

BALANCE SHEET AS ON 1st APRIL, 2020

(₹. in 000 omitted)

Particulars	Schedule Number	As on 1st April 2020
CAPITAL AND LIABILITIES		
Capital	1	6,40,68,444
Reserves and Surplus	2	53,52,75,483
Deposits	3	8,68,63,26,111
Borrowings	4	68,91,68,961
Other Liabilities and Provisions	5	24,39,06,965
TOTAL		10,21,87,45,964
ASSETS		
Cash and Balances with Reserve Bank of India	6	43,59,28,367
Balances with Banks and Money at Call and Short Notice	7	39,63,36,010
Investments	8	2,80,32,46,433
Advances	9	5,99,82,97,530
Fixed Assets	10	7,62,44,311
Other Assets	11	50,86,93,313
TOTAL		10,21,87,45,964
Contingent Liabilities	12	3,63,98,07,603
Bills for Collection		49,51,16,105
Significant Accounting Policies	13	
Notes to Accounts	14	

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

(DHIRENDRA JAIN)
DY. GENERAL MANAGER

(PRAFULLA KUMAR SAMAL)
GENERAL MANAGER & CFO

For and on behalf of the Board of Directors

(BIRUPAKSHA MISHRA)
EXECUTIVE DIRECTOR

(MANAS RANJAN BISWAL)
EXECUTIVE DIRECTOR

(DINESH KUMAR GARG)
EXECUTIVE DIRECTOR

(GOPAL SINGH GUSAIN)
EXECUTIVE DIRECTOR

(RAJIV KUMAR SINGH)
MANAGING DIRECTOR & CEO

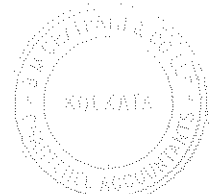
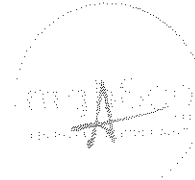
(Dr. MADNESH KUMAR MISHRA)
DIRECTOR

(ARUN KUMAR SINGH)
DIRECTOR

(RAJIV KUMAR SINGH)
DIRECTOR

(DR. MADHURA SWAMINATHAN)
DIRECTOR

(DR. UTTAM KUMAR SARKAR)
DIRECTOR

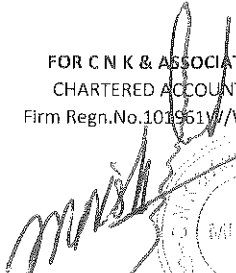


(K.KADIRESAN)
DIRECTOR

(JAYADEV M.)
DIRECTOR

AS PER OUR REPORT OF EVEN DATE ATTACHED.

FOR C N K & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
Firm Regn.No.101951W/W-100036


(MANISH SAMPAT)
PARTNER
(M.No.101684)
Place:Mumbai

FOR KIRTANE & PANDIT LLP
CHARTERED ACCOUNTANTS
Firm Regn.No.105215W/W-100057


(SANDEEP D WELLING)
PARTNER
(M.No.044576)
Place:Mumbai

FOR R S PATEL & CO.
CHARTERED ACCOUNTANTS
Firm Regn.No.107758W

(RAJAN B SHAH)
PARTNER
(M.No.101998)
Place:Ahmedabad

UDIN: 20101684 AAAADF5090

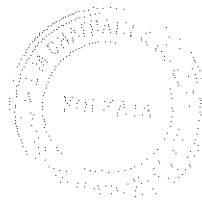
UDIN: 20044576 AAAALD6925 UDIN 20101998 AAAAHLC9460

FOR M G B & CO. LLP
CHARTERED ACCOUNTANTS
Firm Regn.No. 101169W/W-100035


(AMIT KUMAR KOTHARI)
PARTNER
(M.No. 222726)
Place:Mumbai

FOR B M CHATRATH & CO LLP
CHARTERED ACCOUNTANTS
Firm Regn.No. 301011E/E300025

(SUKHPREET S SIDHU)
PARTNER
(M.No. 052187)
Place:Kolkata



UDIN: 20222726 AAAAAC 2890

UDIN: 20052187 AAAAAU 3161

Place : MUMBAI
Date : 29th July, 2020

SCHEDULES FORMING PART OF THE BALANCE SHEET AS ON 1st APRIL, 2020

(₹. in 000 omitted)

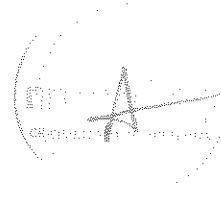
As on 1st April 2020

SCHEDULE 1 - CAPITAL :

I. Authorised :	
1000,00,00,000 Equity Shares of Rs.10 each	10,00,00,000
II. Issued, Subscribed & Paid up :	
i. 570,66,60,850 Equity Shares of Rs.10 each, held by Central Government	5,70,66,609
ii. 70,01,83,505 Equity Shares of Rs.10 each, held by Public	70,01,835
TOTAL	6,40,68,444

SCHEDULE 2 - RESERVES & SURPLUS :

I. Statutory Reserve	12,59,43,749
II. Capital Reserve	
i) Revaluation Reserve	4,99,77,702
ii) Others	3,77,10,326
III. Amalgamation Reserve (Refer note no. 2 IV of schedule 14)	1,30,95,981
IV. Share Premium	50,08,54,967
V. Revenue and Other Reserves	
i) Revenue Reserves	8,25,61,561
ii) Special Reserve u/s Sec 36(1)(viii) of the Income Tax Act, 1961	5,50,78,789
iii) Foreign Currency Translation Reserve	3,63,864
iv) Special Reserve profit on Fx Swap	58,485
VIII. Balance in Profit and Loss Account (Refer note no. 6 of schedule 14)	(33,03,69,941)
TOTAL	53,52,75,483



SCHEDULES FORMING PART OF THE BALANCE SHEET AS ON 1st APRIL, 2020

(₹. in 000 omitted)

As on 1st April 2020

SCHEDULE 3 - DEPOSITS :

A.

I. Demand Deposits

i) From Banks	46,45,559	
ii) From Others	54,02,46,762	54,48,92,321

II. Savings Bank Deposits

2,42,10,87,715

III. Term Deposits

i) From Banks	5,67,43,786	
ii) From Others	5,66,36,02,289	5,72,03,46,075
TOTAL		8,68,63,26,111

B.

i). Deposits of branches in India	8,64,98,32,223
ii). Deposits of branches outside India	3,64,93,888

TOTAL

8,68,63,26,111

SCHEDULE 4 - BORROWINGS :

A) Borrowings : Capital Instruments

I. Perpetual Bonds	6,20,00,000
II. Upper Tier II Capital	5,55,00,000
III. Lower Tier II Capital	5,55,00,000

B) Borrowings in India

I. Reserve Bank of India	4,64,60,000	
II. Other Banks	5,83,78,777	
III. Other Institutions and Agencies	20,96,24,348	31,44,63,125

C) Borrowings Outside India

20,17,05,836

TOTAL

68,91,68,961

Secured Borrowings included in (B) I above

21,62,90,000

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS :

I. Bills Payable	2,05,15,337
II. Interest Accrued	2,89,10,004
III. Others (Including Provisions)	19,44,81,624

TOTAL

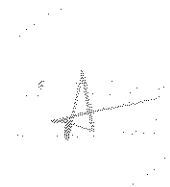
24,39,06,965

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA:

I. Cash in hand (Including Foreign Currency Notes and Gold)	4,34,44,577
--	-------------

II. Balances with Reserve Bank of India

In Other Account	8,10,00,000
In Current Account	31,14,83,790
TOTAL	43,59,28,367



SCHEDULES FORMING PART OF THE BALANCE SHEET AS ON 1st APRIL, 2020

(₹. in 000 omitted)

As on 1st April 2020

SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE :

I. Balances with banks in India

a) In Current Accounts	24,51,075	
b) In Other Deposit Accounts	8,09,64,957	
ii) Money at Call and short notice		
a) with Banks	30,00,000	
b) with Other Institutions	20,00,00,000	28,64,16,032

II. Outside India

i) In Current Accounts	39,86,981	
ii) In other Deposit Accounts	10,59,32,997	
iii) Money at call & Short Notice	0,000	10,99,19,978
TOTAL		39,63,36,010

SCHEDULE 8 - INVESTMENTS :

I) Investments in India

Gross Value	2,83,57,49,754
Provision for Depreciation	6,31,30,394
Net Value	2,77,26,19,360

Investments in India (Break up)

i) Government Securities	2,00,71,76,503
ii) Shares	1,88,33,213
iii) Debentures and Bonds	60,90,49,414
iv) Subsidiaries and joint ventures	54,20,716
v) Others (Commercial Paper, Mutual Funds, Venture Capital, Security Receipt etc.)	13,21,39,514
Total	2,77,26,19,360

II) Investments outside India

Gross Value	3,06,57,353
Provision for Depreciation	30,280
Net Value	3,06,27,073

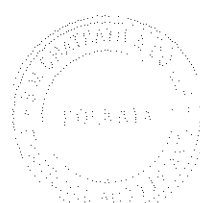
Investments outside India (Break up)

i) Govt. Securities (Including Local Authority)	1,65,79,156
ii) Shares	9,450
iii) Other Investments (Bonds)	25,67,459
iv) Subsidiaries and Joint Ventures	1,14,71,008
Total	3,06,27,073
TOTAL (I+II)	2,80,32,46,433



Handwritten signature and date 1st April 2020.

Handwritten signature and date 1st April 2020.



SCHEDULES FORMING PART OF THE BALANCE SHEET AS ON 1st APRIL, 2020

(₹. in 000 omitted)

As on 1st April 2020

SCHEDULE 9 - ADVANCES (Net)

A.

i) Bills purchased and discounted	5,76,66,389
ii) Cash Credits, Overdrafts and Loans repayable on demand	2,64,69,13,203
iii) Term Loans	3,29,37,17,938

TOTAL

5,99,82,97,530

B.

i) Secured by tangible assets (includes Advance against Book Debts)	5,07,78,40,216
ii) Covered by Bank/Government Guarantees	23,87,17,322
iii) Unsecured	68,17,39,992

TOTAL

5,99,82,97,530

C. Sectorial Classification of Advances

I. Advances in India:

i) Priority Sector	2,37,58,03,918
ii) Public Sector	1,35,22,51,110
iii) Banks	3,11,101
iv) Others	2,07,31,88,582

TOTAL

5,80,15,54,711

II. Advances Outside India:

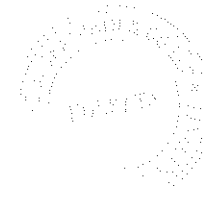
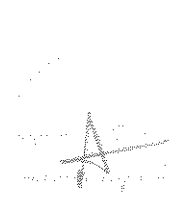
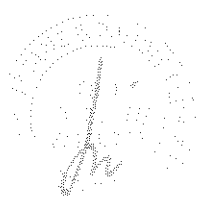
i) Due From Banks	5,02,64,366
ii) Due from Others	
a) Bills Purchased and Discounted	30,46,970
b) Syndicated loans	1,78,35,409
c) Others	12,55,96,074

TOTAL

19,67,42,819

TOTAL

5,99,82,97,530



SCHEDULES FORMING PART OF THE BALANCE SHEET AS ON 1st APRIL, 2020

(₹. in 000 omitted)

As on 1st April 2020

SCHEDULE 10 - FIXED ASSETS :

A. TANGIBLE ASSETS

I. Premises

At cost/valuation as per last balance sheet	7,47,14,947	
Additions on amalgamation	0,000	
	<u>7,47,14,947</u>	
Less: Depreciation till date	<u>2,38,29,912</u>	5,08,85,035

II. Capital Work-in-Progress

At cost as per last balance sheet	5,81,695	
Additions on amalgamation	0,000	
	<u>5,81,695</u>	5,81,695

III. Land

At cost as per last balance sheet	75,68,713	
Additions on amalgamation	0,000	
	<u>75,68,713</u>	
Less: Depreciation till date	<u>69,969</u>	74,98,744

IV. Other Fixed Assets (including Furniture and Fixtures)

a) Assets given on lease

At cost as per last balance sheet	2,65,352	
Less: Depreciation till date	<u>2,65,352</u>	-

b) Others

At cost/valuation as per last balance sheet	6,20,76,818	
Additions on amalgamation	0,000	
	<u>6,20,76,818</u>	
Less: Depreciation till date	<u>4,61,09,699</u>	1,59,67,119

B. INTANGIBLE ASSETS

Computer Software

At cost as per last balance sheet	85,50,126	
Additions on amalgamation	0,000	
	<u>85,50,126</u>	
Less: Amortisation till date	<u>72,38,408</u>	13,11,718

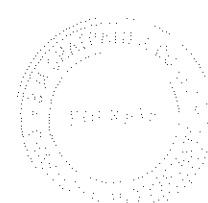
TOTAL

7,62,44,311



Handwritten signature and date 11/04/2020

Handwritten signature



SCHEDULES FORMING PART OF THE BALANCE SHEET AS ON 1st APRIL, 2020

(₹. in 000 omitted)

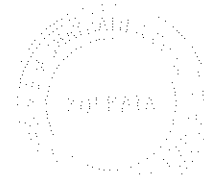
As on 1st April 2020

SCHEDULE 11 - OTHER ASSETS :

I. Inter-Office Adjustments (Net)	1,78,47,294
II. Interest Accrued	6,18,31,650
III. Deferred Tax Assets (Net)	15,84,05,247
IV. Stationery and stamps	2,11,348
V. Non-Banking assets acquired in satisfaction of claims	1,334
VI. Others	19,44,94,656
VII. Tax Paid/ Tax deducted at source (Net of provision)	7,59,01,784
TOTAL	50,86,93,313

SCHEDULE 12 - CONTINGENT LIABILITIES :

I. Claims against the bank not acknowledged as debts	5,21,53,268
II. Liability for partly paid Investments	5,920
III. Liability on account of outstanding Forward Exchange Contracts	2,33,08,93,122
IV. Guarantees given on behalf of Constituents	
a) In India	55,19,81,472
b) Outside India	12,92,72,978
	68,12,54,450
V. Acceptances, endorsements and other obligations	36,08,77,317
VI. Disputed Tax demands under appeals	12,69,28,523
VII. Amount transferred to DEAF Scheme 2014	1,91,47,078
VIII. Others	6,85,47,925
TOTAL	3,63,98,07,603



SCHEDULE 13 to Opening Balance Sheet (Standalone) as on 1st April, 2020.

SIGNIFICANT ACCOUNTING POLICIES:

1. Accounting Convention

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) and pronouncements issued by The Institute of Chartered Accountants of India (ICAI) to the extent applicable and practices generally prevalent in the banking industry in India.

In respect of foreign offices, statutory provisions and practices prevailing in respective foreign countries are complied with.

The financial statements have been prepared on going concern basis with the accrual concept and in accordance with the accounting policies and practices consistently followed unless otherwise stated.

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.

Any revision to the accounting estimates is recognized prospectively in the current and future periods unless otherwise stated.

3. Revenue Recognition

3.1. Income and Expenditure have been accounted for on accrual basis unless otherwise stated.

3.2. Income from Non-Performing Assets (NPAs) comprising of advances and investments, 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.

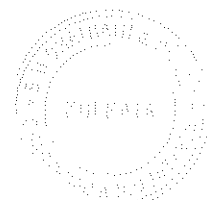
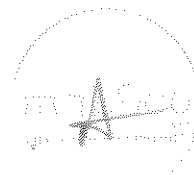
3.3. Income from Bank commissions, exchange and brokerage earned, rent on safe deposit lockers, commission on biometric card, income from Aadhaar card business etc. are accounted for on realization basis.

3.4. Income (Other than interest) on investments in "Held to Maturity" (HTM) category acquired at discount to the face value is recognized as follows:

3.4.1. On interest bearing securities, it is recognized only at the time of sale/ redemption.



[Handwritten signature]



- 3.4.2. On Zero- coupon securities, it is accounted for over the balance tenor of the securities on a constant yield basis.
- 3.5. Dividend is accounted on an accrual basis where the right to receive the dividend is established.
- 3.6. The Sale of NPAs accounted in terms of extant RBI guidelines

4. Investments

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

- 4.1.1. Government Securities
- 4.1.2. Other Approved Securities
- 4.1.3. Shares
- 4.1.4. Debentures & Bonds
- 4.1.5. Investments in Subsidiaries & Joint Ventures and
- 4.1.6. Other Investments

The Investment portfolio of the Bank is further classified and valued in accordance with the RBI guidelines contained in Master Circular DBR.No.BP.BC.6/21.04.141 /2015-16 dated 1st July 2015 into three categories viz.,

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

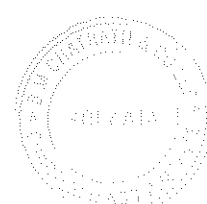
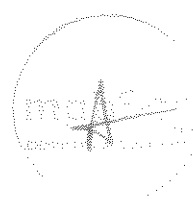
4.2. As per RBI guidelines, the following principles have been adopted for the purpose of valuation

- 4.2.1. Securities held in "HTM" – at acquisition cost.
 - 4.2.1.1. 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.
 - 4.1.1.1. Investments in Regional Rural Banks are valued at carrying cost. Investments in Subsidiaries, Joint Ventures and associates are valued at carrying cost.
 - 4.1.1.2. Diminution, other than temporary, in the value of its investment in subsidiaries/joint ventures, which are included in HTM shall be provided for.
- 4.1.2. Securities held in "AFS" and "HFT" categories
 - 4.1.2.1. 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.
 - 4.1.2.2. Valuation of securities is arrived at as follows:

A	Govt. of India Securities	As per quotations put out by Fixed Income Money Market and Derivatives Association (FIMMDA)
B	State Development Loans, Securities guaranteed by Central/ State Government, PSU Bonds	On appropriate yield to maturity basis as per FIMMDA guidelines



A



C	Equity Shares	As per market rates, if quoted, otherwise at Book value, as per latest Audited Balance Sheet (not more than 1 year old). In the absence of both, at `1/- per Company.
D	Preference Shares	As per market rates, if quoted, or on appropriate yield to maturity basis not exceeding redemption value as per FIMMDA guidelines
E	Debentures/Bonds	As per market rates, if quoted, otherwise on appropriate yield to maturity basis as per FIMMDA guidelines.
F	Mutual Funds (MF)	As per stock exchange quotations, if quoted. In case of unquoted units, as per latest Repurchase price declared by concerned MF. In cases where latest repurchase price is not available, as per Net Asset Value (NAV)
G	Treasury Bills / Certificate of Deposits / Commercial Papers	At carrying cost
H	Venture Capital Funds (VCF)	At declared NAV as per RBI guideline 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

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

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

4.3.1. 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.

4.3.2. From HTM category to AFS/HFT category,

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

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

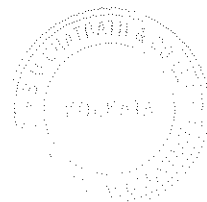
The securities so shifted are revalued immediately and resultant depreciation is fully provided for.

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



Handwritten signature

Handwritten signature



- 4.4. The non-performing investments are identified and depreciation / provision is made as per the extant RBI guidelines.
- 4.5. Profit / Loss on sale of investments 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.
- 4.6. Commission, brokerage, broken period interest etc. on securities is debited / credited to Profit & Loss Account.
- 4.7. As per the extant RBI guidelines, the Bank follows 'Settlement Date' for accounting of investments transactions.

4.8. Derivative Contracts

- 4.8.1. 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.
- 4.8.2. Trading swap transactions are marked to market with changes recorded in the financial statements. Profit, if any, is ignored.
- 4.8.3. In the case of option contracts, guidelines issued by Foreign Exchange Dealers Association of India (FEDAI) from time to time for recognition of income, premium and discount are being followed.

5. Advances

- 5.1. All advances are classified under four categories:

- 5.1.1. Standard,
- 5.1.2. Sub-standard,
- 5.1.3. Doubtful and
- 5.1.4. Loss assets.

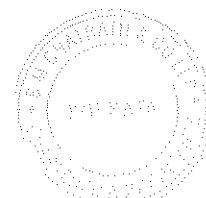
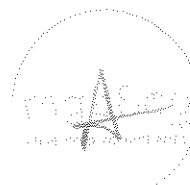
Provisions required on such advances are made as per the extant prudential norms issued by the RBI in terms of Master Circular DBR.BP.BCNo.2/21.04.048/2015-16 dated 01st July 2015 as under:

- 5.2. 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:

- 5.2.1. In respect of term loans, interest and/or instalment of principal remains overdue for a period of more than 90 days;
- 5.2.2. In respect of Overdraft or Cash Credit advances, the account remains "out of order", i.e. if the outstanding balance exceeds the sanctioned limit/drawing power continuously for a period of 90 days, or if there are no credits continuously for 90 days as on the date of balance-sheet, or if the credits are not adequate to cover the interest due during the same period.



Handwritten signature



- 5.2.3. In respect of bills purchased/discounted, the bill remains overdue for a period of more than 90 days;
- 5.2.4. In respect of agricultural advances for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons.
- 5.2.5. In respect of agricultural advances for long duration crops, where the principal or interest remains overdue for one crop season.
- 5.2.6. In respect of MSME accounts where RBI dispensation benefit is passed on the Bank will adhere to Income Recognition, Asset Classification and Provisioning norms as spelt out RBI circular DBR.No.BP.BC.100/21.04.048/2017-18 dated 7th February, 2018 and DBR.No.BP.BC.108/21.04.048/2017/18 dated 6th June, 2018.
- 5.2.7. In respect of MSME accounts which will be restructured in terms of RBI Circular No DOR.No.BP.BC.34/21.04.048/2019-20 February 11, 2020 with reference to Circular No DBR.No.BP.BC.18/21.04.048/2018-19 dated 1st January, 2019 and kept in standard category, the Bank shall maintain a provision of 5% in addition to the provision already held. Reversal of said provision shall be made in accordance with the said circular.

