



# Independent Auditors' Report

To

**The President of India /**

**The Members of Union Bank of India,**

**Mumbai**

**Report on Audit of the Consolidated Financial Statements**

## Opinion

1. We have audited the accompanying Consolidated Financial Statements of Union Bank of India (the "Bank"), its subsidiaries, associate and jointly controlled entities (collectively hereinafter referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended, and notes to the Consolidated Financial Statements including Significant Accounting Policies and other explanatory information, in which following are incorporated –

- a. Audited Standalone Financial Statements of the Bank;
- b. Audited Financial Statements of 4 Domestic Subsidiaries, 1 Regional Rural Bank (Associate), 1 Foreign Subsidiary, 1 domestic Jointly Controlled Entity and 1 Foreign Jointly Controlled Entity.
- c. Unaudited financial statements of 1 Domestic Jointly Controlled Entity

In our opinion and to the best of our information and according to explanations given to us, and based on our consideration of the reports of the other auditors on separate financial statements, the unaudited financial statements and the other financial information of the subsidiaries, jointly controlled entities and associate as furnished by the management, the aforesaid Consolidated Financial Statements are in conformity with

accounting principles generally accepted in India and give:

- a. true and fair view in case of the Consolidated Balance Sheet, of the state of affairs of the Bank as at March 31, 2024;
- b. true balance of Profit in case of Consolidated Profit & Loss account for the year ended on that date; and
- c. true and fair view of the cash flows in case of Consolidated Cash Flows Statement for the year ended on that date.

## Basis for Opinion

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

## Key Audit Matters

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

Sr.	Key Audit Matter	How it was dealt with in our report
1	<b>Income Recognition, Asset Classification (IRAC) and provisioning on Loans &amp; Advances and Investments as per the regulatory requirements</b>	<p data-bbox="805 564 1487 655">Our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances and associated impairment provisions.</p> <p data-bbox="805 695 1487 846">Our audit procedures included the assessment of controls over the approval, disbursements and monitoring of loans, and reviewing the logic and assumptions used in the CBS and other related IT systems for compliance of the IRAC and provisioning norms and its operating effectiveness.</p> <p data-bbox="805 887 1487 917">This included evaluation and understanding of the following:</p> <ul data-bbox="805 957 1487 1888" style="list-style-type: none"> <li data-bbox="805 957 1487 1078">• Bank's internal control system in adhering to the Relevant RBI guidelines regarding income recognition, asset classification and provisioning pertaining to advances/investments;</li> <li data-bbox="805 1098 1487 1159">• System controls and manual controls over the timely recognition of non-performing assets (NPA/NPI);</li> <li data-bbox="805 1179 1487 1239">• Operational existence and effectiveness of controls over provisioning calculation models from the IT systems;</li> <li data-bbox="805 1260 1487 1380">• Overall Controls on the loan approval, disbursement and monitoring process in case of advances and controls over the purchase, sale and hold decisions making system in case of investments</li> <li data-bbox="805 1401 1487 1522">• We tested sample of loans/investments (in cases of branches visited by us) to assess whether they had been identified as non performing on a timely manner, income recognized and provisioning made as per IRAC norms.</li> <li data-bbox="805 1542 1487 1622">• We have also reviewed the reliability, effectiveness and accuracy of manual interventions, wherever it has come to our notice, on test check basis.</li> <li data-bbox="805 1643 1487 1784">• We have relied on the reports/returns and work done by other Statutory Branch Auditors (SBA) in cases of branches not visited by us to get an overall comfort with respect to overall compliance in accordance with SA 600 - Using the Work of Another Auditor.</li> <li data-bbox="805 1804 1487 1888">• We have reviewed the work done by other experts like Independent valuers, Lawyers, Legal Experts and other such professionals who have rendered services to the Bank.</li> </ul>

Loans & Advances and Investments are the largest class of assets forming 86.88% of the total assets as on March 31, 2024. Classification, income recognition and loss provisioning on the same are based on objective parameters as prescribed by the regulations (Reserve Bank of India's prudential norms and other guidelines). The management of the Bank relies heavily on its IT systems (including Core Banking Solution), exercise significant estimates and judgement, manual interventions, and uses services of experts (like independent valuers, Lawyers, legal experts and other professional) to determine asset classification, income recognition and provisioning for losses.

The Bank has system based identification of non-performing assets in accordance with IRAC Norms. Since the identification of Non-performing Advances and provisioning for Non-performing Advances requires considerable level of management estimation, application of various regulatory requirements and its significance to the overall audit, we have identified this as a key audit matter

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Sr.	Key Audit Matter	How it was dealt with in our report
		<ul style="list-style-type: none"> <li>• Further we have also reviewed the Bank's system of monitoring potentially weak and sensitive accounts which show a sign of stress.</li> <li>• On a test check basis, verified the accounts classified by the Bank as Special Mention Accounts ('SMA') in RBI's Central Repository of Information on Large Credits ('CRILC').</li> <li>• We have also reviewed the reports and observations of the Bank's internal audit/inspection reports and observations of the concurrent auditors and report on audit of automation of IRAC by external expert.</li> <li>• Verification of valuation, classification, provisioning and income recognition of investments by carrying out substantive test including arithmetic accuracy, data accuracy and control over the financial reporting system.</li> </ul> <p>We have test checked and assessed the efficacy of the system based identification of NPA.</p>
<b>2</b>	<b>Information Technology (IT) and controls impacting financial reporting</b>	
	<p>Information technology (IT) systems used in financial reporting process The Bank's operational and financial reporting processes are dependent on IT systems run through Core Banking Solutions (CBS) and other integrated software with automated processes and controls large volume of transactions. The process and controls are to ensure appropriate user access and management processes in use. The Bank has an in-house Department of Information &amp; technology (DIT) run under the supervision of the top management and with the support of expert consulting agencies, for maintaining IT services. Accordingly, our audit was focused on key IT systems and controls due to the pervasive Impact on the standalone financial statements and the same has been considered as Key Audit Matter in our audit.</p>	<p>We conducted an assessment and identified key IT applications, database and operating systems that are relevant to our audit and have identified CBS and Treasury System primarily as relevant for financial reporting. For the key IT systems pertaining to CBS and treasury operations used to prepare accounting and financial information, our areas of audit focus included Access Security (including controls over privileged access), application change controls, database management and network operations. In particular:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding of the Bank's IT control environment and key changes during the audit period that may be relevant to the audit.</li> <li>• We tested the design, implementation and operating effectiveness of the Bank's General IT controls over the key IT systems that are critical to financial reporting including obtaining reports from independent experts. This included evaluation of Bank's controls to evaluate segregation of duties and access rights being provisioned / modified based on duly approved requests, access for exit cases being revoked in a timely manner.</li> <li>• We also tested key automated and manual business cycle controls and logic for system generated reports relevant to the audit; including testing of compensating controls or performed alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the standalone financial statements, information other than the standalone Financial Statements and Auditors' Report thereon.</li> </ul>

