यूनियन बैंक ऑफ इंडिया
Union Bank of India
भारत सरकार का उपक्रम A Government of India Undertaking
आन्ध्रा Andhra
कार्पोरेशन Corporation

Ref: ISD/20-21/287

March 01, 2021

| | |
|---|---|
| The Deputy General Manager,<br>Corporate Relationships Dept.<br>**BSE Ltd.**<br>Phiroze Jeejeebhoy Towers,<br>Dalal Street,<br>Mumbai-400 001.<br>Scrip Code-532 477 | The Deputy General Manager,<br>Listing Dept.<br>**National Stock Exchange of India Ltd.**<br>Exchange Plaza, Plot No.C/1, G Block<br>Bandra-Kurla Complex, Bandra (E),<br>Mumbai-400 051.<br>Scrip Symbol/Series-UNIONBANK-EQ |

Madam/Sir,

**Subject: Approval of Proforma Financial Statements by the Committee of Directors for raising Capital Funds.**

**Ref: Our intimation no. ISD/20-21/127 dated 29.07.2020 with regard to the approval of Board of Directors of the Bank for raising capital through various permitted modes.**

In terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Exchanges are hereby informed that the Committee of Directors for Raising Capital Funds at its meeting held today, i.e., Monday, March 1, 2021, has considered and approved the Proforma Financial Statements of Union Bank of India (i.e. Union Bank of India post amalgamation of Andhra Bank and Corporation Bank w.e.f. April 1, 2020) as on March 31, 2020 and December 31, 2019.

Copies of Proforma Financial Statements are enclosed herewith.

This is for your information and appropriate dissemination.

Thanking you.

Yours faithfully,

Mangesh Mandrekar

(Mangesh Mandrekar)
Company Secretary

Encl: as above

यूनियन बैंक ऑफ इंडिया, निवेशक सेवायें प्रभाग, यूनियन बैंक भवन, 239, विधान भवन मार्ग, नरीमन पॉइंट, मुंबई- 400021.
Union Bank of India, Investor Services Division, Union Bank Bhavan, 239, Vidhan Bhavan Marg, Nariman Point, Mumbai - 400021.
☎: + 91 22 2289 6636/2289 6643, ✉ investorservices@unionbankofindia.com, website: www.unionbankofindia.co.in
@unionbankofindia @UnionBankTweets UnionBankInsta YouTube UnionBankofIndiaUtube @unionbankofindia

Union Bank of India

# BALANCE SHEET AS ON 31st DECEMBER, 2019

( Rs in Crore)

| Particulars | Union Bank of India AS ON 31st December, 2019 | e-Andhra Bank AS ON 31st December, 2019 | e-Corporation Bank AS ON 31st December, 2019 | Adjustments AS ON 31st December, 2019 | Union Bank of India (AE) AS ON 31st December, 2019 |
|---|---|---|---|---|---|
| **CAPITAL AND LIABILITIES** | | | | | |
| Capital | 3,423 | | | 2,984 | 6,407 |
| Reserves and Surplus | 34,241 | 10,652 | 16,020 | 1,199 | 62,112 |
| Deposits | 4,45,091 | 2,16,722 | 1,98,383 | | 8,60,196 |
| Borrowings | 36,572 | 9,447 | 2,091 | | 48,110 |
| Other Liabilities and Provisions | 10,624 | 5,238 | 6,442 | | 22,304 |
| TOTAL | 5,29,951 | 2,42,059 | 2,22,936 | 4,183 | 9,99,129 |
| **ASSETS** | | | | | |
| Cash and Balances with Reserve Bank of India | 21,104 | 9,963 | 16,586 | | 47,653 |
| Balances with Banks and Money at Call and Short Notice | 13,501 | 3,010 | 6,704 | | 23,215 |
| Investments | 1,60,266 | 60,027 | 63,793 | | 2,84,086 |
| Advances | 3,07,566 | 1,58,506 | 1,18,879 | | 5,84,951 |
| Fixed Assets | 3,727 | 1,497 | 1,371 | | 6,595 |
| Other Assets | 23,787 | 12,042 | 16,801 | (1) | 52,629 |
| TOTAL | 5,29,951 | 2,45,045 | 2,24,134 | (1) | 9,99,129 |
| Contingent Liabilities | 3,26,512 | 1,61,374 | 63,403 | | 5,51,289 |
| Bills for Collection | 21,297 | 12,266 | 14,029 | | 47,592 |

(DHIRENDRA JAIN)
DY. GENERAL MANAGER

(PRAFULLA KUMAR SAMAL)
GENERAL MANAGER & CFO

(MANAS RANJAN BISWAL)
EXECUTIVE DIRECTOR

(DINESH KUMAR GARG)
EXECUTIVE DIRECTOR

(GOPAL SINGH GUSAIN)
EXECUTIVE DIRECTOR

(RAJKIRAN RAI G.)
MANAGING DIRECTOR & CEO

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

CA Niranjan Joshi
Partner
Membership No.102789
UDIN: 21102789AAAAAH8872

For M/s B M Chatrath& Co. LLP
Chartered Accountants
FRN 301011E/E300025

CA Sukhpreet S Sidhu
Partner
Membership No.052187
UDIN: 21052187AAAAAJ6579

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

CA P M Veeramani
Partner
Membership No.023993
UDIN: 21023993AAAAEQ9105

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

CA Suman Bose
Partner
Membership No.045239
UDIN: 21045239AAAAAK5560

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

CA Ruchi Agarwal
Partner
Membership No.504134
UDIN: 21504134AAAAAM6678

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

CA Gautam Sharma
Partner
Membership No.079225
UDIN: 21079225AAAABG5187

Place: Mumbai
Date: 01.03.2021

यूनियन बैंक Union Bank

## STANDALONE PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31st DECEMBER, 2019

( Rs in Crore)

| Particulars | | Union Bank of India<br>FOR THE PERIOD ENDED 31st December, 2019 | e-Andhra Bank<br>FOR THE PERIOD ENDED 31st December, 2019 | e-Corporation Bank<br>FOR THE PERIOD ENDED 31st December, 2019 | Union Bank of India (AE)<br>FOR THE PERIOD ENDED 31st December, 2019 |
|---|---|---|---|---|---|
| **I. INCOME** | | | | | |
| Interest Earned | | 27,942 | 14,858 | 12,145 | 54,945 |
| Other Income | | 3,243 | 1,777 | 3,036 | 8,056 |
| | TOTAL | 31,185 | 16,635 | 15,181 | 63,001 |
| **II. EXPENDITURE** | | | | | |
| Interest Expended | | 19,383 | 9,738 | 8,137 | 37,258 |
| Operating Expenses | | 5,274 | 2,946 | 3,137 | 11,357 |
| Provision And Contingencies | | 6,923 | 3,666 | 32 53 | 13,842 |
| | TOTAL | 31,580 | 16,350 | 14,527 | 62,457 |
| III. PROFIT/(LOSS) FOR THE YEAR | | (395) | 285 | 654 | 544 |
| ADD : PROFIT/(LOSS) BROUGHT FORWARD | | | | | |
| | TOTAL | (395) | 285 | 654 | 544 |
| **IV. APPROPRIATIONS** | | | | | |
| Transfer To Statutory Reserve | | | | | 0 |
| Transfer To Capital Reserve | | | | | 0 |
| Transer To Revenue And Other Reserves | | | | | 0 |
| Proposed Dividend | | | | | 0 |
| Provision for Div On PNCPS | | | | | 0 |
| Dividend Tax | | | | | 0 |
| Transfer To Special Reserve [Sec36(I)(viii)]of the Income Tax Act,1961] | | | | | 0 |
| Balance in Profit and Loss Account | | (395) | 285 | 654 | 544 |
| | TOTAL | (395) | 285 | 654 | 544 |

