

# Independent Auditors' Report

To

The President of India /

The Members of Union Bank of India

Mumbai

Report on Audit of the Standalone Financial Statements

## Opinion

1. We have audited the accompanying Standalone Financial Statements of **Union Bank of India** ('the Bank'), which comprise the Balance Sheet as at 31 March 2022, the Profit and Loss Account and the Statement of Cash Flows for the year then ended, and notes to financial statements including a summary of significant accounting policies and other explanatory information in which are included the returns for the year ended on that date of

- i) 20 branches, 1 Treasury Branch audited by us, 18 FGMO Offices audited by us
- ii) 3413 branches audited by statutory branch auditors and
- iii) 3 overseas branches audited by local auditors.

The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India (the RBI). Also incorporated in the Balance Sheet, the Profit and Loss Account and the Statement of Cash Flows are the returns from 5931 branches which have not been subjected to audit. These unaudited branches account for 16.36 percent of advances, 33.74 per cent of deposits, 37.35 per cent of interest income and 37.64 per cent of interest expenses.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Banking Regulation Act, 1949 in the manner so required for bank and are in conformity with accounting principles generally accepted in India and:

- a. the Balance Sheet, read with the notes thereon is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of the state of affairs of the Bank as at 31<sup>st</sup> March, 2022;
- b. the Profit and Loss Account, read with the notes thereon shows a true balance of profit for the year ended on that date; and
- c. the Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.

## Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (the "ICAI"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the ICAI together with ethical requirements that are relevant to our audit of the financial statements in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by ICAI, and provisions of section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by Reserve Bank of India ('RBI') from time to time and we have fulfilled our other

ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Emphasis of the Matter

3. We draw your attention to Note No. 15.k of schedule 18 – Notes to Accounts to the standalone financial statements regarding change in the accounting policies/estimates followed during the year ended 31<sup>st</sup> March, 2022 as compared to those followed in the preceding financial year ended 31<sup>st</sup> March, 2021 with effect from 1<sup>st</sup> April, 2021, in respect of appropriation of recovery in non performing accounts first towards interest unrealised and then towards principal outstanding as against towards principal first and then towards interest unrealised in earlier periods. Impact due to the change in accounting policy has resulted increase in income for the quarter by ₹ 495.26 crores and for the year by ₹ 1,081.77 crores and consequential non-reduction in gross non performing assets by equivalent amount.

We draw your attention to Note No. 15.c of schedule 18 – Notes to Accounts to the standalone financial statements regarding amortization of additional liability on account of revision in family pension amounting to ₹ 1,902.02 crores. The bank has charged an amount of ₹380.40 crore to the profit and loss account during the year ended March 31, 2022, and the balance unamortized expenses of ₹ 1,521.62 crore has been carried forward.

We draw your attention to Note No. 15.n of schedule 18 – Notes to Accounts to the standalone financial statements regarding uncertainties due to outbreak of COVID-19 pandemic. In view of these circumstances, the impact on the Banks operations and financial results is dependent on future developments including actions being taken to mitigate the same and other regulatory measures.

## Our opinion is not modified in respect of these matters.

### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters prescribed below to be the key audit matters to be communicated in our report.

Sr.	Key Audit Matter	How it was dealt with in our report
1	<b>Income Recognition, Asset Classification (IRAC) and provisioning on Loans &amp; Advances and Investments as per the regulatory requirements</b>	
	Loans & Advances and Investments are the largest class of assets forming 85.01% of the total assets as on March 31, 2022. Classification, income recognition and loss provisioning on the same are based on objective parameters as prescribed by the regulations (Reserve Bank of India's prudential norms and other guidelines). The management of the Bank relies heavily on its IT systems (including	Our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances and associated impairment provisions.  Our audit procedures included the assessment of controls over the approval, disbursements and monitoring of loans, and reviewing the logic and assumptions used in the CBS and other related IT systems for compliance of the IRAC and provisioning norms and its operating effectiveness.

Sr.	Key Audit Matter	How it was dealt with in our report
	<p>Core Banking Solution), exercise significant estimates and judgement, manual interventions, and uses services of experts (like independent valuers, Lawyers, legal experts and other professional) to determine asset classification, income recognition and provisioning for losses.</p> <p>The Bank has system based identification of non-performing assets in accordance with IRAC Norms</p>	<p>These included evaluation and understanding of following:</p> <ul style="list-style-type: none"> <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> <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. We have test checked and assessed the efficacy of the system based identification of NPA</li> </ul>

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Sr.	Key Audit Matter	How it was dealt with in our report
2	<p><b>Information Technology (IT) and controls impacting financial reporting</b></p> <p>In the normal course of its business, the Bank's financial accounting and reporting systems are highly dependent on the effective working of the Core Banking Solution (CBS) and other IT systems linked to the CBS or working independently. Extensive volume, variety and complexity of transactions are processed daily and there is a risk that automated accounting procedures and related internal controls may not be accurately designed and operating effectively. Particular areas of focus relate to the logic that is fed into the system, sanctity and reliability of the data, access management and segregation of duties. These underlying principles are important because they ensure that changes to applications and data are appropriate, authorized, cleansed and monitored, so that the system generates accurate and reliable reports/ returns and other financial and non-financial information that is used for the preparation and presentation of the financial statements.</p> <p>We have relied on the consistent and accurate functioning of CBS and other IT systems for the following:</p> <ul style="list-style-type: none"> <li>• Asset Classification and Income recognition as per the Reserve Bank of India guidelines;</li> <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>	<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
3	<p><b>Recognition and measurement of Deferred tax</b></p> <p>The Bank has recognised a net deferred tax asset of ₹ 12,29,23,747 (in '000) as on March 31, 2022. Besides objective estimation, recognition and measurement of deferred tax asset is based on the judgment and numerous estimates regarding the availability and visibility of profits in the future. The recent decrease in the amount of deferred tax assets presumes availability and forecasting of profits over an extended period of time thus decreasing uncertainty and the inherent risk of inappropriate recognition of the said asset.</p>	<p>Our audit procedures included the risk assessment to gain an understanding of the applicable tax laws and relevant regulations applicable to the Bank. Based on our understanding, we performed both tests of related internal key controls and substantive audit procedures with the assistance of tax specialists. We performed the following audit procedures as part of our controls testing including, but not limited to:</p> <ul style="list-style-type: none"> <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>
4	<p><b>COVID-19 Pandemic</b></p> <p>COVID-19 Pandemic has adversely impacted the economic activity across the country and the Government of India had announced series of lock down since March 2020 onwards, which were lifted &amp; reimposed at various point of time in regionalized manner across the country based on the prevailing situation in the respective State.</p> <p>Correspondingly and in tune with the partial and complete lock downs, we experienced travel restrictions for some part of the year and the Bank facilitated carrying out audit remotely wherever physical access was not possible. This situation eased out considerably by the end of the year and therefore physical audit was most prevalent at the year end.</p> <p>Therefore wherever we could not gather audit evidence in person/physically/through discussions and personal interactions with the officials at the Branches /Regions &amp; Zones/ Verticals / Corporate Offices, we have identified such modified audit procedures as a Key Audit Matter.</p> <p>Accordingly, our audit procedures were modified to carry out the audit remotely</p>	<p>Wherever physical access was not possible, necessary records/ reports/ documents/ certificates were made available to us by the Bank through digital medium including the <u>designated audit portal</u> of the bank, emails and <u>remote access to CBS and closing package</u>. To this extent, the audit process was carried out on the basis of such documents, reports and records made available to us which were relied upon as audit evidence for conducting the audit and reporting for the current period.</p> <p>Accordingly, we modified our audit procedures (based on regulatory and ICAI advisories) as follows:</p> <ul style="list-style-type: none"> <li>• Conducted verification of necessary records/ documents/ CBS/closing package and other application software electronically through remote access/emails/in respect of some of the Branches/Regions/Zones/Verticals/Corporate Offices and other offices of the Bank wherever physical access was not possible.</li> <li>• Carried out verification of scanned copies of the documents, deeds, certificates, returns from branches and the related records made available to us through emails and remote access over secure network of the Bank</li> <li>• Making enquires and gathering necessary audit evidence through Video Conferencing, dialogues and discussions over phone calls/conference calls, emails and similar communication channels.</li> <li>• Resolution of our audit observations telephonically/ through email instead of a face to-face interaction with the designated officials.</li> </ul>

### Information Other than the Standalone Financial Statements and Auditors' Report thereon

5. The Bank's Board of Directors is responsible for the other information. The other information comprises the Highlights for the year, Directors' Report including annexures to Directors' Report, key financial ratios, Business responsibility Report and Corporate Governance report in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the standalone financial statements does not cover the Other Information and Pillar 3 disclosures under the Basel III Disclosure and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the Other Information that we obtained prior to the date of this Auditors' Report, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

6. The Bank's Board of Directors is responsible with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by ICAI to the extent applicable, and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

### Auditors' Responsibilities for the Audit of the Standalone Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality in the magnitude of the misstatements in the standalone financial statements that, individually or aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning of the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

8. We did not audit the financial statements / information of 3416 domestic branches and processing centers including 3 foreign branches included in Standalone Financial Results of the Bank whose financial statements/ financial information reflects total assets of ₹ 3443521247.98 (in thousand) at March 31, 2022 and total revenue of ₹ 247892046.15 (in thousand) for the year ended on that date, as considered in the Standalone Financial Results. These branches and processing centers cover 41.73 % of advances, 63.26% of deposits and 30.58 % of Non-performing assets as on 31<sup>st</sup> March 2022 and 31.63% of revenue for the year ended 31<sup>st</sup> March 2022. The financial statements/ information of these branches have been audited by the branch auditors whose reports have been furnished to us and in our opinion in so far as it relates to the amounts and disclosures included in respect of branches, are based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

9. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949;

Subject to the limitations of the audit indicated in paragraphs 5 and 8 above and as required by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980, and subject also to the limitations of disclosure required therein, we report that:

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
  - b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
  - c) The returns received from the offices and branches of the Bank have been found adequate for the purpose of our audit.
10. As required by letter No. DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 on "Appointment of Statutory Central Auditors (SCAs) in Public Sector Banks – Reporting obligations for SCAs from FY 2019-20", read with subsequent communication dated May 19, 2020 issued by the RBI, we further report on the matters specified in paragraph 2 of the aforesaid letter as under:
- (a) In our opinion, the aforesaid standalone financial statements comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by RBI.
  - (b) In our opinion there are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the bank.
  - (c) As the bank is not registered under the Companies Act, 2013 the disqualifications from being a director of the bank under sub-section (2) of Section 164 of the Companies Act, 2013 do not apply to the bank.
  - (d) There are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.
  - (e) Our audit report on the adequacy and operating effectiveness of the Bank's internal financial controls over financial reporting is given in **Annexure A** to this report. Our report expresses an unmodified opinion on the Bank's internal financial controls over financial reporting with reference to the Standalone Financial Statements as at 31 March 2022.



**11. We further report that:**

- a) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- b) the Balance Sheet, the Profit and Loss Account and the Statement of Cash Flows dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;
- c) the reports on the accounts of the branch offices audited by branch auditors of the Bank under section 29 of the Banking Regulation Act, 1949 have been sent to us and have been properly dealt with by us in preparing this report; and
- d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Statement of Cash Flows comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by RBI.

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

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

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

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

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

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

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

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

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

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

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

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

Place of Signature: Mumbai  
Date of Report: 13.05.2022

## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT (Referred to in paragraph 10(a) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date) Report on the Internal Financial Controls Over Financial Reporting as required by the Reserve Bank of India (the "RBI") Letter DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 (as amended) (the "RBI communication")**

We have audited the internal financial controls over financial reporting of Union Bank of India ("the Bank") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date which includes internal financial controls over financial reporting of the Bank's branches.

### **Management's Responsibility for Internal Financial Controls**

The Bank's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Banking Regulation Act, 1949 and the circulars and guidelines issued by the Reserve Bank of India.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI") and the Standards on Auditing (SAs) issued by the ICAI, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal financial controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the branch auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A Bank's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of

management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the branch auditors referred to in the Other Matters paragraph below, the Bank has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal control over financial reporting established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

## Other Matters

Our aforesaid report insofar as it relates to the operating effectiveness of internal financial controls over financial reporting of 3413 branches is based on the corresponding reports of the respective branch auditors of those branches.

Our opinion is not modified in respect of this matter.

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

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

For **M/s P V A R & Associates**  
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**CA Sharad Bansal**  
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For **M/s SARDA & PAREEK LLP**  
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For **M/s N B S & Co.**  
Chartered Accountants  
FRN 110100W

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

Place of Signature: Mumbai  
Date of Report: 13.05.2022

# Standalone Balance Sheet

As on 31<sup>st</sup> March, 2022

(₹ in 000')

Particulars	Schedule Number	As on 31 March, 2022	As on 31 March, 2021
<b>CAPITAL AND LIABILITIES</b>			
Capital	1	6,83,47,475	6,40,68,444
Reserves and Surplus	2	63,74,13,875	58,06,98,908
Share Application Money		-	-
Deposits	3	10,32,39,26,349	9,23,80,53,402
Borrowings	4	51,17,90,975	51,83,71,092
Other Liabilities and Provisions	5	33,44,31,935	31,58,66,602
<b>TOTAL</b>		<b>11,87,59,10,609</b>	<b>10,71,70,58,448</b>
<b>ASSETS</b>			
Cash and Balances with Reserve Bank Of India	6	46,11,25,911	37,88,04,613
Balances with Banks and Money at Call and Short Notice	7	73,38,77,672	46,52,98,860
Investments	8	3,48,50,73,915	3,31,51,17,896
Advances	9	6,61,00,46,627	5,90,98,28,759
Fixed Assets	10	7,19,13,038	7,34,38,719
Other Assets	11	51,38,73,446	57,45,69,601
<b>TOTAL</b>		<b>11,87,59,10,609</b>	<b>10,71,70,58,448</b>
Contingent Liabilities	12	6,50,24,77,545	3,70,52,79,658
Bills for Collection		66,08,94,129	34,69,48,137
Significant Accounting Policies	17		
Notes to Accounts	18		

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

(PANKAJ KUMAR)  
DY. GENERAL MANAGER

(PRAFULLA KUMAR SAMAL)  
CHIEF FINANCIAL OFFICER

For and on behalf of the Board of Directors

(NIDHU SAXENA)  
EXECUTIVE DIRECTOR

(RAJNEESH KARNATAK)  
EXECUTIVE DIRECTOR

(NITESH RANJAN)  
EXECUTIVE DIRECTOR

(RAJKIRAN RAI G.)  
MANAGING DIRECTOR & CEO

(SAMEER SHUKLA)  
DIRECTOR

(ARUN KUMAR SINGH)  
DIRECTOR

(SURAJ SRIVASTAVA)  
DIRECTOR

(LAXMAN S UPPAR)  
DIRECTOR

(DR. JAYADEV MADUGULA)  
DIRECTOR

(PRITI JAY RAO)  
DIRECTOR

As per our report of even date attached.

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

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

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

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

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

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

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

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

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

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

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

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

Place of Signature: Mumbai  
Date of Report: 13.05.2022

## Standalone Profit and Loss Account

### For the Year Ended 31<sup>st</sup> March, 2022

(₹ in 000')

Particulars	Schedule Number	For the Year Ended 31 March, 2022	For the Year Ended 31 March, 2021
<b>I. INCOME</b>			
Interest Earned	13	67,94,39,508	68,76,73,349
Other Income	14	12,52,48,172	11,74,44,937
<b>TOTAL</b>		<b>80,46,87,680</b>	<b>80,51,18,286</b>
<b>II. EXPENDITURE</b>			
Interest Expended	15	40,15,74,864	44,07,89,085
Operating Expenses	16	18,43,80,735	16,76,59,928
Provision And Contingencies		16,64,11,123	16,76,09,622
<b>TOTAL</b>		<b>75,23,66,722</b>	<b>77,60,58,635</b>
<b>III. PROFIT/(LOSS) FOR THE YEAR</b>		<b>5,23,20,958</b>	<b>2,90,59,651</b>
ADD : PROFIT/(LOSS) BROUGHT FORWARD		0	0
<b>TOTAL</b>		<b>5,23,20,958</b>	<b>2,90,59,651</b>
<b>IV. APPROPRIATIONS</b>			
Transfer To Statutory Reserve		1,30,80,240	72,64,913
Transfer To Capital Reserve		1,22,12,675	90,01,837
Transfer To Investment Fluctuation Reserve		65,68,682	1,27,92,901
Transfer To Revenue and Other Reserves		22,53,341	-
Transfer To Special Reserve u/s Sec 36(1)(viii)		52,20,000	-
Proposed Dividend		1,29,86,020	-
Balance in Profit and Loss Account		0	0
<b>TOTAL</b>		<b>5,23,20,958</b>	<b>2,90,59,651</b>
EARNINGS PER SHARE (BASIC AND DILUTED) (FV ₹ 10)	18	7.73	4.54
Significant Accounting Policies	17		
Notes To Accounts	18		

The Schedules referred to above form an integral part of the Standalone Profit and Loss Account

(PANKAJ KUMAR)  
DY. GENERAL MANAGER

(PRAFULLA KUMAR SAMAL)  
CHIEF FINANCIAL OFFICER

For and on behalf of the Board of Directors

(NIDHU SAXENA)  
EXECUTIVE DIRECTOR

(RAJNEESH KARNATAK)  
EXECUTIVE DIRECTOR

(NITESH RANJAN)  
EXECUTIVE DIRECTOR

(RAJKIRAN RAI G.)  
MANAGING DIRECTOR & CEO

(SAMEER SHUKLA)  
DIRECTOR

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(SURAJ SRIVASTAVA)  
DIRECTOR

(LAXMAN S UPPAR)  
DIRECTOR

(DR. JAYADEV MADUGULA)  
DIRECTOR

(PRITI JAY RAO)  
DIRECTOR

As per our report of even date attached.