Sr.	Key Audit Matter	How it was dealt with in our report
3	<b>Recognition and measurement of Deferred tax</b>	
	<p>The Bank has recognised a net deferred tax asset of ₹ 3,71,39,447 (in '000) as on March 31, 2024. Besides objective estimation, recognition and measurement of deferred tax asset is based on the judgment and numerous estimates regarding the availability and visibility of profits in the future. The recent decrease in the amount of deferred tax assets presumes availability and forecasting of profits over an extended period of time thus decreasing uncertainty and the inherent risk of inappropriate recognition of the said asset.</p>	<p>Our audit procedures included the risk assessment to gain an understanding of the applicable tax laws and relevant regulations applicable to the Bank. Based on our understanding, we performed both tests of related internal key controls and substantive audit procedures with the assistance of tax specialists. We performed the following audit procedures as part of our controls testing including, but not limited to:</p> <ul style="list-style-type: none"> <li>• Evaluation of the policies used for recognition and measurement of deferred tax assets in accordance with AS 22 Accounting for Taxes on Income;</li> <li>• Assessed the method, assumptions and other parameters used with reference to uniformity, management representations, consistency and continuity like budget and midterm projections prepared by the management including earning growth and applicable tax rates and tested the arithmetical accuracy.</li> <li>• Assessed the probability of the availability and visibility of profits against which the bank will be able to use this deferred tax asset in the future.</li> </ul>
4	<b>Provisions, Contingent Liabilities and Claims</b>	
	<p>Assessment of Provisions and Contingent Liability in respect of certain litigations on various claims filed by other parties not acknowledged as debt (Note No. 18 of Schedule 17 and Note No. 8.2 of Schedule 18). There is high level of judgement required in estimating the level of provisioning. The Bank's assessment is supported by the facts of matter, their own judgement, past experience, and advice from legal and independent experts wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in Balance Sheet. Contingent Liability is a possible obligation, outcome of which is contingent upon occurrence or non-occurrence of one or more uncertain future events. In the judgement of the management, such claims and litigations including tax demands against the bank would not eventually lead to a liability. However, unexpected adverse outcomes may significantly impact the Bank's reported financial results which is uncertain/ unascertainable at this stage. Considering the uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law, this has been determined as a key Audit Matter</p>	<p>We have obtained an understanding of Internal Controls relevant to the audit in order to design our audit procedures that are appropriate in the circumstances. We broadly reviewed the underlying assumptions and estimates used by the management for provisioning but as the extent of impact is dependent on future developments which are highly uncertain, we primarily relied on those assumptions and estimates, which are subject matter of periodic review by the Bank. We have relied upon the management note and legal opinions obtained by the bank regarding the claims and tax litigations and involved our internal team to review the nature of such litigations and claims, their current status, sustainability, examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up actions thereon and likelihood of claims/litigations materializing into eventual liability upon final resolution, from the available records and developments to date.</p>



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

4. The Bank's Board of Directors is responsible for the other information. The other information comprises the Directors' Report of the Bank including annexures in annual report, if any, thereon, which is expected to be made available to us after the date of this Auditors' Report.

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

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Director's Report of the Bank, including annexures in annual report, if any, thereon, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

5. The Bank's Board of Directors are responsible with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate and jointly controlled entity in accordance with the Accounting Standard 21- "Consolidated Financial Statements", Accounting Standards 23- "Accounting for Investments in Consolidated Financial Statements" and Accounting Standards 27 - Financial Reporting of Interest in Joint Venture" issued by the Institute of Chartered Accountants of India, the relevant provisions of Section 29 of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the abovementioned act for safeguarding the assets of the Group and preventing and detecting frauds and other irregularities; selection and application of

appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud and error.

In preparing the consolidated Financial statements, the respective Board of Directors of the entities is responsible for assessing the respective Group Entity'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 the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors of the Group entities are also responsible for overseeing respective Group Entity's financial reporting process.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group Entity'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 Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning 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 financial statements.

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

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

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

## Other Matters

7. We did not audit the financial statements of 5 subsidiaries and 2 Jointly controlled entities included in the consolidated financial statements, whose financial statements reflect total assets of ₹ 11,39,63,505 (in thousands) as at March 31, 2024 and total revenues of ₹ 2,71,30,983 (in thousands) for the year ended on that date, net profit after tax amounting to ₹ 5,52,322 (in thousands) for the year ended on that date, as considered in the consolidated financial statements. The Consolidated Financial Statements also include the Group's share of Net Profit amounting to ₹ 8,81,701 (in thousands) for the year ended 31<sup>st</sup> March, 2024 as considered in the Consolidated Financial Statements, in respect of one associate, whose Financial Statements / financial information have not been audited by us. These financial statements have been audited by other auditors whose report have been furnished to us and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities, are based solely on the reports of the other auditors.

The consolidated financial statements also include the unaudited Financial Results of 1 jointly controlled entity whose Financial Statements/Financial Results/ Financial information reflect Group's share of total assets of ₹ 6,59,313 (in thousands) as at 31<sup>st</sup> March 2024, Group's



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share of total revenue of ₹ 1,33,617 (in thousands) and Group's share of total net profit after tax of ₹ 54,098 (in thousands) for the year ended 31<sup>st</sup> March 2024, as considered in the consolidated Financial Results. These unaudited Financial Statements/Financial Results/financial information have been furnished to us duly certified by the Bank's management and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled entity are based solely on such reviewed/unaudited Financial Statements/Financial Results/Financial information. In our opinion and according to the information and explanations given to us by Bank's management, these Financial Statements/Financial Results / Financial information are not material to the Group.

Our opinion on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

8. The audited consolidated financial statements of the bank for the year ended 31<sup>st</sup> March 2023, included in this statement, were audited by six joint auditors of the bank, five of whom were predecessors audit firms, and they had expressed an unmodified opinion on consolidated financial results vide their report dated May 06, 2023.

Our opinion is not modified in respect of the matter.

### Report on Other Legal and Regulatory Requirements

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

Subject to limitation of the audit indicated in paragraph 5, 6 and 7 above and as required by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980, based on our audit and on the consideration of report of the other auditors on separate financial statements and

the other financial information of subsidiaries, associate and jointly controlled entities, as noted in the 'other matter' paragraphs to the extent applicable and also subject to the limitations of disclosure required therein and we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
  - b) The transactions of Bank, which have come to our notice, have been within the power of Bank; and
  - c) The returns received from the offices and branches of the bank have been found adequate for the purpose of our audit.
10. As required by letter No. DOS.ARG. No.6270/08.91.001/2019-20 dated March 17, 2020 on "Appointment of Statutory Central Auditors (SCAs) in Public Sector Banks - Reporting obligations for SCAs from FY 2019-20", read with subsequent communication dated May 19, 2020 issued by the RBI, we further report on the matters specified in paragraph 2 of the aforesaid letter as under:
- a) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and the reports of the other auditors and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
  - b) The Consolidated Balance Sheet, Consolidated Profit and Loss account and Consolidated Cash flow statement dealt with by this report are in agreement with the books of account and with the returns received from branches not visited by us;
  - c) The reports on the accounts of the branches and offices audited by branch auditors of the Bank under section 29 of the Banking Regulation Act, 1949 have been sent to us and have been properly dealt with by us in preparing this report;

- d) in our opinion, the Consolidated Balance Sheet, Consolidated Profit and Loss account and Consolidated Cash flow statement comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.
- e) As the Bank is not registered under the Companies Act, 2013, the disqualifications from being a director of the bank under sub-section (2) of Section 164 of the Companies Act, 2013 do not apply to the bank.