5.3. NPAs are classified into Sub-Standard, Doubtful and Loss Assets, based on the following criteria stipulated by RBI:

- 5.3.1. Sub-standard: A loan asset that has remained non-performing for a period less than or equal to 12 months,
- 5.3.2. Doubtful: A loan asset that has remained in the sub-standard category for a period of 12 months,
- 5.3.3. Loss: A loan asset where loss has been identified but the amount has not been fully written off.

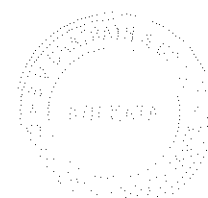
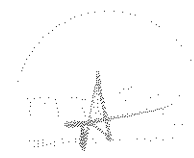
5.4. Provisions are made for NPAs as per the extant guidelines prescribed by the regulatory authorities, subject to minimum provisions as prescribed below:

Sub-Standard Assets:	i. A general of 15% of the total outstanding ii. Additional provision of 10% for exposures which are unsecured ab-initio; However, iii. 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. Upto one year – 25% ii. One to three years – 40% iii. More than three years – 100%
Doubtful-Unsecured Portion	100%
Loss Asset	100%

5.5. 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



Handwritten signature



received from Credit Guarantee Trust Fund (CGTF) / Export Credit Guarantee Corporation (ECGC) relating to non-performing assets.

- 5.6. 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.
- 5.7. 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.
- 5.8. 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.
- 5.9. Amounts recovered against debts written off in earlier years are recognised as revenue in the year of recovery.
- 5.10. 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.

6. Property, Plant and Equipment

6.1 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 and shall not be routed through Profit and Loss account in terms of revised AS- 10 on "Property, Plant and Equipment".

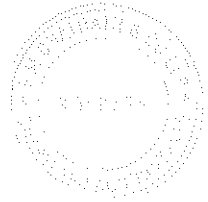
6.2 Application Software is capitalized and clubbed under Intangible assets. Depreciation on Computers and Software forming an integral part of Computer hardware and on ATM is provided on Straight Line Method (SLM) at the rate of 33.33% as per the guidelines of RBI.

6.3 Depreciation on Fixed Assets is provided for on the written down value method at the rates considered appropriate by the management as under:

	Type of assets	Rate of Depreciation
i.	Premises 5 %	5%
ii.	II. Other Fixed Assets	
	- Furniture and Fittings	10 %
	- Electric Fittings and Equipment, Office Appliances and SDV Lockers/ Strong rooms etc.	15%
	Transport Vehicles	20 %
	Uninterrupted Power Supply Equipments(UPS)	33.33%
iii.	Amount added consequent upon	Applicable rate for the asset type,



[Handwritten signature]



	revaluation of the assets	over the residual economic life of the respective assets
--	---------------------------	--

6.4 Depreciation on additions to assets made upto 30th September of the year is provided at full rate and on additions made thereafter, at half the rate.

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

6.6 No depreciation is provided on assets sold / disposed off during the year.

6.7 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.

6.8 The Bank has changed the method of providing depreciation from written down value method to straight line method with effect from FY 2020-2021 and accordingly the rates of depreciation based on estimated useful life. Changes thereon will be provided in the full set of financial statements for FY 2020-2021 and onwards.

7. Impairment of Assets

Impairment losses (if any) on Fixed Assets (including revalued assets) are recognized 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.

8. 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.

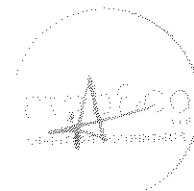
9. Transactions Involving Foreign Exchange

Revaluation of Foreign Currency position and booking Profits / Losses:

9.1. 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.



mi



- 9.2. Income & Expenditure items are recognized at the exchange rates prevailing on the date of the transaction.
- 9.3. 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.
- 9.4. 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.
- 9.5. Representative Offices of the Bank outside India are treated as Integral Operation Unit as per RBI guidelines.

10. Accounting for Non-Integral Foreign operations

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. Foreign branches are classified as non-integral foreign operations by:

10.1. Revenue Recognition

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

10.2. 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.

10.3. Fixed Assets and Depreciation

10.3.1. Fixed Assets are accounted for at historical cost.

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

10.4. 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.

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

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

11. Employee Benefits

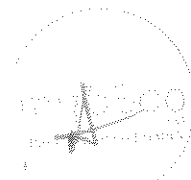
A. Short Term Employment Benefits:

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

B. Long Term Employee Benefits:



hi



i. Defined Contribution Plans: The Bank operates a new pension scheme (NPS) for all officers/ employees joining the Bank on or after 1st April, 2010, which is a defined contribution plan, such new joiners not being entitled to become members of the existing Pension Scheme. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with a matching contribution from the Bank. Pending completion of registration procedures of the employees concerned, these contributions retained with the Bank. The Bank recognizes such annual contributions in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS Trust.

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

12. 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:-

- 12.1. Treasury Operations,
- 12.2. Corporate and Wholesale Banking,
- 12.3. Retail Banking Operations and
- 12.4. Other Banking Operations.

13. Lease Transactions

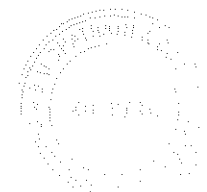
Lease payments for Assets taken on operating lease are amortized over the lease term. The properties taken on lease/rental basis are renewable / cancellable at the option of the Bank. The Bank's liabilities in respect of disputes pertaining to additional rent / lease rent are recognized on settlement or on renewal. Lease payments including cost escalation for assets taken on operating lease are recognised in the Profit and Loss Account over the lease term in accordance with the AS 19- Leases issued by the Institute of Chartered Accountants of India.

14. 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



Handwritten signature



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.

15. 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".

16. 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.

17. Share Issue Expenses:

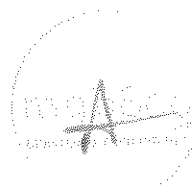
Share Issue expenses are charged to the Securities Premium account.

Changes in accounting policies with effect from the FY 2020-2021 would be applicable prospectively. The changes will be provided and disclosed in the full set of financial statements for FY 2020-2021.

**_*_*_*_*_*_*_*_*_



Handwritten signature



Schedule 14: Notes to account

1. Basis for preparation of Opening Balance Sheet (consequent to the amalgamation) as on the beginning of April 1, 2020

Consequent to the amalgamation of erstwhile Corporation Bank (eCB) and Andhra Bank (eAB) with Union Bank of India (UBI or the Bank) effective from April 1, 2020 (as explained in Note "2" below), the Opening Balance Sheet (hereinafter referred to as "OBS") along with accounting policies and selective notes to account of the amalgamated entity as at the beginning of April 1, 2020 is prepared by the management and adopted by the Audit Committee of Board (hereinafter referred to as "ACB") and approved by the Board of Directors (hereinafter referred to as "BoD") in its meeting held on 29.07.2020.

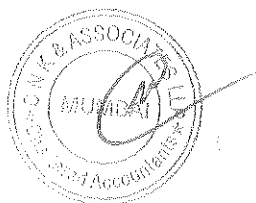
For the purpose of preparing the OBS, the carrying book values of assets and liabilities as per the respective audited financials as on March 31, 2020 of eCB & eAB have been incorporated with the carrying book value of assets and liabilities based on the audited financial statements of UBI as on March 31, 2020 in accordance with the principles prescribed in Accounting Standard 14 (AS-14) "Accounting for Amalgamations". The OBS has been prepared based on the accounting policies adopted by UBI as on March 31, 2020 and changes have been considered in eCB & eAB only to the extent required to bring uniformity in the accounting policies as required by AS-14. The adjustments made to the assets and liabilities consequent to amalgamation have been explained in Note 2(iii) below.