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

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

For M/s C R Sagdeo & Co.  
Chartered Accountants  
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CA P. M. Veeramani  
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Membership No.023933  
UDIN: 22023933AIXFGY6267

CA Giriraj Soni  
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Membership No.109738  
UDIN: 22109738AIXFAO2016

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

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

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

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

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

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

CA Pradeep J. Shetty  
Partner  
Membership No. 046940  
UDIN: 22046940AIXEX08437

Place of Signature: Mumbai  
Date of Report: 13.05.2022

Bank Overview

Notice

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Financial Statements

# Schedules forming part of the Standalone Balance Sheet

As on 31<sup>st</sup> March, 2022

(₹ in 000')

Particulars	As on 31 March, 2022	As on 31 March, 2021
<b>SCHEDULE 1 - CAPITAL :</b>		
<b>I. Authorised :</b>		
10,00,00,00,000 Equity Shares of ₹10 each (Previous Year 10,00,00,00,000 Equity Shares of ₹10 each)	10,00,00,000	10,00,00,000
<b>II. Issued, Subscribed, called up &amp; Paid up :</b>		
i. 570,66,60,850 Equity Shares of ₹10 each, held by Central Government (Previous Year 570,66,60,850 Equity Shares)	5,70,66,609	5,70,66,609
ii. 112,80,86,616 Equity Shares of ₹10 each, held by Public (Previous Year 70,01,83,505 Equity Shares)	1,12,80,866	70,01,835
Less: Calls unpaid	0,000	0,000
Add: Forfeited shares	0,000	0,000
<b>TOTAL</b>	<b>6,83,47,475</b>	<b>6,40,68,444</b>

(₹ in 000')

Particulars	As on 31 March, 2022		As on 31 March, 2021	
<b>SCHEDULE 2 - RESERVES &amp; SURPLUS :</b>				
<b>I. Statutory Reserve :</b>				
As per last balance sheet	13,32,08,662		12,59,43,749	
Addition during the year	1,30,80,239	14,62,88,901	72,64,913	13,32,08,662
<b>II. Capital Reserve :</b>				
i) Revaluation Reserve :				
As per last balance sheet	4,89,84,778		4,99,77,701	
Addition during the year	79,201		40,444	
Deduction during the year	14,93,238		10,33,367	
<b>Total</b>	<b>4,75,70,741</b>		<b>4,89,84,778</b>	
ii) Capital Reserve				
As per last balance sheet	4,67,12,164		3,77,10,327	
Addition during the year	1,22,12,675		90,01,837	
<b>Total</b>	<b>5,89,24,839</b>		<b>4,67,12,164</b>	
iii) Amalgamation Adjustment Reserve	1,30,95,979	11,95,91,559	1,30,95,979	10,87,92,921
<b>III. Share Premium :</b>				
As per last balance sheet	17,32,70,019		50,08,54,966	
Addition during the year	1,01,92,652		0,000	
Deduction during the year	50,871	18,34,11,800	32,75,84,947	17,32,70,019
<b>IV. Revenue and Other Reserves :</b>				
i) Revenue Reserve :				
As per last balance sheet	9,64,54,761		8,25,61,562	
Addition during the year	1,31,16,426		2,64,98,876	
Deduction during the year	11,98,748		1,26,05,677	
<b>Total</b>	<b>10,83,72,439</b>		<b>9,64,54,761</b>	
ii) Special Reserve u/s Sec 36(1)(viii) of the Income Tax Act, 1961				
As per last balance sheet	5,50,78,789		5,50,78,789	
Addition during the year	52,20,000		0,000	
<b>Total</b>	<b>6,02,98,789</b>		<b>5,50,78,789</b>	

(₹ in 000')

Particulars	As on 31 March, 2022		As on 31 March, 2021	
iii) Foreign Currency Translation Reserve				
As per last balance sheet	10,42,370		3,63,866	
Addition during the year	23,859		6,85,434	
Deduction during the year	10,35,910		6,930	
<b>Total</b>	<b>30,319</b>		<b>10,42,370</b>	
iv) Investment Fluctuation Reserve				
As per last balance sheet	1,27,92,901		0,000	
Addition during the year	65,68,682		1,27,92,901	
<b>Total</b>	<b>1,93,61,583</b>		<b>1,27,92,901</b>	
v) Special Reserve Profit on FX Swap	58,485	18,81,21,615	58,485	16,54,27,306
<b>V) Balance in Profit and Loss Account</b>		<b>0,000</b>		<b>0,000</b>
<b>TOTAL</b>		<b>63,74,13,875</b>		<b>58,06,98,908</b>
<b>SCHEDULE 3 - DEPOSITS :</b>				
A.				
I. Demand Deposits				
i) From Banks	81,32,959		76,23,510	
ii) From Others	71,83,91,699	72,65,24,658	62,86,14,209	63,62,37,719
II. Savings Bank Deposits		3,04,54,07,826		2,71,96,80,826
III. Term Deposits				
i) From Banks	2,27,87,325		3,16,45,103	
ii) From Others	6,52,92,06,540	6,55,19,93,865	5,85,04,89,754	5,88,21,34,857
<b>TOTAL</b>		<b>10,32,39,26,349</b>		<b>9,23,80,53,402</b>
B.				
i). Deposits of branches in India		10,32,10,23,919		9,21,62,71,426
ii). Deposits of branches outside India		29,02,430		2,17,81,976
<b>TOTAL</b>		<b>10,32,39,26,349</b>		<b>9,23,80,53,402</b>
<b>SCHEDULE 4 - BORROWINGS :</b>				
A) Borrowings in India				
I. Reserve Bank of India	14,20,90,000		14,20,90,000	
II. Other Banks	1,99,29,833		1,40,00,565	
III. Other Institutions and Agencies	2,98,96,073		2,74,54,914	
IV. Perpetual Bonds- Tier I	8,70,50,000		7,10,50,000	
V. Subordinated Bonds - Tier II	10,05,00,000		10,05,00,000	
VI. 7 Years Infra Bonds	0,000	37,94,65,906	50,01,000	36,00,96,479
B) Borrowings Outside India		13,23,25,069		15,82,74,613
<b>TOTAL</b>		<b>51,17,90,975</b>		<b>51,83,71,092</b>
Secured Borrowings included in (B) I & II above		14,70,29,470		14,20,90,000
<b>SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS :</b>				
I. Bills Payable		2,68,90,202		2,30,30,334
II. Interest Accrued		4,52,33,997		3,13,98,586
III. Others* (Including Provisions)		26,23,07,736		26,14,37,682
<b>TOTAL</b>		<b>33,44,31,935</b>		<b>31,58,66,602</b>
*includes provision for Standard Assets ₹ 6,56,67,690 (Previous Year ₹5,11,29,666)				

(₹ in 000')

Particulars	As on 31 March, 2022		As on 31 March, 2021	
<b>SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA:</b>				
I. Cash in hand (Including Foreign Currency Notes and Gold)		3,78,19,394		3,78,17,879
II. Balances with Reserve Bank of India				
(a) in Current Account		42,33,06,517		34,09,86,734
(b) in Other Accounts		0,000		0,000
<b>TOTAL</b>		<b>46,11,25,911</b>		<b>37,88,04,613</b>
<b>SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE :</b>				
<b>I. Balances with banks in India</b>				
i) Balances with Banks				
a) In Current Accounts	22,24,274		52,33,575	
b) In Other Deposit Accounts	6,08,75,196		7,02,13,074	
ii) Money at Call and short notice				
a) with Banks	0,000		0,000	
b) with Other Institutions	55,41,14,877	61,72,14,347	29,55,40,000	37,09,86,649
<b>II. Outside India</b>				
i) In Current Accounts	29,80,253		22,66,568	
ii) In other Deposit Accounts	11,36,83,072		9,20,45,643	
iii) Money at call & Short Notice	0,000	11,66,63,325	0,000	9,43,12,211
<b>TOTAL</b>		<b>73,38,77,672</b>		<b>46,52,98,860</b>
<b>SCHEDULE 8 - INVESTMENTS :</b>				
<b>I. Investments in India</b>				
i) Government Securities		2,64,16,37,956		2,40,25,37,531
ii) Other Approved Securities		0,000		0,000
iii) Shares		2,30,53,036		2,01,62,150
iv) Debentures and Bonds		69,38,31,055		74,40,56,416
v) Subsidiaries and joint ventures		33,86,095		53,76,479
vi) Others (Commercial Paper, Mutual Funds, Venture Capital, Security Receipt etc.)		9,51,30,775		11,59,47,026
<b>Total</b>		<b>3,45,70,38,917</b>		<b>3,28,80,79,602</b>
<b>II. Investments outside India</b>				
i) Govt. Securities (Including Local Authority)		1,61,01,880		1,48,25,814
ii) Other Investments (Bonds)		4,60,268		7,39,320
iii) Subsidiaries and Joint Ventures		1,14,72,850		1,14,73,160
<b>Total</b>		<b>2,80,34,998</b>		<b>2,70,38,294</b>
<b>TOTAL</b>		<b>3,48,50,73,915</b>		<b>3,31,51,17,896</b>
<b>III. i) Investments in India</b>				
Gross Value		3,51,85,30,523		3,35,03,34,391
Provision for Depreciation		6,14,91,606		6,22,54,789
Net Value		3,45,70,38,917		3,28,80,79,602
<b>ii) Investments outside India</b>				
Gross Value		2,83,51,221		2,70,57,741
Provision for Depreciation		3,16,223		19,447
Net Value		2,80,34,998		2,70,38,294
<b>TOTAL</b>		<b>3,48,50,73,915</b>		<b>3,31,51,17,896</b>



(₹ in 000')

Particulars	As on 31 March, 2022	As on 31 March, 2021
<b>SCHEDULE 9 - ADVANCES (Net)</b>		
<b>A.</b>		
i) Bills purchased and discounted	3,87,09,874	4,11,16,878
ii) Cash Credits, Overdrafts and Loans repayable on demand	2,87,88,96,001	2,66,12,08,397
iii) Term Loans	3,69,24,40,752	3,20,75,03,484
<b>TOTAL</b>	<b>6,61,00,46,627</b>	<b>5,90,98,28,759</b>
<b>B.</b>		
i) Secured by tangible assets*	5,34,44,92,520	5,07,39,93,631
ii) Covered by Bank/Government Guarantees	13,06,61,251	16,51,79,860
iii) Unsecured	1,13,48,92,856	67,06,55,268
<b>TOTAL</b>	<b>6,61,00,46,627</b>	<b>5,90,98,28,759</b>
(* includes advances against Book Debt ₹ 61,83,30,066 (previous year ₹ 59,90,84,207))		
<b>C. Sectorial Classification of Advances</b>		
I. Advances in India:		
i) Priority Sector	2,59,52,39,457	2,52,92,91,622
ii) Public Sector	72,72,96,155	61,06,29,459
iii) Banks	2,22,975	3,07,310
iv) Others	3,13,82,79,933	2,62,93,66,222
<b>TOTAL</b>	<b>6,46,10,38,520</b>	<b>5,76,95,94,613</b>
II. Advances Outside India:		
i) Due From Banks	5,31,10,677	3,41,84,098
ii) Due from Others		
a) Bills Purchased and Discounted	12,11,011	0,000
b) Syndicated loans	5,47,141	11,83,093
c) Others	9,41,39,278	10,48,66,955
<b>TOTAL</b>	<b>14,90,08,107</b>	<b>14,02,34,146</b>
<b>TOTAL</b>	<b>6,61,00,46,627</b>	<b>5,90,98,28,759</b>

(₹ in 000')

Particulars	As on 31 March, 2022		As on 31 March, 2021	
<b>SCHEDULE 10 - FIXED ASSETS :</b>				
<b>A. TANGIBLE ASSETS</b>				
<b>I. Premises</b>				
At cost/valuation as per last balance sheet	8,15,36,732		8,08,23,818	
Additions during the year	6,10,204		7,16,224	
Deduction during the year	12,75,792		3,310	
	8,08,71,144		8,15,36,732	
Less: Depreciation till date	2,63,31,743	<b>5,45,39,401</b>	2,48,41,708	<b>5,66,95,024</b>
<b>II. Capital Work-in-Progress</b>				
At cost as per last balance sheet	6,22,879		5,79,704	
Additions during the year	1,26,601		1,57,093	
Deductions during the year	3,88,483	<b>3,60,997</b>	1,13,918	<b>6,22,879</b>
<b>III. Land</b>				
At cost as per last balance sheet	12,45,683		12,45,683	
Additions during the year	13,08,678		-	
Deductions during the year	55,725		-	
	24,98,636		12,45,683	
Less: Depreciation till date	4,52,022	<b>20,46,614</b>	78,385	<b>11,67,298</b>

(₹ in 000')

Particulars	As on 31 March, 2022		As on 31 March, 2021	
<b>IV. Other Fixed Assets (including Furniture and Fixtures)</b>				
<b>a) Assets given on lease</b>				
At cost as per last balance sheet	2,65,352		2,65,352	
Less: Depreciation till date	2,65,352	-	2,65,352	-
<b>b) Others</b>				
At cost/valuation as per last balance sheet	6,46,03,010		6,20,76,819	
Additions during the year	48,67,443		34,97,487	
Deductions during the year	7,95,520		9,71,296	
	6,86,74,933		6,46,03,010	
Less: Depreciation till date	5,60,79,797	1,25,95,136	5,25,98,644	1,20,04,366
<b>B. INTANGIBLE ASSETS</b>				
Computer Software				
At cost as per last balance sheet	1,12,22,581		85,50,124	
Additions during the year	8,72,637		26,73,629	
Deduction during the Year	11,880		1,172	
	1,20,83,338		1,12,22,581	
Less: Amortisation till date	97,12,448	23,70,890	82,73,429	29,49,152
<b>TOTAL</b>		<b>7,19,13,038</b>		<b>7,34,38,719</b>
<b>SCHEDULE 11 - OTHER ASSETS :</b>				
I. Inter-Office Adjustments (Net)		1,79,97,045		7,34,01,772
II. Interest Accrued		7,68,96,049		6,00,37,714
III. Tax Paid/ Tax deducted at source (Net of provision)		5,39,12,604		6,62,28,752
IV. Stationery and stamps		63,349		68,176
V. Non-Banking assets acquired in satisfaction of claims		1,334		1,238
VI. Others*		21,24,01,949		20,61,34,433
VII. Deferred Tax Assets (Net)		12,29,23,747		15,67,24,947
VIII. MAT Credit Entitlement		2,96,77,369		1,19,72,569
<b>TOTAL</b>		<b>51,38,73,446</b>		<b>57,45,69,601</b>
*Includes Deposit placed with NABARD/ SIDBI/NHB amounting to ₹ 9,64,56,088 (Previous Year ₹ 11,12,93,710)				
<b>SCHEDULE 12 - CONTINGENT LIABILITIES :</b>				
I. Claims against the bank not acknowledged as debts		3,31,30,212		3,73,07,180
II. Liability for partly paid Investments		0,000		5,920
III. Liability on account of outstanding Forward Exchange Contracts		4,36,34,96,833		2,28,99,08,209
IV. Guarantees given on behalf of Constituents				
a) In India	65,35,08,697		663,275,681	
b) Outside India	1,65,75,655	67,00,84,352	13,492,045	67,67,67,726
V. Acceptances, endorsements and other obligations		1,26,92,16,524		52,07,37,119
VI. Disputed Tax demands under appeals		13,77,78,737		15,68,01,095
VII. Amount transferred to DEAF Scheme 2014		2,87,70,887		2,37,52,409
<b>TOTAL</b>		<b>6,50,24,77,545</b>		<b>3,70,52,79,658</b>
Bills for Collection		66,08,94,129		34,69,48,137

## Schedules forming part of the Standalone Profit & Loss Account

For the year ended 31<sup>st</sup> March, 2022

(₹ in 000')

Particulars	For the Year Ended 31 March, 2022	For the Year Ended 31 March, 2021
<b>SCHEDULE 13 - INTEREST EARNED :</b>		
I. Interest/Discount on advances/bills	45,23,55,006	45,76,58,380
II. Income on Investments	19,94,28,382	20,57,37,022
III. Interest on balances with Reserve Bank of India & other Inter Bank Funds	2,14,08,267	1,60,48,797
IV. Others	62,47,853	82,29,149
<b>TOTAL</b>	<b>67,94,39,508</b>	<b>68,76,73,349</b>
<b>SCHEDULE 14 - OTHER INCOME :</b>		
I. Commission, Exchange and Brokerage	1,73,98,170	1,24,19,145
II. Profit on sale of investments (Net)	3,41,11,874	3,65,13,065
III. Profit on revaluation of Investments (Net)	-10,70,995	40,76,402
IV. Profit / (Loss) on sale of land, buildings & other assets (Net)	-3,489	76,136
V. Profit on exchange transactions (Net)	60,80,630	43,36,222
VI. Income earned by way of Dividends, etc from subsidiaries and/or joint ventures abroad/ in India	24,700	0,000
VII. Miscellaneous Income	6,87,07,282	6,00,23,967
<b>TOTAL</b>	<b>12,52,48,172</b>	<b>11,74,44,937</b>
<b>SCHEDULE 15 - INTEREST EXPENDED :</b>		
I. Interest on Deposits	37,45,42,117	40,80,68,450
II. Interest on Reserve Bank of India/Inter-Bank Borrowings	1,05,59,953	1,49,02,542
III. Others	1,64,72,794	1,78,18,093
<b>TOTAL</b>	<b>40,15,74,864</b>	<b>44,07,89,085</b>
<b>SCHEDULE 16 - OPERATING EXPENSES :</b>		
I. Payments to and provisions for employees	10,11,46,061	9,28,36,117
II. Rent, Taxes and Lighting	1,07,06,732	1,10,38,072
III. Printing and Stationery	9,67,655	9,22,049
IV. Advertisement and Publicity	6,13,743	3,11,524
V. Depreciation on Bank's property	73,81,013	89,52,298
VI. Directors' fees, allowances and expenses	8,287	13,326
VII. Auditors' fees and expenses(including branch auditors)	6,30,321	10,55,638
VIII. Law Charges	14,08,632	12,47,733
IX. Postage, Telegrams, Telephones, etc.	31,10,629	23,31,123
X. Repairs and maintenance	32,71,779	35,60,302
XI. Insurance	1,28,77,009	1,26,65,917
XII. Other expenditure	4,22,58,874	3,27,25,828
<b>TOTAL</b>	<b>18,43,80,735</b>	<b>16,76,59,928</b>

Bank Overview

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Financial Statements

## Significant Accounting Policies (Standalone) : Schedule 17

### 1. Basis of Preparation

The financial statements have been prepared in accordance with requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949. The accounting and reporting policies of the Bank used in the preparation of these financial statements conform to Generally Accepted Accounting Principles in India (Indian GAAP), the guidelines issued by Reserve Bank of India (RBI) from time to time and the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI) to the extent applicable and practices generally prevalent in the banking industry in India.

### 2. Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of Assets and Liabilities (including Contingent Liabilities) as of the date of the financial statements and the reported Income and the Expenses during the reporting period. Management believes that the estimates wherever used in the preparation of the financial statements are prudent and reasonable. Difference between the actual results and estimates is recognized in the period in which the results are known / materialized.

### 3. Revenue Recognition

- 3.1. Income and Expenditure have been accounted for on accrual basis unless otherwise stated.
- 3.2. Income on Non-Performing Assets (NPAs) is recognized to the extent realized as per the prudential norms prescribed by the RBI. Income accounted for in the preceding year and remaining unrealized is derecognized in respect of assets classified as NPAs during the year.
- 3.3. Commission on Letter of Guarantee/Letter of Credit is accounted on accrual basis.
- 3.4. Exchange and brokerage earned, rent on Safe Deposit Lockers, income from Aadhaar cards,

Minimum balance charges etc. are accounted for on realization basis.

- 3.5. Income (Other than interest) on investments in "Held to Maturity" (HTM) category acquired at discount to the face value is recognized as follows:
  - 3.5.1. On interest bearing securities, it is recognized only at the time of sale/ redemption.
  - 3.5.2. On Zero- coupon securities, it is accounted for over the balance tenor of the securities on a constant yield basis.
- 3.6. Dividend is accounted on an accrual basis where the right to receive the dividend is established.
- 3.7. Sale of NPAs accounted in terms of extant RBI guidelines.
- 3.8. Interest on Income-tax refunds is accounted for on receipt of Intimation order from the Income Tax Department.

### 4. Appropriation of Recovery :

Appropriation of recoveries from one time settlement & NCLT Resolutions shall be as per terms of sanction. Recoveries other than by way of OTS/NCLT shall be appropriated as under:

- 4.1. When there is no agreement between the debtor and creditor as to how monies paid by the debtor are required to be appropriated by the creditor, the order of appropriation is as under :

#### For Term Loans:

- Towards expenses & costs etc.
- Towards unrecovered interest reversed on the date of NPA.
- Interest held in dummy ledger (unapplied interest).
- Towards arrears of principal/EMI till the date of recovery.
- Towards running ledger balance.

**For Running Accounts:**

- Towards expenses & costs etc.
  - Towards interest held in dummy ledger (unapplied interest) including unrecovered interest reversed at the time of NPA.
  - Towards principal.
- 4.2. In case borrower stipulates terms of appropriation differently than above and if such different terms of appropriation is accepted by Bank then appropriation of recoveries will be as per the accepted terms.
- 4.3. In case of Non Performing Investment recovery will be apportioned as mentioned below:
- a. Towards expenses & costs etc.
  - b. Towards unrecovered interest reversed on the date of NPI.
  - c. Interest held in dummy ledger (unapplied interest).
  - d. Towards arrears of principal/EMI till the date of recovery.
  - e. Towards running ledger balance

**5. Cash Flow Statements:**

Cash Flow statement of the Bank is prepared as per AS-3. Cash Flow statement is mainly classified as:

- 5.1. Cash flow from Operating Activities: This activity includes cash flow generated from Operational activities.
- 5.2. Cash Flow from Investing Activities: This activity includes cash flow generated by investments.
- 5.3. Cash Flow from Financials Activities: This activity includes the cash flow generated from financial instruments.

**6. Investments**

6.1. In conformity with the requirements of Form A of the Third Schedule to the Banking Regulations Act, 1949, Investments are classified as under:

- 6.1.1. Government Securities
- 6.1.2. Other Approved Securities
- 6.1.3. Shares
- 6.1.4. Debentures & Bonds
- 6.1.5. Investments in Subsidiaries & Joint Ventures and
- 6.1.6. Other Investments

The Investment portfolio of the Bank is further classified in accordance with the RBI guidelines contained in Master Circular DoR. MRG.42/21.04.141 /201-22 dated August 25, 2021 into three categories viz.,

- a) Held to Maturity (HTM)
- b) Available for Sale (AFS)
- c) Held for Trading (HFT)

- 6.2. As per RBI guidelines, the following principles have been adopted for the purpose of valuation
  - 6.2.1. Securities held in "HTM" – at acquisition cost.
    - 6.2.1.1. The excess of acquisition cost over the face value is amortized over the remaining period of maturity and in case of discount; it is not recognized as income.
    - 6.2.1.2. Investments in Regional Rural Banks are valued at carrying cost.
    - 6.2.1.3. Investments in Subsidiaries and Joint Ventures are valued at carrying cost.
    - 6.2.1.4. Diminution, other than temporary, in the value of its investment in subsidiaries/joint ventures, which are included in HTM shall be provided for.
  - 6.2.2. Securities held in "AFS" and "HFT" categories
    - 6.2.2.1. Securities held in "AFS" and "HFT" categories are valued classification wise and scrip-wise and net depreciation, if any, in each classification is charged to Profit & Loss account while net appreciation, if any, is ignored.

## 6.2.2.2. Valuation of securities is arrived at as follows:

A	Govt. of India Securities (Central Govt. Securities)	As per quotations put out by Fixed Income Money Market and Derivatives Association (FIMMDA/FBIL)
B	State Development Loans, State Govt. Securities, Securities guaranteed by Central/ State Government, PSU Bonds	On appropriate yield to maturity basis as per FIMMDA/ FBIL guidelines
C	Equity Shares	As per market rates, if quoted, otherwise at Break-up Value, as per latest Audited Balance Sheet (not more than 1 year old). In the absence of both, at 1/- per Company. The break-up Value is computed excluding revaluation reserve.
D	Preference Shares	As per market rates, if quoted, or on appropriate yield to maturity basis not exceeding redemption value as per FIMMDA/FBIL guidelines
E	Debentures/Bonds	As per market rates, if quoted, otherwise on appropriate yield to maturity basis as per FIMMDA/FBIL guidelines.
F	Mutual Funds(MF)	As per stock exchange quotations, if quoted. In case of unquoted units, as per latest Repurchase price declared by concerned MF. In cases where latest repurchase price is not available, as per Net Asset Value (NAV)
G	Treasury Bills / Certificate of Deposits / Commercial Papers	At carrying cost
H	Venture Capital Funds (VCF)	At declared NAV or Breakup NAV as per audited Balance Sheet which is not more than 18 months old. If NAV / audited financial statements are not available for more than 18 months continuously, at 1/- per VCF
I	Security Receipts	At NAV as declared by Securitization Companies

6.3. Interbank/RBI Repo and Interbank/ RBI Reverse Repo transactions are accounted for in accordance with extant RBI guidelines.

6.4. As per the extant RBI guidelines, the shifting of securities from one category to another is accounted for as follows:

6.4.1. From AFS/HFT categories to HTM category, at lower of book value or market value as on the date of shifting. Depreciation, if any, is fully provided for.

6.4.2. From HTM category to AFS/HFT category,

6.4.2.1. If the security is originally placed at discount in HTM category, at acquisition cost / book value.

6.4.2.2. If the security is originally placed at a premium, at amortized cost.

The securities so shifted are revalued immediately and resultant depreciation is fully provided for.

6.4.3. From AFS to HFT category and vice versa, at book value.

6.5. The non-performing investments are identified and depreciation / provision is made as per the extant RBI guidelines.

6.6. Profit / Loss on sale of investments & appreciation/ depreciation of investment in any category are taken to the Profit & Loss account. However, in case of profit on sale of investments in "HTM" category, an equivalent amount (net of taxes and net of transfer to Statutory Reserves) is appropriated to the Capital Reserve account.

6.7. Commission, brokerage, broken period interest etc on securities is debited / credited to Profit & Loss Account.

6.8. Brokerage and STT paid on purchase and sale of Equity is accounted to price of the deal.

6.9. The Amortization of premium on HTM Securities is computed using Straight-line Method.

6.10. The Bank is following weighted average Price (WAP) for accounting of investment portfolio.

6.11. As per the extant RBI guidelines, the Bank follows 'Settlement Date' for accounting of investments transactions.

6.12. Income from the units of Mutual Fund, Venture Capital & Security Receipt is recognized on Cash Basis.

### 6.13. Derivative Contracts

6.13.1. The Interest Rate Swap which hedges interest bearing Asset or Liability are accounted for in the financial statements on accrual basis except the swap designated with an Asset or Liability that is carried at market value or lower of cost or market value. Gains or losses on the termination of swaps are recognized over the shorter of the remaining contractual life of the swap or the remaining life of the Asset / Liability.

6.13.2. Trading swap transactions are marked to market with changes recorded in the financial statements. (profit if any, is ignored)

6.13.3. In the case of option contracts, guidelines issued by Foreign Exchange Dealers Association of India (FEDA) from time to time for recognition of income, premium and discount are being followed.

## 7. Advances

7.1. All advances are classified under four categories:

7.1.1. Standard,

7.1.2. Sub-standard,

7.1.3. Doubtful and

7.1.4. Loss assets.

Provisions required on such advances are made as per the extant prudential norms issued by the RBI in terms of Master Circular DoR No.STR.REC.55/21.04.048/2021-22 dated October 01, 2021 as under:

7.2. Loans and Advances are classified as performing and non-performing, based on the guidelines issued by the RBI. Loan Assets become Non-Performing Assets (NPAs) where:

7.2.1. In respect of term loans, interest and/or instalment of principal remains overdue for a period of more than 90 days;

7.2.2. In respect of Overdraft or Cash Credit advances, the account remains "out of order", i.e.

7.2.2.1. the outstanding balance in the CC/OD account remains continuously in excess of the sanctioned limit/drawing power for 90 days, or the outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but there are no credits continuously for 90 days, or

7.2.2.2. the outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but credits are not enough to cover the interest debited during the previous 90 days period.

7.2.3. In respect of bills purchased/discounted, the bill remains overdue for a period of more than 90 days;

7.2.4. In respect of agricultural advances for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons.

7.2.5. In respect of agricultural advances for long duration crops, where the principal or interest remains overdue for one crop season.

7.2.6. A working capital borrowal account will become NPA if such irregular drawings are permitted in the account for a continuous period of 90 days even though the unit may be working or the borrower's financial position is satisfactory.

7.2.7. In respect of MSME accounts where RBI dispensation benefit is passed on the Bank will adhere to Income Recognition, Asset Classification and Provisioning norms as spelt out RBI circular DBR.No.BP.BC.100/21.04.048/2017-18 dated 7<sup>th</sup> February, 2018 and DBR.No.BP.BC.108/21.04.048/2017/18 dated 6<sup>th</sup> June, 2018.

7.2.8. In respect of MSME accounts which will be restructured in terms of RBI Circular No DOR.No.BP.BC.34/21.04.048/2019-20 February 11, 2020 with reference to Circular No DBR.No.BP.BC.18/21.04.048/2018-19 dated 1<sup>st</sup> January, 2019 and kept in standard category, the Bank shall maintain a provision of 5% in addition to the provision already held. Reversal of said provision shall be made in accordance with the said circular.

- 7.2.9. In terms of RBI guidelines relating to 'Covid 19 Regulatory Package' on Asset Classification and Provisioning dated 27<sup>th</sup> March, 2020, 17<sup>th</sup> April 2020 and 23<sup>rd</sup> May, 2020, the Bank has extended moratorium on payment of instalment and/or interest as applicable, falling due between 1<sup>st</sup> March, 2020 to 31<sup>st</sup> August, 2020 to eligible borrowers classified as standard, even if overdue, as on 29<sup>th</sup> February, 2020 without considering the same as restructuring. Further as per RBI circular no.DOR.No.BP.BC/3/21.04.048/2020-21 & circular no. DOR.No.BP.BC/4/21.04.048/2020-21 dated 06<sup>th</sup> August, 2020, DoR.STR.REC.12/21.04.048/2021-22 & DoR.STR.REC.11/21.04.048/2021-22 dated May 05<sup>th</sup>, 2021 with reference to restructuring of Corporate & Retail Loan, Bank shall maintain necessary provision in this regard.
- 7.3. NPAs are classified into Sub-Standard, Doubtful and Loss Assets, based on the following criteria stipulated by RBI:
- 7.3.1. Sub-standard: A loan asset that has remained non performing for a period less than or equal to 12 months,
- 7.3.2. Doubtful: A loan asset that has remained in the sub-standard category for a period exceeding 12 months,
- 7.3.3. Loss: A loan asset where loss has been identified but the amount has not been fully written off.
- 7.4. Provisions are made for NPAs as per the extant guidelines prescribed by the regulatory authorities, subject to minimum provisions as prescribed below:

Sub-Standard Assets:	i. A general of 15% of the total outstanding ii. Additional provision of 10% for exposures which are unsecured ab-initio; iii. However, Unsecured Exposure, ab-initio, in respect of infrastructure loan accounts where certain safeguards such as escrow accounts are available - 20% (instead of 25% as stated above)
Doubtful-Secured Portion	i. Up to one year – 25% ii. One to three years – 40% iii. More than three years – 100%
Doubtful Unsecured Portion	100%
Loss Asset	100%

- 7.5. Advances are stated net of specific loan loss provisions, Counter cyclical provisioning buffer, Provision for diminution in fair value of restructured advances and unrecovered interest held in Sundry /claims received from Credit Guarantee Trust Fund (CGTF) / Export Credit Guarantee Corporation (ECGC) relating to non-performing assets.
- 7.6. In respect of foreign offices, classification of loans and advances and provisions for NPAs are made as per the local regulations or as per the norms of RBI, whichever is more stringent.
- 7.7. For restructured/rescheduled assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the loan before and after restructuring is provided for, in addition to provision for NPAs.
- 7.8. In the case of loan accounts classified as NPAs, an account may be reclassified as a performing asset if it conforms to the guidelines prescribed by the regulators.
- 7.9. Amounts recovered against debts written off are recognized as revenue in the year of recovery.
- 7.10. The general provision on Standard Advances is held in "Other Liabilities and Provisions" reflected in schedule 5 of the Balance Sheet and is not considered for arriving at both net NPAs and net advances. Standard Assets provision to be made as per IRAC RBI Master Circular RBI/2021-2022/104 DOR.No.STR.REC.55/21.04.048/2021-22 dated October 01,2021 and any subsequent circular issued from time to time.
- 7.11. Provision on Suspense accounts entries outstanding for more than six months are made at 100% except the claim receivable from Govt./ Govt. Bodies like Interest Subsidy on crop loan/ export advance, Pension receivable etc.

## 8. Property, Plant and Equipment

- 8.1. Premises and Other Fixed Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises



of purchase price, eligible borrowing costs and directly attributable costs of bringing the Asset to its working condition for the intended use less trade discounts and rebates. Subsequent expenditure incurred on assets put to use is capitalized only when it increases the future benefits from such assets or their functional capability. Land and Buildings, if revalued are stated at revalued amount. The appreciation on revaluation is credited to Revaluation Reserve and the depreciation provided thereon is deducted there from and shall be credited to Revenue Reserves in terms of revised AS-10 on "Property, Plant and Equipment".

8.2. Depreciation on Fixed Assets is provided for on the Straight Line Method at the rates prescribed in Expenditure Policy of the Bank from time to time. The applicable rates of depreciation are as under:

S. No.	Capital Asset	Useful Life (Years)	Rate in percentage
1	Immovable Property-Land	Not stipulated; accordingly, no depreciation	NIL
2	Building with RCC frame structure (Both Residential & Non residential)	60	1.67
3	Furniture	10	10.00
4	Fixtures	10	10.00
5	Air-conditioning plants (Package & water/air cooled ductable)	10	10.00
6	Split & Window Air conditioners	5	20.00
7	Electrical installation and equipments	5	20.00
8	Solar Power Equipment	15	6.67
9	Elevators & Lifts	15	6.67
10	Civil & Flooring work in leased Premises	5	20.00
11	Telephone Equipment	5	20.00
12	Motor Cycles, Scooters & other mopeds	10	10.00

S. No.	Capital Asset	Useful Life (Years)	Rate in percentage
13	Motor Cars, Motor Lorries and Electrically operated vehicles including battery powered or fuel cell powered vehicles	8	12.50
14	Mobile Phones	3	33.33
15	Generators	15	6.67
16	Office Equipment/ Appliances, SDV lockers, Strong Room door, Cash Safe etc.	5	20.00
17	Computers & computer software forming integral part of hardware	3	33.33
18	ATM & allied items	3	33.33
19	UPS & allied items	5	20.00
20	Servers & Networks	6	16.66
21	End user devices such as desktops, laptops, i-pads, tablets, printer & Scanner, digital watches etc.	3	33.33

8.3. Depreciation on premises is provided on composite cost, wherever the value of Land and Buildings is not separately identifiable.

8.4. Depreciation on Leased assets and Leasehold improvements is recognized on a straight-line basis using rates determined with reference to the primary period of lease.

## 9. Impairment of Assets

Impairment losses (if any) on Fixed Assets (including revalued assets) are recognised in accordance with AS-28 on "Impairment of Assets" issued by the ICAI and charged off to Profit and Loss Account. The carrying costs of assets are reviewed at each Balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying cost of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and

value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying cost of the asset over its remaining useful life. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

## 10. Counter Cyclical Provisioning Buffer

The Bank has a policy of creation and utilization of Counter Cyclical Provisioning Buffer separately for Advances and Investments. The quantum of provision to be created is assessed at the end of each financial year. The counter Cyclical Provisions are utilized only for contingencies under extra ordinary circumstances specified in the policy with prior permission of the RBI.

## 11. Transactions involving Foreign Exchange

Accounting for transactions involving foreign exchange is done in accordance with AS-11 on "The Effects of Changes in Foreign Exchange Rates", issued by the ICAI. In terms of AS-11, the foreign currency operations of the Bank are classified as a) Integral Operations and b) Non Integral Operations.

All overseas branches, offshore banking units, overseas subsidiaries are treated as non- integral operations and domestic operations in foreign exchange and representative offices are treated as integral operations.

### Accounting for Integral operations:

- 11.1. Monetary and Non- Monetary Assets and Liabilities are revalued at the exchange rates notified by FEDAI at the close of the year and resultant gain / loss is recognized in the Profit & Loss Account.
- 11.2. Income & Expenditure items are recognized at the exchange rates prevailing on the date of the transaction.

- 11.3. Forward exchange contracts are recorded at the exchange rate prevailing on the date of commitment. Outstanding forward exchange contracts are revalued at the exchange rates notified by FEDAI for specified maturities and at interpolated rates for contracts of 'in-between' maturities. The resultant gains or losses are recognized in the Profit & Loss account.

- 11.4. Contingent liabilities on account of guarantees, acceptances, endorsements and other obligations are stated at the exchange rates notified by FEDAI at the close of the year.

## 12. Accounting for Non-Integral operations

### 12.1. Revenue Recognition

Income and Expenditure are recognized / accounted for as per the local laws of the respective countries.

### 12.2. Asset Classification and Loan Loss Provisioning

Asset classification and loan loss provisioning are made as per the local laws of the respective countries or as per RBI guidelines whichever is higher.

### 12.3. Fixed Assets and Depreciation

- 12.3.1. Fixed Assets are accounted for at historical cost.

- 12.3.2. Depreciation on Fixed Assets is provided as per the applicable laws of the respective countries.

- 12.4. Assets and Liabilities (monetary and non-monetary as well as Contingent Liabilities) are translated at the closing rates notified by FEDAI at the close of the year.

- 12.5. Income & Expenditure are translated at the quarterly average closing rates notified by FEDAI at the end of respective quarters.

- 12.6. All resulting exchange differences are accumulated in 'Foreign Currency Translation Reserve'.

### 13. Employee Benefits:

#### 13.1. Short Term Employment Benefits:

The undiscounted amounts of short term employee benefits (eg medical benefits) payable wholly within twelve months of rendering the services are treated as short term and recognized during the period in which the employee rendered the service.

#### 13.2. Long term Employee Benefits:

##### 13.2.1. Defined Contribution Plans:

The Bank operates a new pension scheme (NPS) for all officers/employees joining the Bank on or after 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% contribution from the Bank. Pending completion of registration procedures of the employees concerned, these contributions retained with the Bank. The Bank recognizes such annual contributions in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS trust.

##### 13.2.2. Defined Benefit Plan:

Gratuity, Pension and Leave Encashment are defined benefits plans. These are provided for on the basis of an actuarial valuation as per Accounting Standard-15 "Employee Benefit" issued by the Institute of Chartered Accountants of India, made at the end of each financial year, based on the projected unit credit method. Actuarial gains/losses are immediately taken to the Profit & Loss account.

### 14. Segment Reporting

The Bank recognizes the Business segment as the Primary reporting segment and Geographical segment as the Secondary reporting segment, in accordance with the RBI guidelines and in the compliances with the Accounting Standard-17 "Segment Reporting" issued

by the Institute of Chartered Accountants of India. Business segments are classified into

- 14.1. Treasury Operations,
- 14.2. Corporate and Wholesale Banking,
- 14.3. Retail Banking Operations and
- 14.4. Other Banking Operations.

### 15. Lease Transactions

Lease payments for Assets taken on operating lease recognized as an expenses in the profit and loss account on a straight-line basis over the lease term.

### 16. Earnings per Share

The Bank reports the basic and diluted Earnings per Share in accordance with AS 20. Earnings per Share is calculated by dividing the net Profit or Loss (after tax) for the year attributable to the Equity shareholders by the weighted average number of Equity shares outstanding during the year. Diluted earnings per share reflect the potential dilution that could occur if contracts to issue Equity shares were exercised or converted during the year. Diluted earnings per Equity share is calculated by using the weighted average number of Equity shares and dilutive potential Equity shares outstanding as at the year-end.

### 17. Taxation:

This comprises of provision for Income tax and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) as determined in accordance with AS-22 on "Accounting for taxes on Income" issued by the ICAI. Provision for Tax is made for both current and deferred taxes. Current tax is provided on the taxable income using applicable tax rate. Deferred Tax Assets and Deferred Tax Liabilities arising on account of timing differences and which are capable of reversal in subsequent periods are recognized using the tax rates and the tax laws that have been enacted or substantively enacted till the date of the Balance Sheet. Deferred Tax Assets are not recognized unless there is 'reasonable certainty' that sufficient future taxable income will be available against which such Deferred Tax Assets will be realized. In case of carry forward of unabsorbed depreciation and tax losses, Deferred Tax

Assets are recognized only if there is “virtual certainty”.

## 18. Provisions, Contingent Liabilities and Contingent Assets

In terms of AS 29-Provisions, Contingent Liabilities and Contingent Assets issued by the ICAI, the Bank recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may not be realized.

## 19. Share Issue Expenses:

Share Issue expenses are charged to the Share Premium account in terms of Section 52 of the Companies Act, 2013.

## 20. Consolidation of the Accounts:

Bank is having five subsidiaries i.e. Union Asset Management Company Private Limited, Union Trustee Company Private Limited, Union Bank of India (UK) Limited, Andhra Bank Financial Services Limited and UBI Services Ltd.

Bank is having three Joint Ventures i.e. Star Union Dai-ichi Life Insurance Company Ltd., ASREC (India) Ltd. and India International Bank (Malaysia) Berhad.

Bank is having one associate Chaitanya Godavari Grameen Bank.

The consolidated financial statements are prepared on the basis of:

- 20.1. Audited Accounts of the parent bank (Union Bank of India)
- 20.2. Consolidation of Subsidiaries: Line by Line aggregation of the Income/Expenditure/Assets/Liabilities of the subsidiaries with the respective line item of the parent bank, after eliminating all intra-group transactions, unrealized profits/loss in terms of AS 21 on Consolidated Financial

Statements issued by Institute of Chartered Accountants of India (ICAI).

20.3. Consolidation of Associates: The Investment in Associate is accounted for consolidation as per Equity Method in terms of AS 23 on Accounting for Investments in Associates in Consolidated Financial Statement issued by Institute of Chartered Accountants of India (ICAI).

20.4. Consolidation of Joint Ventures: Line by Line consolidation is done with proportionate share in Joint Venture in terms of AS-27 on Financials Reporting in Interest of Joint Venture issued by Institute of Chartered Accountants of India (ICAI).

## SCHEDULE 18 – NOTES TO ACCOUNTS (STANDALONE):

### 1. REGULATORY CAPITAL

The Bank is subjected to Basel III capital adequacy guidelines stipulated by RBI with effect from April 1, 2013. The guidelines provide a transition schedule for Basel III implementation till Oct. 1, 2021. As per RBI Guidelines, Basel III has been completely implemented from Oct. 1, 2021. As per guidelines, the Tier I capital is made up of Common Equity Tier I (CET I) and Additional Tier I Capital (AT 1).

Basel III guidelines require the Bank to maintain minimum capital to Risk Weighted Assets ratio (CRAR) of 11.50% with minimum CET I of 8.00% (inclusive of Capital Conservation Buffer of 2.50%) and minimum Tier I CRAR of 9.50% as at March 31, 2022.