On the basis of the reports of the statutory auditors of subsidiaries, associate and joint ventures companies

- other than Government Company to the extent incorporated in India, none of the directors of the subsidiaries, associates & joint ventures companies incorporated in India is disqualified as on 31<sup>st</sup> March, 2024 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.
- f) There are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.
- g) The Bank's Internal Financial Controls over financial reporting is not applicable on the consolidated financial statement.

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

**For Chhajed & Doshi**  
Chartered Accountants  
FRN 101794W

**For G S Mathur & Co**  
Chartered Accountants  
FRN 008744N

**CA Sharath Shetty**  
Partner  
Membership No. 132775  
UDIN: 24132775BKCYES4785

**CA Nitesh Jain**  
Partner  
Membership No. 136169  
UDIN: 24136169BKEKKZ4882

**CA Rajiv Kumar Wadhawan**  
Partner  
Membership No. 091007  
UDIN: 24091007BKCFCT7661

**For P Chandrasekar LLP**  
Chartered Accountants  
FRN 000580S/S200066

**For V K Ladha & Associates**  
Chartered Accountants  
FRN 002301C

**CA P Chandrasekaran**  
Partner  
Membership No. 026037  
UDIN: 24026037BKARCO1889

**CA V. K. Ladha**  
Partner  
Membership No. 071501  
UDIN: 24071501BKFQHF3256

Place: Mumbai

Date: 10-05-2024



# Consolidated Balance Sheet

as on 31<sup>st</sup> March, 2024

(₹ in 000)

Particulars	Schedule Number	As on 31 <sup>st</sup> March, 2024	As on 31 <sup>st</sup> March, 2023
<b>CAPITAL AND LIABILITIES</b>			
Capital	1	7,63,36,056	6,83,47,475
Preference Share Capital Issued by Subsidiary Company	1A	10,40,035	10,40,035
Reserves and Surplus	2	89,86,00,469	71,86,47,629
Minority Interest	2A	-	-
Deposits	3	12,24,59,33,559	11,20,32,19,225
Borrowings	4	26,97,42,680	42,73,65,947
Other Liabilities and Provisions	5	52,83,06,310	46,49,50,783
<b>TOTAL</b>		<b>14,01,99,59,109</b>	<b>12,88,35,71,094</b>
<b>ASSETS</b>			
Cash and Balances with Reserve Bank of India	6	52,90,15,436	50,25,81,072
Balances with Banks and Money at Call and Short Notice	7	66,74,43,018	62,34,07,568
Investments	8	3,43,95,28,617	3,43,72,69,559
Advances	9	8,74,07,97,404	7,64,27,66,793
Fixed Assets	10	9,25,98,061	8,84,79,756
Other Assets	11	55,05,76,573	58,90,66,347
Goodwill on Consolidation		-	-
<b>TOTAL</b>		<b>14,01,99,59,109</b>	<b>12,88,35,71,094</b>
Contingent Liabilities	12	5,83,38,30,501	6,08,09,92,755
Bills for Collection		50,25,28,601	43,56,67,177
Significant Accounting Policies	17		
Notes to Accounts	18		

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

(Ajay Bansal)

Dy. General Manager

For and on behalf of The Board of Directors

(Pankaj Dwivedi)

Executive Director

(Sameer Shukla)

Director

(Suraj Srivastava)

Director

(A. Manimekhalai)

Managing Director & CEO

(Avinash Prabhu)

Chief Financial Officer

(Ramasubramanian S)

Executive Director

(Prakash Baliarsingh)

Director

(Jayadev Madugula)

Director

(Srinivasan Varadarajan)

Chairman

(Nitesh Ranjan)

Executive Director

(Priti Jay Rao)

Director

As per our report of even Date

For M/s N B S & Co

Chartered Accountants

FRN 110100W

CA Sharath Shetty

Partner

Membership No. 132775

UDIN: 24132775BKCYE54785

For P Chandrasekar LLP

Chartered Accountants

FRN 000580S/S200066

CA P Chandrasekaran

Partner

Membership No. 026037

UDIN: 24026037BKARCO1889

For Chhaged and Doshi

Chartered Accountants

FRN 101794W

CA Nitesh Jain

Partner

Membership No.136169

UDIN: 24136169BKEKKZ4882

For V K Ladha & Associates

Chartered Accountants

FRN 002301C

CA Virendra Kumar Ladha

Partner

Membership No. 071501

UDIN: 24071501BKQHF3256

For G S Mathur & Co

Chartered Accountants

FRN 08744N

CA Rajiv Kumar Wadhawan

Partner

Membership No. 091007

UDIN: 24091007BKCFCT7661

# Consolidated Profit & Loss

for the period ended 31<sup>st</sup> March, 2024

Particulars	Schedule Number	(₹ in 000)	
		For the Year Ended 31 <sup>st</sup> March, 2024	For the Year Ended 31 <sup>st</sup> March, 2023
<b>I. INCOME</b>			
Interest Earned	13	1,00,37,55,708	81,16,31,823
Other Income	14	17,81,27,884	15,91,53,525
<b>TOTAL</b>		<b>1,18,18,83,592</b>	<b>97,07,85,348</b>
<b>II. EXPENDITURE</b>			
Interest Expended	15	63,36,37,017	48,03,28,447
Operating Expenses	16	26,50,58,274	23,48,73,032
Provision and Contingencies		14,60,98,815	17,12,80,436
<b>TOTAL</b>		<b>1,04,47,94,106</b>	<b>88,64,81,915</b>
<b>iii. Consolidated Net Profit/(Loss) before Minority Interest and Share of Earnings in Associate</b>		<b>13,70,89,486</b>	<b>8,43,03,433</b>
Add:-Share of profit in Associate		8,81,701	8,13,202
Consolidated Net Profit/(Loss) for the year before deducting Minority Interest (Less):-Minority Interest		13,79,71,187	8,51,16,635
<b>Consolidated Net Profit/(Net Loss) for the year attributable to the group</b>		<b>13,79,71,187</b>	<b>8,51,16,600</b>
Transfer from Investment Fluctuation Reserve		-	58,32,008
Add : Profit/(Loss) Brought Forward		58,32,043	35
<b>Amount Available for Appropriation</b>		<b>14,38,03,230</b>	<b>9,09,48,643</b>
<b>IV. Appropriation</b>			
Transfer To Statutory Reserve		3,42,85,266	2,10,83,194
Transfer To Capital Reserve		16,32,611	9,45,461
Transfer To Investment Fluctuation Reserve		2,84,440	-
Transfer To Revenue And Other Reserves		6,60,81,024	3,48,14,630
Transfer To Special Reserve [Sec36(I)(viii)]of the Income Tax Act,1961		66,79,000	60,00,000
Transfer to Investment Reserve Account		15,27,866	17,69,006
Proposed Dividend		2,74,80,980	2,05,04,309
Balance in Profit and Loss Account		58,32,043	58,32,043
<b>TOTAL</b>		<b>14,38,03,230</b>	<b>9,09,48,643</b>
Earnings per share (Basic and Diluted in ₹) of FV of ₹10/- each		19.15	12.45
Significant Accounting Policies	17		
Notes To Accounts	18		

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

(Ajay Bansal)

Dy. General Manager

For and on behalf of The Board of Directors

(Pankaj Dwivedi)  
Executive Director

(Sanjay Rudra)  
Executive Director

(Avinash Prabhu)

Chief Financial Officer

(Ramasubramanian S)  
Executive Director

(Nitesh Ranjan)  
Executive Director

(Sameer Shukla)  
Director

(Prakash Baliarsingh)  
Director

(Suraj Srivastava)  
Director

(Laxman S Uppar)  
Director

(Jayadev Madugula)  
Director

(Priti Jay Rao)  
Director

(A. Manimekhalai)  
Managing Director & CEO

(Srinivasan Varadarajan)  
Chairman

As per our report of even Date

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

For Chhajer and Doshi  
Chartered Accountants  
FRN 101794W

For G S Mathur & Co  
Chartered Accountants  
FRN 08744N

CA Sharath Shetty  
Partner  
Membership No. 132775  
UDIN: 24132775BKCYES4785

CA Nitesh Jain  
Partner  
Membership No.136169  
UDIN: 24136169BKEKKZ4882

CA Rajiv Kumar Wadhawan  
Partner  
Membership No. 091007  
UDIN: 24091007BKCFCT7661

For P Chandrasekar LLP  
Chartered Accountants  
FRN 000580S/S200066

For V K Ladha & Associates  
Chartered Accountants  
FRN 002301C

CA P Chandrasekaran  
Partner  
Membership No. 026037  
UDIN: 24026037BKARCO1889

CA Virendra Kumar Ladha  
Partner  
Membership No. 071501  
UDIN: 24071501BKFQHF3256



## Schedules Forming Part of the Consolidated Balance Sheet

As on 31<sup>st</sup> March, 2024

(₹ in 000)

	As on 31 <sup>st</sup> March 2024	As on 31 <sup>st</sup> March 2023
<b>SCHEDULE 1 - CAPITAL :</b>		
<b>I. Authorised :</b>		
1000,00,00,000 Equity Shares of ₹ 10 each	10,00,00,000	10,00,00,000
<b>II. Issued, Subscribed &amp; Paid up :</b>		
i. 570,66,60,850 Equity Shares of ₹10 each, held by Central Government (Previous Year 570,66,60,850 Equity Shares)	5,70,66,609	5,70,66,609
ii. 1,92,69,44,757 Equity Shares of ₹ 10 each, held by Public (Previous Year 112,80,86,616 Equity Shares)	1,92,69,447	1,12,80,866
<b>TOTAL</b>	<b>7,63,36,056</b>	<b>6,83,47,475</b>
<b>SCHEDULE 1A - PREFERENCE SHARE CAPITAL ISSUED BY SUBSIDIARY COMPANY :</b>		
10,40,03,544 Participatory Non-Redemable Compulsorily Convertible Preference Shares of ₹ 10 Each (Issued by Union Asset Management Company Private Limited, a subsidiary company ) to Dai Ichi Life Holdings Inc on May 17 2018 for a tenure of 20 years)	10,40,035	10,40,035
<b>TOTAL</b>	<b>10,40,035</b>	<b>10,40,035</b>

(₹ in 000)

	As on 31 <sup>st</sup> March 2024		As on 31 <sup>st</sup> March 2023	
<b>SCHEDULE 2 - RESERVES &amp; SURPLUS :</b>				
<b>I. Statutory Reserve :</b>				
As per last Balance Sheet	16,79,04,849		14,68,21,655	
Addition during the year	3,42,85,266	20,21,90,115	2,10,83,194	16,79,04,849
<b>II. Capital Reserve :</b>				
<b>A) Capital Reserve :</b>				
As per last Balance Sheet	5,98,78,700		5,89,33,239	
Addition during the year	16,32,611		9,45,461	
Deduction during the year	-		-	
	<b>6,15,11,311</b>		<b>5,98,78,700</b>	
<b>B) Revaluation Reserve :</b>				
As per last Balance Sheet	6,13,24,225		4,75,70,740	
Addition during the year	81,343		1,51,92,863	
Deduction during the year	49,61,394		14,39,378	
	<b>5,64,44,174</b>		<b>6,13,24,225</b>	
<b>C) Amalgamation Reserve:</b>				
As per last Balance Sheet	1,30,95,979		1,30,95,979	
Addition during the year	-		-	
Deduction during the year	-		-	
	<b>1,30,95,979</b>	<b>13,10,51,464</b>	<b>1,30,95,979</b>	<b>13,42,98,904</b>

(₹ in 000)

	As on 31 <sup>st</sup> March 2024		As on 31 <sup>st</sup> March 2023	
<b>III Capital Reserve on Consolidation</b>				
As per last Balance Sheet	1,20,151		4,21,351	
Addition during the year	-		-	
Deduction during the year	-	1,20,151	3,01,200	1,20,151
<b>IV. Share Premium :</b>				
As per last Balance Sheet	18,42,28,058		18,39,26,860	
Addition during the year	7,20,11,419		3,01,198	
Deduction during the year	2,91,432	25,59,48,045	-	18,42,28,058
<b>V. Revenue Reserves :</b>				
<b>i) Revenue and other Reserves :</b>				
As per last Balance Sheet	14,49,84,457		10,74,30,020	
Addition during the year	6,83,15,558		3,75,80,223	
Deduction during the year	5,488		25,786	
Less:- Minority Interest	-		-	
	<b>21,32,94,527</b>		<b>14,49,84,457</b>	
<b>ii) Special Reserve Sec 36(1)(viii)</b>				
As per last Balance Sheet	6,62,98,789		6,02,98,789	
Addition during the year	66,79,000		60,00,000	
	<b>7,29,77,789</b>		<b>6,62,98,789</b>	
<b>iii) Special Reserve Profit on Fx Swap</b>				
As per last Balance Sheet	59,328		58,485	
Addition during the year	1,018		843	
Deduction during the year	-		-	
	<b>60,346</b>		<b>59,328</b>	
<b>iv) Investment Fluctuation Reserve</b>				
As per last Balance Sheet	1,35,29,575		1,93,61,583	
Addition during the year	2,84,440		-	
Deduction during the year	-		58,32,008	
	<b>1,38,14,015</b>		<b>1,35,29,575</b>	
<b>v) Foreign Currency Translation Reserve</b>				
As per last Balance Sheet	(4,08,905)		12,73,628	
Addition during the year	6,93,239		8,11,962	
Deduction during the year	3,00,607		24,94,495	
	<b>(16,273)</b>		<b>(4,08,905)</b>	
<b>vi) Debenture Redemption Reserve</b>				
As per last Balance Sheet	31,375		31,375	
Addition during the year	-		-	
Deduction during the year	-		-	
<b>Total</b>	<b>31,375</b>	<b>30,01,61,779</b>	<b>31,375</b>	<b>22,44,94,618</b>
<b>VI. Investment Reserve Account</b>				
As per last balance sheet	17,69,006		-	
Addition during the year	15,27,866		17,69,006	
Deduction During The year	-	32,96,872	-	17,69,006
<b>VII. Balance in Profit and Loss Account</b>				
Balance in Profit and Loss Account		58,32,043		58,32,043
<b>Total</b>		<b>89,86,00,469</b>		<b>71,86,47,629</b>



**Schedules Forming Part of  
the Consolidated Balance Sheet**

(₹ in 000)

	As on 31 <sup>st</sup> March 2024		As on 31 <sup>st</sup> March 2023	
<b>SCHEDULE 2 A Minority Interest</b>				
Opening Balance		-		-
Add/(Less):- Increase/(Decrease) during the year		-		-
<b>Total Minority Interest</b>		-		-
<b>SCHEDULE 3 - DEPOSITS :</b>				
<b>I. Demand Deposits</b>				
i) From Banks	74,28,822		1,75,66,930	
ii) From Others	73,03,00,019	73,77,28,841	72,24,22,466	73,99,89,396
<b>II. Savings Bank Deposits</b>				
		3,36,37,02,530		3,20,10,49,443
<b>III. Term Deposits</b>				
i) From Banks	24,66,77,161		17,64,32,725	
ii) From Others	7,89,78,25,027	8,14,45,02,188	7,08,57,47,660	7,26,21,80,385
<b>TOTAL</b>		<b>12,24,59,33,559</b>		<b>11,20,32,19,225</b>
Deposits of branches in India		11,98,98,18,547		11,05,94,29,728
Deposits of branches outside India		25,61,15,012		14,37,89,497
<b>TOTAL</b>		<b>12,24,59,33,559</b>		<b>11,20,32,19,225</b>
<b>SCHEDULE 4 - BORROWINGS :</b>				
<b>A. Borrowings in India</b>				
i. Reserve Bank of India	-		13,38,20,000	
ii. Other Banks	1,72,263		75,821	
iii. Other Institutions and Agencies	4,84,02,023		2,34,63,987	
iv. Perpetual Bonds- TIER I	9,68,80,000		9,68,80,000	
v. Subordinated Bonds - TIER II	7,95,00,000		9,95,00,000	
vi. 7 years infra bonds	-	22,49,54,286	-	35,37,39,808
<b>B. Borrowings Outside India</b>				
		4,47,88,394		7,36,26,139
<b>TOTAL</b>		<b>26,97,42,680</b>		<b>42,73,65,947</b>
Secured Borrowings included in A & B above		-		13,90,42,858

(₹ in 000)

	As on 31 <sup>st</sup> March 2024	As on 31 <sup>st</sup> March 2023
<b>SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS :</b>		
I. Bills Payable	2,64,14,133	2,64,97,502
II. Interest Accrued	5,24,76,353	6,03,43,341
III. Others (including provisions)	44,94,15,824	37,81,09,940
<b>TOTAL</b>	<b>52,83,06,310</b>	<b>46,49,50,783</b>

(₹ in 000)

	As on 31 <sup>st</sup> March 2024	As on 31 <sup>st</sup> March 2023
<b>SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA :</b>		
I. Cash in Hand (including foreign currency notes and Gold)	2,27,52,570	2,84,16,340
II. Balances with Reserve Bank of India		
In current accounts	50,62,58,578	47,41,54,986
In other accounts	4,288	9,747
<b>TOTAL</b>	<b>52,90,15,436</b>	<b>50,25,81,072</b>
<b>SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE :</b>		
I) In India		
i) Balances with Banks		
a) In Current Accounts	37,61,219	61,55,270
b) In Other Deposit Accounts	44,34,026	5,85,95,898
ii) Money at Call & Short notice		
a) With Banks	-	5,00,000
b) With Other Institutions	34,51,28,862	31,23,03,614
	<b>35,33,24,107</b>	<b>37,75,54,782</b>
II. Outside India		
i) In Current Accounts	54,09,791	54,81,900
ii) In other Deposit Accounts	30,64,81,064	23,88,70,885
iii) Money at call & short notice	22,28,056	15,00,001
	<b>31,41,18,911</b>	<b>24,58,52,785</b>
<b>TOTAL</b>	<b>66,74,43,018</b>	<b>62,34,07,568</b>
<b>SCHEDULE 8 - INVESTMENTS :</b>		
I. Investments in India		
i) Government Securities	2,75,55,86,019	2,62,25,87,764
ii) Other Approved Securities	1,51,16,121	91,11,365
iii) Shares	2,82,77,299	2,45,33,686
iv) Debentures and Bonds	57,90,91,160	64,33,93,358
v) Associate	43,83,850	35,02,148
vi) Others ( Commercial Paper, Mutual Funds, Venture Capital, Security Receipt, Etc.)	3,16,62,055	11,10,88,502
<b>Total</b>	<b>3,41,41,16,504</b>	<b>3,41,42,16,823</b>
II. Investments outside India		
i) Govt Securities (including Local Authorities)	2,20,01,139	1,86,90,375
ii) Shares	6,810	3,35,490
iii) Other Investments (Bonds)	34,04,164	40,26,870
iv) Associate	-	-
<b>Total</b>	<b>2,54,12,113</b>	<b>2,30,52,736</b>
<b>TOTAL</b>	<b>3,43,95,28,617</b>	<b>3,43,72,69,559</b>



**Schedules Forming Part of  
the Consolidated Balance Sheet**

	As on 31 <sup>st</sup> March 2024	As on 31 <sup>st</sup> March 2023
(₹ in 000)		
<b>III. Investments in India</b>		
Gross Value	3,50,13,05,679	3,49,25,11,153
Less: Provision for Depreciation	8,71,89,175	7,82,94,330
Net Value of Investment in India	<b>3,41,41,16,504</b>	<b>3,41,42,16,823</b>
<b>IV) Investments outside India</b>		
Gross Value	2,55,80,990	2,33,14,075
Less: Provision for Depreciation	1,68,877	2,61,339
Net Value of Investment outside India	<b>2,54,12,113</b>	<b>2,30,52,736</b>
<b>TOTAL</b>	<b>3,43,95,28,617</b>	<b>3,43,72,69,559</b>
<b>SCHEDULE 9 - ADVANCES (Net)</b>		
<b>I</b>		
i) Bills Purchased and Discounted	3,59,44,611	3,29,74,692
ii) Cash Credits, Overdrafts and Loans Repayable on Demand	4,34,16,74,091	3,48,61,71,808
iii) Term Loans	4,36,31,78,702	4,12,36,20,293
<b>TOTAL</b>	<b>8,74,07,97,404</b>	<b>7,64,27,66,793</b>
<b>II</b>		
i) Secured by tangible assets*	7,24,72,22,868	6,25,80,98,735
ii) Covered by Bank/Government Guarantees	5,93,58,913	12,26,93,689
iii) Unsecured	1,43,42,15,623	1,26,19,74,369
<b>TOTAL</b>	<b>8,74,07,97,404</b>	<b>7,64,27,66,793</b>
*includes advances against book debt		
<b>A. Advances in India</b>		
i) Priority Sector	3,19,08,13,692	2,85,85,94,969
ii) Public Sector	1,23,56,53,929	81,73,80,496
iii) Banks	8,66,18,664	6,33,569
iv) Others	3,90,55,55,529	3,71,92,11,698
<b>TOTAL</b>	<b>8,41,86,41,814</b>	<b>7,39,58,20,732</b>
<b>B. Advances Outside India</b>		
i) Due From Banks	6,50,62,605	5,39,13,567
ii) Due from Others		
a) Bills Purchased and Discounted	4,71,673	4,08,197
b) Syndicated Loans	-	-
c) Others	25,66,21,312	19,26,24,296
	<b>32,21,55,590</b>	<b>24,69,46,060</b>
<b>TOTAL</b>	<b>8,74,07,97,404</b>	<b>7,64,27,66,793</b>

(₹ in 000)

	As on 31 <sup>st</sup> March 2024		As on 31 <sup>st</sup> March 2023	
<b>SCHEDULE 10 - FIXED ASSETS :</b>				
<b>I. Premises</b>				
At cost/valuation as on 31 <sup>st</sup> March of Preceding year	9,58,92,243		8,09,82,724	
Additions during the year	15,38,029		2,16,26,582	
Deductions during the year	31,11,913		67,17,063	
	9,43,18,359		9,58,92,243	
Less: Depreciation till Date	2,96,49,050	6,46,69,308	2,76,06,610	6,82,85,633
<b>II. Other Fixed Assets (including Furniture and Fixtures)</b>				
<b>II (A) Land</b>				
At cost/valuation as on 31 <sup>st</sup> March of Preceding year	36,34,968		24,98,636	
Additions during the year	-		12,33,904	
Deductions during the year	1,15,305		97,572	
	35,19,663		36,34,968	
Less: Depreciation till Date	11,56,731	23,62,932	7,02,457	29,32,511
<b>II (B) Others</b>				
At cost/valuation as on 31 <sup>st</sup> March of Preceding year	7,48,07,497		6,90,59,835	
Additions during the year	1,29,54,854		70,01,866	
Deductions during the year	21,31,040		12,54,203	
	8,56,31,311		7,48,07,497	
Less: Depreciation till Date	6,27,55,312	2,28,75,999	5,96,87,939	1,51,19,558
<b>II (C) Computer Software</b>				
At cost/valuation as on 31 <sup>st</sup> March of Preceding year	1,21,64,227		1,23,74,205	
Additions during the year	18,50,275		9,41,715	
Deductions during the year	12,70,638		11,51,692	
	1,27,43,865		1,21,64,227	
Amortisation till Date	1,04,12,985	23,30,879	1,02,45,338	19,18,889
<b>II (D) Leased Assets</b>				
At cost/valuation as on 31 <sup>st</sup> March of Preceding year	3,14,398		2,68,478	
Addition during the year	-		45,920	
Deductions during the year	3,11,272		-	
	3,126		3,14,398	
Less: Depreciation till Date	3,126	-	3,12,863	1,536
<b>TOTAL (I and II)</b>		<b>9,22,39,118</b>		<b>8,82,58,127</b>
<b>III. Capital Work-in-Progress</b>				
At cost/valuation as on 31 <sup>st</sup> March of Preceding year	2,21,629		3,70,133	
Additions during the year	3,58,196		3,25,262	
Deductions during the year	2,20,883	3,58,942	4,73,766	2,21,629
<b>TOTAL (I,II and III)</b>		<b>9,25,98,061</b>		<b>8,84,79,756</b>



**Schedules Forming Part of  
the Consolidated Balance Sheet**

	As on 31 <sup>st</sup> March 2024	As on 31 <sup>st</sup> March 2023
(₹ in 000)		
<b>SCHEDULE 11 - OTHER ASSETS :</b>		
I. Inter-Office Adjustments (net)	1,70,28,198	2,20,20,700
II. Interest Accrued	10,87,38,067	9,19,16,723
III. Tax paid/Tax deducted at source (Net of Provisions)	7,12,98,680	6,75,66,225
IV. Stationery and Stamps	61,852	62,780
V. Non-Banking Assets acquired in satisfaction of claims	1,334	1,334
VI. Deferred Tax Assets (Net)	3,71,39,447	8,66,27,845
VII. Others	31,63,02,660	27,57,45,972
VIII. MAT Credit	6,335	4,51,24,768
<b>TOTAL</b>	<b>55,05,76,573</b>	<b>58,90,66,347</b>
<b>SCHEDULE 12 - CONTINGENT LIABILITIES :</b>		
I. Claims against the Bank not acknowledged as debts	2,06,76,800	3,02,43,174
II. Liability for partly paid Investments	41,101	-
III. Liability on account of outstanding forward exchange contracts	3,72,06,07,588	4,13,37,63,836
IV. Guarantees given on behalf of Constituents		
i) In India	69,48,36,138	66,40,64,012
ii) Outside India	67,54,640	1,42,33,661
V. Acceptances, Endorsements and Other Obligations	1,06,71,64,155	99,64,20,847
VI. Other items of Contingent Liability		
i) Disputed Tax demands under Appeals	28,77,80,965	21,02,78,944
ii) Capital Commitments	13,70,051	-
iii) Amount transferred to DEAF Scheme 2014	3,45,99,063	3,19,88,282
<b>TOTAL</b>	<b>5,83,38,30,501</b>	<b>6,08,09,92,755</b>

## Schedules Forming Part of Consolidated Profit & Loss Account

for the year ended 31<sup>st</sup> March, 2024

	For the Year Ended 31 <sup>st</sup> March 2024	For the Year Ended 31 <sup>st</sup> March 2023
(₹ in 000)		
<b>SCHEDULE 13 - INTEREST EARNED :</b>		
I. Interest/Discount on Advances/Bills	72,15,62,942	56,87,45,745
II. Income on Investments	22,82,90,420	21,63,56,463
III. Interest on Balances with RBI & Other Inter Bank Funds	4,89,08,922	2,13,17,912
IV. Others	49,93,423	52,11,704
<b>TOTAL</b>	<b>1,00,37,55,708</b>	<b>81,16,31,823</b>
<b>SCHEDULE 14 - OTHER INCOME :</b>		
I. Commission, Exchange and Brokerage	2,34,13,734	2,18,70,990
II. Profit on Sale of Investments - (Net)	1,79,15,613	86,24,178
III. Profit on Revaluation of Investment (Net)	33,03,246	25,73,612
IV. Profit/ (Loss) on Fixed Asset - (Net)	21,690	(14,860)
V. Profit on Exchange Transactions - (Net)	91,90,006	81,33,570
VI. a) Lease Finance Income	-	-
b) Lease Management Fee	-	-
c) Overdue Charges	-	-
d) Interest on Lease Rent Receivables	-	-
Vii. Miscellaneous Income	12,42,83,594	11,79,66,035
<b>TOTAL</b>	<b>17,81,27,883</b>	<b>15,91,53,525</b>
<b>SCHEDULE 15 - INTEREST EXPENDED :</b>		
I. Interest on Deposits	58,62,99,268	44,38,31,965
II. Interest on Reserve Bank of India/Inter Bank Borrowing	2,98,97,025	1,85,04,007
III. Others	1,74,40,724	1,79,92,476
<b>TOTAL</b>	<b>63,36,37,017</b>	<b>48,03,28,447</b>
<b>SCHEDULE 16 - OPERATING EXPENSES :</b>		
I. Payments to and Provisions for Employees	14,59,32,289	12,52,40,040
II. Rent, Taxes and Lighting	1,10,42,764	1,08,23,277
III. Printing and Stationery	12,70,045	11,55,291
IV. Advertisement and Publicity	14,53,822	13,34,511
V. A) Depreciation on Bank's Property other than leased assets	89,59,332	74,45,671
B) Depreciation on Bank's Property on leased assets	-	-
VI. Directors' Fees, Allowances and Expenses	70,104	61,641
VII. Auditors' Fees and Expenses (including Branch Auditors)	6,94,964	7,44,948
VIII. Law Charges	18,57,131	17,37,120
IX. Postage, Telegrams, Telephones, etc.	39,88,329	32,23,483
X. Repairs and Maintenance	35,46,826	37,33,263
XI. Insurance	1,26,35,105	1,37,50,448
XII. Amortization of Goodwill, if any	(14,116)	-
XIII. Other Expenditure	7,36,21,679	6,56,23,339
<b>TOTAL</b>	<b>26,50,58,274</b>	<b>23,48,73,032</b>



## Significant Accounting Policy For 2023-24 On Consolidated Basis:

(For required disclosures under schedule 17 forming part of Balance Sheet)

### 1. Basis of Preparation

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

### 2. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumptions considered in the reported amount of Assets and Liabilities (including Contingent Liabilities) as of the date of the financial statements and the reported Income and the Expenses during the reporting period. Management believes that the estimates wherever used in the preparation of the financial statements are prudent and reasonable. Actual results can differ from these estimates. Any revision in the accounting estimates is recognized prospectively in the current and future period.

### 3. Basis of consolidation

- a) Bank is having 5 subsidiaries, 3 JVs and 1 associate. The details are as under:-

S. No.	Nature	Entities	Stake
1	Subsidiary	Union Asset Management Company Pvt Ltd	100%
2	Subsidiary	Union Trustee Co Pvt Ltd	100%
3	Subsidiary	Union Bank of India (UK) Ltd	100%
4	Subsidiary	Andhra Bank Financial Services Ltd	100%

S. No.	Nature	Entities	Stake
5	Subsidiary	UBI Services Ltd.	100%
6	JV	Star Union Dai-Ichi Life Insurance Co Ltd.	25.10%
7	JV	ASREC (India) Ltd	26.02%
8	JV	India International Bank (Malaysia) BHD	25.00%
9	Associate	Chaitanya Godavari Grameena Bank	35%

The consolidated financial statements are prepared on the basis of:

- 1) Audited Accounts of the parent bank (Union Bank of India)
- 2) **Consolidation of Subsidiaries:** Line by Line aggregation of the Income/Expenditure/Assets/Liabilities of the subsidiaries with the respective line item of the parent bank, after eliminating all intra-group transactions, unrealized profits/loss in terms of AS 21 on Consolidated Financial Statements issued by Institute of Chartered Accountants of India (ICAI).
- 3) **Consolidation of Associates:** The Investment in Associate is accounted for consolidation as per Equity Method in terms of AS 23 on Accounting for Investments in Associates in Consolidated Financial Statement issued by Institute of Chartered Accountants of India (ICAI).
- 4) **Consolidation of Joint Ventures:** Line by Line consolidation is done with proportionate share in Joint Venture in terms of AS-27 on Financials Reporting in Interest of Joint Venture issued by Institute of Chartered Accountants of India (ICAI).
- 5) In case of Domestic Associate/Subsidiaries and Joint Venture, accounting adjustments arising due to different accounting policies followed by parent bank and associate/subsidiaries and Joint Venture have not been carried out due to practical difficulties on the basis of data provided by associates/subsidiaries and Joint Venture as the amounts are not material.

- c) The difference between cost to the Group of its investment in the subsidiaries and the Parent's portion of the equity of the subsidiaries is recognized in the CFS as Goodwill / Capital Reserve, as the case may be.
- d) Minority interest in the net assets of the consolidated subsidiaries consists of:
  - i) The amount of equity attributable to the minority at the date on which investment in a subsidiary is made and
  - ii) The minority share of movements in revenue reserves / loss and equity since the date the parent subsidiary relationship came into existence.
  - iii) The excess, and any further losses applicable to the minority, are adjusted against the majority interest except to the extent that the minority has a binding obligation to, and is able to, make good the losses

#### 4. Revenue Recognition

##### a) Banking entities

- i) Income and Expenditure have been accounted for on accrual basis unless otherwise stated.
- ii) Income on Non-Performing Assets (NPAs) is recognized to the extent realized as per the prudential norms prescribed by the RBI. Income accounted for in the preceding year and remaining unrealized is derecognized in respect of assets classified as NPAs during the year.
- iii) Commission on Letter of Guarantee/Letter of Credit is accounted on accrual basis.
- iv) Exchange and brokerage earned, rent on Safe Deposit Lockers, income from Aadhaar cards Minimum balance charges etc. are accounted for on realization basis.
- v) Income (Other than interest) on investments in "Held to Maturity" (HTM) category acquired at discount to the face value is recognized as follows:
  - a) On interest bearing securities, it is recognized only at the time of sale/redemption.
  - b) On Zero-coupon securities, it is accounted for over the balance tenor of the securities on a constant yield basis.

- vi) Dividend is accounted on an accrual basis where the right to receive the dividend is established.
- vii) Sale of NPAs accounted in terms of extant RBI guidelines.
- viii) Interest on Income-tax refunds is accounted for on receipt of Intimation order from the Income Tax Department.

##### b) Non-Banking entities

###### Life Insurance

###### i. Premium Income

Premium (net of GST) is recognized as income when due. For linked business, premium is recognized when the associated units are created. Top up premiums are considered as single premium. Premium on lapsed policies is recognized as income when such policies are reinstated. Commission received on reinsurance ceded is recognized as income in the period in which reinsurance premium is ceded.

###### ii. Income from linked funds

Income from linked funds which includes premium allocation charges, policy administrative charges, mortality charges, fund management charges etc. are recovered from the linked funds in accordance with the terms and conditions of policies issued.

###### iii. Reinsurance Premium

Cost of reinsurance ceded is accounted for at the time of recognition of premium income in accordance with the treaty or in principle arrangement with the reinsurer. Profit commission on reinsurance ceded is netted off against premium ceded on reinsurance.

###### iv. Benefits paid (including claims)

Benefits paid comprise of policy benefits & claim settlement costs, if any. Death, rider & surrender claims are accounted for on receipt of intimation. Survival benefit claims and maturity claims are accounted for when due. Withdrawals & surrenders under linked policies are accounted for in the respective schemes when the associated units are cancelled. Reinsurance recoveries on claims are accounted for in the same period as the related claims.



## **Significant Accounting Policy For 2023-24 On Consolidated Basis**

### **v. Acquisition Costs**

Acquisition costs are costs that vary with and are primarily related to acquisition of insurance contracts and are expensed in the period in which they are incurred.

### **vi. Liability for life policies**

Actuarial liability for life policies in force and for policies in respect of which premium has been discontinued but a liability exists, is determined by the Appointed Actuary using the gross premium method and in case of group business, unearned premium reserve method, in accordance with accepted actuarial practice, requirements of Insurance Act, 1938, IRDA regulations and the stipulations of Institute of Actuaries of India.

### **Asset Management**

- i. Investment management fees are recognized net of tax on an accrual basis as a percentage of the average daily net assets of the mutual fund schemes (excluding the investments made by the company in the schemes) such that it does not exceed the limit prescribed by the SEBI (Mutual Funds) Regulations, 1996 and any further amendments.
- ii. Investment advisory fees are recognized on accrual basis in accordance with the terms of contract with the customers.
- iii. Interest income is recognized using the time proportion method, based on the rates implicit in the transaction.
- iv. Dividend income is recognized when right to receive is established.

➤ Towards arrears of principal/EMI till the date of recovery.

➤ Towards running ledger balance.

### **For Running Accounts:**

➤ Towards expenses & costs etc.

➤ Towards interest held in dummy ledger (unapplied interest) including unrecovered interest reversed at the time of NPA.

➤ Towards principal.

5.2. In case borrower stipulates terms of appropriation differently than above and if such different terms of appropriation is accepted by Bank then appropriation of recoveries will be as per the sanction terms.

5.3. In case of OTS & all NCLT accounts, recovery either through resolution/liquidation:

Appropriation of recovery to be done as discussed here under or as per the sanction stipulations

➤ Towards principal.

➤ Towards interest held in dummy ledger (unapplied interest) including unrecovered interest reversed at the time of NPA.

➤ Towards expenses & costs etc.

5.4. In case of Non-Performing Investment recovery will be apportioned as mentioned below:

a. Towards expenses & costs etc.

b. Towards unrecovered interest reversed on the date of NPI.

c. Interest held in dummy ledger (unapplied interest).

d. Towards arrears of principal/EMI till the date of recovery.

e. Towards running ledger balance

## **5. Appropriation of Recovery:**

Recoveries other than by way of OTS/NCLT shall be appropriated as under:

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

### **For Term Loans:**

➤ Towards expenses & costs etc.

➤ Towards unrecovered interest reversed on the date of NPA.

➤ Interest held in dummy ledger (unapplied interest).

## **6. Investments**

### **i) Classification**

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

a) Government Securities

b) Other Approved Securities

c) Shares

- d) Debentures & Bonds
- e) Investments in Subsidiaries & Joint Ventures, and
- f) Other Investments

The Investment portfolio of the Bank is further classified in accordance with the RBI guidelines contained in Master Circular DoR.MRG.42/21.04.141 /2021-22 dated August 25, 2021 (updated March 23,2022, March 31, 2022, April 08, 2022 and December 08, 2022) into three categories viz.,

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

#### ii) Basis of Valuation

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

- a) Securities held in "HTM" – at acquisition cost: The excess of acquisition cost over the face value is amortized over the remaining period of maturity and in case of discount; it is not recognized as income.
- b) Investment in Regional Rural Banks is valued at carrying cost.
- c) Investments in Subsidiaries and Joint Ventures are valued at carrying cost
- d) Diminution other than temporary, if any, in valuation of such investments is provided for.
- e) Securities held in "AFS" and "HFT" categories are valued classification wise and scrip-wise and net depreciation, if any, in each classification is charged to Profit & Loss account while net appreciation, if any, is ignored.
- f) Valuation of other securities is arrived at as follows:

A	Govt. of India Securities (Central Govt. Securities)	As per Quotation put out by Financial Benchmarks India Pvt Ltd (FBIL)
B	State Development Loans, State Govt. Securities, Securities guaranteed by Central/ State Government, PSU Bonds	On appropriate yield to maturity basis as per FIMMDA Guidelines

C	Equity Shares	As per Market rates, if quoted, otherwise at break-up value, as per latest audited balance sheet (not more than 18 months old). In absence of both, at ₹ 1/- per company. The break-up value is computed excluding revaluation reserve.
D	Preference Shares	As per Market rates, if quoted, or on appropriate yield to maturity basis not exceeding redemption value as per FIMMDA guidelines.
E	Debentures/Bonds	As per Market rates, if quoted, otherwise on appropriate yield to maturity basis as per FIMMDA guidelines.
F	Mutual Funds (MF)	As per stock exchange quotations, if quoted. In case of unquoted units, as per latest Repurchase price declared by concerned MF. In cases where latest repurchase price is not available, as per Net Asset Value (NAV)
G	Treasury Bills / Certificate of Deposits / Commercial Papers	At carrying cost
H	Venture Capital Funds (VCF)	At declared NAV or Breakup NAV as per audited Balance Sheet which is not more than 18 months old. If NAV / audited financial statements are not available for more than 18 months continuously, at ₹ 1/- per VCF
I	Security Receipts	Valuation of the same will be done as per RBI Guidelines on classification, valuation and operation of Investment portfolio of commercial Banks (RBI/ DOR/2021-22/81 DOR. MGR.42/21.04.141/2021-22) dated Aug 25, 2021 and as amended from time to time.



## Significant Accounting Policy For 2023-24 On Consolidated Basis

- iii) Interbank REPO / Reverse REPO transactions are accounted for in accordance with extant RBI guidelines.
- iv) As per the extant RBI guidelines, the shifting of securities from one category to another is accounted for as follows:
  - a) From AFS / HFT categories to HTM category, at lower of book value or market value as on the date of shifting. Depreciation, if any, is fully provided for.
  - b) From HTM category to AFS / HFT category,
    - If the security is originally placed at discount in HTM category, at acquisition cost/ book value
    - If the security is originally placed at a premium, at an amortized cost.
  - c) From AFS to HFT category and vice versa, at book value.
  - d) The securities so shifted are revalued immediately and resultant depreciation is fully provided for.
- v) The non-performing investments are identified and provision is made as per the extant RBI guideline.
- vi) Profit/Loss on sale of investments & net depreciation on investment in any category are taken to the profit & loss account (net appreciation is ignored). However, in case of profit on sale of investments in "HTM" category, an equivalent amount (net of taxes and net of transfer to Statutory Reserves) is appropriated to the Capital Reserve account.
- vii) