain) / Loss on obligations	29.55	614.25	30.86	2,452.27
	<b>Liability at the end of the year</b>	<b>3,225.86</b>	<b>29,170.59</b>	<b>3,197.81</b>	<b>28,650.99</b>
ii)	<b>Table of Fair value of Plan Assets:</b>				
	Fair value of Plan Assets at the be-ginning of the year	3,367.60	27,043.50	2,746.43	26,720.88
	Expected return on Plan Assets	246.17	2,001.22	190.33	1,846.41
	Contributions	NIL	1,780.29	843.37	551.42
	Transfer from Other Company	0.29	NIL	NIL	NIL
	Transfer to Other Company	NIL	NIL	NIL	NIL
	(Benefit paid)	(334.38)	(2,120.73)	(465.84)	(2,341.52)
	Actuarial (Gain)/loss on Plan Assets	(17.33)	49.96	(53.31)	(266.31)
	Fair Value of Plan Assets at the end of the year	3,262.35	28,754.24	3,367.60	27,043.50
	Actuarial (Gain)/loss on obligation for the period	(34.33)	335.78	(85.85)	1,069.39
	Actuarial (Gain)/loss on Plan Assets	17.33	(49.96)	(53.31)	(266.31)
	<b>Total Actuarial (Gain)/loss to be recognized</b>	<b>(17.00)</b>	<b>285.82</b>	<b>(139.16)</b>	<b>803.08</b>
iii)	<b>Recognition of Transitional Liability:</b>				
	Transitional Liability at start	NIL	NIL	NIL	NIL
	Transitional Liability recognized dur-ing the year	NIL	NIL	NIL	NIL
	<b>Transitional Liability at end</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

(₹ in crore)

S. No.	Particular	31.03.2023		31.03.2022	
		Gratuity	Pension	Gratuity	Pension
iv)	<b>Actual return on Plan Assets:</b>				
	Expected Return on Plan Assets	246.17	2,001.22	190.33	1,846.41
	Actuarial Gain/(Loss) on Plan Assets	(17.33)	49.96	53.31	266.31
	<b>Actual return on Plan Assets</b>	<b>228.84</b>	<b>2,051.18</b>	<b>243.64</b>	<b>2,112.72</b>
v)	<b>Expenses recognized in the Income Statement:</b>				
	Current Service Cost	163.00	184.38	161.12	212.30
	Interest Cost	(12.41)	118.95	42.23	(49.02)
	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	1,521.62	NIL	380.40
	Recognition of Transition Liability	NIL	NIL	NIL	NIL
	Actuarial (Gain) or Loss	(17.00)	285.82	(139.16)	803.08
	<b>Expenses Recognized in P &amp; L</b>	<b>133.59</b>	<b>2,110.77</b>	<b>64.19</b>	<b>1346.76</b>
vi)	<b>Balance Sheet Reconciliation:</b>				
	Opening Net Liability (Last year net amount recognized in the balance sheet)	(169.79)	85.87	609.39	(709.47)
	Expenses as above	133.59	2,110.77	64.19	1,346.76
	Transfer from other Company (Net)	(0.29)	NIL	NIL	NIL
	Transfer to other Company (Net)	NIL	NIL	NIL	NIL
	(Employer Contribution)	NIL	(1,780.29)	(843.37)	(551.42)
	<b>Net (Asset)/Liability Amount recog-nized in Balance Sheet</b>	<b>(36.49)</b>	<b>416.35</b>	<b>(169.79)</b>	<b>85.87</b>
vii)	<b>Other Details:</b>				
	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 ₹ 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	75,618	21,138	75,201	23,216
	Salary Per Month	513.88	513.88	354.44	182.95
	<b>Contribution for next year</b>	<b>139.74</b>	<b>587.94</b>	-	<b>592.76</b>
viii)	<b>Category of assets:</b>				
	Government of India Assets	61.47	565.13	63.45	585.14
	Corporate Bonds/FDR	25.75	720.80	36.15	721.81
	Special Deposits Scheme	-	-	-	-
	State Govt.	82.81	1,379.39	101.17	1,185.78
	Property	NIL	NIL	NIL	NIL
	Other	64.13	454.17	244.10	1,733.36
	Insurer Managed Funds	3,028.18	25,634.75	2,897.20	22,492.80
	Mutual Fund	NIL	NIL	25.53	324.61
	<b>Total</b>	<b>3,262.34</b>	<b>28,754.24</b>	<b>3,367.60*</b>	<b>27,043.50*</b>

\*Note: Return on investments in LIC & other insurance companies is expected at 7.50% while arriving Pension liability and Gratuity liability at the Fair Value of Plan Assets for the FY2022-23 as against the 7.25% considered for arriving Pension and Gratuity liability for the FY2021-22.

(₹ in crore)

Surplus/Deficit in the Plan:	Gratuity Plan				
	31.03.23	31.03.22	31.03.21	31.03.20*	31.03.19*
<b>Amount recognized in the Balance-Sheet</b>					
Liability at the end of the year	3,225.86	3,197.81	3,355.82	1,291.94	1,222.64
Fair value of Plan Assets at the end of the year	3,262.35	3,367.60	2,746.43	1,219.01	1,202.14
Difference	36.49	169.79	(609.39)	(72.93)	(20.50)
Unrecognized Past Service Cost	Nil	Nil	Nil	Nil	Nil
Unrecognized Transition Liability	Nil	Nil	Nil	Nil	Nil
Amount Recognized in the Balance Sheet	36.49	169.79	(609.39)	(72.93)	(20.50)

\*Amount mentioned for Union Bank (Standalone) only.

(₹ in crore)

Amount recognized in the Balance-Sheet	Gratuity Plan				
	31.03.23	31.03.22	31.03.21	31.03.20*	31.03.19*
<b>Experience Adjustment</b>					
On plan liability (Gain) / Loss	29.55	30.86	752.31	25.87	7.91
On plan Assets (Loss) / Gain	(17.33)	53.31	34.41	7.20	(13.03)

\* Amount mentioned for Union Bank (Standalone) only.

(₹ in crore)

Surplus/Deficit in the Plan:	Pension Plan				
	31.03.23	31.03.22	31.03.21	31.03.20*	31.03.19*
<b>Amount recognized in the Balance-Sheet</b>					
Liability at the end of the year	29,170.59	28,650.99	26,011.41	12,746.69	12,158.43
Fair value of Plan Assets at the end of the year	28,754.24	27,043.50	26,720.88	12,607.16	12,308.84
Difference	(416.35)	(1,607.49)	709.47	(139.53)	150.41
Unrecognized Past Service Cost	Nil	1,521.62	Nil	Nil	Nil
Unrecognized Transition Liability	Nil	Nil	Nil	Nil	Nil
Amount Recognized in the Balance Sheet	(416.35)	(85.87)	709.47	(139.53)	150.41

\* Amount mentioned for Union Bank (Standalone) only.

(₹ in crore)

Amount recognized in the Balance-Sheet	Pension Plan				
	31.03.23	31.03.22	31.03.21	31.03.20*	31.03.19*
<b>Experience Adjustment</b>					
On plan liability (Gain) / Loss	614.25	2,452.27	1,456.27	938.90	125.22
On plan Assets (Loss) / Gain	49.96	266.31	81.65	75.23	7.18

\* Amount mentioned for Union Bank (Standalone) only.

Principal actuarial assumption used (%)	2022-23		2021-22	
	Gratuity	Pension	Gratuity	Pension
Discount Rate Prev.	7.31	7.40	6.93	6.91
Rate of return on Plan Assets Prev.	7.31	7.40	6.93	6.91
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	7.49	7.53	7.31	7.40
Rate of Return on Plan Assets Current	7.49	7.53	7.31	7.40
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	31.03.2023	31.03.2022
1	Pension	2,110.77	1,346.76
2	Leave Travel Concession	3.66	13.41
3	Leave Encashment	149.30	48.70

Bank is having provision of ₹268.76 Crore towards Sick Leave on prudential basis though there is no payout.

**ii) Unamortized Family pension & Gratuity Liabilities:**

(₹ in crore)

Particulars	31.03.2023	31.03.2022
<b>Pension</b>		
a) Balance brought forward	1,521.62	NIL
b) Gross Liability	NIL	1,902.02
c) Charged to Profit & Loss account	1,521.62	380.40
d) Balance Carried forward	NIL	1,521.62
<b>Gratuity</b>		
a) Charged to Profit & Loss account	NIL	NIL
b) Carried forward	NIL	NIL

- a. Pursuant to the revision in family pension payable to the employees of the Bank, covered under 11th Bi- Partite Settlement and joint note dated November 11, 2020, the Bank had arrived additional liability at ₹ 1,902.02 Crore as per Actuarial valuation, of which a sum of ₹ 380.40 Crore was amortized during the FY 2021-22, in terms of RBI Circular no. RBI/2021-22/105 DOR.ACC.REC.57/21.04.018/2021-22 dated October 04, 2021 and unamortized part of ₹ 1,521.62 Crore has been fully charged to the Profit & Loss Account during the year ended March 31, 2023. There is no unamortized expenditure in the Balance Sheet on account of additional family pension.
- b. In terms of RBI circular no. RBI/DOR/2021-22/83 DOR.ACC.REC.No.45/21.04.018/2021-22 dated August 30, 2021 (Updated as on February 20, 2023), the following disclosures are required (Parent Bank):
- In case of Other Liabilities and Provisions, any item under the head "Others (including provisions)" exceeds one per cent of the total assets,
  - In case of Other Assets, any item under the head "Others" exceeds one per cent of the total assets,
  - In case of Other Income, any item under the head "Miscellaneous Income" exceeds one per cent of the total income,
  - In case of Operating Expenses, any item under the head "Other expenditure" exceeds one per cent of the total income,

(₹ in Crore)

Statement Showing item in Sch. 14- Other income Sub Head – Miscellaneous in-come		
Item under the Sub Head	(₹ in Crore)	% of Total Income
Processing Charges for Advanc-es	1,178.18	1.24
Miscellaneous Earning	1,004.21	1.05
Recovery In Write Off	5,549.49	5.82

There is no other disclosure related to other heads as mentioned above.

## 10. SEGMENT REPORTING (AS-17)

## 10.1. Business Segments:

(₹ in crore)

Business Segment		Consolidated	
		Year Ended	
		(Audited)	(Audited)
		31.03.2023	31.03.2022
<b>(a)</b>	<b>Segment Revenue</b>		
1	Treasury Operations	26,442.90	26,815.66
2	Retail Banking Operations	31,078.66	26,198.04
	(a) Digital Banking Operations	569.38	NA
	(b) Other Retail Banking Operations	30,509.28	26,198.04
3	Corporate /Wholesale Banking	35,941.71	25,776.79
4	Other Banking Operations	1,979.37	1,397.64
5	Unallocated	2,198.75	1,688.64
	<b>Total Segment Revenue</b>	<b>97,641.39</b>	<b>81,876.77</b>
	Less Inter-segment Revenue	(562.86)	(122.70)
	<b>Income from operations</b>	<b>97,078.53</b>	<b>81,754.07</b>
<b>(b)</b>	<b>Segment Results</b>		
1	Treasury Operations	2,426.80	6,002.74
2	Retail Banking Operations	5,059.25	4,508.68
	(a) Digital Banking Operations	(43.07)	NA
	(b) Other Retail Banking Operations	5,102.32	4,508.68
3	Corporate Banking	3,091.44	(3,093.72)
4	Other Banking Operations	1,063.52	758.37
5	Unallocated	505.46	390.27
	<b>Total Profit/(Loss) Before Tax</b>	<b>12,146.47</b>	<b>8,566.34</b>
<b>(c)</b>	<b>Provision for Tax</b>	<b>3,716.12</b>	<b>3,357.84</b>
<b>(d)</b>	<b>Net Profit/(Loss) after Tax</b>	<b>8,430.35</b>	<b>5,208.50</b>
	Add: Share of Profit in Associate	81.32	56.82
<b>(e)</b>	<b>Consolidated Net Profit/(Loss)</b>	<b>8,511.67</b>	<b>5,265.32</b>
<b>(f)</b>	<b>Segment Assets</b>		
1	Treasury Operations	4,64,788.70	4,78,735.97
2	Retail Banking Operations	3,59,680.33	3,18,913.60
	(a) Digital Banking Operations	42,263.05	NA
	(b) Other Retail Banking Operations	3,17,417.28	3,18,913.60
3	Corporate/Wholesale Banking	4,26,011.76	3,68,181.73
4	Other Banking Operations	-	-
5	Unallocated	37,876.32	27,934.31
	<b>Total</b>	<b>12,88,357.11</b>	<b>11,93,765.61</b>

(₹ in crore)

Business Segment		Consolidated	
		Year Ended	
		(Audited)	(Audited)
		31.03.2023	31.03.2022
<b>(g)</b>	<b>Segment Liabilities</b>		
1	Treasury Operations	4,56,704.84	4,70,252.54
2	Retail Banking Operations	3,28,812.17	2,90,449.81
	(a) Digital Banking Operations	38,724.27	NA
	(b) Other Retail Banking Operations	2,90,087.90	2,90,449.81
3	Corporate/Wholesale Banking	3,88,190.19	3,35,313.11
4	Other Banking Operations	-	-
5	Unallocated	35,846.39	26,889.03
	<b>Total</b>	<b>12,09,553.60</b>	<b>11,22,904.49</b>
<b>(h)</b>	<b>Capital Employed</b>		
1	Treasury Operations	8,083.86	8,483.43
2	Retail Banking Operations	30,868.16	28,463.79
	(a) Digital Banking Operations	3,538.78	NA
	(b) Other Retail Banking Operations	27,329.38	28,463.79
3	Corporate/Wholesale Banking	37,821.57	32,868.62
4	Other Banking Operations	-	-
5	Unallocated	2,029.92	1,045.28
	<b>Total</b>	<b>78,803.51</b>	<b>70,861.12</b>

**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.
- Figure of previous period have been regrouped/reclassified wherever necessary.
- In accordance with RBI circular DOR.AUT.REC.12/22.01.001/2022-23 dated April 7, 2022 on Establishment of Digital Banking Units, the Bank has for the first time disclosed 'Digital Banking' as a sub-segment of the Retail Banking segment.

**11. RELATED PARTY DISCLOSURES (AS-18) (Parent Bank)****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 <sup>st</sup> March 2023
Shri Rajkiran Rai G. @	Managing Director & CEO	0.19
Ms. A Manimekhalai #	Managing Director & CEO	0.30
Shri Manas Ranjan Biswal ##	Executive Director	0.11
Shri Nitesh Ranjan	Executive Director	0.39
Shri Rajneesh Karnatak	Executive Director	0.34
Shri Nidhu Saxena	Executive Director	0.32
Shri Ramasubramanian S^	Executive Director	0.12

@ Till 31.05.2022

# From 03.06.2022

## Till 30.04.2022

^ From 21.11.2022

**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.

As per the RBI Master Direction, KMPs are construed to be the Whole Time Directors of the Bank.

**e) Key Management Personnel – Remuneration paid**

(₹ in crore)

Particulars	31.03.2023	31.03.2022
CEO and Managing Director	0.49	0.37
Executive Directors	1.28	1.21
<b>Total</b>	<b>1.77</b>	<b>1.58</b>

### 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	31.03.2023	31.03.2022
Number of Equity shares at the beginning of the year	6,83,47,47,466	640,68,44,355
Number of Equity shares issued during the year	Nil	42,79,03,111
Number of Equity shares outstanding at the end of the year	6,83,47,47,466	6,83,47,47,466
Weighted Average Number of Equity Shares used in computing Basic Earnings per share	6,83,47,47,466	6,77,26,13,590
Weighted Average Number of Shares used in computing diluted Earnings per share	6,83,47,47,466	6,77,26,13,590
Net Profit/(Loss) ₹ in Crore	8,511.67	5,265.32
Basic Earnings per share (₹)	12.45	7.77
Diluted Earnings per share (₹)	12.45	7.77
Nominal Value per share (₹)	10	10

## 13. PROVISION FOR TAXES:

### Deferred Tax (AS-22)

(₹ in crore)

Sr. No.	Particulars	31.03.2023	31.03.2022
	<b>Deferred Tax Assets</b>		
1	Employee Benefits (Leave Encashment)	534.18	474.78
2	Depreciation on Fixed Assets	395.67	358.12
3	On account of other provisions	11,408.93	14,072.58
4	Foreign Currency Translation Reserve	-84.48	1.14
5	Standard Asset	0.00	588.37
6	Others	-0.01	0.07
	<b>Total</b>	<b>12,254.30</b>	<b>15,495.05</b>
	<b>Deferred Tax Liabilities</b>		
1	Accrued interest on securities	1,274.79	1,092.63
2	Special Reserves u/s 36(i)(viii)	2,316.74	2,107.08
3	Depreciation on Investment	--	--
	<b>Total</b>	<b>3,591.53</b>	<b>3,199.71</b>
	<b>Net Deferred Tax Asset</b>	<b>8,662.77</b>	<b>12,295.34</b>
	<b>Net Deferred Tax Liability</b>	<b>Nil</b>	<b>Nil</b>

**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. The Management believes that there would not be any significant impact on Bank's performance in future and going concern assumptions.

17. The figures of the previous year have been regrouped / rearranged wherever considered necessary.

Signatories to Schedules 1 to 18

**(PANKAJ KUMAR)**  
DY. GENERAL MANAGER

**(RAMASUBRAMANIAN S)**  
EXECUTIVE DIRECTOR

**(ARUN KUMAR SINGH)**  
DIRECTOR

**(LAXMAN S UPPAR)**  
DIRECTOR

**(NIDHU SAXENA)**  
EXECUTIVE DIRECTOR

**(JAYADEV MADUGULA)**  
DIRECTOR

**(A. MANIMEKHALAI)**  
MANAGING DIRECTOR & CEO

**(SRINIVASAN VARADARAJAN)**  
CHAIRMAN

**(PRAFULLA KUMAR SAMAL)**  
CHIEF FINANCIAL OFFICER

**(NITESH RANJAN)**  
EXECUTIVE DIRECTOR

**(SURAJ SRIVASTAVA)**  
DIRECTOR

**(PRITI JAY RAO)**  
DIRECTOR

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

**CA P M Veeramani**  
Partner  
Membership No.023933  
UDIN: 23023933BGVFC3602

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

**CA Ruchi Agarwal**  
Partner  
Membership No.504134  
UDIN:23504134BGWTPQ8986

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

**CA Niranjn Joshi**  
Partner  
Membership No.102789  
UDIN: 23102789BGWREC1919

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

**CA Abhishek Sharma**  
Partner  
Membership No.079224  
UDIN: 23079224BGTKQP5499

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

**CA Sachin V Luthra**  
Partner  
Membership No. 109127  
UDIN: 23109127BGQVHS4391

For M/s NBS & Co.  
Chartered Accountants  
FRN 110100W

**CA Pradeep J. Shetty**  
Partner  
Membership No. 046940  
UDIN: 23046940BGPTT2512

Place : MUMBAI  
Date : 6<sup>th</sup> May, 2023

## Consolidated Cash Flow Statement For the Year Ended 31<sup>st</sup> March, 2023

(₹ in lacs)

S. No.	Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
	Net Profit Before Tax	12,14,647	8,56,634
	Adjustments for:		
	Depreciation on Fixed Assets	74,457	73,809
	Provision for Investments	1,67,478	20,048
	Provision for Non Performing Assets (Net)	12,50,677	11,62,524
	Provision for Standard Asset	(1,15,806)	1,36,754
	Provision for other items (Net)	14,760	11,339
	(Profit)/Loss on Sale or Disposal of Fixed Assets	(149)	35
	Interest on Borrowings : Capital Instruments	1,58,601	1,55,133
	Share of Profit in Associate	8,132	5,682
	Transfer to/from reserve	(56,928)	63,465
	<b>Sub Total</b>	<b>27,15,870</b>	<b>24,85,426</b>
	<b>Adjustments for:</b>		
	Increase / (Decrease) in Deposits	86,00,976	1,08,71,383
	Increase / (Decrease) in Other Liabilities and Provisions	11,51,603	(5,55,146)
	(Increase) / Decrease in Investments	6,61,560	(12,92,420)
	(Increase) / Decrease in Advances	(1,14,16,687)	(81,66,081)
	(Increase) / Decrease in Other Assets	(7,74,427)	3,45,116
	Direct taxes paid (Net of Refund)	(3,27,752)	(54,388)
	<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>6,11,143</b>	<b>36,33,890</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
	Purchase of Fixed Assets	(3,06,555)	(74,953)
	Proceeds from Sale/Adjustment of Fixed asset	68,280	30,788
	(Increase)/ Decrease in Investment in Subsidiary	(17,830)	(11,606)
	<b>NET CASH FLOW FROM INVESTING ACTIVITIES (B)</b>	<b>(2,56,105)</b>	<b>(55,771)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
	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)	-	1,44,208
	Proceeds from issue of Capital Instruments	98,300	7,00,000
	Repayments of Capital Instruments	(10,000)	(5,40,000)
	(Decrease)/Increase Borrowings other than Capital Instruments	(8,65,254)	(2,27,704)
	Interest Paid on Borrowings : Capital Instruments	(1,58,601)	(1,55,133)
	Dividend paid during the year	(1,29,861)	-
	<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<b>(10,65,416)</b>	<b>(78,629)</b>
	Net Increase (Decrease) in Cash & Cash Equivalent ( A )+( B )+( C )	(7,10,377)	34,99,488
	Cash and Cash Equivalents as at the beginning of the year	1,19,75,822	84,76,334
	Cash and Cash Equivalents as at the end of the year	1,12,65,445	1,19,75,822

(₹ in lacs)

S. No.	Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
	<b>Components of Cash and Cash equivalents</b>		
<b>D</b>	<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		
	Cash and Balances 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 beginning of the year	<b>1,19,75,822</b>	<b>84,76,334</b>
<b>E</b>	<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		
	Cash and Balance with RBI (including FC notes)	50,25,811	46,11,589
	Balances with Banks and Money at call	62,39,634	73,64,233
	<b>Net cash and cash equivalents at the end of the year</b>	<b>1,12,65,445</b>	<b>1,19,75,822</b>

Previous Year's figures have been regrouped/recasted wherever considered necessary to correspond with the year ended classification/ presentation.

(PANKAJ KUMAR)  
DY. GENERAL MANAGER

(RAMASUBRAMANIAN S)  
EXECUTIVE DIRECTOR

(ARUN KUMAR SINGH)  
DIRECTOR

(LAXMAN S UPPAR)  
DIRECTOR

(PRAFULLA KUMAR SAMAL)  
CHIEF FINANCIAL OFFICER

(NIDHU SAXENA)  
EXECUTIVE DIRECTOR

(NITESH RANJAN)  
EXECUTIVE DIRECTOR

(SURAJ SRIVASTAVA)  
DIRECTOR

(PRITI JAY RAO)  
DIRECTOR

(A. MANIMEKHALAI)  
MANAGING DIRECTOR & CEO

(SRINIVASAN VARADARAJAN)  
CHAIRMAN

#### 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 31.03.2023. 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 06, 2023 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  
Partner  
Membership No.023933  
UDIN: 23023933BGVFC3602

CA Niranjn Joshi  
Partner  
Membership No.102789  
UDIN: 23102789BGWREC1919

CA Sachin V Luthra  
Partner  
Membership No. 109127  
UDIN: 23109127BGQVHS4391

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 NBS & Co.  
Chartered Accountants  
FRN 110100W

CA Ruchi Agarwal  
Partner  
Membership No.504134  
UDIN:23504134BGWTPQ8986

CA Abhishek Sharma  
Partner  
Membership No.079224  
UDIN: 23079224BGTKQP5499

CA Pradeep J. Shetty  
Partner  
Membership No. 046940  
UDIN: 23046940BGPTTT2512