During the year, the Bank has issued additional 42,79,03,111 number of equity shares under Qualified Institutions Placement (QIP) on 21<sup>st</sup> May, 2021 and raised an amount of ₹1,447.17 crore. Accordingly, the shareholding of Government of India in the Bank has reduced to 83.49% as compared to the shareholding of 89.07% as on 31<sup>st</sup> March, 2021. Further, the Bank has also issued Basel III compliant Tier-2 bonds of ₹2,000 Crore & additional Tier-1 Bonds of ₹5,000 crore in tranches and exercised call option for redemption of Basel III compliant Tier-2 bonds of ₹2,000.00 crore & additional Tier-1 Bonds of ₹3,400.00 crore.

## a) Composition of Regulatory Capital:

(₹ in Crore)

Sr. No	Particulars	31.03.2022	31.03.2021
i.	Common Equity Tier 1 capital (CET 1) / Paid up share capital and reserves@ (net of deductions, if any)	58,048.85	50,000.86
ii.	Additional Tier 1 capital/ Other Tier 1 capital	8,539.83	7,089.64
iii.	Tier 1 capital (i + ii)	66,588.68	57,090.50
iv.	Tier 2 capital	12,692.32	12,172.01
v.	Total capital (Tier 1+Tier 2)	79,281.00	69,262.51
vi.	Total Risk Weighted Assets (RWAs)	5,45,922.81	5,51,520.67
vii.	CET 1 Ratio (CET 1 as a percentage of RWAs) / Paid-up share capital and reserves as percentage of RWAs	10.63	9.07
viii.	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	12.20	10.35
ix.	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	2.32	2.21
x.	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	14.52	12.56
xi.	Leverage Ratio	5.17	4.82
xii.	Percentage of the shareholding of a) Government of India b) State Government (specify name) c) Sponsor Bank	83.49 -- --	89.07 -- --
xiii.	Amount of paid-up equity capital raised during the year	1,447.17	--
xiv.	Amount of non-equity Tier 1 capital raised during the year, of which: a) Basel III compliant Perpetual Non-Cumulative Preference Shares b) Basel III compliant Perpetual Debt Instruments	-- 5,000.00	-- 1,705.00
xv.	Amount of Tier 2 capital raised during the year, of which a) Perpetual Cumulative Preference Shares b) Redeemable Non-Cumulative Preference Shares c) Basel III compliant Redeemable non convertible tier II Bonds	-- -- 2,000.00	-- -- 2,000.00

## b) Draw down from Reserves:

During the year 2021-22, the Bank has drawn ₹119.87 crore from other reserves towards unamortized portion of Frauds.

## 2. ASSET LIABILITY MANAGEMENT

## a) Maturity pattern of certain items of assets and liabilities

Current Year 2021-22

(₹ in crore)

	Day 1	2-7 DAYS	8-14 DAYS	15-30 DAYS	31 days-2 months	>2-3 months	>3-6 months	>6 months-1 year	>1-3 years	>3-5 years	> 5 years	TOTAL
Deposits	12,750.62	22,568.14	15,505.37	24,224.17	31,592.76	34,111.25	77,995.40	1,47,057.37	1,20,848.10	86,172.71	4,59,566.76	10,32,392.63
Advances	6,038.86	11,250.55	9,483.94	21,912.53	4,709.33	17,723.78	34,326.71	62,738.47	2,98,295.75	71,329.79	1,23,194.95	6,61,004.66
Investments	1,44,407.71	18,199.02	1,748.39	5,135.88	1,441.91	22,859.62	26,503.85	25,831.24	13,504.34	20,494.70	68,380.73	3,48,507.39
Borrowings	803.30	778.30	602.84	1,132.91	831.74	1,104.87	1,713.57	5,643.17	19,676.78	3,676.24	15,215.38	51,179.10
Foreign currency assets	4,900.56	2,797.74	2,961.84	2,339.01	3,635.01	5,975.17	4,771.74	5,434.65	10,170.15	7,449.49	27.23	50,462.59
Foreign currency liabilities	2,921.98	927.90	1,638.95	1,650.41	1,661.87	3,276.05	3,395.36	5,638.17	6,322.48	6,492.50	265.12	34,190.79

## Previous year 2020-21

(₹ in crore)

	Day 1	2-7 DAYS	8-14 DAYS	15-30 DAYS	31 days-2 months	>2-3 months	>3-6 months	>6 months-1 year	>1-3 years	>3-5 years	> 5 years	TOTAL
Deposits	11,694.42	18,607.02	13,760.66	23,523.19	37,021.49	31,306.22	68,591.32	1,07,186.17	1,08,382.66	73,551.34	4,30,180.85	9,23,805.34
Advances	7,173.12	11,484.58	6,734.08	16,592.79	6,417.73	18,817.87	26,682.54	48,794.25	2,77,422.49	68,391.66	1,02,471.75	5,90,982.88
Investments	1,00,670.43	11,906.20	1,008.94	2,560.90	1,178.82	3,305.04	18,365.60	18,003.07	36,339.39	26,551.54	1,11,621.87	3,31,511.79
Borrowings	802.64	636.06	-	1,146.47	1,932.10	868.80	10,393.24	1,283.94	18,242.36	2,176.49	14,355.00	51,837.11
Foreign currency assets	3,540.66	1,084.56	560.53	2,674.13	2,100.73	1,704.15	2,690.29	9,436.09	9,264.62	5,197.94	3,034.17	41,287.87
Foreign currency liabilities	2,193.50	748.75	85.33	1,707.52	2,406.03	1,013.28	10,709.85	5,877.58	3,320.28	3,688.13	785.01	32,535.26

**b) Liquidity Coverage Ratio**

LCR aims to ensure that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLAs) that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario specified by RBI.

LCR is the ratio of HQLA to Net Cash Outflow.

$$\text{LCR} = \frac{\text{HQLA}}{\text{Net Cash Outflows over 30 days}}$$

Where Net Cash Outflow = Max ((Cash Outflows-Cash Inflows), 25% of Cash Outflow)

Minimum requirement of LCR as stipulated by RBI is 100% for the calendar year 2019 onwards. LCR is applicable to Bank's domestic operations as well as overseas operations.

**High Quality Liquid Assets (HQLA):**

Liquid assets comprise of high quality assets that can be readily sold or used as collateral to obtain funds in a range of stress scenarios. They should be unencumbered i.e. without legal, regulatory or operational impediments. Assets are considered to be high quality liquid assets if they can be easily and immediately converted into cash at little or no loss of value. HQLA is categorized into two : a) Level 1 Assets, and b) Level 2 Assets. Level 2 Assets are further sub divided into Level 2A Assets & Level 2B Assets based on Liquidity & Price Volatility.

Level 1 assets are stock of HQLA without any haircut. Level 1 Assets mainly comprise Cash including excess Cash Reserve Ratio (CRR), Excess SLR (Statutory Liquidity Ratio), Marginal Standing Facility (2% of Net Demand and Time Liability w.e.f. 01<sup>st</sup> January 2022) & FALLCR (15.00% of Net Demand and Time Liability).

A haircut of 15% is applied on current market value of Level 2A asset. Level 2A assets mainly comprise of securities with 20% risk weight. A 50% haircut is applied on current market value of Level 2B asset. Level 2B assets should not be more than 15% of the total stock of HQLA. Level 2B assets mainly comprise Securities with risk weights higher than 20% but not higher than 50%.

### Net Cash Outflows

The total net cash outflows is defined as the total expected cash outflows minus total expected cash inflows. In order to determine cash outflows, the Bank, in terms of RBI guidelines, segregates its deposits into various customer segments, viz Retail (which include deposits from Natural Persons), Small Business Customers (those with total aggregated funding upto ₹7.5 crore) and deposits from Non-Financial Customers (NFC) and Other Legal Entity Customers (OLE). Total expected cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by the rates at which they are expected to flow in, up to an aggregate cap of 75% of total expected cash outflows.

### Brief about LCR of the Bank

The Bank during the three months ended 31<sup>st</sup> March 2022 maintained average HQLA of ₹2,80,230 crore. Level 1 assets are the main drivers of HQLA for the bank. They contribute to 96% of the total stock of HQLA. Based on daily averages for the quarter ended 31<sup>st</sup> March 2022, Facility to avail Liquidity for Liquidity Coverage Ratio constitutes the highest portion to HQLA i.e. around 52% of the total HQLA. Level 2 assets which are lower in quality as compared to Level 1 assets, constitute 4% of the total stock of HQLA against maximum permissible level of 40%.

Bank's exposure is mainly in Indian Rupee. Unsecured wholesale funding constitute major portion of total funding sources. Retail deposits and deposits from small business customers contributed around 22% and 5% of the total weighted cash outflows, respectively. Deposits from non-financial corporates contributed around 38% of the total weighted cash outflows. The other contingent funding obligations primarily include bank guarantees (BGs) and letters of credit (LCs) issued on behalf of the Bank's clients. Inflows by various counterparties contribute around 75% of the total weighted cash inflows.

Bank has calculated LCR for all working days over the March 2022 quarter. The average of the daily observation of 67 data points is calculated. The average LCR for the quarter ended 31<sup>st</sup> March 2022 is 175.38% as against 184.89% for the quarter ended December 2021, and is well above the present minimum requirement prescribed by RBI of 100% for the calendar year 2022.

### Movement of Average LCR during the F.Y 2021-22:

Quarter	June 2021	Sept. 2021	Dec. 2021	March 2022	FY 2021-22
LCR Ratio:	168.64	174.79	184.89	175.38	175.79

## Quantitative Disclosure (Quarter wise)

	March 2021 Quarter		June 2021 Quarter		September 2021 quarter		December 2021 quarter		March 2022 quarter	
	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)
<b>High Quality Liquid Assets</b>										
1 Total High Quality Liquid Assets (HQLA)	2,64,062.48	2,60,800.07	2,75,196.22	2,71,883.86	2,65,905.75	2,62,849.21	2,80,876.87	2,78,152.33	2,80,230.24	2,77,655.44
<b>Cash Outflows</b>										
2 Retail deposits and deposits from small business customers, of which:	5,85,947.32	44,529.63	5,94,625.89	45,368.06	5,99,048.06	45,787.48	6,04,295.74	46,290.18	6,14,334.98	47,119.13
(i) Stable deposits	2,81,301.96	14,065.10	2,81,890.54	14,094.53	2,82,346.59	14,117.33	2,82,787.93	14,139.40	2,86,287.44	14,314.37
(ii) Less stable deposits	3,04,645.36	30,464.54	3,12,735.36	31,273.54	3,16,701.48	31,670.15	3,21,507.81	32,150.78	3,28,047.54	32,804.75
3 Unsecured wholesale funding, of which:	1,80,334.04	89,557.36	2,04,357.24	1,01,394.39	1,91,527.79	96,086.03	1,96,801.51	99,535.59	2,00,598.22	1,01,620.62
(i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-	-	-
(ii) Non-operational deposits (all counterparties)	1,80,334.04	89,557.36	2,04,357.24	1,01,394.39	1,91,527.79	96,086.03	1,96,801.51	99,535.59	2,00,598.22	1,01,620.62
(iii) Unsecured debt	328.26	-	193.83	0.50	72.81	0.95	711.59	-	422.26	7.72
4 Secured wholesale funding	1,47,079.47	18,817.13	1,71,242.05	24,952.04	1,34,084.61	19,434.41	1,19,680.83	17,766.57	1,32,737.42	21,653.42
5 Additional requirements, of which	3.26	3.26	4.29	4.29	1.29	1.29	3.96	3.96	27.26	27.26
(i) Outflows related to derivative exposures and other collateral requirements										
(ii) Outflows related to loss of funding on debt products										
(iii) Credit and liquidity facilities	1,47,076.22	18,813.87	1,71,237.76	24,947.75	1,34,083.32	19,433.12	1,19,676.87	17,762.61	1,32,710.16	21,626.16
6 Other contractual funding obligations	2,403.02	2,403.02	2,811.65	2,811.65	2,902.89	2,902.89	3,309.78	3,309.78	3,201.84	3,201.84
7 Other contingent funding obligations	70,781.69	2,123.52	68,839.14	2,065.72	89,814.09	2,694.72	89,807.54	2,694.65	90,030.40	2,700.94
8 TOTAL CASH OUTFLOWS	9,86,874.20	1,57,431.05	10,42,096.85	1,76,619.41	10,17,476.69	1,66,932.92	10,14,634.53	1,69,624.32	10,41,325.12	1,76,303.66
<b>Cash Inflows</b>										
9 Secured lending (e.g reverse repos)	22,092.64	0.00	23,562.42	0.00	19,302.56	-	32,741.96	-	36,175.58	0.02
10 Inflows from fully performing exposures	2,837.61	2,837.61	4,388.82	4,388.82	17,405.96	12,274.18	19,553.39	14,539.73	18,458.03	13,489.62
11 Other cash inflows	14,986.30	10,513.76	15,775.61	11,006.78	4,278.02	4,278.02	4,644.91	4,644.91	4,499.09	4,499.09
12 TOTAL CASH INFLOWS	39,916.56	13,351.37	43,726.85	15,395.60	40,986.54	16,552.21	56,940.26	19,184.64	59,132.70	17,988.73
13 TOTAL HQLA		2,60,800.07		2,71,883.86		2,62,849.21		2,78,152.33		2,77,655.44
14 TOTAL NET CASH OUTFLOWS		1,44,079.68		1,61,223.81		1,50,380.71		1,50,439.67		1,58,314.93
15 LIQUIDITY COVERAGE RATIO (%)		181.01%		168.64%		174.79%		184.89%		175.38%

(₹ in crore)



### c) Net Stable Funding ratio

#### i) Qualitative Disclosure:

The objective of the Net Stable Funding Ratio (NSFR) is to promote the resilience of bank's liquidity risk profiles and to incentivize a more resilient banking sector over a longer time horizon. The NSFR will require banks to maintain a stable funding profile in the form of Capital & liabilities in relation to the composition of their assets and off-balance sheet activities.

NSFR is defined as the amount of available stable funding relative to the amount of required stable funding.

$$\text{NSFR} = \frac{\text{Available Stable Funding (ASF)}}{\text{Required Stable Funding (RSF)}}$$

RBI issued the regulations on the implementation of the Net Stable Funding Ratio in May 2018 with minimum requirement of equal to at least 100%. The implementation is effective from 1<sup>st</sup> October, 2021. NSFR is applicable to Bank's domestic operations as well as overseas operations and computed at standalone and consolidated level.

Available Stable Funding (ASF) is defined as the portion of capital and liabilities expected to be reliable which is determined by various factor weights according to the nature and maturity of liabilities with liabilities having maturity of 1 year or more receiving 100 weight.

Required Stable Funding (RSF) is defined as the portion of on balance sheet and off-balance sheet exposures which requires to be funded on an ongoing basis. The amount of such stable funding required is a function of the liquidity characteristics and residual maturities of the various assets held.

#### Brief about NSFR of the Bank

The main drivers of the Available Stable Funding (ASF) are the capital base, retail deposit base, and funding from non-financial companies and long-term funding from institutional clients. The capital base formed around 9%, retail deposits (including deposits from small sized business customers) formed 68% and wholesale funding formed 21% of the total Available Stable Funding, after applying the relevant weights.

The Required Stable Funding primarily comprised lending to corporates, retail clients and financial institutions which constituted 82% of the total RSF after applying the relevant weights. The stock of High-Quality Liquid Assets which majorly includes cash and reserve balances with the RBI, government debt issuances attracted no or low amount of stable funding due to their high quality and liquid characteristic. Accordingly, the HQLA constituted only 3% of the Required Stable Funding after applying the relevant weights. Other assets and Contingent funding obligations, such as committed credit facilities, guarantees and letters of credit constituted 15% of the Required Stable Funding.

Bank has maintained comfortable stable funding buffers with Available Stable Funding at consolidated level of ` 90,67,645 Mio against ₹61,51,200 Mio of Required Stable Funding, resulting in a consolidated NSFR of 147.41% as on 31<sup>st</sup> March, 2022.

## ii) Quantitative Disclosure

## NSFR Disclosure Consolidated, March, 2022

(₹ in crore)

Sr. No.	Details	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
<b>ASF Item</b>						
1	Capital: (2+3)	65,865.83	500.00	2,800.00	16,317.85	82,183.68
2	Regulatory capital	65,865.83	0.00	0.00	862.85	66,728.68
3	Other capital instruments	0.00	500.00	2800.00	15,455.00	15,455.00
4	<b>Retail deposits and deposits from small business customers: (5+6)</b>	<b>3,06,015.13</b>	<b>1,23,377.43</b>	<b>1,12,229.03</b>	<b>1,18,948.30</b>	<b>6,15,904.72</b>
5	Stable deposits	1,57,204.34	16,642.91	16,092.51	19,955.67	2,00,398.44
6	Less stable deposits	1,48,810.80	1,06,734.52	96,136.52	98,992.63	4,15,506.28
7	<b>Wholesale funding: (8+9)</b>	<b>71,238.13</b>	<b>1,52,239.14</b>	<b>1,04,620.69</b>	<b>45,879.68</b>	<b>1,88,062.72</b>
8	Operational deposits	0.00	0.00	0.00	0.00	0.00
9	Other wholesale funding	71,238.13	1,52,239.14	1,04,620.69	45,879.68	1,88,062.72
10	<b>Other liabilities: (11+12)</b>	<b>38,317.01</b>	<b>6,967.54</b>	<b>4,843.17</b>	<b>20,613.39</b>	<b>20,613.39</b>
11	NSFR derivative liabilities	0.00	0.00	0.00	0.00	0.00
12	All other liabilities and equity not included in the above categories	38,317.01	6,967.54	4,843.17	20,613.39	20,613.39
13	<b>Total ASF (1+4+7+10)</b>					<b>9,06,764.50</b>
<b>RSF Item</b>						
14	<b>Total NSFR high-quality liquid assets (HQLA)</b>					<b>15,873.09</b>
15	<b>Deposits held at other financial institutions for operational purposes</b>	<b>39.04</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>19.52</b>
16	<b>Performing loans and securities: (17+18+19+21+23)</b>	<b>2,238.58</b>	<b>1,71,639.17</b>	<b>36,535.76</b>	<b>5,58,433.59</b>	<b>5,05,993.64</b>
17	Performing loans to financial institutions secured by Level 1 HQLA	0.00	0.00	0.00	0.00	0.00
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0.00	97,166.19	1,253.47	24,561.57	28,446.79
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	0.00	70,851.92	28,600.27	4,25,903.02	3,89,150.15
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	40,631.05	3,716.58	1,12,683.89	95,418.35
21	Performing residential mortgages, of which:	0.00	53.30	127.95	59,707.96	38,900.80
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	53.30	127.95	59,707.96	38,900.80
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	2,238.58	3,567.75	6,554.07	48,261.04	49,495.90
24	<b>Other assets: (sum of rows 25 to 29)</b>	<b>78,600.04</b>	<b>11,828.54</b>	<b>0.00</b>	<b>1,996.47</b>	<b>87,378.54</b>
25	<b>Physical traded commodities, including gold</b>	<b>0.00</b>				<b>0.00</b>
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		2,012.38	0.00	0.00	1,710.52
27	NSFR derivative assets		173.75	0.00	0.00	173.75
28	NSFR derivative liabilities before deduction of variation margin posted		87.04	0.00	0.00	87.04
29	All other assets not included in the above categories	78,600.04	9,555.37	0.00	1,996.47	85,407.22
30	<b>Off-balance sheet items</b>		<b>1,17,104.57</b>	<b>0.00</b>	<b>0.00</b>	<b>5,855.23</b>
31	<b>Total RSF (14+15+16+24+30)</b>					<b>6,15,120.01</b>
32	<b>Net Stable Funding Ratio (%)</b>					<b>147.41%</b>

## NSFR Disclosure - Consolidated, December 2021

(₹ in crore)

Sr. No.	Details	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
<b>ASF Item</b>						
1	<b>Capital: (2+3)</b>	<b>62,753.57</b>	<b>2,000.00</b>	<b>2,800.00</b>	<b>14,786.49</b>	<b>77,540.06</b>
2	Regulatory capital	62,753.57	0.00	0.00	831.49	63,585.06
3	Other capital instruments	0.00	2,000.00	2,800.00	13,955.00	13,955.00
4	<b>Retail deposits and deposits from small business customers: (5+6)</b>	<b>2,91,263.39</b>	<b>1,18,467.55</b>	<b>1,09,715.66</b>	<b>1,11,179.33</b>	<b>5,87,966.14</b>
5	Stable deposits	1,52,617.66	16,759.49	16,320.58	20,360.22	1,96,773.06
6	Less stable deposits	1,38,645.73	1,01,708.06	93,395.08	90,819.10	3,91,193.08
7	<b>Wholesale funding: (8+9)</b>	<b>55,629.90</b>	<b>1,33,710.15</b>	<b>76,178.98</b>	<b>43,332.48</b>	<b>1,56,424.56</b>
8	Operational deposits	0.00	0.00	0.00	0.00	0.00
9	Other wholesale funding	55,629.90	1,33,710.15	76,178.98	43,332.48	1,56,424.56
10	<b>Other liabilities: (11+12)</b>	<b>41,872.99</b>	<b>11,593.17</b>	<b>3,758.01</b>	<b>19,924.50</b>	<b>19,924.50</b>
11	NSFR derivative liabilities	0.00	0.00	0.00	0.00	0.00
12	All other liabilities and equity not included in the above categories	41,872.99	11,593.17	3,758.01	19,924.50	19,924.50
13	<b>Total ASF (1+4+7+10)</b>					<b>8,41,855.26</b>
<b>RSF Item</b>						
14	<b>Total NSFR high-quality liquid assets (HQLA)</b>					<b>15,136.56</b>
15	<b>Deposits held at other financial institutions for operational purposes</b>	<b>81.40</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>40.70</b>
16	<b>Performing loans and securities: (17+18+19+21+23)</b>	<b>2,687.83</b>	<b>1,16,059.57</b>	<b>35,082.95</b>	<b>5,27,706.01</b>	<b>4,77,359.37</b>
17	Performing loans to financial institutions secured by Level 1 HQLA	0.00	0.00	0.00	0.00	0.00
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0.00	55,981.66	2,680.71	18,102.89	23,076.16
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	0.00	57,154.35	27,380.93	3,81,801.94	3,52,760.45
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	26,427.64	1,452.57	69,858.67	59,348.24
21	Performing residential mortgages, of which:	0.00	444.73	38.28	76,338.52	49,861.54
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	444.73	38.28	76,338.52	49,861.54
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	2,687.83	2,478.84	4,983.02	51,462.66	51,661.21
24	<b>Other assets: (sum of rows 25 to 29)</b>	<b>81,378.60</b>	<b>15,406.78</b>	<b>0.00</b>	<b>2,294.83</b>	<b>92,250.30</b>
25	<b>Physical traded commodities, including gold</b>	<b>0.00</b>				<b>0.00</b>
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		1,849.64	0.00	0.00	1,572.19
27	NSFR derivative assets		214.76	0.00	0.00	214.76
28	NSFR derivative liabilities before deduction of variation margin posted		132.32	0.00	0.00	132.32
29	All other assets not included in the above categories	81,378.60	13,210.06	0.00	2,294.83	90,331.03
30	<b>Off-balance sheet items</b>		<b>2,22,048.26</b>	<b>93.78</b>	<b>0.00</b>	<b>9,301.27</b>
31	<b>Total RSF (14+15+16+24+30)</b>					<b>5,94,088.20</b>
32	<b>Net Stable Funding Ratio (%)</b>					<b>141.71%</b>

### 3. Investments As at 31.03.2022

	Investment portfolio				Investments in India				Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares	Debtures and Bonds	Subsidiaries and/or joint ventures	Others	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total investments outside India			
<b>Held to maturity</b>													
Gross	1,99,238.04	-	59.71	56,762.49	343.61	346.90	2,56,750.75	--	1,148.71	0.40	1,149.11	2,57,899.86	
Less: Provision for non-performing investments (NPI)	-	-	-	(80.00)	(5.00)	-	(85.00)	--	(1.43)	-	(1.43)	(86.43)	
Net	1,99,238.04	-	59.71	56,682.49	338.61	346.90	2,56,665.75	--	1,147.28	0.40	1,147.68	2,57,813.43	
<b>Available for sale</b>													
Gross	65,341.29	-	5,085.76	14,182.17	-	10,908.61	95,517.83	1,640.39	-	45.62	1,686.01	97,203.84	
Less: Provision for depreciation & NPI	-	-	(2,840.17)	(1,481.55)	-	(1,742.43)	(6,064.15)	(30.20)	-	-	(30.20)	(6,094.35)	
Net	65,341.29	-	2,245.59	12,700.62	-	9,166.18	89,453.68	1,610.19	-	45.62	1,655.81	91,109.49	
<b>Held for trading</b>													
Gross	(415.53)	-	-	-	-	-	(415.53)	--	-	-	-	(415.53)	
Less: Provision for depreciation & NPI	-	-	-	-	-	-	0.00	--	-	-	-	-	
Net	(415.53)	-	-	-	-	-	(415.53)	--	-	-	-	(415.53)	
<b>Total Investments</b>	<b>2,64,163.80</b>	<b>0.00</b>	<b>5,145.47</b>	<b>70,944.66</b>	<b>343.61</b>	<b>11,255.51</b>	<b>3,51,853.04</b>	<b>1,640.39</b>	<b>1,148.71</b>	<b>46.02</b>	<b>2,835.12</b>	<b>3,54,688.16</b>	
Less: Provision for NPI	-	-	-	(80.00)	(5.00)	-	(85.00)	-	(1.43)	-	(1.43)	(86.43)	
Less: Provision for depreciation & NPI	-	-	(2,840.17)	(1,481.55)	-	(1,742.43)	(6,064.15)	(30.20)	-	-	(30.20)	(6,094.35)	
Net	2,64,163.80	0.00	2,305.30	69,383.11	338.61	9,513.08	3,45,703.90	1,610.19	1,147.28	46.02	2,803.49	3,48,507.39	

#### Note:

- Provision provided in Subsidiaries and/or Joint Venture (in India & outside India) is on account of Standard MTM and not NPI.
- Provision for Non-performing investments includes only Held to Maturity Category.
- Provision for depreciation and NPI includes Available for sale and Held for Trading Category.
- After selling 21% stake in IndiaFirst Life Insurance Co. Ltd, our holding has come down to 9%. Hence, the same is classified in Equity Private (HTM) instead of Subidiary & JV

As at 31.03.2021 (₹ in crore)

	Investments in India						Investments outside India				Total Investments	
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others		Total investments outside India
<b>Held to maturity</b>												
Gross	1,90,986.93	-	-	58,926.19	542.65	231.72	2,50,687.49	--	1,148.71	0.40	1,149.11	2,51,836.60
Less: Provision for non-performing investments (NPI)	-	-	-	(30.00)	(5.00)	-	(35.00)	--	(1.39)	-	(1.39)	(36.39)
Net	1,90,986.93	-	-	58,896.19	537.65	231.72	2,50,652.49	--	1,147.32	0.40	1,147.72	2,51,800.21
Available for sale												
Gross	49,202.14	-	5,103.61	16,927.41	-	12,953.94	84,187.10	1,483.13	-	73.53	1,556.67	85,743.77
Less: Provision for depreciation & NPI	(44.16)	-	(3,087.40)	(1,467.95)	-	(1,590.96)	(6,190.47)	(0.55)	-	-	(0.55)	(6,191.02)
Net	49,157.98	-	2,016.21	15,459.46	-	11,362.98	77,996.63	1,482.58	-	73.53	1,556.12	79,552.75
<b>Held for trading</b>												
Gross	108.84	-	-	50.00	-	-	158.84	-	-	-	-	158.84
Less: Provision for depreciation & NPI	-	-	-	(0.01)	-	-	(0.01)	-	-	-	0.00	0.01
Net	108.84	-	-	49.99	-	-	158.83	-	-	-	-	158.83
<b>Total Investments</b>	<b>2,40,297.91</b>	<b>-</b>	<b>5,103.61</b>	<b>75,903.60</b>	<b>542.65</b>	<b>13,185.66</b>	<b>3,35,033.44</b>	<b>1,483.13</b>	<b>1,148.71</b>	<b>73.93</b>	<b>2,705.78</b>	<b>3,37,739.22</b>
Less: Provision for NPI	-	-	-	(30.00)	(5.00)	-	(35.00)	-	(1.39)	-	(1.39)	(36.39)
Less: Provision for depreciation & NPI	(44.16)	-	(3,087.40)	(1,467.96)	-	(1,590.96)	(6,190.48)	(0.55)	-	-	(0.55)	(6,191.03)
Net	2,40,253.75	0.00	2,016.21	74,405.64	537.65	11,594.70	3,28,807.96	1,482.58	1,147.32	73.93	2,703.84	3,31,511.80

**Note:**

1. Provision provided in Subsidiaries and/or Joint Venture (in India & outside India) is on account of Standard MTM and not NPI.
2. Provision for Non-performing investments includes only Held to Maturity Category.
3. Provision for depreciation and NPI includes Available for sale and Held for Trading Category.

## b) Movements of Provisions for Depreciation and Investment Fluctuation Reserve

		(₹ in Crore)	
	Particulars	2021-2022	2020-2021
i)	Movement of provisions held towards depreciation on investments		
	a) Opening Balance	6,227.42	6,316.07
	b) Add: Provisions made during the year	631.98	762.72
	c) Less: Write off / Write back of excess provisions during the year	678.07	851.37
	d) Closing Balance	6,181.33	6,227.42
ii)	Movement of Investment Fluctuation Reserve		
	a) Opening Balance	1,279.29	0.00
	b) Add: Amount transferred during the year	656.87	1,279.29
	c) Less: Drawdown	0.00	0.00
	d) Closing Balance	1,936.16	1,279.29
iii)	Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category	2.00	1.64

## c) Sale and transfers to/from HTM category

The Bank has not made sales and transfers to/from HTM category during the financial year 2021 - 22 exceeding 5 per cent of the book value of investments held in HTM category at the beginning of the year. The 5 per cent threshold to above will exclude:

- i) The one-time transfer of securities to/from HTM category with the approval of Board of Directors permitted to be undertaken by banks at the beginning of the accounting year.
- ii) Direct sale from HTM for bringing down SLR holding in HTM category consequent to a downward revision in SLR requirements by RBI.
- iii) Sale to Reserve Bank of India under liquidity management operations of RBI like Open Market Operations (OMO) and the Government securities acquisition program (GSAP).
- iv) Repurchase of Government Securities by Government of India from banks under buyback / switch operations.
- v) Repurchase of State Development Loans by respective state governments under buyback / switch operations.
- vi) Additional shifting of securities explicitly permitted by the Reserve Bank of India.

## d) Non-SLR investment portfolio

## i) Non-performing non-SLR investments

		(₹ in Crore)	
S. no.	Particulars	2021-2022	2020-2021
a)	Opening Balance	4,811.06	4,637.92
b)	Additions during the year since 1 <sup>st</sup> April	566.54	932.60
c)	Reductions during the above period	945.91	759.46
d)	Closing balance	4,431.69	4,811.06
e)	Total provisions held	4,036.84	4,091.41

## ii) Issuer composition of non-SLR investments

The issuer composition of investments in securities, other than government and other approved securities is given below:

(₹ in crore)

Sl. no.	Issuer	Amount		Extent of Private Placement		Extent of Below Investment Grade Securities		Extent of Unrated Securities		Extent of Unlisted Securities	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
a)	PSUs	4,071.94	5,611.24	1,170.10	1,135.01		-	3,197.29	3,392.83	22.83	22.83
b)	FIs	2,695.24	5,283.22	595.68	214.36		-		-		-
c)	Banks	2,057.83	1,938.63	1,850.15	598.43		-		-		-
d)	Private Corporate	29,301.27	29,878.49	24,005.23	19,378.01	456.28	944.62	413.54	216.39	138.94	33.75
e)	Subsidiaries/ Joint Ventures	1,492.32	1,691.36	1,492.32	1,691.36						
f)	Others	50,905.77	53,038.37	47,310.71	47,277.50		-		-		-
g)	Provision held towards depreciation	(6,150.58)	(6,182.71)		-						
	<b>TOTAL</b>	<b>84,373.79</b>	<b>91,258.60</b>	<b>76,424.19</b>	<b>70,294.67</b>	<b>456.28</b>	<b>944.62</b>	<b>3610.83</b>	<b>3609.22</b>	<b>161.77</b>	<b>56.58</b>

## e) Repo Transactions (in face value terms)

The following tables set forth for the periods indicated, the details of securities sold and purchased under repo and reverse repo transactions respectively including transactions under Liquidity Adjustment Facility (LAF) and Marginal Standing Facility (MSF).

(₹ in crore)

	Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on 31.03.2022
<b>i)</b>	<b>Securities sold under Repo</b>				
	a) Government securities	14,387.54	15,973.43	14,893.63	15,365.43
	b) Corporate debt securities	--	--	--	--
	c) Any other securities	0.00	10.33	8.15	10.33
<b>ii)</b>	<b>Securities purchased under Reverse Repo</b>				
	a) Government securities	1,010.00	59,931.00	27,275.09	52,245.60
	b) Corporate debt securities	--	--	--	--
	c) Any other securities	--	--	--	--

- f) Profit of ₹2,120.13 Crore (previous year ₹1,844.94 crore) on sale of "Held to Maturity" category securities has been taken to profit and loss account initially.
- g) In respect of "Held to Maturity" category, the excess of acquisition cost over face value of the securities amortized during the year amounted to ₹719.79 crore (previous year ₹703.10 Crore).
- h) Total investments made in shares, convertible debentures and units of equity linked mutual funds / venture capital funds and also advances against shares aggregate to ₹2,523.77 crore (previous year ₹2,387.17 crore).

#### 4. Asset Quality

##### a) Classification of advances and provisions held

(₹ in crore)

FY 2021-22	Standard	Non-performing			Total Non-Performing Advances	Total
	Total Standard Advances	Sub-standard	Doubtful	Loss		
<b>Gross Standard Advances and NPAs</b>						
Opening Balance	5,63,896.13	13,489.56	50,540.50	25,758.14	89,788.20	6,53,684.33
Add: Additions during the year					22,877.39	22,877.39
<b>Less: Reductions during the year*</b>					<b>33,078.53</b>	<b>33,078.53</b>
Closing balance	6,36,820.81	11,040.55	49,449.47	19,097.04	79,587.07	7,16,407.87
*Reductions in Gross NPAs due to:					33,078.53	33,078.53
i) Upgradation					7,742.82	7,742.82
ii) Recoveries (excluding recoveries from upgraded accounts)					5,851.28	5,851.28
iii) Technical/ Prudential Write-offs					18,025.70	18,025.70
iv) Write-offs other than those under (iii) above					1,458.73	1,458.73
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	5,112.97	2,272.67	34,896.24	24,679.04	61,847.95	66,960.92
Add: Fresh provisions made during the year					11,919.46	11,919.46
Less: Excess provision reversed/ Write-off loans					19,110.88	19,110.88
Closing balance of provisions held	6,566.77	2,377.63	33,650.81	18,628.10	54,656.53	61,223.30
Amount kept in Sundry Deposits-ECGC Claim received/Recovery in suit filed accounts/ sacrifice in restructured NPA accounts					627.24	627.24
<b>Net NPAs</b>						
Opening Balance		11,197.34	15,165.99	917.19	27,280.52	27,280.52
Add: Fresh additions during the year					10,986.46	10,986.46
Less: Reductions during the year					13,963.68	13,963.68
Closing Balance		8,659.30	15,524.13	119.87	24,303.30	24,303.30
<b>Floating Provisions</b>						
Opening balance						306.20
Add: Fresh provisions made during the year						--
Less: Amount draw down during the year						306.20
Closing balance of floating provisions						Nil
<b>Technical write-offs and the recoveries made thereon</b>						
Opening Balance of Technical write-offs/ Prudential written off accounts						55,877.88
Add: Technical/Prudential write-off during the year						17,611.07
Less: Recoveries made from previously Technical/Prudential written-off accounts during the year						4,808.52
Closing Balance						68,680.43



(₹ in crore)

FY 2020-21	Standard	Non-performing			Total Non-Performing Advances	Total
	Total Standard Advances	Sub-standard	Doubtful	Loss		
<b>Gross Standard Advances and NPAs</b>						
Opening Balance	5,68,924.76	16,188.46	60,352.10	20,651.98	97,192.54	6,66,117.30
Add: Additions during the year					17,442.68	17,442.68
Less: Reductions during the year*					24,847.02	24,847.02
Closing balance	5,63,896.13	13,489.56	50,540.50	25,758.14	89,788.20	6,53,684.33
*Reductions in Gross NPAs due to:					24,847.02	24,847.02
i) Upgradation					2,674.49	2,674.49
ii) Recoveries (excluding recoveries from upgraded accounts)					5,189.88	5,189.88
iii) Technical/ Prudential Write-offs					14,746.88	14,746.88
iv) Write-offs other than those under (iii) above					2,235.77	2,235.77
<b>Provisions (excluding Floating Provisions)</b>						
Opening balance of provisions held					65,229.57	65,229.57
Add: Fresh provisions made during the year					13,912.19	13,912.19
Less: Excess provision reversed/ Write-off loans					17,293.81	17,293.81
Closing balance of provisions held	5,112.97	2,272.67	34,896.24	24,679.04	61,847.95	66,960.92
Amount kept in Sundry Deposits-ECGC Claim received/Recovery in suit filed accounts/sacrifice in restructured NPA accounts/floating provision					659.73	659.73
<b>Net NPAs</b>						
Opening Balance					31,324.63	31,324.63
Add: Fresh additions during the year					14,406.62	14,406.62
Less: Reductions during the year					18,450.73	18,450.73
Closing Balance		11,197.34	15,165.99	917.19	27,280.52	27,280.52
<b>Floating Provisions</b>						
Opening balance						306.20
Add: Fresh provisions made during the year						--
Less: Amount draw down during the year						--
Closing balance of floating provisions						306.20
<b>Technical write-offs and the recoveries made thereon</b>						
Opening Balance of Technical write-offs/ Prudential written off accounts						46,139.52
Add: Technical / Prudential write-off during the year						14,746.88
Less: Recoveries made from previously Technical / Prudential written-off accounts during the year						5,008.52
Closing Balance						55,877.88

Ratios (in per cent)	2021-2022	2020-2021
Gross NPA to Gross Advances	11.11	13.74
Net NPA to Net Advances	3.68	4.62
Provision coverage ratio	83.61	81.27

**Note:** As per RBI notification RBI/2021-22/28 DOR.STR.REC.10/21.04.048/2021-22 dated May 5, 2021, Banks are permitted to utilize 100% of floating provision/countercyclical provisioning buffer held by them as on December 31, 2020 for making specific provisions for NPAs with the prior approval of their respective Boards. The Bank has obtained requisite prior approval from its Board of Directors and has utilized floating provision amounting to ₹306.20 Crore towards making specific NPA provision during the quarter/year ended March 31, 2022.

## b) Sector-wise Advances and Gross NPAs

(₹ in crore)

Sr. No.	Sector	2021-22			2020-21		
		Outstanding Total Advances	Gross NPA	Percentage of Gross NPAs to total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to total Advances in that sector
<b>i)</b>	<b>Priority Sector</b>						
a)	Agriculture and allied activities	1,24,395.26	13,543.61	10.89	116,944.15	14,379.97	12.30
b)	Advances to industries sector eligible as priority sector lending	39,765.31	8,167.11	20.54	42,785.42	10,124.17	23.66
c)	Services	75,149.63	13,349.25	17.76	79,639.65	14,899.51	18.71
d)	Personal loans	39,275.53	2,098.46	5.34	40,258.40	2,389.44	5.94
	<b>Sub-total (i)</b>	<b>2,78,585.73</b>	<b>37,158.43</b>	<b>13.34</b>	<b>2,79,627.62</b>	<b>41,793.09</b>	<b>14.95</b>
<b>ii)</b>	<b>Non Priority Sector</b>						
a)	Agriculture and allied activities	8,696.56	1,863.22	21.42	3193.75	126.81	3.97
b)	Industry	1,43,378.04	20,574.40	14.35	1,26,763.50	26,357.31	20.79
c)	Services	1,65,324.21	13,950.23	8.44	1,14,066.55	13,757.81	12.06
d)	Personal loans	1,20,423.35	6,040.79	5.02	1,30,032.91	7,753.18	5.96
	<b>Sub-total (ii)</b>	<b>4,37,822.16</b>	<b>4,24,28.64</b>	<b>9.69</b>	<b>3,74,056.71</b>	<b>47,995.11</b>	<b>12.83</b>
	<b>Total (i+ii)</b>	<b>7,16,407.88</b>	<b>79,587.07</b>	<b>11.11</b>	<b>6,53,684.33</b>	<b>89,788.20</b>	<b>13.74</b>

Details of industry wherein Sub-sector advances is more than 10% of the total advances of industry sector:

Sr. No.	Industry	FY 2021-22			FY 2020-21		
		Outstanding Total Advances	Gross NPA	Percentage of Gross NPAs to total Advances in that sector	Outstanding Total Advances	Gross NPA	Percentage of Gross NPAs to total Advances in that sector
i	Basic Metals & Metal products	16,014	4,557	28.46	23,567	3,376	14.33
ii	Construction	40,734	8,898	21.84	49,592	8,415	16.97
iii	Food manufacturing & processing	18,758	5,101	27.19	20,479	4,439	21.68

## c) OVERSEAS ASSETS, NPAs AND REVENUE

(₹ in crore)

Particulars	31.03.2022	31.03.2021
Total Assets	26,418.31	23,148.91
Total NPAs	2,265.25	2,545.74
Total Revenue	426.24	564.94

## d) (i) Particulars of resolution plan and restructuring under RBI circular DBR.No..BP.BC.45/31.04.048/2018-19 dated June 7, 2019:

(₹ in crore)

Particulars	No. of accounts	Investment value	Provision Held
Debt converted into Equity Based on RBI June 2019 Circular	4	36.31	30.01

## ii) Details of accounts subjected to restructuring

(₹ in crore)

Standard		Agriculture and allied activities		Corporates (excluding MSME)		Micro, Small and Medium Enterprises (MSME)		Retail (excluding agriculture and MSME)		Total	
		Mar-21	Mar-22	Mar-21	Mar-22	Mar-21	Mar-22	Mar-21	Mar-22	Mar-21	Mar-22
Standard	Number of borrowers	455	6,683	11	32	1,25,209	1,05,979	31,416	70,032	1,57,091	1,82,926
	Gross Amount	20.00	332.44	2,346.09	9,246.36	4,971.50	5,707.11	3,824.40	9,533.55	11,161.98	24,819.45
	Provision held	0.52	32.64	148.98	673.44	186.68	435.10	317.83	949.69	654.01	2,090.87
Substandard	Number of borrowers	70	579	0.00	2	16,383	34,772	532	3,088	16,985	38,441
	Gross Amount	4.92	14.45	0.00	72.94	799.37	1,008.81	129.27	298.33	933.56	1,394.52
	Provision held	0.75	2.24	0.00	13.15	120.98	160.32	19.60	46.61	141.33	222.32
Doubtful	Number of borrowers	1368	1224	87	67	8,784	21,852	863	1,202	11,102	24,345
	Gross Amount	220.96	207.61	11,300.20	10,144.05	1,653.15	2,032.77	30.02	153.34	13,204.34	12,537.77
	Provision held	190.63	172.95	10,847.35	8,817.41	1,208.40	1,349.91	20.87	88.94	12,267.25	10,429.20
Loss	Number of borrowers	27	54	66	59	241	2,144	158	1,814	492	4,071
	Gross Amount	99.11	171.34	5,966.81	6,972.99	452	564.96	8.38	89.14	6,526.29	7,798.43
	Provision held	99.11	171.31	5,676.18	6,968.74	451.36	567.01	7.73	89.00	6,234.38	7,796.06
Total	Number of borrowers	1920	8740	164	160	1,50,617	1,64,747	32,969	76,136	1,85,670	2,49,783
	Gross Amount	344.99	725.83	19,613.10	26,436.34	7,876.02	9,313.65	3,992.07	10,074.36	31,826.18	46,550.18
	Provision held	291.01	379.13	16,672.51	16,472.75	1,967.42	2,512.33	366.03	1,174.23	19,296.97	20,538.45

**Divergence is asset classification and provisioning**

- e) In terms of RBI circular DBR.BP.BC.No. 32/21.04.018/2018-19 dated 1<sup>st</sup> April, 2019, the Bank should disclose the divergence, resulting due to RBI's Supervisory Program for Assessment of Risk and Capital, wherever either or both of the following conditions are satisfied:
- The additional provisioning for NPAs assessed by RBI exceeds 10 percent of the reported profit before provisions and contingencies for the reference period, and;
  - The additional Gross NPAs identified by RBI exceeds 15 percent of the published incremental Gross NPAs for the reference period.

As the divergence are within the prescribed threshold limit, hence no disclosure is required with respect to RBI's annual supervisory process for the FY 2020-21.

**f) Disclosure of transfer of loan exposure:**

- i. The Bank has not transferred any loans not in default during FY 2021-22.
- ii. Details of loans not in default acquired through assignment are given below

Particulars	(₹ in crore)	
	2021-22	2020-21
Aggregate Amount of Loans acquired	1,962.42	--
Weighted average residual maturity (in months)	144.00	--
Weighted average holding period by originator (in months)	20.42	--
Retention of beneficial economic interest by the originator	10.00%	--
Tangible Security Coverage	273.96%	--

The loans acquired are not rated as these are to Non-corporate Borrowers.

- iii. The Bank has not acquired any non-performing assets during FY 2021-22.
- iv. Details of non-performing loans transferred are given below:

**FY 2021-22**

(Amount in ₹ crore)

Particulars	To ARCs	To permitted transferees	To other transferees (please specify)
No. of accounts	8	Nil	Nil
Aggregate principal outstanding of loans transferred	1,181.38		
Weighted average residual tenor of the loans transferred	Nil		
Net book value of loans transferred (at the time of transfer)	108.59		
Aggregate consideration	623.60		
Additional consideration realized in respect of accounts transferred in earlier years	28.52		

**FY 2020-21**

(Amount in ₹ crore)

Particulars	To ARCs	To permitted transferees	To other transferees (please specify)
No. of accounts	3	Nil	Nil
Aggregate principal outstanding of loans transferred	365.62		
Weighted average residual tenor of the loans transferred	Nil		
Net book value of loans transferred (at the time of transfer)	46.22		
Aggregate consideration	188.46		
Additional consideration realized in respect of accounts transferred in earlier years	Nil		

Note: During the year, excess provision of ₹511.10 crore (PY ₹163.12 crore) was reversed to profit & loss account on account of sale of stressed asset.

- v. Distribution of the SRs held across the various categories of Recovery Ratings assigned to such SRs by the credit rating agencies as on 31<sup>st</sup> March, 2022 are as under:

Recovery Rating Band	Book Value (₹ in crore)	
	As on 31.03.2022	As on 31.03.2021
RR1+	12.33	14.58
RR1	878.44	824.04
RR2	303.07	534.67
RR3	148.63	254.89
RR4	382.41	331.60
RR5	376.79	261.89
RR6	25.30	17.49
Unrated	78.23	79.39
<b>Total</b>	<b>2,205.20</b>	<b>2,318.55</b>

No new SR is added in the SR portfolio during the FY ending 31<sup>st</sup> March, 2022.

g) **Fraud Accounts**

Particulars	(₹ in crore)	
	31.03.2022	31.03.2021
Number of frauds reported	638	579
Amount involved in fraud	3,942.37	12,791.43
Amount of Provision made for such frauds	3,554.83	9,830.78
Amount of Unamortized Provision debited from "other reserve" as at the end of Year	119.87	937.89

- h) Details of resolution plan implemented under Resolution framework for Covid 19 related stress as per RBI circular dtd. 6<sup>th</sup> August 2020 and 5<sup>th</sup> May, 2021 are as below:

Type of borrower	(₹ in crore)				
	(A) Exposure to accounts classified as standard consequent to implementation of resolution plan- position as at 30.09.21 (A)	(B) of (A) aggregate debt that slipped into NPA during the half-year	(C) Of (A), Amount written off during the half year	(D) Of (A) amount paid by the borrower during the half year	(E) Exposure to accounts classified as standard consequent to implementation of resolution plan- position as at 31.03.2022
Personal Loans	9,689.80	223.77	-	222.72	9,243.31
Corporate persons	8,188.63	2,036.67	-	429.90	5,659.06
Of which, MSMEs	302.85	0.00	-	9.92	292.93
Others	340.51	11.68	-	2.24	326.59
<b>Total</b>	<b>18,218.94</b>	<b>2,272.12</b>	<b>-</b>	<b>717.86</b>	<b>15,228.96</b>

- i) In terms of RBI Circular No. DBR.BP.BC.18/21.04.048/2018-19 dated 1<sup>st</sup> January, 2019, DOR.No. BP.BC.34/21.04.048/2019-20 dated 11th February, 2020, DOR.No.BP.BC/4/21.04.048/2020-21 dated 6<sup>th</sup> August, 2020 and DOR.STR.REC.12/21.04.048/2021-22 dated 5<sup>th</sup> May, 2021 on "Restructuring of Advances – Micro, Small & Medium Enterprises (MSME) Sector (One Time Restructuring)", the Bank has restructured the MSME borrower accounts as under:

No of Accounts restructured	₹ in Crore
1,65,685	7,356.71

- j) In terms of RBI circular no. DOR.STR.REC.11/21.04.048/2021-22 dated 05.05.2021 under Resolution Framework 2.0 for Individuals & Small Business, the details are as under:

Sector	Position as of 31.03.2022	
	No. of borrowers	Amount in ₹ crore
Personal & Small Business	47810	6371.65
Agri/Allied	7465	372.84
<b>Total</b>	<b>55275</b>	<b>6744.49</b>

- k) In terms of RBI Circular DBR.No.BP.BC.45/21.04.048/2018-19 dated 7<sup>th</sup> June, 2019 on Prudential Framework for Resolution of Stressed Assets, the bank is holding provision as on 31<sup>st</sup> March, 2022 in 12 accounts as detailed below:

(₹ in crore)

Amount of loans impacted by RBI circular	Amount of loans to be classified as NPA	Amount of loans as on 31.03.2022 out of (B) to be classified as NPA	Provisions required for loans covered under RBI circular out of (A)	Provision held on 31.03.2022
(A)	(B)	(C)	(D)	(E)
3,893.04	2,665.83	2,665.83	1,219.13	1,219.13

- l) As per RBI circular No. DBR No. BP. 15199/21.04.048/2016-17 and DBR No. BP. 1906/21.04.048/2016-17 dated June 23, 2017 and August 28, 2017 respectively, for the accounts covered under the provisions of the Insolvency and Bankruptcy Code (IBC), the Bank has made a total provision of ₹ 13,756 Crore covering 100% of the total outstanding as on 31<sup>st</sup> March, 2022.

## 5. EXPOSURES

- a) Exposure to Real Estate Sector

(₹ in crore)

Sr. No.	Category	31.03.2022	31.03.2021
i)	<b>Direct exposure</b>	<b>91,038.56</b>	92,742.69
a)	Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; - Out of the above, individual housing loan eligible for inclusion in Priority Sector Advances	76,189.00 34,702.00	78,513.68 38,020.20
b)	Commercial Real Estate – lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) Exposure would also include non-fund based (NFB) limits.	14849.56	14,229.01

(₹ in crore)

Sr. No.	Category	31.03.2022	31.03.2021
c)	Investments in Mortgage Backed Securities (MBS) and other securitized exposures - i. Residential, ii. Commercial Real Estate.	Nil Nil	Nil Nil
ii)	<b>Indirect Exposure</b> Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	44,862.16	35,195.26
	<b>Total Exposure to Real Estate Sector</b>	<b>1,35,900.72</b>	<b>1,27,937.95</b>

## b) Exposure to Capital Market

(₹ in crore)

Sr. No.	Category	31.03.2022	31.03.2021
i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity – oriented mutual funds the corpus of which is not exclusively invested in corporate debt.	1,364.85	1,284.63
ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures and units of equity oriented mutual funds	1.32	6.45
iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	319.28	372.31
iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds/ convertible debentures/ units of equity oriented mutual funds does not fully cover the advances	825.61	1,264.64
v)	Secured and unsecured advances to stock brokers and guarantees issued on behalf of stock brokers and market makers	393.50	452.23
vi)	Loans sanctioned to corporate against the security of shares /bonds/ debentures or other securities or on clean basis for meeting promoter contribution to the equity of new companies in anticipation of raising resources	--	25.00
vii)	Bridge loans to companies against expected equity flows /issues.	--	
viii)	Underwriting commitments taken up by the Banks in respect of primary issue of shares or convertible bonds or convertible debentures and units of equity oriented mutual funds	--	
ix)	Financing to stock brokers for margin trading	--	
x)	All exposures to venture capital funds (both registered and unregistered) will be deemed to be on par with equity and hence will reckon for compliance with the capital market exposure.	1,158.92	1,102.54
	<b>Total exposure to Capital Market</b>	<b>4,063.48</b>	<b>4,507.80</b>

## c) Risk Category -wise Country Exposure

(₹ in crore)

Risk Category	Net Exposure 31.03.2022	Provision held 31.03.2022	Net Exposure 31.03.2021	Provision held 31.03.2021
Insignificant	16,345.90	Nil	16,661.26	Nil
Low	13,396.01	Nil	9,989.26	Nil
Moderate	390.84	Nil	286.23	Nil
High	1.18	Nil	0.65	Nil
Very High	5.28	Nil	0.00	Nil
Restricted	0.00	Nil	0.00	Nil
Off-credit	0.00	Nil	0.00	Nil
<b>Total</b>	<b>30,139.21</b>	<b>Nil</b>	<b>26,937.40</b>	<b>Nil</b>

As per Country Risk Policy 2021-22, Bank has used ECGC country risk classification for the Trade Exposure and other than Trade exposure in India both for branches in India and for overseas branches.

Bank will make provision for country risk exposure only in respect of a country where the net funded exposure is 1% or more if its total assets.

## d) Unsecured advances

(₹ in crore)

Particulars	31.03.2022	31.03.2021
Total amount of advances outstanding against charge over intangible securities such as the rights, licenses, authority etc.	Nil	Nil
Estimated value of such intangible collateral securities	Nil	Nil

## e) Factoring exposure

(₹ in crore)

Particulars	31.03.2022	31.03.2021
TReDS Exposure in terms of DBR.No.FSD.BC.32/24.01.007/2015-16 dated 30th July 2015 (Para 8).	543.54	391.80

## f) Intra Group Exposure

(₹ in crore)

Particulars	31.03.2022	31.03.2021
Total amount of Intra group exposure	490.44	399.99
Total amount of Top 20 Intra group exposure	490.44	399.99
Percentage of Intra group exposure to Total exposure of the Bank on borrowers/customers	0.05	0.05
Details of breach of limits on Intra group exposure and regulatory action thereon	NIL	NIL

## g) Un-Hedged Foreign Currency Exposures

In terms of guidelines issued by Reserve Bank of India with regard to UFCE, Bank has approved Policy on Unhedged Foreign Currency Exposure of Clients 2021-22. While framing the policy, bank has taken into consideration the exchange risks arising out of volatility in the forex market and accordingly has made suitable provisions to reduce the risks. Bank has also taken into consideration credit risks arising out of unhedged foreign currency exposure and accordingly Bank has put in place risk mitigation measures by incorporating additional loan pricing framework. Total provision made for exposures to entities with UFCE for the year ended March 2022 is ₹30.49 Crores.



## 6. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAs:

### a) Concentration of Deposits

(₹ in crore)

Particulars	31.03.2022	31.03.2021
Total Deposits of twenty largest depositors	97,755.30	73,698.36
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank.	9.47	7.99%

### b) Concentration of Advances

(₹ in crore)

Particulars	31.03.2022	31.03.2021
Total Advances of twenty largest borrowers/customers	1,04,418.65	71,722.59
Percentage of Advances of twenty largest borrowers to Total Advances of the Bank	14.35	10.83%

### c) Concentration of Exposures

(₹ in crore)

Particulars	31.03.2022	31.03.2021
Total Exposures of twenty largest borrowers/customers	1,39,132.22	1,11,126.87
Percentage of Exposures of twenty largest borrowers/customers to Total Exposures of the Bank on borrowers / customers	14.57	13.09%

### d) Concentration of NPAs

(₹ in crore)

Particulars	31.03.2022	31.03.2021
Total Exposures to top twenty NPA accounts	11,098.86	16,716.74
Percentage of Exposures to the twenty largest NPA Exposures to total Gross NPAs	13.95	18.62

## 7. DERIVATIVES

### a) Forward Rate Agreement/Interest Rate Swap

(₹ in crore)

Sr. No.	Particulars	31.03.2022	31.03.2021
i)	The notional principal of swap agreements	17,840.00	10,690.00
ii)	Losses which would be incurred if counter parties failed to fulfill their obligations under the agreements	110.71	239.17
iii)	Collateral required by the Bank upon entering into swaps	Nil	Nil
iv)	Concentration of credit risk arising from the Swaps	Banking Industry	Banking Industry
v)	The fair value of the swap book	4.96	20.04

#### Note:

- I. Interest rate swaps in Indian Rupees were undertaken for hedging Reciprocal Loan Arrangements.
- II. The Bank has entered into Floating to Fixed or Fixed to Floating Interest Rate Swap transactions for trading during the year.
- III. All underlying for hedge transactions are on accrual basis.

**b) Exchange Traded Interest Rate Derivatives**

(₹ in crore)

Sr. No.	Particulars	31.03.2022		31.03.2021	
		Buy	Sell	Buy	Sell
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)				
	a) 577GS2030	70.00	70.00	129.98	130.03
	b) 585GS2030	1,963.00	1,963.00	--	--
	c) 664GS2035	428.00	428.00	--	--
	d) 610GS2031	3,035.02	3,035.02	--	--
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 <sup>st</sup> March 2022 (instrument-wise)				
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)				
iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)*				

**c) Disclosures on Risk Exposures in Derivatives**
**i) Qualitative disclosure:**

The Bank deals in two groups of derivative transactions within the framework of RBI guidelines.

- i) Over the Counter Derivatives
- ii) Exchange Traded Derivatives

The Bank deals in Forward Rate Agreement, Interest Rate Swaps, Cross Currency Swap and Currency Options in Over the Counter Derivatives group.

In Exchange Traded Derivatives Group, the Bank trades in Currency Futures and Interest Rate Futures. The Bank is Trading & clearing member with three Exchanges viz. National Stock Exchange (NSE), Bombay Stock Exchange (BSE) & Metropolitan Stock Exchange (MSEIL), on their Currency Derivative segment, as permitted by Reserve Bank of India. The Bank carries out proprietary trading in currency futures on these exchanges. The Bank has set up the necessary infrastructure for Front, Mid and Back office operations. Daily Mark to Market (MTM) and Margin obligations are settled with the exchanges as per guidelines issued by the Regulators.

The Bank trades in Interest Rate Futures on National Stock Exchange. The bank has necessary infrastructure for Front, Mid and Back office operations in place. Daily Mark to Market (MTM) and Margin obligations are settled with the exchanges as per guidelines issued by the Regulators.

The Bank undertakes derivative transactions for proprietary trading/market making, hedging own balance sheet and for offering to customers, who use them for hedging their risks within the prevalent regulations. Proprietary trading/market making positions are taken in Rupee Interest Rate Swap, Currency Futures and Interest Rate Futures. While derivative instruments present immense opportunity for making a quantum leap in non-interest income and also for hedging market risk, it exposes the Bank to various risks. The Bank has adopted the following mechanism for managing different risks arising out of derivative transactions.

- a) In terms of the structure, operations in the Treasury Branch are segregated into following three functional areas, which are provided with trained officers with necessary systems support and their responsibilities are clearly defined.
  - l) Front Office (Dealing Room) - Ensures Compliance with trade origination requirements as per Bank's policy and RBI guidelines.

II) Mid-Office - Risk Management, Accounting Policies and Management

III) Back Office - Settlement, Reconciliation, Accounting.

Mid Office monitors transactions in the trading book and excesses, if any, are reported to Risk management Department for necessary action. Mid Office also measures the financial risk for transactions in the trading book on a daily basis, by way of Mark to Market. Daily Mark to Market position is reported to Risk Management Department, for onward reporting of the risk profile to the Directors' Committee on the Assets and Liability Management.

In case of corporate clients transactions are concluded only after the inherent credit exposures are quantified and approved in terms of approval process laid down in the Treasury Policy for customer appropriateness and suitability. The necessary documents like ISDA agreements are duly executed. The bank has adopted Current Exposure Method for monitoring credit exposures.

Bank has entered into Credit Support Annex (CSA) with few banks. CSA is a legal document regulating the term and condition under which collateral of posted to mitigate counterparty credit risk in bilateral credit transactions.

- b) Treasury Policy of the Bank lays down the types of financial derivative instruments, scope of usages, and approval process as also the limits like the open position limits, deal size limits, stop loss limits and counterparty exposure limit for trading in approved instruments.

Various Risk Limits are set up and actual exposures are monitored vis-à-vis the limits.

These limits are set up taking in to account market volatility, business strategy and management experience. Risk limits are in place for risk parameters viz. PV01, stop loss, counterparty credit exposure. Actual positions are measured against these limits periodically and breaches if any are reported promptly. The Bank ensures that the Gross PV01 position arising out of all non option derivative contracts is within the 0.25% of net worth of the Bank.

- c) The Bank also uses financial derivative transactions for hedging its own Balance Sheet Exposures. Treasury Policy of the Bank spells out approval process for hedging the exposures. The hedge transactions are monitored on a regular basis. The notional profit or loss calculated on Mark to Market basis, PV01 and VaR on these deals are reported to the Assets Liability Committee (ALCO) every month. Hedge effectiveness is the degree to which changes in the fair value or cash flows of the hedged items that are attributed to a hedged risk are offset by changes in the fair value or cash flows of the hedging instruments. This exercise is carried out periodically to ensure hedge effectiveness.

- d) The hedged/un-hedged transactions are recorded separately. The hedged transactions are accounted for on accrual basis. All trading contracts are mark-to-market and resultant gross gain or loss is recorded in income statement.

In case of Option contracts, guidelines issued by FEDAI from time to time for recognition of income, premium, and discount are being followed.

To mitigate the credit risk, the Bank has policy in place to sanction limits to the counterparty Banks and Counterparty clients. The Bank adopts Current Exposure method for monitoring counterparty exposure periodically. While sanctioning derivative limit, the competent authority may stipulate condition of obtaining collaterals/margin as deemed appropriate. The derivative limit is reviewed periodically along with other credit limits.

The customer related derivative transactions are covered with counterparty banks, on back-to-back basis for identical amount and tenure and the bank does not carry any market risk.

## ii) Quantitative disclosure:

(₹ in crore)

Quantitative Disclosures					
S. No.	Particular	31-03-2022		31-03-2021	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(a)	Derivatives (Notional Principal Amount)				
	(i) For Hedging	370.64	2,180.00	741.97	4,550.00
	(ii) For Trading	4,44,008.28	15,660.00	2,30,474.48	6,140.00
(b)	Marked to Market Position				
	(i) Asset (+)	1,818.71	88.38	1,306.63	104.25
	(ii) Liability (-)	-1,683.63	-88.67	-1181.82	-109.74
(c)	Credit Exposure (*)	11,041.95	267.08	8,365.85	325.92
(d)	Likely impact of one percentage change in interest rate (100*PV01) (in Lacs)				
	(i) On Hedging Derivatives	0.00	4,392.29	0.00	5,421.60
	(ii) On Trading Derivatives	0.00	134.01	0.00	385.98
(e)	Maximum and minimum of 100*PV01 observed during the year (in Lacs)				
	I. Maximum				
	(i) On Hedging	0.00	5,454.20	0.00	10,201.70
	(ii) On Trading	0.00	2,345.28	0.00	581.71
	II. Minimum				
	(i) On Hedging	0.00	1,407.51	0.00	5,409.62
	(ii) On Trading	0.00	22.40	0.00	3.84

## d) CREDIT DEFAULT SWAPS:

The Bank has not entered into any Credit Default Swap transactions during the FY 21-22.

## 8. Disclosures relating to securitisation: Nil

## 9. Off – Balance Sheet SPVs sponsored by the Bank: Nil

## 10. TRANSFERS TO DEPOSITOR EDUCATION AND AWARENESS FUND (DEAF)

(₹ in crore)

Particulars	31.03.2022	31.03.2021
Opening balance amounts transferred to DEAF	2,375.24	1,914.71
Add: Amount transferred to DEAF during the Year	545.18	490.35
Less: Amount reimbursed by DEAF towards claims	43.33	29.82
Closing balance of Amount transferred to DEAF	2,877.09	2,375.24

## 11. DISCLOSURE OF COMPLAINTS:

### Summary information on complaints received by the bank from customers and from the OBOs

Complaints received by the Bank from its customers				
Sr. No.		Particulars	2021-22	2020-21
1.		Number of complaints pending at beginning of the year (Including BO Complaints)	10,780	2,872
2.		Number of complaints received during the year (Including BO Complaints)	3,28,216	4,15,035
3.		Number of complaints disposed during the year (Including BO Complaints)	3,37,601	4,07,127
	3.1	Of which, number of complaints rejected by the bank	415	1131
4.		Number of complaints pending at the end of the year (Including BO Complaints)	1,395	10,780
Maintainable complaints received by the bank from OBOs				
5.		Number of maintainable complaints received by the bank from OBOs	7,971	8,544
	5.1	Of 5, number of complaints resolved in favour of the bank by BOs	7,229	6,446
	5.2	Of 5, Number of complaints resolved through conciliation/ mediation/ advisories issued by BOs	740	1182
	5.3	Of 5, number of complaints resolved after passing of Awards by BOs against the bank.	2	8
6.		Number of Awards unimplemented within the stipulated time (Other than those appealed)	0	0

#### Note:-

- Maintainable complaints refer to complaints on the grounds specifically mentioned in BO Scheme 2006. However, the above data collated from CMS site also includes those complaints settled by agreement per Clause 11 as well as Rejected Complaints as per Clause 13 of Ombudsman Scheme 2006 which is under correspondence.

Top five grounds of complaints received by the Bank from customers (Including BO Complaints)					
Grounds of complaints (i.e. Complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
<b>Current Year (2021-22)</b>					
ATM/Debit Cards	4,583	2,13,956	-26.73	324	50
Internet/Mobile/Electronic Banking	344	62,068	1.61	213	-
Levy of Charges Without prior Notice/Excessive Charges/ Foreclosure Charges	2,389	10,355	23.19	47	71
Cheques/Drafts/Bills	52	3410	-36.03	11	-
Credit Cards	27	3194	-17.10	32	17
Others	3,385	35,233	-20.51	768	60
<b>Total</b>	<b>10,780</b>	<b>3,28,216</b>	<b>-20.92</b>	<b>1395</b>	<b>198</b>

Top five grounds of complaints received by the Bank from customers (Including BO Complaints)					
Grounds of complaints (i.e. Complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
<b>Previous Year (2020-21)</b>					
ATM/Debit Cards	1,250	2,92,035	3.30%	4,583	2,342
Internet/Mobile/Electronic Banking	214	61,087	44.16%	344	205
Levy of Charges Without prior Notice/Excessive Charges/Foreclosure Charges	171	8,406	37.51%	2,389	1,746
Cheques/Drafts/Bills	20	5331	129.48%	52	24
Loans & Advances	16	3853	146.04%	27	8
Others	1,201	44,323	146.48%	3,385	1,847
<b>Total</b>	<b>2,872</b>	<b>4,15,035</b>	<b>17.39%</b>	<b>10,780</b>	<b>6,172</b>

## 12. DISCLOSURE OF PENALTIES IMPOSED BY RBI AND OTHER REGULATOR:

(₹ in crore)

Name of Regulator	Year ended 31 <sup>st</sup> March 2022		Year ended 31 <sup>st</sup> March 2021	
	No. of Cases	Amount	No. of Cases	Amount
Banking Regulation Act, 1949	1	1.00	-	-
Other Regulators	1	0.46	-	-

## 13. Key Management Personnel – Remuneration paid.

(₹ in crore)

Particulars	31.03.2022	31.03.2021
	Amount	Amount
CEO and Managing Director	0.37	0.34
Executive Directors	1.21	1.11
<b>Total</b>	<b>1.58</b>	<b>1.45</b>

## 14. Other Disclosures

### a) BUSINESS RATIOS

(₹ in crore)

Sr. No.	Particulars	31.03.2022	31.03.2021
i)	Interest Income as a percentage to Working Funds	6.11	6.34
ii)	Non-interest income as a percentage to Working Funds	1.13	1.08
iii)	Cost of Deposit	4.12	4.66
iv)	Net Interest Margin	2.71	2.47
v)	Operating Profit as a percentage to Working Funds	1.97	1.81
vi)	Return on Assets	0.47	0.27
vii)	Average Business (Deposits plus advances) per employee (Rs in crore)	20.48	19.23
vi)	Net Profit per employee (Rs in crore)	0.07	0.04

**b) BANCASSURANCE BUSINESS:**

The breakup of income derived from bancassurance business is given here below

(₹ in crore)

Sr. No.	Nature of Income	31.03.2022	31.03.2021
1.	Life Insurance Policies	170.24	142.13
2.	Non Life Insurance Policies	48.14	48.72
3.	Health Insurance	38.03	32.37

**c) Marketing and distribution**

Details of fees / remuneration received in respect of the marketing and distribution function (excluding bancassurance business):

(₹ in crore)

Sr. No.	Nature of Income	31.03.2022	31.03.2021
1.	Distributing Mutual Fund Business	17.66	17.34

**d) Priority Sector Lending Certificate**

Other income of the Bank inter alia includes commission income of ₹143.26 Crore from sale of Priority Sector Lending Certificate. Traded value of PSCL certificate are given below:

(₹ in crore)

Category	Traded Value
PSLC-General	5,157
PSLC-Small & Marginal Farmer	3,700
<b>Total</b>	<b>8,857</b>

**e) Provision & Contingencies**

(₹ in crore)

Break up of Provision & Contingencies. shown under the head in Profit & Loss:	31.03.2022	31.03.2021
Provision / (Reversal) for NPI on Investment	214.61	966.86
Provision towards NPA	11,613.25	13,595.75
Provision towards Harmonization (refer note below)	--	323.86*
Provision/(Reversal) towards Standard Assets	1,449.02	1,245.63
Net Provision made towards Income Tax (IT)/ Deferred tax assets (DTA)	3,347.31	(506.55)
<b>Other Provision and Contingencies:</b>		
- Shifting Loss	--	--
- Restructured Advances	(32.94)	81.87
- Others	49.83	1,053.54
<b>TOTAL</b>	<b>16,641.08</b>	<b>16,760.96</b>

\* On account of amalgamation of Andhra Bank and Corporation Bank with Union Bank of India, the Bank had made additional harmonization provision of ₹323.86 Crore during the FY 2020-21.

**f) ROADMAP FOR IMPLEMENTATION OF INDIAN ACCOUNTING STANDARDS (Ind-AS)**

The RBI vide DBR.BP.BC.No. 76/21.07.001/2015-16 dated 11th February 2016, has prescribed the roadmap for implementation of Indian Accounting Standards (Ind-AS) in the Banks and the Banks needs to disclose the strategy for Ind-AS implementation, including the progress made in this regard. The Bank accordingly, has appointed a Consultant to assist in implementation of the Ind-AS. The Bank has also constituted a Steering Committee to oversee the progress made and the Audit Committee of the Board is being apprised of the same from time to time. Further, in terms of DO.DBR.BP.No.2535/21.07.001/2017-18 dated 13th September 2017, the Bank had been submitting Proforma Ind AS financial statements to the RBI on quarterly basis till 31<sup>st</sup> March 2021. Thereafter, in term of RBI's (Department of Regulation) mail dated 8<sup>th</sup> August 2021, bank has been advised to submit Proforma Ind AS financial statements on half yearly basis. Last proforma financials for the half year ended 30th September 2021 was submitted to RBI vide letter dated 25<sup>th</sup> November 2021.

**g) Payment of DICGC insurance premium**

Sr. No.	Particulars	31.03.2022	31.03.2021
i)	Payment of DICGC Insurance Premium	1,083.45	1,000.28
ii)	Arrears in payment of DICGC premium	--	--

**15. DISCLOSURES AS PER ACCOUNTING STANDARDS ISSUED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**

**a. REVENUE RECOGNITION (AS 9)**

Income and Expenditure have been accounted for on accrual basis except certain items of income are recognized on realization basis as per Accounting Policy no.3.4 of Schedule 17 of Significant Accounting Policies which however, is not considered to be material.

**b. EMPLOYEE BENEFITS (AS 15 - REVISED)**

**i) Short Term Employment Benefits:**

The undiscounted amounts of short-term employee benefits (e.g. medical benefits) payable wholly within twelve months of rendering the service are treated as short term and recognized during the period in which the employee rendered the service.

**ii) Long Term Employee Benefits:**

**a) Defined Contribution Plans:**

The Bank operates a new pension scheme (NPS) for all officers/ employees joining the Bank on or after 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 a 14% contribution from the Bank. Pending completion of registration procedures of the employees concerned, these contributions retained with the Bank. The Bank recognizes such annual contributions in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS Trust.



The Bank has Defined Contribution Pension Scheme (DCPS) applicable to all categories of officers and employees joining the Bank on or after April 1, 2010. The scheme is managed by National Pension Scheme (NPS) Trust under the aegis of the Pension Fund Regulatory and Development Authority. National Securities Depository Limited has been appointed as the Central Record Keeping Agency for the NPS. During F.Y. 2021-2022, the Bank has contributed Rs 501.51 crores including arrears of Rs120.35 crores (Previous Year ₹297.92 crore) to NPS.

**b) Defined Benefit Plan:**

Gratuity, Pension and Leave Encashment are defined benefit plans. These are provided for on the basis of an actuarial valuation as per Accounting Standard-15 "Employee Benefit" issued by the Institute of Chartered Accountants of India, made at the end of each financial year, based on the projected unit credit method. Actuarial gains/losses are immediately taken to the Profit & Loss account.

**Defined Benefit Plans – Employee's Pension plan and Gratuity plan:**

The Bank has accounted for employee benefits as per Accounting Standards issued by the Institute of Chartered Accountants of India, as per actuarial valuation report for the year ended March 31, 2022.

(₹ in crore)

S. No.	Particular	31-03-2022		31-03-2021	
		Gratuity	Pension	Gratuity	Pension
i)	<b>Table showing change in Defined Benefit Obligation:</b>				
	Liability at the beginning of the year	3,355.82	26,011.41	2,738.03	24,553.31
	Interest Cost	232.56	1,797.39	187.28	1,667.17
	Current Service Cost	161.12	212.30	137.71	265.17
	Past Service Cost (Vested Benefit Amortized)	NIL	NIL	NIL	NIL
	Past Service Cost (Vested Benefit)	NIL	1902.02	NIL	NIL
	Liability Transfer in	NIL	NIL	NIL	NIL
	Liability Transfer out	NIL	NIL	NIL	NIL
	(Benefit paid)	(465.84)	(2,341.52)	(433.15)	(1,682.84)
	<b>Actuarial (Gain)/loss on obligation – due to change</b>				
	In the financial assumption	(119.57)	(1,446.34)		
	in demographic assumption	2.86	63.46	(26.36)	(247.67)
	Actuarial (Gain) / Loss on obligations	30.86	2,452.27	752.31	1,456.27
	Liability at the end of the year	3,197.81	28,650.99	3,355.82	26,011.41

(₹ in crore)

S. No.	Particular	31-03-2022		31-03-2021	
		Gratuity	Pension	Gratuity	Pension
	<b>Table of Fair value of Plan Assets:</b>				
	Fair value of Plan Assets at the beginning of the year	2,746.43	26,720.88	2,671.12	23,145.31
	Expected return on Plan Assets	190.33	1846.41	182.70	1,571.57
	Contributions	843.37	551.42	291.35	3,605.19
	Transfer from Other Company	NIL	NIL	NIL	NIL
	Transfer to Other Company	NIL	NIL	NIL	NIL
ii)	(Benefit paid)	(465.84)	(2,341.52)	(433.15)	(1,682.84)
	Actuarial (Gain)/loss on Plan Assets	(53.31)	(266.31)	(34.41)	(81.65)
	Fair Value of Plan Assets at the end of the year	3,367.60	27,043.50	2,746.43	26,720.88
	Actuarial (Gain)/loss on obligation for the period	(85.85)	1,069.39	725.95	1,208.60
	Actuarial (Gain)/loss on Plan Assets	(53.31)	(266.31)	(34.41)	(81.65)
	Total Actuarial (Gain)/loss to be recognized	(139.16)	803.08	691.54	1,126.95
	<b>Recognition of Transitional Liability :</b>				
iii)	Transitional Liability at start	NIL	NIL	NIL	NIL
	Transitional Liability recognized during the year	NIL	NIL	NIL	NIL
	Transitional Liability at end	NIL	NIL	NIL	NIL
	<b>Actual return on Plan Assets :</b>				
iv)	Expected Return on Plan Assets	190.33	1,846.41	182.70	1,571.57
	Actuarial Gain/(Loss) on Plan Assets	53.31	266.31	34.41	81.65
	Actual return on Plan Assets	243.64	2112.72	217.11	1,653.22
v)	<b>Expenses recognized in the Income Statement:</b>				
	Current Service Cost	161.12	212.30	137.71	265.17
	Interest Cost	42.23	(49.02)	4.58	95.60
	Expected Return on Plan Assets	NIL	NIL	NIL	NIL
	Past Service Cost (Vested Benefit Amortized) recognized	NIL	NIL	NIL	NIL
	Past Service Cost (Vested Benefit) recognized(1/5 of enhanced family pension)	NIL	380.40	NIL	NIL
	Recognition of Transition Liability	NIL	NIL	NIL	NIL
	Actuarial (Gain) or Loss	(139.16)	803.08	691.54	1,126.95
	Expenses Recognized in P & L	64.19	1346.76	833.83	1,487.72
vi)	<b>Balance Sheet Reconciliation:</b>				
	Opening Net Liability (Last year net amount recognized in the balance sheet)	609.39	(709.47)	66.91	1,408.00
	Expenses as above	64.19	1346.76	833.83	1,487.72
	Transfer from other Company (Net)	NIL	NIL	NIL	NIL
	Transfer to other Company (Net)	NIL	NIL	NIL	NIL
	(Employer Contribution)	(843.37)	(551.42)	(291.35)	(3,605.19)
	Net (Asset)/Liability Amount recognized in Balance Sheet	(169.79)	85.87	609.39	(709.47)

(₹ in crore)

S. No.	Particular	31-03-2022		31-03-2021	
		Gratuity	Pension	Gratuity	Pension
vii)	<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 Rs 20, 00,000 or as per the Bank scheme.				
	Actuarial gain / loss is accounted for in the year of occurrence.				
	Salary escalation is considered as advised by the company which is in line with the industry practice considering promotion and demand and supply of the employees.				
	No. of Members	75,201	23,216	78203	28235
	Salary Per Month	354.44	182.95	354.09	210.64
	Contribution for next year	-	592.76	354.09	-
viii)	<b>Category of assets:</b>				
	Government of India Assets	63.45	585.14	64.56	601.59
	Corporate Bonds/FDR	36.15	721.81	96.29	1029.07
	Special Deposits Scheme	-	-	-	-
	State Govt.	101.17	1185.78	125.89	1150.74
	Property	NIL	NIL	NIL	NIL
	Other	244.10	1733.36	185.67	1,426.35
	Insurer Managed Funds	2897.20	22,492.80	2,252.98	22,235.49
	Mutual Fund	25.53	324.61	21.04	277.64
	<b>Total</b>	<b>3,367.60*</b>	<b>27,043.50*</b>	<b>2746.43</b>	<b>26,720.88</b>

\*Note: Return on investments in LIC & other insurance companies is considered as 7.25% while arriving Pension liability and as 7.00% while arriving Gratuity liability at the Fair Value of Plan Assets for the FY2021-22 as against the 7.00% considered for arriving Pension and Gratuity liability for the FY2020-21.

(₹ in crore)

Surplus/Deficit in the Plan:	Gratuity Plan				
	31.03.22	31.03.21	31.03.20*	31.03.19*	31.03.18*
<b>Amount recognized in the Balance-Sheet</b>					
Liability at the end of the year	3,197.81	3,355.82	1291.94	1,222.64	1,244.88
Fair value of Plan Assets at the end of the year	3,367.60	2,746.43	1219.01	1,202.14	1,302.00
Difference	169.79	(609.39)	(72.93)	(20.50)	57.12
Unrecognized Past Service Cost	Nil	Nil	Nil	Nil	Nil
Unrecognized Transition Liability	Nil	Nil	Nil	Nil	Nil
Amount Recognized in the Balance Sheet	169.79	(609.39)	(72.93)	(20.50)	57.12

\*Amount mentioned for UBI Standalone

(₹ in crore)

Amount recognized in the Balance-Sheet	Gratuity Plan				
	31.03.22	31.03.21	31.03.20*	31.03.19*	31.03.18*
<b>Experience Adjustment</b>					
On plan liability (Gain) / Loss	30.86	752.31	25.87	7.91	(142.26)
On plan Assets (Loss) / Gain	53.31	34.41	7.20	(13.03)	10.64

\*Amount mentioned for UBI Standalone

(₹ in crore)

Surplus/Deficit in the Plan:	Pension Plan				
	31.03.22	31.03.21	31.03.20*	31.03.19*	31.03.18*
<b>Amount recognized in the Balance-Sheet</b>					
Liability at the end of the year	28,650.99	26,011.41	12,746.69	12,158.43	11,803.32
Fair value of Plan Assets at the end of the year	27,043.50	26,720.88	12,607.16	12,308.84	12,115.00
Difference	(1,607.49)	709.47	(139.53)	150.41	311.68
Unrecognized Past Service Cost	1521.62	Nil	Nil	Nil	Nil
Unrecognized Transition Liability	Nil	Nil	Nil	Nil	Nil
Amount Recognized in the Balance Sheet	(85.87)	709.47	(139.53)	150.41	311.68

\*Amount mentioned for UBI Standalone

(₹ in crore)

Amount recognized in the Balance-Sheet	Pension Plan				
	31.03.22	31.03.21	31.03.20*	31.03.19*	31.03.18*
<b>Experience Adjustment</b>					
On plan liability (Gain) / Loss	2,452.27	1,456.27	938.90	125.22	(37.82)
On plan Assets (Loss) / Gain	266.31	81.65	75.23	7.18	(21.39)

\*Amount mentioned for UBI Standalone

Principal actuarial assumption used (%)	2021-2022		2020-2021	
	Gratuity	Pension	Gratuity	Pension
Discount Rate Prev.	6.93	6.91	6.84	6.79
Rate of return on Plan Assets Prev.	6.93	6.91	6.84	6.79
Salary Escalation Prev.	5.00	5.00	5.00	5.00
Attrition Rate Prev.	2.00	2.00	2.00	2.00
Discount Rate Current	7.31	7.40	6.93	6.91
Rate of Return on Plan Assets Current	7.31	7.40	6.93	6.91
Salary Escalation Current	5.00	5.00	5.00	5.00
Attrition Rate Current	2.00	2.00	2.00	2.00

## iii) Other long term Employee Benefits:

Details of Provisions made for various Long-Term Employees Benefits during the year are as follows:

(₹ in crore)

Sr. No.	Other Long Term Benefits	31.03.2022	31.03.2021
1.	Pension	1,346.76	1,487.72
2.	Leave Travel Concession	13.41	27.45
3.	Leave Encashment	48.70	102.29

Bank is having provision of ₹236.12 Crore towards Sick Leave on prudential basis though there is no payout.

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

Particulars	31.03.2022	31.03.2021
<b>Pension</b>		
a) Balance brought forward	NIL	NIL
b) Gross Liability	1,902.02	NIL
c) Charged to Profit & Loss account	380.40	NIL
d) Balance Carried forward	1,521.62	NIL
<b>Gratuity</b>		
a) Charged to Profit & Loss account	NIL	NIL
b) Carried forward	NIL	NIL

- c. The additional liability on account on enhancement in family pension for employees covered under XI Bi-partite settlement and Joint note dated 11<sup>th</sup> November, 2020 is arrived at ₹1,902.02 Crores as per Actuarial valuation. Further, in terms of RBI circular RBI/2021-22/105 DOR.ACC.REC.57/21.04.018/2021-22 dated October 4, 2021, Banks are permitted to amortize the said liability over a period of not exceeding 5 years beginning with FY ending 31.03.2022. Accordingly, Bank has opted to amortize the said liability over a period, of 5 years and charged an amount of ₹ 380.40 crore to the profit/loss account for year ended March 31, 2022 and the balance unamortized expense of ₹1,521.62 crore has been carried forward to be amortized in next 4 years. If the unamortized expenditure has been fully recognized in the profit or loss account, the net profit would be ₹3,710.48 Crore for the year ended 31<sup>st</sup> March 2022.

v) **SEGMENT REPORTING (AS-17)**

(₹ in crore)

Business Segment		Standalone	
		Year Ended	
		(Audited) 31.03.2022	(Audited) 31.03.2021
<b>(a)</b>	<b>Segment Revenue</b>		
1	Treasury Operations	26,815.66	27,789.92
2	Retail Banking Operations	26,198.04	24,817.48
3	Corporate /Wholesale Banking	25,776.79	26,541.51
4	Other Banking Operations	1,397.64	1,371.55
5	Unallocated	403.35	133.91
	Total Segment Revenue	80,591.48	80,654.37
	Less Inter-segment Revenue	(122.7)	(142.54)
	Income from operations	80,468.78	80,511.83
<b>(b)</b>	<b>Segment Results</b>		
1	Treasury Operations	6,002.74	6,157.83
2	Retail Banking Operations	4,508.68	4,197.57
3	Corporate Banking	(3,093.72)	(8,823.12)
4	Other Banking Operations	758.37	733.23
5	Unallocated	403.35	133.91
	Total Profit/(Loss) Before Tax	8,579.42	2,399.42
<b>(c)</b>	<b>Provision for Tax</b>	<b>3,347.31</b>	<b>(506.55)</b>

(₹ in crore)

Business Segment		Standalone	
		Year Ended	
		(Audited)	(Audited)
		31.03.2022	31.03.2021
<b>(d)</b>	<b>Net Profit/(Loss) after Tax</b>	5,232.11	2,905.97
<b>(e)</b>	<b>Segment Assets</b>		
1	Treasury Operations	4,78,735.97	4,27,941.43
2	Retail Banking Operations	3,18,913.6	2,77,171.79
3	Corporate/Wholesale Banking	3,68,181.73	3,41,941.30
4	Other Banking Operations	--	--
5	Unallocated	21,759.76	24,651.32
	<b>Total</b>	<b>11,87,591.06</b>	<b>10,71,705.84</b>
<b>(f)</b>	<b>Segment Liabilities</b>		
1	Treasury Operations	4,70,252.54	4,19,807.14
2	Retail Banking Operations	2,90,449.81	2,53,344.66
3	Corporate/Wholesale Banking	3,35,313.11	3,10,531.92
4	Other Banking Operations	--	--
5	Unallocated	20,999.47	23,545.40
	<b>Total</b>	<b>11,17,014.93</b>	<b>10,07,229.12</b>
<b>(g)</b>	<b>Capital Employed</b>		
1	Treasury Operations	8,483.43	8,134.29
2	Retail Banking Operations	28,463.79	23,827.13
3	Corporate/Wholesale Banking	32,868.62	31,409.38
4	Other Banking Operations	--	--
5	Unallocated liabilities	760.29	1,105.92
	<b>Total</b>	<b>70,576.13</b>	<b>64,476.72</b>

**Notes:**

1. The Bank operates in four segments viz., Treasury, Retail, Corporate / Wholesale and Other Banking Operations. These segments have been identified in line with AS-17 on segment reporting after considering the nature and risk profile of the products and services, the target customer profiles, the organizational structure and the internal reporting system of the bank. The bank has disclosed the business segment as primary segment. The revenue and other parameters prescribed in AS-17 of foreign branch for the period are within the threshold limits as stipulated under AS-17 and hence the bank has only one reportable geographical segment.
2. Segment wise income, expenditure, Capital employed which are not directly allocable have been allocated to the reportable segments based on assumptions as considered appropriate by the management.
3. Figure of previous period have been regrouped/reclassified wherever necessary.

**d. RELATED PARTY DISCLOSURES (AS-18)****i. List of Related Parties****a) Subsidiaries**

- Union Asset Management Co. Pvt. Ltd.
- Union Trustee Company Pvt. Ltd.
- Union Bank of India (UK) Ltd.
- Andhra Bank Financial Services Ltd.
- UBI Services Ltd.

**b) Joint Venture**

- Star Union Dai-Ichi Life Insurance Co. Ltd.
- ASREC (India) Ltd.
- India International Bank (Malaysia) Berhad

**c) Associate**

- Chaitanya Godavari Grameena Bank

**d) Key Management Personnel**

(₹ in crore)

Name	Designation	Remuneration paid for the Year ended 31 <sup>st</sup> March 2022
Shri Rajkiran Rai G.	Managing Director & CEO	0.37
Shri Gopal Singh Gusain @	Executive Director	0.26
Shri Dinesh Kumar Garg*	Executive Director	0.15
Shri Manas Ranjan Biswal	Executive Director	0.31
Shri Nitesh Ranjan	Executive Director	0.30
Shri Rajneesh Karnatak#	Executive Director	0.14
Shri Nidhu Saxena^	Executive Director	0.05

@ Till 31.01.2022

\*Till 30.09.2021

# From 21.10.2021

^ From 01.02.2022

Parties with whom transactions were entered into during the year

No disclosure is required in respect of related parties, which are "State controlled Enterprises" as per paragraph 9 of Accounting Standard (AS) 18. Further, in terms of paragraph 6 of AS 18, transactions in the nature of Banker – Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel.

**e. "Leases" – Premises taken on Operating Lease (AS 19):**

The Bank has no non-cancellable operating lease during the FY 2021-22. Hence, additional disclosure under AS-19 is not applicable. However, the amount of lease payment recognized in the profit & loss account for operating lease is ₹816.15 crore (PY ₹835.15 crore)

**f. EARNING PER SHARE (AS-20)**

Basic earnings per equity share are computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. The diluted earnings per equity share is computed using the weighted average number of equity shares and weighted average number of diluted potential equity shares outstanding during the year.

The computation of earnings per share is given below:

Particulars	31.03.2022	31.03.2021
Number of Equity shares at the beginning of the year	6,40,68,44,355	6,40,68,44,355
Number of Equity shares issued during the year	42,79,03,111	Nil
Number of Equity shares outstanding at the end of the year	6,83,47,47,466	6,40,68,44,355
Weighted Average Number of Equity Shares used in computing Basic Earnings per share	6,77,26,13,590	6,40,68,44,355
Weighted Average Number of Shares used in computing diluted Earnings per share	6,77,26,13,590	6,40,68,44,355
Net Profit/(Loss) ₹ in Crore	5,232.11	2,905.98
Basic Earnings per share (₹)	7.73	4.54
Diluted Earnings per share (₹)	7.73	4.54
Nominal Value per share (₹)	10.00	10.00

**g. PROVISION FOR TAXES:**

**i. Deferred Tax (AS-22)**

(₹ in crore)

Sr. No.	Particulars	31.03.2022	31.03.2021
	<b>Deferred Tax Assets</b>		
1	Employee Benefits (Leave Encashment)	474.78	457.76
2	Depreciation on Fixed Assets	358.42	299.18
3	On account of other provisions	14,069.38	18,146.08
4	Foreign Currency Translation Reserve	1.14	36.50
5	Standard Asset	588.37	--
	<b>Total</b>	<b>15,492.08</b>	<b>18,939.52</b>
	<b>Deferred Tax Liabilities</b>		
1	Accrued interest on securities	1,092.63	1,104.51
2	Special Reserves u/s 36(i)(viii)	2,107.08	1,924.67
3	Depreciation on Investment	--	237.86
	<b>Total</b>	<b>3,199.71</b>	<b>3,267.04</b>
	<b>Net Deferred Tax Asset</b>	<b>12,292.37</b>	<b>15,672.48</b>
	<b>Net Deferred Tax Liability</b>	<b>Nil</b>	<b>Nil</b>



## ii. Direct Tax

(₹ in crore)

Particulars	31.03.2022	31.03.2021
Provision for Income Tax (Including Deferred tax )	3,347.31	(506.55)

### CORPORATE TAXATION:

Provision for tax is made for both current and deferred taxes. Current tax is provided on the taxable income using applicable tax rates and tax laws. Deferred Tax Assets and Deferred Tax Liabilities arising on account of timing differences and which are capable of reversal in subsequent periods are recognized using the tax rates and the tax laws that have been enacted or substantively enacted till the date of the Balance Sheet.

Deferred Tax Assets are recognized only if there is virtual certainty of realization of such assets in future. Deferred Tax Assets/Liabilities are reviewed at each Balance Sheet date based on developments during the year.

### h. INVESTMENT IN JOINT VENTURES (AS – 27)

Investments include ₹236.68 Crores (Previous year ₹435.72 Crores) representing Bank's interest in Star Union Dai-ichi Life Insurance Co., ASREC(India) Limited, and India International Bank (Malaysia) BHD.

### i. IMPAIRMENT OF ASSET (AS-28)

In the opinion of the Management, there is no indication for Impairment during the year with regard to the asset to which Accounting Standards 28 applies.

### j. CONTINGENT LIABILITIES (AS – 29)

Contingent liabilities referred to in Schedule-12 at S. No.(I) & (VI) are dependent upon the outcome of court/arbitration/out of court settlement, the amount being called up, terms of contractual obligations, devolvement and raising of demand by parties concerned, disposal of appeals respectively.

k. The bank has changed the method of appropriation of recovery in NPA accounts (other than the accounts where method of appropriation has been specifically agreed upon between borrower and the Bank) w.e.f. 1<sup>st</sup> April 2021. Accordingly, the recoveries in such NPA accounts are now first appropriated towards interest and then towards principal as contrary to the reverse process followed in the earlier periods. The change in accounting policy has resulted in increase in interest income for the quarter by ₹495.26 crore & for the year by ₹1081.77 crore and consequential non-reduction in Gross NPA by equivalent amount.

l. During the current year, there is no material prior period item (as per AS 5) and no discontinued operations (as per AS 24).

### m. Climate Control

Union Bank of India has a policy in place in name of "Sustainable Development and Business Responsibility Policy" which is reviewed every year and last reviewed by the Board on 30.03.2022. Through this policy, the Bank is committed to make effort to protect and restore the environment. Bank has taken various initiatives like Electricity Conservations, avoid usage of plastic bottles for packaged drinking water etc.

- n. COVID-19 Pandemic has adversely impacted the economic activity across the globe including the Indian economy. During last Financial year also, India witnessed two more waves of COVID -19 pandemic and the re-imposition of the localized/regional lockdown measures in certain parts of the country. The Bank is continuously monitoring the situation and taking all possible measures including various digital initiatives to ensure continuance of customer outreach & full-fledged banking operations. Keeping in view of the various initiatives and steps taken by the Bank, Government & Reserve Bank of India and with the progress of vaccination program, the Management believes that there would not be any significant impact on Bank's performance in future and going concern assumptions.
- o. BALANCING OF BOOKS, RECONCILIATION OF INTER BRANCH / BANK TRANSACTIONS**
- (i) Confirmation/ Reconciliation of balance with foreign banks and other banks has been obtained/ carried out.
- (ii) Adjustment of outstanding entries in Suspense Accounts, Sundry Deposits, Clearing Adjustments, Bank Reconciliation Statements and various inter-branch/office accounts is in progress.
- (iii) Pending final clearance of the (i) and (ii), the overall impact, if any, on the accounts, in the opinion of the management will not be significant.
- p. Compliance to the Provision of MSME Development Act, 2006**
- Bank is complying with the extant provisions of MSME Development Act, 2006 and there has been no reported cases of any delayed payments of the principal amount or interest due thereon to Micro, Small and Medium Enterprises.

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

Signatories to Schedules 1 to 18

(PANKAJ KUMAR)  
DY. GENERAL MANAGER

(PRAFULLA KUMAR SAMAL)  
CHIEF FINANCIAL OFFICER

(NIDHU SAXENA)  
EXECUTIVE DIRECTOR

(RAJNEESH KARNATAK)  
EXECUTIVE DIRECTOR

(NITESH RANJAN)  
EXECUTIVE DIRECTOR

(RAJKIRAN RAI G.)  
MANAGING DIRECTOR & CEO

(SAMEER SHUKLA)  
DIRECTOR

(ARUN KUMAR SINGH)  
DIRECTOR

(SURAJ SRIVASTAVA)  
DIRECTOR

(LAXMAN S UPPAR)  
DIRECTOR

(DR. JAYADEV MADUGULA)  
DIRECTOR

(PRITI JAY RAO)  
DIRECTOR

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

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

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

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

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

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

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

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

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

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

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

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

# Standalone Cash Flow Statement

For the Year Ended 31<sup>st</sup> March, 2022

(₹ in lacs)

S. No.	Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
	Net Profit Before Tax	8,57,941	2,39,941
	Adjustments for:		
	Depreciation on Fixed Assets	73,809	89,523
	Provision for Investments	21,461	55,922
	Provision for Non Performing Assets (Net)	11,61,326	13,91,961
	Provision for Standard Asset	1,36,521	1,37,517
	Provision for Staff Related Expenditures	-	86,605
	Provision for other items (Net)	10,072	13,983
	(Profit)/Loss on Sale or Disposal of Fixed Assets	35	(761)
	Interest on Borrowings : Capital Instruments	1,55,133	1,59,660
	Dividend received from Investments	(3,019)	(2,016)
	<b>Sub Total</b>	<b>24,13,280</b>	<b>21,72,334</b>
	Adjustments for:		
	Increase / (Decrease) in Deposits	1,08,58,729	55,17,273
	Increase / (Decrease) in Other Liabilities and Provisions	(90,800)	4,81,492
	(Increase) / Decrease in Investments	(17,40,928)	(51,75,058)
	(Increase) / Decrease in Advances	(81,63,505)	(5,07,273)
	(Increase) / Decrease in Other Assets	4,45,843	(7,04,838)
	Direct taxes paid (Net of Refund)	(1,73,612)	96,730
	Transfer to/from reserve	72,382	1,63,638
	<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>36,21,389</b>	<b>20,44,299</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
	Purchase of Fixed Assets	(73,970)	(70,444)
	Proceeds from Sale/Adjustment of Fixed asset	15,382	9,739
	(Increase)/Decrease in Investment in Subsidiary	19,907	421
	Sale of stake in Subsidiary	--	--
	Dividend received from Investment	3,019	2,016
	<b>NET CASH FLOW FROM INVESTING ACTIVITIES (B)</b>	<b>(35,662)</b>	<b>(58,268)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
	Proceeds from issue of Equity Share Capital Including Share Premium (Net)	1,44,208	--
	Proceeds from issue of Capital Instruments	7,00,000	3,70,500
	Repayments of Capital Instruments	(5,40,000)	(3,85,000)
	(Decrease)/Increase Borrowings other than Capital Instruments	(2,25,801)	(16,93,479)
	Interest Paid on Borrowings : Capital Instruments	(1,55,133)	(1,59,660)
	<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<b>(76,726)</b>	<b>(18,67,639)</b>
	Cash and Cash equivalent received on account of amalgamation [D]	--	28,12,022
	Net Increase (Decrease) in Cash & Cash Equivalent (A)+(B)+(C)	35,09,001	29,30,413
	Cash and Cash Equivalents as at the beginning of the year	84,41,035	55,10,622
	Cash and Cash Equivalents as at the end of the year	1,19,50,036	84,41,035
	Components of Cash and Cash equivalents		

Bank Overview

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(₹ in lacs)

S. No.	Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>D</b>	<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>01.04.2021</b>	<b>31.03.2020</b>
	Cash and Balances with RBI (including FC notes)	37,88,046	20,11,830
	Balances with Banks and Money at call	46,52,989	34,98,792
	Net cash and cash equivalents at the beginning of the year	84,41,035	55,10,622
<b>E</b>	<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
	Cash and Balance with RBI (including FC notes)	46,11,259	37,88,046
	Balances with Banks and Money at call	73,38,777	46,52,989
	Net cash and cash equivalents at the end of the year	1,19,50,036	84,41,035

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

(PANKAJ KUMAR)  
DY. GENERAL MANAGER

(PRAFULLA KUMAR SAMAL)  
CHIEF FINANCIAL OFFICER

(NIDHU SAXENA)  
EXECUTIVE DIRECTOR

(RAJNEESH KARNATAK)  
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(RAJKIRAN RAI G.)  
MANAGING DIRECTOR & CEO

(SAMEER SHUKLA)  
DIRECTOR

(ARUN KUMAR SINGH)  
DIRECTOR

(SURAJ SRIVASTAVA)  
DIRECTOR

(LAXMAN S UPPAR)  
DIRECTOR

(DR. JAYADEV MADUGULA)  
DIRECTOR

(PRITI JAY RAO)  
DIRECTOR

#### Auditors Certificate:

We, the undersigned Statutory Auditors of the Union Bank of India, have verified the above Standalone Cash Flow Statement of the Bank for the year ended 31.03.2022. The statement has been prepared in Indirect Method in accordance with the AS-3, "Cash Flow Statement" issued by The Institute of Chartered Accountants of India and with the requirements of the SEBI (Listing Obligations & Disclosure Requirements), 2015 and is based on and in agreement with the corresponding Standalone Profit & Loss Account and the Standalone Balance Sheet of the Bank covered by our report of the May 13, 2022 to the members.

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

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

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

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

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

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

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

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

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

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

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

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

Place of Signature: Mumbai  
Date of Report: 13.05.2022