(DHIRENDRA JAIN)
**DY. GENERAL MANAGER**

(PRAFULLA KUMAR SAMAL)
**GENERAL MANAGER & CFO**

(MANAS RANJAN BISWAL)
**EXECUTIVE DIRECTOR**

(DINESH KUMAR GARG)
**EXECUTIVE DIRECTOR**

(GOPAL SINGH GUSAIN)
**EXECUTIVE DIRECTOR**

(RAJKIRAN RAI G.)
**MANAGING DIRECTOR & CEO**

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

CA Niranjan Joshi
Partner
Membership No.102789
UDIN 21102789AAAAAH8872

For M/s B M Chatrath& Co. LLP
Chartered Accountants
FRN 301011E/E300025

CA Sukhpreet S Sidhu
Partner
Membership No.052187
UDIN: 21052187AAAAAJ6579

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

CA P M Veeraman
Partner
Membership No.023933
UDIN: 21023933AAAAEQ9105

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

CA Suman Bose
Partner
Membership No.045239
UDIN: 21045239AAAAAK5560

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

CA Ruchi Agarwal
Partner
Membership No.504134
UDIN: 21504134AAAAAH6678

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

CA Gautam Sharma
Partner
Membership No.079225
UDIN: 21079225AAAAAS5187

Place: Mumbai
Date: 01.03.2021

Notes to Proforma Financial Statements

1. Basis for preparation of Proforma Financial Statements (PFS) of Union Bank of India for the quarter/Nine months ended 31st December, 2019 (consequent to the amalgamation of Corporation Bank and Andhra Bank).
   The PFS has been prepared by the Management of the Bank in accordance with the requirements of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2009, as amended to date (the "SEBI Regulations 2018") issued by the Securities and Exchange Board of India (the "SEBI")to reflect the impact of a significant amalgamation effective from 01st April, 2020 and as further set out in the basis of preparation paragraph included in the attached notes to the Proforma Financial Statements.
   Consequent to the amalgamation of erstwhile Andhra Bank (e-AB) and erstwhile Corporation Bank (e-CB) with Union Bank of India(UBI) effective from 1stApril ,2020, the Proforma Financial Statements (hereinafter referred to as "PFS") along with accounting policies and selective notes to PFS of the amalgamated entity for the quarter/nine months ended 31st December,2019 is prepared by the management and adopted by the Committee of Directors for Raising of Capital Funds (hereinafter referred to as "CDRCF") in its meeting held on 01.03.2021.
2. For the purpose of preparing the PFS, the carrying book values of Assets and Liabilities as per the reviewed financials as on 31st December,2019 of e-AB and e-CB has been incorporated with the carrying book value of the assets and liabilities based on the reviewed financial statements of UBI as on 31st December,2019 in accordance with the "Guide to reporting on Proforma Financial Statements" issued by The Institute of Chartered Accountants of India. The PFS has been prepared by aggregation of reviewed numbers of Balance Sheet, Profit and Loss account and do not entail any adjustments except to the extent of changes in issued capital, Investments and amalgamation reserve consequent to the amalgamation. The adjustment made to issued Share Capital, Amalgamation reserve and Investment consequent to amalgamation have been explained in Note 3, Note 4 and Note 5 below.
3. The amount of Share Capital issued by Union Bank of India amounting to Rs 1005.97 Cr (1005965452 equity shares of face value Rs 10 each issued at par) and Rs 1978.06 Cr (1978060051 equity shares of face value of Rs 10 each issued at par) to e-AB & e-CB respectively as consideration pursuant to the scheme has been adjusted in share capital of PFS.
4. The Bank has adopted pooling of interest method prescribed under the Accounting Standard 14 on Accounting for Amalgamations to record amalgamation of e-AB and e-CB

(the amalgamating banks) with the Bank with effect from April 1, 2020. Accordingly, the difference of Rs 1309.60 Cr 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.

5. The PFS has also considered the adjustment of cash paid in lieu of fractional entitlement of shares Rs 0.75 Cr in the other assets.
6. 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 PFS.
   a) The PFS has not considered the cancellation of Inter Bank Deposits (Rs.0.68 Cras on the dated of amalgamation i.e.1st April, 2020) in the earlier periods.
   b) In pursuance of amalgamation approved by the Board of Directors and further directives by Reserve Bank of India, the bank has carried out the process of harmonization of common borrowers with regard to impact of Divergence in Asset Classification across Union Bank, e-AB and e-CB as per extant IRAC norms as on 31st March,2020. Accordingly, an amount of Rs 2509.98 Cr. has been provided in UBI, Rs 945.07 Cr in e-AB and Rs 199.86 Cr. in e-CB as on 1st April, 2020. Similar effect, if any has not been provided in the PFS of period prior to 31st March, 2020.
7. The PFS has been prepared for inclusion in the investor presentation and offer documents to be filed with stock exchanges and other relevant authorities in respect of the proposed fund raising exercises of the Bank and accordingly, the same is for illustrative purpose only and therefore, does not represent the Bank's actual or expected financial position or results.

Dhirendra Jain
Deputy General Manager

Prafulla Kumar Samal
Chief Financial Officer

MANAS RANJAN BISWAL
Executive Director

DINESH KUMAR GARG
Executive Director

GOPAL SINGH GUSAIN
Executive Director

(RAJKIRAN RAI G.)
Managing Director & CEO

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

CA Niranjan Joshi
Partner
Membership No.102789
UDIN: 21102789AAAAAH8872

For M/s B M Chatrath& Co. LLP
Chartered Accountants
FRN 301011E/E300025

CA Sukhpreet S Sidhu
Partner
Membership No.052187
UDIN: 21052187AAAAAJ6574

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

CA P M Veeramani
Partner
Membership No.023933
UDIN: 21023933AAAAEQ9105

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

CA Suman Bose
Partner
Membership No.045239
UDIN: 21045239AAAAAK5560

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

CA Ruchi Agarwal
Partner
Membership No.504134
UDIN: 21504134AAAAAH6678

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

CA Gautam Sharma
Partner
Membership No.079225
UDIN: 21079225AAAADB5187

Place: Mumbai
Date: 01.03.2021

Union Bank of India
Andhra Corporation

## BALANCE SHEET AS ON 31st MARCH, 2020

(Rs in Crore)

| Particulars | Union Bank of India AS ON 31st March, 2020 | e-Andhra Bank AS ON 31st March, 2020 | e-Corporation Bank AS ON 31st March, 2020 | Adjustments AS ON 31st March, 2020 | Union Bank of India (AE) AS ON 31st March, 2020 |
|---|---|---|---|---|---|
| **CAPITAL AND LIABILITIES** | | | | | |
| Capital | 3,423 | | | 2,984 | 6,407 |
| Reserves and Surplus | 30,363 | 9,132 | 12,552 | 1,310 | 53,357 |
| Deposits | 4,50,668 | 2,12,610 | 2,05,355 | | 8,68,633 |
| Borrowings | 52,486 | 14,129 | 2,301 | | 68,916 |
| Other Liabilities and Provisions | 13,743 | 4,904 | 8,133 | | 26,780 |
| **TOTAL** | 5,50,683 | 2,40,775 | 2,28,341 | 4,294 | 10,24,093 |
| **ASSETS** | | | | | |
| Cash and Balances with Reserve Bank of India | 20,118 | 7,729 | 15,745 | | 43,592 |
| Balances with Banks and Money at Call and Short Notice | 34,988 | 3,383 | 1,263 | | 39,634 |
| Investments | 1,52,414 | 61,331 | 66,433 | | 2,80,178 |
| Advances | 3,15,049 | 1,57,742 | 1,27,399 | | 6,00,190 |
| Fixed Assets | 4,762 | 1,483 | 1,379 | | 7,624 |
| Other Assets | 23,352 | 12,203 | 17,321 | (1) | 52,875 |
| **TOTAL** | 5,50,683 | 2,43,871 | 2,29,540 | (1) | 10,24,093 |
| Contingent Liabilities | 1,88,202 | 1,39,051 | 36,728 | | 3,63,981 |
| Bills for Collection | 21,683 | 13,465 | 14,364 | | 49,512 |

(DHIRENDRA JAIN)
**DY. GENERAL MANAGER**

(PRAFULLA KUMAR SAMAL)
**GENERAL MANAGER & CFO**

(MANAS RANJAN BISWAL)
**EXECUTIVE DIRECTOR**

(DINESH KUMAR GARG)
**EXECUTIVE DIRECTOR**

(GOPAL SINGH GUSAIN)
**EXECUTIVE DIRECTOR**

(RAJKIRAN RAI G.)
**MANAGING DIRECTOR & CEO**

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

CA Niranjan Joshi
Partner
Membership No.102789
UDIN: 21102789AAAAAM8872

For M/s B M Chatrath& Co. LLP
Chartered Accountants
FRN 301011E/E300025

CA Sukhpreet S Sidhu
Partner
Membership No.052187
UDIN: 21052187AAAAB6579

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

CA P M Veeramani
Partner
Membership No.023933
UDIN: 21023933AAAAEQ9105

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

CA Suman Bose
Partner
Membership No.045239
UDIN: 21045239AAAAAK5560

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

CA Ruchi Agarwal
Partner
Membership No.504134
UDIN: 21504134AAAAM6678

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

CA Gautam Sharma
Partner
Membership No.079225
UDIN: 21079225AAAADS5187

Place: Mumbai
Date: 01.03.2021

यूनियन बैंक Union Bank of India

आंध्रा Andhra

## STANDALONE PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH, 2020

( Rs in Crore)

| Particulars | | Union Bank of India<br>FOR THE PERIOD ENDED 31st March, 2020 | e-Andhra Bank<br>FOR THE PERIOD ENDED 31st March, 2020 | e-Corporation Bank<br>FOR THE PERIOD ENDED 31st March, 2020 | Union Bank of India (AE)<br>FOR THE PERIOD ENDED 31st March, 2020 |
|---|---|---|---|---|---|
| **I. INCOME** | | | | | |
| Interest Earned | | 37,231 | 19,784 | 16,171 | 73,186 |
| Other Income | | 5,261 | 2,743 | 3,749 | 11,753 |
| | **TOTAL** | **42,492** | **22,527** | **19,920** | **84,939** |
| **II. EXPENDITURE** | | | | | |
| Interest Expended | | 25,794 | 12,796 | 10,942 | 49,532 |
| Operating Expenses | | 7,517 | 4,639 | 5,175 | 17,331 |
| Provision And Contingencies | | 12,079 | 6,417 | 61 94 | 24,690 |
| | **TOTAL** | **45,390** | **23,852** | **22,311** | **91,553** |
| III. PROFIT/(LOSS) FOR THE YEAR | | (2,898) | (1,325) | (2,391) | (6,614) |
| ADD : PROFIT/(LOSS) BROUGHT FORWARD | | (8,400) | (6,253) | | (14,653) |
| | **TOTAL** | **(11,298)** | **(7,578)** | | **(21,267)** |
| **IV. APPROPRIATIONS** | | | | | |
| Transfer To Statutory Reserve | | | 96 | | 96 |
| Transfer To Capital Reserve | | 375 | 290 | | 665 |
| Transer To Revenue And Other Reserves | | | | | |
| Proposed Dividend | | | | | |
| Provision for Div On PNCPS | | | | | |
| Dividend Tax | | | | | |
| Transfer To Special Reserve [Sec36(I)(viii)]of the Income Tax Act,1961] | | | | | |
| Balance in Profit and Loss Account | | (11,673) | (7,964) | (2,391) | (22,028) |
| | **TOTAL** | **(11,298)** | **(7,578)** | **(2,391)** | **(21,267)** |

(DHIRENDRA JAIN)
**DY. GENERAL MANAGER**

(PRAFULLA KUMAR SAMAL)
**GENERAL MANAGER & CFO**

(MANAS RANJAN BISWAL)
**EXECUTIVE DIRECTOR**

(DINESH KUMAR GARG)
**EXECUTIVE DIRECTOR**

(GOPAL SINGH GUSAIN)
**EXECUTIVE DIRECTOR**

(RAJKIRAN RAI G.)
**MANAGING DIRECTOR & CEO**

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

CA Niranjan Joshi
Partner
Membership No.102789
UDIN: 21102789AAAAAM8872

For M/s B M Chatrath& Co. LLP
Chartered Accountants
FRN 301011E/E300025

CA Sukhpreet S Sidhu
Partner
Membership No.052187
UDIN: 21052187AAAAA36579

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

CA P M Veeramani
Partner
Membership No.023933
UDIN: 21023933AAAAEQ9105

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

CA Suman Bose
Partner
Membership No.045239
UDIN: 21045239AAAAAX5560

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

CA Ruchi Agarwal
Partner
Membership No.504134
UDIN: 21504134AAAAAH6678

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

CA Gautam Sharma
Partner
Membership No.079225
UDIN: 21079225[illegible]5187

Place: Mumbai
Date: 01.03.2021

## SCHEDULES FORMING PART OF THE STANDALONE BALANCE SHEET AS ON 31st MARCH, 2020

( Rs in Crore)

| | Union Bank of India | e-Andhra Bank | e-Corporation Bank | Adjustments | Union Bank of India (AE) |
|---|---|---|---|---|---|
| | AS ON 31st March, 2020 | AS ON 31st March, 2020 | AS ON 31st March, 2020 | AS ON 31st March, 2020 | AS ON 31st March, 2020 |
| SCHEDULE 1 - CAPITAL : | | | | | |
| I. Authorised : | | | | | |
| 1000,00,00,000 Equity Shares of Rs.10 each | 10,000 | - | - | - | 10,000 |
| II. Issued, Subscribed & Paid up : | 3,423 | - | - | 2,984 | 6,407 |
| i. 570,66,60,850 Equity Shares of Rs.10 each, held by Central Government | | | | | |
| ii. 70,01,83,505 Equity Shares of Rs.10 each, held by Public | | | | | |
| TOTAL | 3,423 | - | - | 2,984 | 6,407 |

यूनियन बैंक ऑफ इंडिया
वित्त एवं लेखा विभाग
Finance & Accounts Dept.
UNION BANK OF INDIA

## SCHEDULES FORMING PART OF THE STANDALONE BALANCE SHEET AS ON 31st MARCH, 2020

( Rs in Crore)

| | Union Bank of India | e-Andhra Bank | :orporation Bi | Adjustments | Union Bank of India (AE) |
|---|---|---|---|---|---|
| | AS ON 31st March, 2020 | AS ON 31st March, 2020 | AS ON 31st March, 2020 | AS ON 31st March, 2020 | AS ON 31st March, 2020 |
| **SCHEDULE 2 - RESERVES & SURPLUS :** | | | | | |
| I. Statutory Reserve : | 6,671 | 2,554 | 3,369 | | 12,594 |
| II. Capital Reserve : | 1,660 | 936 | 1,175 | | 3,771 |
| III. Revaluation Reserve : | 3,174 | 944 | 879 | | 4,997 |
| IV. Share Premium : | 25,226 | 8,799 | 16,082 | | 50,107 |
| V. Revenue Reserves : | 2,394 | 2,407 | 2,985 | | 7,786 |
| VI Special Reserve u/s Sec 36(1)(viii) of the Income Tax Act, 1961 | 2,875 | 1,455 | 1,178 | | 5,508 |
| VII Foreign Currency Translation Reserve | 36 | - | | | 36 |
| VIII. Special Reserve profit on Fx SWAP | - | - | 6 | | 6 |
| IX. Balance in Profit and Loss Account | -11,673 | -7,963 | -13,122 | | -32,758 |
| X. Amalgamation Reserves | - | - | - | 1,310 | 1,310 |
| **TOTAL** | 30,363 | 9,132 | 12,552 | 1,310 | 53,357 |

यूनियन बैंक ऑफ इंडिया
वित्त एवं लेखा विभाग
Finance & Accounts Dept.
UNION BANK OF INDIA

## SCHEDULES FORMING PART OF THE STANDALONE BALANCE SHEET AS ON 31st MARCH, 2020

( Rs in Crore)

| | Union Bank of India | e-Andhra Bank | e-Corporation Bank | Adjustment | Union Bank of India (AE) |
|---|---|---|---|---|---|
| | AS ON 31st March, 2020 | AS ON 31st March, 2020 | AS ON 31st March, 2020 | AS ON 31st March, 2020 | AS ON 31st March, 2020 |
| **SCHEDULE 3 - DEPOSITS :** | | | | | |
| A. | | | | | |
| **I. Demand Deposits** | | | | | |
| i) From Banks | 403 | 48 | 14 | | 465 |
| ii) From Others | 26,012 | 11,286 | 16,727 | | 54,025 |
| Total | 26,415 | 11,334 | 16,741 | - | 54,490 |
| **II. Savings Bank Deposits** | 1,33,958 | 62,121 | 46,029 | | 2,42,108 |
| Total | 1,33,958 | 62,121 | 46,029 | - | 2,42,108 |
| **III. Term Deposits** | | | | | |
| i) From Banks | 5,506 | 6 | 162 | | 5,674 |
| ii) From Others | 2,84,789 | 1,39,149 | 1,42,423 | | 5,66,361 |
| Total | 2,90,295 | 1,39,155 | 1,42,585 | - | 5,72,035 |
| **TOTAL** | 4,50,668 | 2,12,610 | 2,05,355 | - | 8,68,633 |
| B. | | | | | |
| i). Deposits of branches in India | 4,47,019 | 2,12,610 | 2,05,355 | | 8,64,984 |
| ii). Deposits of branches outside India | 3,649 | - | - | | 3,649 |
| **TOTAL** | 4,50,668 | 2,12,610 | 2,05,355 | - | 8,68,633 |
| **SCHEDULE 4 - BORROWINGS :** | | | | | |
| **A) Borrowings : Capital Instruments** | | | | | |
| I. Perpetual Bonds | 4,000 | 2,200 | | | 6,200 |
| II. Upper Tier II Capital | 500 | - | | | 500 |
| III. Lower Tier II Capital | 5,550 | 3,000 | 2,050 | | 10,600 |
| IV. 7 year Infra Bonds | - | 500 | | | 500 |
| **B) Borrowings in India** | | | | | |
| I. Reserve Bank of India | - | 4,443 | 203 | | 4,646 |
| II. Other Banks | 2,012 | 3,825 | - | | 5,837 |
| III. Other Institutions and Agencies | 20,253 | 161 | 48 | | 20,462 |
| Total | 22,265 | 8,429 | 251 | - | 30,945 |
| **C) Borrowings Outside India** | 20,171 | - | | | 20,171 |
| **TOTAL** | 52,486 | 14,129 | 2,301 | - | 68,916 |
| **SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS :** | | | | | |
| I. Bills Payable | 909 | 681 | 461 | | 2,051 |
| II. Interest Accrued | 1,852 | 349 | 690 | | 2,891 |
| III. Others (Including Provisions) | 10,982 | 3,760 | 6,982 | | 21,724 |
| IV. Inter Office Adjustment | - | 114 | - | | 114 |
| **TOTAL** | 13,743 | 4,904 | 8,133 | - | 26,780 |
| **SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA:** | | | | | |
| I. Cash in hand (Including Foreign Currency Notes and Gold) | 2,004 | 1,213 | 1,127 | | 4,344 |
| II. Balances with Reserve Bank of India in Current Account | 18,114 | 6,516 | 6,518 | | 31,148 |
| III. Gold in Hand | - | - | 8,100 | | 8,100 |
| TOTAL | 20,118 | 7,729 | 15,745 | - | 43,592 |

यूनियन बैंक ऑफ इंडिया वित्त एवं लेखा विभाग Finance & Accounts Dept. UNION BANK OF INDIA

## SCHEDULES FORMING PART OF THE STANDALONE BALANCE SHEET AS ON 31st MARCH, 2020

( Rs in Crore)

| | Union Bank of Indi | e-Andhra Bank | e-Corporation Bank | Adjustments | Union Bank of India (AE) |
|---|---|---|---|---|---|
| | AS ON 31st March, 2020 | AS ON 31st March, 2020 | AS ON 31st March, 2020 | AS ON 31st March, 2020 | AS ON 31st March, 2020 |
| **SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE :** | | | | | |
| **I. Balances with banks in India** | | | | | |
| a) In Current Accounts | 176 | 17 | 52 | | 245 |
| b) In Other Deposit Accounts | 8,096 | - | - | | 8,096 |
| ii) Money at Call and short notice | | | | | |
| a) with Banks | 300 | - | - | | 300 |
| b) with Other Institutions | 20,000 | - | - | | 20,000 |
| Total | 28,572 | 17 | 52 | - | 28,641 |
| **II. Outside India** | | | | | |
| i) In Current Accounts | 279 | 120 | - | | 399 |
| ii) In other Deposit Accounts | 6,137 | 3,246 | 1,211 | | 10,594 |
| iii) Money at call & Short Notice | - | | | | - |
| Total | 6,416 | 3,366 | 1,211 | - | 10,993 |
| **TOTAL** | 34,988 | 3,383 | 1,263 | - | 39,634 |
| **SCHEDULE 8 - INVESTMENTS :** | | | | | |
| **I. Investments in India** | | | | | |
| i) Government Securities | 1,05,631 | 57,620 | 45,781 | | 2,09,032 |
| ii) Shares | 1,113 | 346 | 169 | | 1,628 |
| iii) Debentures and Bonds | 34,039 | 2,281 | 1,433 | | 37,753 |
| iv) Subsidiaries and joint ventures | 268 | 218 | 56 | | 542 |
| v) Others (Commercial Paper, Mutual Funds, Venture Capital, Security Receipt etc.) | 8,443 | 724 | 18,993 | | 28,160 |
| Total | 1,49,494 | 61,189 | 66,432 | - | 2,77,115 |
| **II. Investments outside India** | | | | | |
| i) Govt. Securities (Including Local Authority) | 1,658 | - | - | | 1,658 |
| ii) Shares | 1 | - | - | | 1 |
| iii) Other Investments (Bonds) | 256 | - | - | | 256 |
| iv) Subsidiaries and Joint Ventures | 1,005 | 142 | 1 | | 1,148 |
| Total | 2,920 | 142 | 1 | - | 3,063 |
| **TOTAL** | 1,52,414 | 61,331 | 66,433 | - | 2,80,178 |
| **III. i) Investments in India** | | | | | |
| Gross Value | 1,51,944 | 64,022 | 67,609 | | 2,83,575 |
| Provision for Depreciation | 2,450 | 2,833 | 1,177 | | 6,460 |
| Net Value | 1,49,494 | 61,189 | 66,432 | - | 2,77,115 |
| **ii) Investments outside India** | | | | | |
| Gross Value | 2,921 | 143 | 1 | | 3,065 |
| Provision for Depreciation | 1 | 1 | - | | 2 |
| Net Value | 2,920 | 142 | 1 | - | 3,063 |
| **TOTAL** | 1,52,414 | 61,331 | 66,433 | - | 2,80,178 |

बैंक ऑफ इंडिया वित्त एवं लेखा विभाग Finance & Accounts Dept. UNION BANK OF INDIA

## SCHEDULES FORMING PART OF THE STANDALONE BALANCE SHEET AS ON 31st MARCH, 2020

( Rs in Crore)

| | Union Bank of India | e-Andhra Bank | e-Corporation Bank | Adjustments | Union Bank of India (AE) |
|---|---|---|---|---|---|
| | AS ON 31st March, 2020 | AS ON 31st March, 2020 | AS ON 31st March, 2020 | AS ON 31st March, 2020 | AS ON 31st March, 2020 |
| **SCHEDULE 9 - ADVANCES (Net)** | | | | | |
| A. | | | | | |
| i) Bills purchased and discounted | 2,777 | 1,144 | 1,848 | | 5,769 |
| ii) Cash Credits, Overdrafts and Loans repayable on demand | 1,42,937 | 88,992 | 32,949 | | 2,64,878 |
| iii) Term Loans | 1,69,335 | 67,606 | 92,602 | | 3,29,543 |
| TOTAL | 3,15,049 | 1,57,742 | 1,27,399 | - | 6,00,190 |
| B. | | | | | |
| i) Secured by tangible assets (includes Advance against Book Debts) | 2,64,304 | 1,39,486 | 1,04,308 | | 5,08,098 |
| ii) Covered by Bank/Government Guarantees | 10,759 | 13,137 | 1 | | 23,897 |
| iii) Unsecured | 39,986 | 5,119 | 23,090 | | 68,195 |
| TOTAL | 3,15,049 | 1,57,742 | 1,27,399 | - | 6,00,190 |
| **C. Sectorial Classification of Advances** | | | | | |
| **I. Advances in India:** | | | | | |
| i) Priority Sector | 1,14,414 | 70,467 | 47,658 | | 2,32,539 |
| ii) Public Sector | 46,207 | 14,497 | 37,374 | | 98,078 |
| iii) Banks | 31 | - | - | | 31 |
| iv) Others | 1,34,723 | 72,778 | 42,367 | | 2,49,868 |
| TOTAL | 2,95,375 | 1,57,742 | 1,27,399 | - | 5,80,516 |
| **II. Advances Outside India:** | | | | | |
| i) Due From Banks | 5,026 | - | - | | 5,026 |
| ii) Due from Others | - | - | - | | - |
| a) Bills Purchased and Discounted | 305 | - | - | | 305 |
| b) Syndicated loans | 1,783 | - | - | | 1,783 |
| c) Others | 12,560 | - | - | | 12,560 |
| TOTAL | 19,674 | - | - | - | 19,674 |
| TOTAL | 3,15,049 | 1,57,742 | 1,27,399 | - | 6,00,190 |

यूनियन बैंक ऑफ इंडिया वित्त एवं लेखा विभाग Finance & Accounts Dept. UNION BANK OF INDIA

## SCHEDULES FORMING PART OF THE STANDALONE BALANCE SHEET AS ON 31st MARCH, 2020

( Rs in Crore)

| | Union Bank of India | e-Andhra Bank | e-Corporation Bank | Adjustments | Union Bank of India (AE) |
|---|---|---|---|---|---|
| | AS ON 31st March, 2020 | AS ON 31st March, 2020 | AS ON 31st March, 2020 | AS ON 31st March, 2020 | AS ON 31st March, 2020 |
| SCHEDULE 10 - FIXED ASSETS : | | | | | |
| A. TANGIBLE ASSETS | | | | | |
| I. Premises | 4,910 | 2,047 | 1,197 | | 8,154 |
| Less: Depreciation till date | 1,248 | 958 | 176 | | 2,382 |
| | **3,662** | **1,089** | **1,021** | - | **5,772** |
| II. Capital Work-in-Progress | 53 | 4 | - | | 57 |
| III. Land | 74 | - | - | | 74 |
| Less: Depreciation till date | 7 | - | - | | 7 |
| | **67** | - | - | - | **67** |
| IV. Other Fixed Assets (including Furniture and Fixtures) | | | | | |
| a) Assets given on lease | - | | - | | - |
| b) Others | 3,037 | 1,635 | 1,535 | | 6,207 |
| Less: Depreciation till date | 2,122 | 1,255 | 1,233 | | 4,610 |
| | **915** | **380** | **302** | - | **1,597** |
| B. INTANGIBLE ASSETS | | | | | |
| Computer Software | 334 | 213 | 307 | | 854 |
| Less: Amortisation till date | 269 | 203 | 251 | | 723 |
| | **65** | **10** | **56** | - | **131** |
| TOTAL | **4,762** | **1,483** | **1,379** | - | **7,624** |

## SCHEDULES FORMING PART OF THE STANDALONE BALANCE SHEET AS ON 31st MARCH, 2020

( Rs in Crore)

| | Union Bank of India | e-Andhra Bank | e-Corporation Bank | Adjustments | Union Bank of India (AE) |
|---|---|---|---|---|---|
| | AS ON 31st March, 2020 | AS ON 31st March, 2020 | AS ON 31st March, 2020 | AS ON 31st March, 2020 | AS ON 31st March, 2020 |
| **SCHEDULE 11 - OTHER ASSETS :** | | | | | |
| I. Inter-Office Adjustments (Net) | 1,520 | - | 378 | | 1,898 |
| II. Interest Accrued | 2,543 | 1,689 | 1,950 | | 6,182 |
| III. Deferred Tax Assets (Net) | 7,357 | 3,871 | 4,613 | | 15,841 |
| IV. Stationery and stamps | 4 | 13 | 4 | | 21 |
| V. Non-Banking assets acquired in satisfaction of claims | - | | 1 | | 1 |
| VI. Others | 10,423 | 3,043 | 6,027 | -1 | 19,492 |
| VII. Tax Paid/ Tax deducted at source (Net of provision) | 1,505 | 3,587 | 3,677 | | 8,769 |
| VIII. MAT Credit Entitlement | - | - | 671 | | 671 |
| **TOTAL** | **23,352** | **12,203** | **17,321** | **-1** | **52,875** |
| **SCHEDULE 12 - CONTINGENT LIABILITIES :** | | | | | |
| I. Claims against the bank not acknowledged as debts | 3,275 | 1,916 | 5,486 | | 10,677 |
| II. Liability for partly paid Investments | 1 | - | | | 1 |
| III. Liability on account of outstanding Forward Exchange Contracts | 1,06,542 | 1,09,599 | 16,948 | | 2,33,089 |
| IV. Guarantees given on behalf of Constituents | | | | | |
| a) In India | 28,374 | 15,915 | 10,909 | | 55,198 |
| b) Outside India | 12,758 | - | 169 | | 12,927 |
| V. Acceptances, endorsements and other obligations | 31,998 | 4,090 | 3,028 | | 39,116 |
| VI. Disputed Tax demands under appeals | 3,914 | 3,316 | - | | 7,230 |
| VII. Amout transferred to DEAF Scheme 2014 | 1,340 | - | 129 | | 1,469 |
| VIII. Others | - | 4,215 | 59 | | 4,274 |
| **TOTAL** | **1,88,202** | **1,39,051** | **36,728** | **-** | **3,63,981** |

## SCHEDULES FORMING PART OF THE STANDALONE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2020

( Rs in Crore)

| | Union Bank of India | e-Andhra Bank | e-Corporation Bank | Union Bank of India (AE) |
|---|---|---|---|---|
| | FOR THE PERIOD ENDED 31st March, 2020 | FOR THE PERIOD ENDED 31st March, 2020 | FOR THE PERIOD ENDED 31st March, 2020 | FOR THE PERIOD ENDED 31st March, 2020 |
| SCHEDULE 13 - INTEREST EARNED : | | | | |
| I. Interest/Discount on advances/bills | 25,079 | 15,226 | 10,722 | 51,027 |
| II. Income on Investments | 10,573 | 4,396 | 4,443 | 19,412 |
| III. Interest on balances with Reserve Bank of India & other Inter Bank Funds | 1,200 | 89 | 18 | 1,307 |
| IV. Others | 379 | 73 | 988 | 1,440 |
| TOTAL | 37,231 | 19,784 | 16,171 | 73,186 |
| SCHEDULE 14 - OTHER INCOME : | | | | |
| I. Commission, Exchange and Brokerage | 563 | 583 | 263 | 1,409 |
| II. Profit on sale of investments (Net) | 1,463 | 731 | 389 | 2,583 |
| III. Profit / (Loss) on sale of Fixed Assets (Net) | -4 | - | 1 | -3 |
| IV. Profit on exchange transactions (Net) | 557 | 114 | 115 | 786 |
| V. Miscellaneous Income | 2,682 | 1,315 | 2,981 | 6,978 |
| TOTAL | 5,261 | 2,743 | 3,749 | 11,753 |
| SCHEDULE 15 - INTEREST EXPENDED : | | | | |
| I. Interest on Deposits | 24,027 | 12,165 | 10,566 | 46,758 |
| II. Interest on Reserve Bank of India/Inter-Bank Borrowings | 839 | 82 | 200 | 1,121 |
| III. Others | 928 | 549 | 176 | 1,653 |
| TOTAL | 25,794 | 12,796 | 10,942 | 49,532 |
| SCHEDULE 16 - OPERATING EXPENSES : | | | | |
| I. Payments to and provisions for employees | 3,359 | 3,112 | 3,373 | 9,844 |
| II. Rent, Taxes and Lighting | 619 | 318 | 331 | 1,268 |
| III. Printing and Stationery | 51 | 28 | 23 | 102 |
| IV. Advertisement and Publicity | 59 | 7 | 4 | 70 |
| V. Depreciation on Bank's property | 411 | 134 | 180 | 725 |
| VI. Directors' fees, allowances and expenses | 1 | 1 | 1 | 3 |
| VII. Remuneration to Managing/Executive Director | 1 | - | - | 1 |
| VIII. Auditors' fees and expenses(including branch auditors) | 40 | 29 | 24 | 93 |
| IX. Law Charges | 61 | 5 | 6 | 72 |
| X. Postage, Telegrams, Telephones, etc. | 156 | 47 | 81 | 284 |
| XI. Repairs and maintenance | 119 | 138 | 134 | 391 |
| XII. Insurance | 579 | 221 | 274 | 1,074 |
| XIII. Other expenditure | 2,061 | 599 | 744 | 3,404 |
| TOTAL | 7,517 | 4,639 | 5,175 | 17,331 |

यूनियन बैंक ऑफ इंडिया वित्त एवं लेखा विभाग Finance & Accounts Dept. UNION BANK OF INDIA

SCHEDULES FORMING PART OF THE PROFORMA FINANCIAL STATEMENTS
SIGNIFICANT ACCOUNTING POLICIES: SCHEDULE 17

## 1. Basis of Preparation

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

## 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.

## Significant Accounting Policies

## 3. Revenue Recognition

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

ii) Income on Non-Performing Assets (NPAs) is recognized to the extent realized as per the prudential norms prescribed by the RBI. Income accounted for in the preceding year and remaining unrealized is derecognized in respect of assets classified as NPAs during the year.

iii) Bank commission, exchange and brokerage earned (including Third Party Product's income), rent on Safe Deposit Lockers, commission including commission on government business & biometric cards, income from Aadhaar cards etc. are accounted for on realization basis.

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

यूनियन बैंक ऑफ इंडिया वित्त एवं लेखा विभाग Finance & Accounts Dept. UNION BANK OF INDIA

a) On interest bearing securities, it is recognized only at the time of sale/ redemption.
b) On Zero- coupon securities, it is accounted for over the balance tenor of the securities on a constant yield basis.

v) Dividend is accounted on an accrual basis where the right to receive the dividend is established.

vi) Sale of NPAs accounted in terms of extant RBI guidelines.

4. **Cash Flow Statements:**

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

a) Cash flow from Operating Activities
b) Cash Flow from Investing Activities
c) Cash Flow from Financial Activities

Cash and Cash Equivalents include cash in hand and ATMs, Balances with RBI, Balances with other Banks and Money at call and short notice (including effect of changes in exchange rates on cash and cash equivalents in foreign currency.)

5. **Investments**

5.1. In conformity with the requirements in form A of the Third Schedule to the Banking Regulations Act, 1949, Investments are classified as under:
5.1.1. Government Securities
5.1.2. Other Approved Securities
5.1.3. Shares
5.1.4. Debentures & Bonds
5.1.5. Investments in Subsidiaries & Joint Ventures and
5.1.6. Other Investments

The Investment portfolio of the Bank is further classified 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)

5.2. As per RBI guidelines, the following principles have been adopted for the purpose of valuation
5.2.1. Securities held in "HTM" - at acquisition cost.

यूनियन बैंक ऑफ इंडिया वित्त एवं लेखा विभाग Finance & Accounts Dept. UNION BANK OF INDIA

5.2.1.1. 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.

5.2.1.2. Investments in Regional Rural Banks are valued at carrying cost.

5.2.1.3. Investments in Subsidiaries and Joint Ventures are valued at historical cost.

5.2.1.4. Diminution, other than temporary, in the value of its investment in subsidiaries/joint ventures, which are included in HTM shall be provided for.

5.2.2. Securities held in "AFS" and "HFT" categories

5.2.2.1. 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.

5.2.2.2. 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 |
| 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 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 |

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

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

5.4.1. 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.

5.4.2. From HTM category to AFS/HFT category,

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

5.4.2.2. 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.

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

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

5.6. 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.

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

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

5.9. **Derivative Contracts**

5.9.1. 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.

5.9.2. Trading swap transactions are marked to market with changes recorded in the financial statements. Profit if any, is ignored.

5.9.3. 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.

## 6. Advances

6.1. All advances are classified under four categories:

6.1.1. Standard,

6.1.2. Sub-standard,

6.1.3. Doubtful and

6.1.4. 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:

6.2. 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:

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

6.2.2. 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 90days, or if there are no credits continuously for90 days as on the date of balance-sheet, or if the credits are not adequate to cover the interest due during the same period.

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

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

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

6.2.6. 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.

6.2.7. In respect of MSME accounts which will be restructured in terms of RBI Circular 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.

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

6.3.1. Sub-standard: A loan asset that has remained non performing for a period less than or equal to 12 months,

6.3.2. Doubtful: A loan asset that has remained in the sub-standard category for a period of 12 months,

6.3.3. Loss: A loan asset where loss has been identified but the amount has not been fully written off.

6.4. 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<br><br>ii. Additional provision of 10% for exposures which are unsecured ab-initio; However,<br><br>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<br><br>Portion | i. Upto one year - 25%<br><br>ii. One to three years - 40%<br><br>iii. More than three years - 100% |
| Doubtful-Unsecured<br><br>Portion | 100% |
| Loss Asset | 100% |

6.5. 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.

6.6. 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.

6.7. 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.

6.8. 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.

6.9. Amounts recovered against debts written off in earlier years are recognised as revenue in the year of recovery.

6.10. 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.

## 7. Fixed Assets and Depreciation

7.1 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".

7.2 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.

7.3 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 Asset | Rate of Depreciation |
|---|---|---|
| I. | Premises | 5 % |
| 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<br><br>Supply Equipment's(UPS) | 33.33 % |
| III. | Amount added consequent<br><br>upon revaluation of the assets | Applicable rate for the asset type, over the residual economic life of the respective assets |

7.4 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.

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

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

7.7 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.

## 8 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.

## 9 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.

## 10 Transactions involving Foreign Exchange

Revaluation of Foreign Currency position and booking Profits / Losses:

10.1 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.

10.2 Income & Expenditure items are recognized at the exchange rates prevailing on the date of the transaction.

10.3 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.

10.4 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.

10.5 Representative Offices of the Bank outside India are treated as Integral Operation Unit as per RBI guidelines.

## 11 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:

### 11.1 Revenue Recognition

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

### 11.2 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.

### 11.3 Fixed Assets and Depreciation

11.3.1 Fixed Assets are accounted for at historical cost.

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

11.4 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.

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

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

## 12 Employee Benefits

A. Short Term Employment Benefits:

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

B. Long Term Employee Benefits:

i. Defined Contribution Plans:

The Bank operates a new pension scheme (NPS) for all officers/ employees joining the Bank on or after 1st April, 2010, which is a defined contribution plan, such new joinees not being entitled to become members of the existing Pension Scheme. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with 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.

## 13 Segment Reporting

The Bank recognizes the Business segment as the Primary reporting segment and Geographical segment as the Secondary reporting segment, in accordance with the RBI guidelines and in the compliances with the Accounting Standard-17 "Segment Reporting" issued by the Institute of Chartered Accountants of India. Business segments are classified into

13.1 Treasury Operations,

13.2 Corporate and Wholesale Banking,

13.3 Retail Banking Operations and
13.4 Other Banking Operations.

## 14 Lease Transactions

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

## 15 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.

## 16 Taxation

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

## 17 Provisions, Contingent Liabilities and Contingent Assets

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.

## 18 Share Issue Expenses:

Share Issue expenses are charged to the Share Premium account.

यूनियन बैंक ऑफ इंडिया Union Bank of India

भारत सरकार का उपक्रम A Government of India Undertaking

आन्ध्रा Andhra | कार्पोरेशन Corporation

Notes to Proforma Financial Statements

1. Basis for preparation of Proforma Financial Statements (PFS) of Union Bank of India for the year months ended 31stMarch, 2020 (consequent to the amalgamation of Corporation Bank and Andhra Bank).
   The PFS has been prepared by the Management of the Bank in accordance with the requirements of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2009, as amended to date (the "SEBI Regulations 2018") issued by the Securities and Exchange Board of India (the "SEBI")to reflect the impact of a significant amalgamation effective from 01st April, 2020 and as further set out in the basis of preparation paragraph included in the attached notes to the Proforma Financial Statements.
   Consequent to the amalgamation of erstwhile Andhra Bank (e-AB) and erstwhile Corporation Bank (e-CB) with Union Bank of India(UBI) effective from 1stApril, 2020, the Proforma Financial Statements (hereinafter referred to as "PFS") along with accounting policies and selective notes to PFS of the amalgamated entity for the year ended 31stMarch,2020is prepared by the management and adopted by the Committee of Directors for Raising of Capital Funds (hereinafter referred to as "CDRCF") in its meeting held on 01.03.2021.
2. For the purpose of preparing the PFS, the carrying book values of Assets and Liabilities as per the reviewed financials as on 31stMarch, 2020 of e-AB and e-CB has been incorporated with the carrying book value of the assets and liabilities based on the audited financial statements of UBI as on 31stMarch, 2020 in accordance with the "Guide to reporting on Proforma Financial Statements" issued by The Institute of Chartered Accountants of India. The PFS has been prepared by aggregation of reviewed numbers of Balance Sheet, Profit and Loss account and do not entail any adjustments except to the extent of changes in issued capital, Investments and amalgamation reserve consequent to the amalgamation. The adjustment made to issued Share Capital, Amalgamation reserve and Investment consequent to amalgamation have been explained in Note 3, Note 4 and Note 5 below.
3. The amount of Share Capital issued by Union Bank of India amounting to Rs 1005.97 Cr (1005965452 equity shares of face value Rs 10 each issued at par) and Rs 1978.06 Cr (1978060051 equity shares of face value of Rs 10 each issued at par) to e-AB & e-CB respectively as consideration pursuant to the scheme has been adjusted in share capital of PFS.
4. The Bank has adopted pooling of interest method prescribed under the Accounting Standard 14 on Accounting for Amalgamations to record amalgamation of e-AB and e-CB (the amalgamating banks) with the Bank with effect from April 1, 2020. Accordingly, the

MUMBAI FRN: 109262W / W100673 CHARTERED ACCOUNTANTS

KOLKATA CHARTERED ACCOUNTANTS

R.G.N. Price & Co. Chartered Accountants

FRN 109959W NAGPUR CHARTERED ACCOUNTANTS

Gopal Sharma & Co. JAIPUR CHARTERED ACCOUNTANTS

P V A R & ASSOCIATES FRN-005223C CHARTERED ACCOUNTANTS difference of Rs 1309.60 Cr 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.

5. The PFS has also considered the adjustment of cash paid in lieu of fractional entitlement of shares Rs 0.75 Cr in the other assets.
6. In view of the management, in following cases due to the nature of the change, it is note practicable to calculate the impact and give the effect of changes. Accordingly, no adjustment is made in the PFS.
   a) The PFS has not considered the cancellation of Inter Bank Deposits (Rs 0.68 Cr as on the dated of amalgamation i.e.1st April, 2020) in the earlier periods.
   b) In pursuance of amalgamation approved by the Board of Directors and further directives by Reserve Bank of India, the bank has carried out the process of harmonization of common borrowers with regard to impact of Divergence in Asset Classification across Union Bank, e-AB and e-CB as per extant IRAC norms as on 31st March,2020. Accordingly, an amount of Rs 2509.98 Cr has been provided in UBI, Rs 945.07 Cr in e-AB and Rs 199.86 Cr in e-CB as on 1st April, 2020. Similar effect, if any has not been provided in the PFS of period prior to 31st March, 2020.
7. The PFS has been prepared for inclusion in the investor presentation and offer documents to be filed with stock exchanges and other relevant authorities in respect of the proposed fund raising exercises of the Bank and accordingly, the same is for illustrative purpose only and therefore, does not represent the Bank's actual or expected financial position or results.

Dhirendra Jain
Deputy General Manager

Prafulla Kumar Samal
Chief Financial Officer

MANAS RANJAN BISWAL
Executive Director

DINESH KUMAR GARG
Executive Director

GOPAL SINGH GUSAIN
Executive Director

(RAJKIRAN RAI G.)
Managing Director & CEO

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

CA Niranjan Joshi
Partner
Membership No.102789
UDIN: 21102789AAAAAH8872

For M/s B M Chatrath& Co. LLP
Chartered Accountants
FRN 301011E/E300025

CA Sukhpreet S Sidhu
Partner
Membership No.052187
UDIN: 21052187AAAAA36579

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

CA P M Veeramani
Partner
Membership No.023933
UDIN: 21023933AAAAEQ9105

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

CA Suman Bose
Partner
Membership No.045239
UDIN: 21045239AAAAAK5560

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

CA Ruchi Agarwal
Partner
Membership No.504134
UDIN: 21504134AAAAAM6678

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

CA Gautam Sharma
Partner
Membership No.079225
UDIN: 21079225AAAABB5187

Place: Mumbai
Date: 01.03.2021

M/s SARDA & PAREEK LLP
Chartered Accountants
Mahavir Apartment, Third floor, 598, M G Road, Near Suncity Cinema Ville Parle East, Mumbai – 400057

M/s B M Chatrath& Co. LLP
Chartered Accountants
Center Point, 4th Floor, Room no. 440, 21, HemantaBasu Sarani,
Kolkata – 700001

M/s R G N Price & Co.
Chartered Accountants
Simpson Buildings, 861, Anna Salai,
Chennai – 600002,

M/s C R Sagdeo& Co.
Chartered Accountants
Prabha Niwas, Rahate Colony, Jail Road,
Nagpur – 440022

M/s P V A R & Associates
Chartered Accountants
WZ-248, Plot no. 7 Inderpuri,
New Delhi – 110012

M/s Gopal Sharma & Co.
Chartered Accountants
G-2, Golden Palace, Plot no. L-2-A,Krishna Marg, C-Scheme,
Jaipur – 302001

# INDEPENDENT AUDITORS' REPORT

To,
The Committee of Directors for Raising of Capital Funds,
Union Bank of India,
Mumbai

Independent Auditors' Report on Proforma Financial Statements in Connection with the investor presentation towards the proposed issue of qualified institutional placement (QIP) of the Bank

Dear Sirs,

1. This report is issued in accordance with the terms of our engagement letter dated 25.02.2021.

2. We have completed our assurance engagement to report on the compilation of accompanying Proforma Financial Statements (hereinafter referred to as the "Proforma Financial Statements") of Union Bank of India (hereinafter referred to as the "Bank") comprising of the Proforma Balance Sheet as at 31.12.2019 and 31.03.2020 and the Proforma Statement of Profit and Loss for the nine months ended 31.12.2019 and year ended 31.03.2020, read with the notes thereto, has been prepared by the Management of the Bank in accordance with the requirements of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended to date (the "SEBI Regulations 2018") issued by the Securities and Exchange Board of India (the "SEBI") to reflect the impact of a significant amalgamation as on 01.04.2020 and as further set out in the basis of preparation paragraph included in the attached notes to the Proforma Financial Statements, which is initialled by us for identification purposes only.

3. We have examined the Proforma Financial Statements. For our examination, we have placed reliance on the following:
   a. the audited standalone financial information of the Bank for the year ended 31.03.2020 on which other firms of Chartered Accountants have expressed an unmodified opinion in their reports dated 23.06.2020;
   b. the reviewed standalone financial statements of the Bank for the nine months ended 31.12.2019 on which other firms of Chartered Accountants have expressed an unmodified opinion in their report dated 10.02.2020;
   c. the audited standalone financial statements of the erstwhile Corporation Bank for the year ended 31.03.2020 on which other firms of Chartered Accountants have expressed an unmodified audit opinion in their report dated 23.06.2020;

d. the reviewed standalone financial statements of the erstwhile Corporation Bank for the nine months ended 31.12.2019 on which other firms of Chartered Accountants have expressed an unmodified audit opinion in their report dated 07.02.2020;
e. the audited standalone financial statements of the erstwhile Andhra Bank for the year ended 31.03.2020 on which other firm of Chartered Accountants have expressed an unmodified audit opinion in their report dated 23.06.2020;
f. the reviewed standalone financial statements of the erstwhile Andhra Bank of India for the nine months ended 31.12.2019 on which other firms of Chartered Accountants have expressed an unmodified audit opinion in their report dated 05.02.2020;

4. For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Proforma Financial Statements, nor have we, in the course of this engagement, performed an audit or review of the financial information used by the Management in the compilation of the Proforma Financial Statements.

**Managements' Responsibility for the Proforma Financial Statements**

5. The preparation of the Profoma Financial Statements, which is to be included in the Placement Document/ Offer Document, is the responsibility of the Management of the Bank and has been approved by the Committee of Directors for Raising of Capital Funds (hereinafter referred to as " CDRCF") in their meeting dated 01.03.2021. The management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Proforma Financial Statements. The Management is also responsible for identifying and ensuring that the Bank complies with the laws and regulations applicable to its activities.

**Auditors' Responsibilities**

6. Pursuant to the requirement of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended to date (the "SEBI Regulations 2018") it is our responsibility to express an opinion on whether the Proforma Financial Statement of the Bank for the nine months ended 31.12.2019 and year ended 31.03.2020, as attached to this report, read with respective significant accounting policies and the notes thereto have been properly prepared by the Management of the Issuer Bank on the basis stated in the notes to the Proforma Financial Statements.

7. We conducted our engagement in accordance with Standards on Assurance Engagement (SAE3420), Assurance engagement to report on the compilation of Proforma Financial Information included in the Prospectus and the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

8. The purpose of the Proforma Financial Statements is to reflect the impact of a significant amalgamation effective from 01.04.2020, as set out in the basis of preparation paragraph included in the attached notes to the Proforma Financial Statements and solely to illustrate the impact of a significant event on the historical financial information of the Bank, as if the event had occurred at an earlier date selected for purposes of illustration and based on the judgements and assumptions of the Management of the Bank to reflect the hypothetical impact, and, because of its hypothetical nature, does not

provide any assurance or indication that any event will take place in the future and may not be indicative of:

a. the standalone financial position of the Bank as at 31.12.2019 and 31.03.2020 or any future date; or
b. the standalone results of the Bank for the nine months ended 31.12.2019 and year ended 31.03.2020 or any future periods.

9. A reasonable assurance engagement to report whether the proforma financial statements has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the management of the bank in the compilation of the proforma financial statements provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:
   a. The related proforma adjustments give appropriate effect to those criteria: and
   b. The proforma financial statements reflect the proper application of those adjustments to the unadjusted financial information

10. The procedures selected depend on the practitioners' judgment, having regard to the practitioners understanding of the nature of the company, the event or transaction in respect of which the proforma financial statement has been compiled, and other relevant engagement circumstances. The engagement also involves evaluating the overall presentation of the proforma financial statements.

11. Our work consisted primarily of comparing the respective columns in the Proforma Financial Statements to the underlying audited / reviewed historical financial information, as the case may be, referred to in paragraph 3 above, considering the evidence supporting the adjustments and reclassifications, performing procedures to assess whether the basis of preparation of Proforma Financial Statements as explained in the attached notes to the Proforma Financial Statements provide a reasonable basis for presenting the significant effects directly attributable to the amalgamation and discussing the Proforma Financial Statements with the Management of the Bank.

12. We have not audited any financial statements of the Bank as of any date or for any period subsequent to 31.03.2020. Accordingly, we do not express any opinion on the financial position, results or cash flows of the Bank as of any date or for any period subsequent to 31.03.2020.

13. We have not reviewed any financial statements of the Bank as of any date or for any period subsequent to 31.12.2020. Accordingly, we do not express any opinion on the financial position, results or cash flows of the Bank as of any date or for any period subsequent to 31.12.2020.

14. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

15. We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to issue this report.

SARDA & PAREEK LLP MUMBAI FRN 109262W

B M CHATRATH & CO. KOLKATA CHARTERED ACCOUNTANTS

R.G.N. Price & Co. Chartered Accountants

C.R. SAGDEO & CO. FRN 108959W NAGPUR ACCOUNTANTS

P V A R & ASSOCIATES FRN-005223C CHARTERED ACCOUNTANTS

Gopal Sharma & Co. CHARTERED ACCOUNTANTS

| | | |
|---|---|---|
| **M/s SARDA & PAREEK LLP**<br>**Chartered Accountants** | **M/s B M Chatrath& Co. LLP**<br>**Chartered Accountants** | **M/s R G N Price & Co.**<br>**Chartered Accountants** |
| **M/s C R Sagdeo& Co.**<br>**Chartered Accountants** | **M/s P V A R & Associates**<br>**Chartered Accountants** | **M/s Gopal Sharma & Co.**<br>**Chartered Accountants** |

16. This engagement did not involve independent examination of any of the underlying financial information.

17. We believe that the procedures performed by us provide a reasonable basis for our opinion.

**Opinion**

18. In our opinion the Proforma Financial Statements of the Bank for nine months ended 31.12.2019 and year ended 31.03.2020, as attached to this report, read with respective significant accounting policies and the notes thereto have been prepared by the Management of the Issuer Bank on the basis stated in the notes to the Proforma Financial Statements.

**Restrictions on Use**

19. This report is addressed to and is provided to enable the Committee of Directors for Raising of Capital Funds of the Bank to include this report in the investor presentation in connection with the qualified institutional placement and no offer has been made to the public or any other category of investor(s) and will be filed by the Bank with the SEBI.

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

CA Niranjan Joshi
Partner
Membership No.102789
UDIN: 21102789AAAAAH8872

For M/s B M Chatrath& Co. LLP
Chartered Accountants
FRN 301011E/E300025

CA Sukhpreet S Sidhu
Partner
Membership No.052187
UDIN: 21052187AAAAAJ6579

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

CA P M Veeramani
Partner
Membership No.023933
UDIN: 21023933AAAAEQ9105

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

CA Suman Bose
Partner
Membership No.045239
UDIN: 21045239AAAAAK5560

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

CA Ruchi Agarwal
Partner
Membership No.504134
UDIN: 21504134AAAAAH6678

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

CA Gautam Sharma
Partner
Membership No.079225
UDIN: 21079225AAAADB5187

Place: Mumbai
Date: 01.03.2021