In view of the nature of this financial statement, disclosures prescribed under Accounting Standards are furnished to the extent considered relevant to the OBS based on the specific mandate issued by ACB in this regard and also no comparative figures for the previous period are furnished.

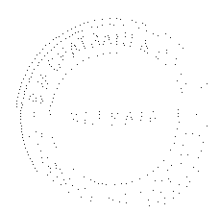
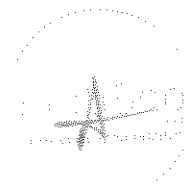
2. Scheme of Amalgamation:

In exercise of powers conferred by Section 9 of the Banking Companies (Acquisition and Transfer of Undertakings) Acts of 1970 (5 of 1970) and Section 9 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 (40 of 1980) after consultation with the Reserve Bank of India, The Government of India (GOI) through a Gazette Notification CG-DL-E-04032020-216535 dated March 04, 2020 approved the Scheme of Amalgamation (referred to as "the scheme") of Corporation Bank and Andhra Bank (collectively referred to as the "Transferor Banks") with Union Bank of India (referred to as the "Transferee Bank"). The scheme come into force on April 1, 2020 (referred to as the date on which the scheme has come into force).

Upon the commencement of the scheme, the undertakings of the Transferor Banks shall vest or be deemed to vest or be taken over by the Transferee Bank without requiring any act, deed, consent or instrument for transfer of the same. Undertaking of the transferor banks deemed to include all business assets (including tangible and intangible, movable and immovable), liabilities, Reserve & Surplus presents or contingent and all other rights and interests arising out of such property of the transferor banks in relation to the undertakings as were immediately before the commencement of scheme, in the ownership, possession, power or control of the Transferor Banks within or Outside India. After taking into consideration the recommendation of the respective Audit Committees, External Joint Valuation Report & the External Fairness Report received by the respective banks, the Board of the respective banks have approved the Share exchange Ratio. The salient features are as under:



h



- i) In consideration of transfer of and vesting of the undertakings of the Transferor Banks, equity shares of face value of Rs. 10 each fully paid-up (rank pari passu in all respect and have the same rights attached to them as the then existing equity shares of the Transferee Bank, including, in respect of dividends, if any, that may be declared by the Transferee Bank, on or after the commencement of this scheme) in the Transferee Bank was issued to shareholders whose names were recorded in the register of members of the Transferor Banks as on the record date determined by the Transferee Bank for this purpose. Details of share exchange ratio are as below:-

Name of Transferor Banks	Share exchange Ratio
Andhra Bank	325 Equity shares of face value Rs.10 each of Union Bank of India for every 1,000 equity shares of Andhra Bank of face value ₹.10 each fully paid up.
Corporation Bank	330 equity shares of face value Rs. 10 each of Union Bank of India for every 1,000 equity shares of Corporation Bank of face value ₹.2 each fully paid up

Further, the Transferee Bank has paid cash in respect of entitlements to fraction of equity shares wherever so determined.

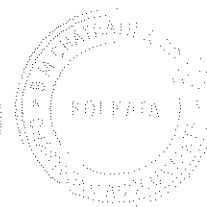
On September 9, 2019, the Board of Directors of UBI and the Board of Directors of eAB & eCB at their respective meetings, approved amalgamation of eAB & eCB with Union Bank of India with effect from April 1, 2020.

- ii) The amalgamation is accounted under the 'pooling of interest' method as prescribed in AS-14 "Accounting for amalgamation". All assets and liabilities (including contingent liabilities), duties and obligations of transferor Banks are proposed to be recorded in the books of account of transferee Bank at their existing carrying amounts and in the same form as on April 1, 2020 except for adjustments to bring uniformity of accounting policies as required under AS-14. Any further changes in liabilities / assets (including those consequents to changes in Accounting Standards) that may arise after the date on which the scheme has come into force will be made subsequently in the books of account of the Transferee Bank.
- iii) The amount of Share Capital issued by Transferee Bank amounting to ₹.2984.03 crore (2,98,40,25,503 equity shares of face value Rs. 10 each issued at par) together with cash paid in lieu of fractional entitlement of shares ₹ 0.7506 crores as consideration pursuant to the scheme has been adjusted against the corresponding share capital of the Transferor Banks and the difference has been adjusted to Amalgamation Reserve in the OBS.
- iv) Summarized values of assets and liabilities transferred in accordance with the terms of the Scheme is as detailed below:

(₹. in Crore)			
Particulars	eAB	eCB	Total
Assets taken over			
Cash and Balances with RBI	7,729	15,745	23,474
Balances with Banks and Money at Call and Short Notice	3,383	1,263	4,646



[Handwritten signature]

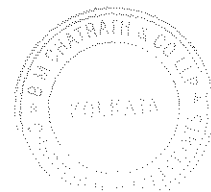
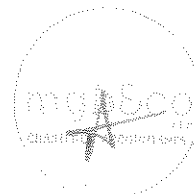


Investments	61,331	66,432	1,27,763
Advances	1,57,742	1,27,399	2,85,141
Fixed Assets	1,483	1,379	2,862
Other Assets	12,203	17,321	29,524
Total Assets (A)	2,43,871	2,29,540	4,73,411
Liabilities Taken Over			
Reserves and Surplus	9,132	12,552	21,684
Deposits	2,12,609	2,05,355	4,17,964
Borrowings	14,130	2,301	16,431
Other Liabilities and Provisions	4,904	8,133	13,307
Total Liabilities (B)	2,40,775	2,28,341	4,69,116
Net Assets C=(A-B)	3,096	1,198	4,294
Less:			
Shares of face value Rs 10/- each issued by UBI as consideration (D)	1,006	1,978	2,984
Cash in lieu of fractional entitlement of shares (E)	0.60	0.15	0.75
Difference transferred to Amalgamation Reserve F= (C-(D+E))	2,089	(779)	1,310

- Inter Office Accounts between branches, regional offices, zonal offices and corporate centre establishments are being reconciled on an ongoing basis.
- The Union Bank of India is in the process of finalizing an integration plan. The process of integration has been initiated from the effective date of amalgamation. The integration process is to be completed in phased manner. In this process, change in organizational structure, harmonization of product & policies, mutation of properties, IT integration etc. are in progress.
- Outbreak of COVID-19 Pandemic has impacted credit and recovery segments of banking business. Though there has been an impact on recovery, loan default risk has been largely minimized on account of grant of moratorium on repayment of loans and other measures to reduce the interest burden by Reserve Bank of India.



hi



Bank has continued its operation through its branches and Digital products even during current scenario of COVID-19 and the with partial relaxation of lockdown norms by Central and State Governments, full-fledged banking operations resumed in most of the branches after following safety norms

There may be an impact on revenue of the Bank during 1st and 2nd quarter of the FY 2020-2021 due to slow down of economic activity. With the measures being given by Government of India and State Governments, normalcy is expected to be restored by 3rd and 4th quarter of the current financial year. Nevertheless, the management believes that no adjustments are required in the financial results as the Bank is adequately capitalized and has sufficient liquidity to take care of its present and future operations and there would not be any significant impact on Bank's performance in future and going concern assumptions.

6. Harmonization on Common Borrower Exposure:

In pursuance of amalgamation approved by the Board of Directors and further directives by Reserve Bank of India, the bank had carried out the process of harmonisation with regard to impact of Divergence in Asset Classification across Union Bank of India, Corporation Bank & Andhra Bank as per extant IRAC norms as on March 31, 2020.

Accordingly, an amount of ₹ 3,654.91 Crore stands provided in this opening Balance Sheet as on 01st April, 2020 (₹ 2,509.98 Crore relating to UBI, ₹ 199.86 Crore relating eCB and ₹. 945.07 Crores relating to eAB).

Over and above this, the following additional harmonization provisions / adjustments are made due to amalgamation in profit and loss account as on April 1, 2020:

(₹. in Crore)	
Particulars	Amount
Amalgamated profit and loss account as on 31 st March, 2020	(32,758)
Add/(Less): Harmonization provisions	
On Advances	(372)
On Investment	130
Others	(37)
Balance in the Profit & Loss Account in the OBS as on April 1, 2020	(33,037)

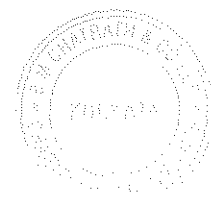
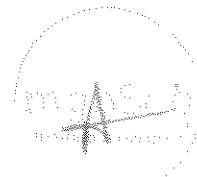
The effects of the above adjustments including deferred tax there on will be also reflected in Q1 of FY 2020-2021.

7. Pursuant to the amalgamation of Union Bank of India with eAB and eCB, the following adjustments have not been made in the opening financials as on April 1, 2020:

- I. The shareholding of Union Bank of India (amalgamated entity) has exceeded 10% in 2 companies and 5 venture capital funds. A reference has been made to RBI and the directions given by RBI will be implemented within the given time frame. Hence, no impact has been considered in opening financial statements.
- II. In view of the management, in following cases due to the nature of the change, it is not practicable to calculate the impact and give the effect of changes. Accordingly, no adjustment is made in the financial Statements as on April 1, 2020. The bank has decided to apply the policy prospectively.
 - a) Appropriation of recoveries in NPA accounts:



hi



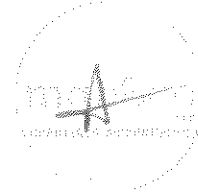
As per the bank's policy, appropriation of recoveries in NPA Account is first adjusted towards the arrears of principal/EMI till the date of recovery and then towards, interest and recovery of cost. However in case of transferor banks' policies, eCorporation Bank and eAndhra Bank, the appropriation of recoveries in NPA accounts is first appropriated towards all costs, commission, charges and expenses paid or incurred by the Bank, then towards interest, additional interest, further interest, penal interest due to the Bank and after that towards payment of the principal moneys. The amount of recoveries in NPA accounted as income in the Profit & loss Account for the FY 2019-2020 in case of eCorporation Bank and eAndhra Bank is ₹ 372.45 Crore & ₹ 361.06 crore respectively.

b) Depreciation on leasehold land:

As per the bank's policy, depreciation on Lease hold land is recognized on a straight-line basis using rates determined with reference to the primary period of lease. However, in case of eCorporation Bank and eAndhera Bank, no depreciation was charged on the leasehold land.



hi



Specific Notes to Account

8. Equity Capital

8.1 Shareholding Pattern post issuing shares under amalgamation is as under:

Particulars	Equity Shares UBI (Post Amalgamation)	
	Nos	%age
Promoter Holding (GOI)*	5,70,66,60,850	89.07
Institutional Investors	38,94,46,720	6.08
All others	31,07,36,785	4.85
Total	6,40,68,44,355	100.00

8.2 Capital Ratio - As per Basel III

S.No	Items	As on the beginning of April 01, 2020
1	Common Equity_ Tier 1 Capital Ratio (%) **	8.60
2	Tier 1 capital ratio (%) **	9.74
3	Tier 2 capital ratio (%)	2.27
4	Total Capital Ratio (%) **	12.01

Explanatory Notes:

**The Bank has adopted Pooling of Interest method prescribed under the AS 14 on 'Accounting for Amalgamations' issued by ICAI to record amalgamation of eAndhra Bank and eCorporation Bank (the amalgamating banks) with the Bank with effect from April 1, 2020. Accordingly, the difference of ₹. 1309.60 Crores between the net assets of the amalgamating banks and the amount of shares issued to the shareholders of the amalgamating banks has been recognized as Amalgamation Reserve after giving effect to the adjustment in line with AS-14. The Bank has considered this amount under CET1 for the purpose of calculation of CRAR, pending approval from RBI.

Gross incomes of the last three years for the e Corporation Bank and e Andhra Bank along with Union Bank of India have been considered for computation of RWA pertaining to Operational Risk on conservative basis for the period April 1, 2020.

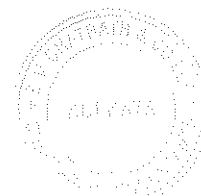
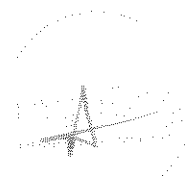
9. Investments

9.1 Break-up of Investments

(₹. in Crore)	
Particulars	As on the beginning of April 1, 2020
(i) Gross Value of Investments	2,86,640.71
(a) In India	2,83,574.98
(b) Outside India	3,065.73
(ii) Provisions for Depreciation	6,316.07
(a) In India	6,313.04
(b) Outside India	3.03
(iii) Net Value of Investments	2,80,324.64
(a) In India	2,77,261.94
(b) Outside India	3,062.70



h



9.2 (A) 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)

		Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on April 1, 2020
A	Securities sold under Repo				
i)	Government securities	4.86	17,082.93	3,897.06	20,935.64
ii)	Corporate debt securities	-	-	-	-
B	Securities purchased under Reverse Repo				
i)	Government securities	10.49	30,294.00	3,464.42	28,100.00
ii)	Corporate debt securities	-	-	-	-

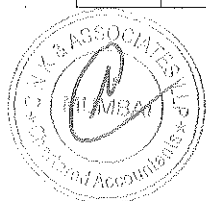
9.2.1 Non Performing Non-SLR Investments

i. Issuer composition of Non SLR Investments

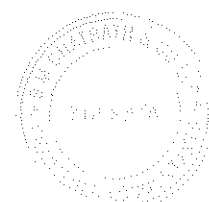
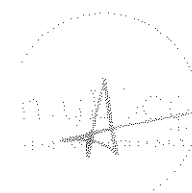
The issuer composition of investments in securities, other than government and other approved securities is given below:

(₹ in crore)

No.	Issuer	Amount	Extent of Private Placement	Extent of Below Investment Grade Securities	Extent of Unrated Securities**	Extent of Unlisted Securities**
(1)	(2)	(3)	(4)	(5)	(6)	(7)
i)	PSUs	5,306.65	1,160.12	0.50	717.46	10.19
ii)	FIs	4,169.33	2,541.87	121.92	-	4.99
iii)	Banks	4,506.10	4,377.80	5.00	-	-
iv)	Private Corporate	15,918.60	8,991.34	1,079.09	95.10	201.90
v)	Subsidiaries/ Joint Ventures	1,695.78	1,695.78	-	-	-
vi)	Others	52,991.45	45,933.41	-	-	7.36
vii)	Provision held towards	(6,314.34)	-	-	-	-



Handwritten signature



	depreciation					
	Total**	78,273.57	64,700.32	1,206.51	812.56	224.44

Particulars	April 1, 2020
Shares	1,883.32
Debentures and Bonds	61,486.18
Subsidiaries and Joint Ventures	1,689.17
Others	13,214.90
TOTAL	78,273.57

ii. Non performing Non-SLR investments

The movement in gross non performing investments in securities other than government and other approved securities is given below:

(₹ in crore)	
Particulars	April 1, 2020
Opening balance	4,183.98
Additions during the year	1,135.04
Reductions during the year	681.11
Closing balance	4,637.91
Total provisions held	4,236.19

10. Advances

10.1 Non- Performing Assets

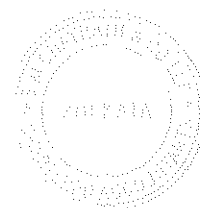
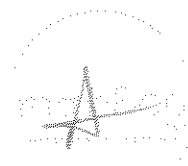
(₹. in Crore)	
Items	As on the beginning of April 1, 2020
Net NPAs to Net Advances (%)	5.24%
Gross NPAs to Gross Advances (%)	14.66%
Gross NPA	97,639.56
Net NPA	31,454.02
Provisions for NPA	66,185.54

10.2 Provisions on Standard Assets

(₹. in Crore)	
Particulars	As on the beginning of April 1, 2020
Provisions towards Standard Assets as per RBI norms	3,952.06



Signature



10.3 Amount of Unsecured Advances

(₹. in Crore)	
Particulars	As on the beginning of April 1, 2020
Unsecured Loan backed by intangible assets, such as charge over the rights, licenses, authority etc. taken as collateral security.	7141.36
Estimated value of such intangible collateral securities	7141.36

10.4 Disclosure on 'Restructuring of Advances –

- 10.4.1 As per RBI Circular No RBI/2018-19/100 DBR.No.BP.BC.18/21.04.048/2018-19 January 1, 2019, & RBI Circular No RBI/2018-19/100 DBR.No.BP.BC.34/21.04.048/2019-20 dated 11/02/2020, Banks and NBFCs shall make appropriate disclosures relating to the MSME accounts restructured:

(₹ in crore)		
No. of Accounts restructured	Amount	Provision Held (@5%)
72575	3353.82*	154.67

*Provision held is calculated by subtracting outstanding of Accounts turned NPA (7362 Accounts of amount ₹. 221.03 Crores) and FITL Accounts (2767 Accounts of ₹. 39.30 Crores) from Total outstanding amount ie. (3353.82- 221.03- 39.30)= ₹. 3093.49 Crores.

- 10.4.2 As per RBI Circular No RBI/2018-19/100 DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020, actual position of relief extended under COVID19 Regulatory Package is as under:

(₹ in crore)

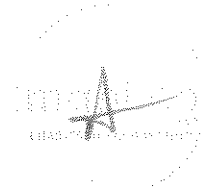
Amount Outstanding in SMA/Overdue Category where Moratorium / Deferment extended	Amount outstanding in Accounts where Asset classification benefit extended	Provision made as April 1, 2020	Provision Adjusted April 1, 2020 against Slippage and the residual provision
51815.56	6886.09\$	343.44@	NIL

\$ Provision is calculated @5% by excluding outstanding of Rs.17.02 crore in FITL account.

@The provision as of 31.03.2020 was ₹. 339.50 crores in these accounts and there is increase of ₹. 3.94 crores as of 01.04.2020. After scanning of common accounts.



hi



10.5 SECTOR-WISE ADVANCES

(₹. in Crore.)

Sr. No.	Sector	As on the beginning of April 1, 2020		
		Outstanding Total Advances	Gross NPA	Percentage of Gross NPAs to total Advances in that sector
A	Priority Sector			
1	Agriculture and allied activities	1,05,342.81	10,829.93	10.28
2	Advances to industries sector eligible as priority sector lending	45,853.21	10,118.61	22.07
3	Services	74,942.68	11,693.72	15.60
4	Personal loans	38,619.54	2,016.65	5.22
	Sub-total (A)	2,64,758.24	34,658.91	13.09
B	Non Priority Sector			
1	Agriculture and allied activities	2,748.00	0.00	0.00
2	Industry	1,52,180.98	44,223.60	29.06
3	Services	1,32,372.62	13,580.29	10.26
4	Personal loans	1,14,057.30	5,176.76	4.54
	Sub-total (B)	4,01,358.90	62,980.65	15.69
	Total (A+B)	6,66,117.14	97,639.56	14.66

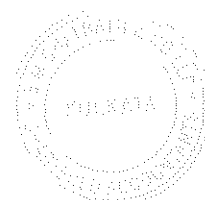
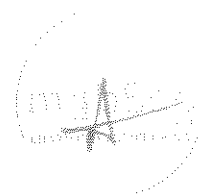
11. Risk Category wise Country Exposure

(₹. in Crore)

Category	Exposure (net)	Provision held
Insignificant	17,491.09	NIL
Low	9,859.27	NIL
Moderate	271.88	NIL
High	9.79	NIL
Very High	NIL	NIL
Restricted	NIL	NIL
Off-credit	NIL	NIL
Not Rated	NIL	NIL
Total	27,632.03	NIL



[Handwritten signature]



12. Overseas Assets and NPA

(₹. In Crores)

Particulars	As on the beginning of April 1, 2020
Total Assets	27,077
Total NPAs (Gross)	2,221

13. Provision Coverage Ratio (PCR)

Particulars	As on the beginning of April 1, 2020
Provision Coverage Ratio (PCR)	78.18

14. Floating Provisions:

(₹. in Crore)

Particulars	As on the beginning of April 1, 2020
Balance of Floating Provisions	306.20

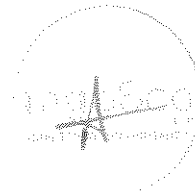
15. Accounting for Taxes on Income

(₹. in Crore)

Particulars	As on the beginning of April 1, 2020
Deferred Tax Assets (DTA)	
Employees Benefits (Leave Encashment)	422.02
Depreciation on Fixed Assets	183.27
Provision for doubtful debts and advances	18,754.84
Foreign Currency Translation Reserve	12.79
On FITL	20.05
On Sacrifice	7.33
On Standard Assets	358.55
Total DTA	19,758.85
Deferred Tax Liabilities (DTL)	
Accrued Interest on Securities	806.32
Special Reserve u/s 36(1)(viii)	1,924.67
Depreciation on Investment	1,185.23
Deferred Tax Liability on AS15 (Pension & Gratuity Fund) [Pre-payment]	2.10
Total DTL	3,918.32
Net Deferred Tax Assets (A)	15,840.53



[Handwritten signature]



C N K & Associates LLP Chartered Accountants	Kirtane & Pandit LLP Chartered Accountants	R S Patel & Co. Chartered Accountants
M G B & Co. LLP Chartered Accountants	B M Chatrath & Co. LLP Chartered Accountants	

INDEPENDENT AUDITORS' REPORT

To
The Board of Directors,
Union Bank of India,
Mumbai

Report on the audit of the Balance Sheet as on beginning of 1st April, 2020

Opinion

1. We have audited the accompanying Balance Sheet of Union Bank of India (the "Bank") as at 1st April, 2020 and a summary of significant accounting policies and other explanatory information (together "the Balance Sheet"). The Balance Sheet has been prepared by the Management of the Bank to give effect to the Scheme of Amalgamation (the "Scheme") whereby Andhra Bank and Corporation Bank (the "Amalgamating Banks") got amalgamated with the Bank with effect from the aforesaid date.
2. In our opinion, the attached Balance Sheet of the Bank as at 1st April, 2020 is prepared, in all material respects in accordance with the provisions of the Scheme of Amalgamation, Accounting Standard 14 on "Accounting for Amalgamations" issued by the Institute of Chartered Accountants of India ("ICAI") and accounting principles generally accepted in India relevant to the preparation of such Balance Sheet and gives a true and fair view of the state of affairs of the Bank as at 1st April, 2020.

Basis of Opinion

3. We conducted our audit in accordance with the Standards on Auditing (the "SAs") issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the audit of Balance Sheet section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the ICAI together with the ethical requirements that are relevant to our audit of the Balance Sheet, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to Schedule 14 of the Balance Sheet:
 - a. Note no. 1 regarding the basis for preparation of the Balance Sheet as at 1st April, 2020 which is based on the audited Balance Sheets as on 31st March, 2020 of the Bank and two domestic banking companies, hereinabove referred to as Amalgamating Banks, alongwith the details of the required adjustments made thereto as stated in the said Note;
 - b. Note no. 2 regarding the Scheme of Amalgamation and accounting treatment thereof; and
 - c. Note no.5 regarding the outbreak of Covid-19 Pandemic and its impact on banking business and management assessment of its impact on banking performance in future and going concern assumption.



[Handwritten signature]

[Handwritten signature]



C N K & Associates LLP Chartered Accountants	Kirtane & Pandit LLP Chartered Accountants	R S Patel & Co. Chartered Accountants
M G B & Co. LLP Chartered Accountants	B M Chatrath & Co. LLP Chartered Accountants	

- d. Note no. 7 (ii) regarding non- adjustment in certain cases of accounting policies of the Amalgamating Banks with the accounting policy of the Bank due to practicable reasons explained in the said Note.
- e. Note no. 8.2 regarding the consideration of amalgamation reserve amounting to Rs. 1309.60 crore as a part of CET1 capital for the purpose of calculation of CRAR in the Balance Sheet as at 1st April, 2020.

Our opinion is not modified in respect of these matters.

Other Matters

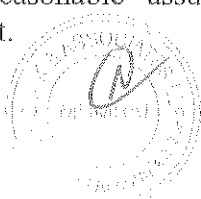
5. We have not audited the Balance Sheets of two Amalgamating Banks as at 31st March, 2020 included in the Balance Sheet of the Union Bank of India for the purposes of preparation of the Balance Sheet of the Bank as at 1st April, 2020 referred to in this report. These Balance Sheets as on 31st March, 2020 have been audited by other auditors whose reports have been furnished to us and we have relied on such reports in framing our opinion on the Balance Sheet of the Bank as at 1st April, 2020.

Responsibilities of Management and Those Charged With Governance for the Balance Sheet

6. The Banks Management is responsible for the preparation an fair presentation of this Balance Sheet in accordance with the requirements of the accounting Standard 14 "Accounting for Amalgamations" issued by ICAI, other accounting principles generally accepted in India, and the Scheme of Amalgamation notified by the Ministry of Finance dated 4th March, 2020 and as mandated by the Audit Committee of the Board of Directors of the Bank. As per such mandate, the Management of the Bank is responsible to prepare the said Balance Sheet considering the audited Balance Sheet of the Bank as well as those of the Amalgamating Banks as on 31st March, 2020 and incorporating such adjustments as stipulated in the Scheme as well as Accounting Standard 14 issued by ICAI. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the Balance Sheet that is free from material misstatement, whether due to fraud or error.
7. In preparing the Balance Sheet, the Management and the Board of Directors are 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 is also responsible for overseeing the Bank's financial reporting process.

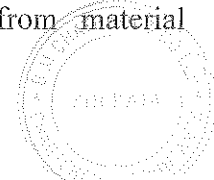
Auditor's Responsibilities for the Audit of the Balance Sheet

8. Our responsibility is to express an opinion on the Balance Sheet based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by ICAI to the extent applicable. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Balance Sheet is free from material misstatement.



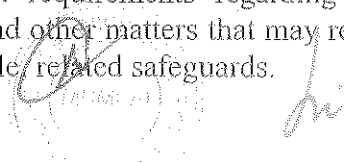
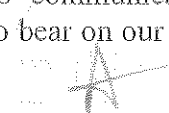
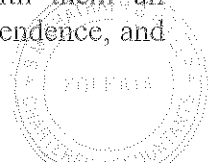
Handwritten signature

Handwritten signature



C N K & Associates LLP Chartered Accountants	Kirtane & Pandit LLP Chartered Accountants	R S Patel & Co. Chartered Accountants
M G B & Co. LLP Chartered Accountants	B M Chatrath & Co. LLP Chartered Accountants	

9. Considering the special purpose of the aforesaid Balance Sheet, our responsibility is to verify whether the amalgamation is accounted by following the Pooling of Interest method as prescribed under Accounting Standard 14 issued by ICAI and also to verify the accounting treatment given by the Bank to ensure uniform significant accounting policies in cases where the Amalgamating Banks had conflicting accounting policies as compared to the accounting policies of the Bank.
10. As part of an audit in accordance with the SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - a. Identify and assess the risk of material Misstatement of the Balance Sheet whether due to fraud and error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate 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.
 - b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Bank has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls with respect to the preparation of the Balance Sheet as at 1st April, 2020.
 - c. 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 Balance Sheet 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.
 - d. Evaluate the overall presentation, structure and content of the Balance Sheet, including the disclosures, and whether the Balance Sheet represent the underlying transactions and events in a manner that achieves fair presentation.
11. Materiality is the magnitude of misstatements in the Balance Sheet that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Balance Sheet may be influenced. We consider quantitative materiality and quantitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Balance Sheet.
12. 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 with respect to the process followed for preparation of the Balance Sheet as at 1st April, 2020 that we identify during our audit.
13. 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.

G N K & Associates LLP Chartered Accountants	Kirtane & Pandit LLP Chartered Accountants	R S Patel & Co. Chartered Accountants
M G B & Co. LLP Chartered Accountants	B M Chatrath & Co. LLP Chartered Accountants	

Restriction on Distribution and Use

14. The Balance Sheet has been prepared to assist the Bank in ascertaining the impact of amalgamation as referred to above. As a result, the Balance Sheet is not suitable for any other purpose. This report is issued solely for the internal use of the Union Bank of India and is not intended to be used, referred to or distributed for any other purpose without our prior written consent.

For C N K & Associates LLP
Chartered Accountants
FRN: 101961W/ W-100036

Manish Sampat
Partner

Membership No. 101684
Place: Mumbai

For M G B & Co. LLP
Chartered Accountants
FRN: 101169W/ W-100035

Amit Kumar Kothari
Partner

Membership No. 222726
Place: Mumbai

Date: July 29, 2020

For Kirtane & Pandit LLP
Chartered Accountants
FRN: 105215W/ W-100057

Sandeep D Welling
Partner

Membership No. 044576
Place: Mumbai

For B M Chatrath & CO. LLP
Chartered Accountants
FRN: 301011E/ E300025

Sukhpreet S Sidhu
Partner

Membership No. 052187
Place: Mumbai

UDIN: 20052187AAAAAU3161

For R S Patel & Co.
Chartered Accountants
FRN: 107758W

Rajan B Shah
Partner

Membership No. 101998
Place: Ahmedabad

UDIN: 20101998AAAAHC9460

UDIN: 20101684AAAADF5090

20044576AAAALD6925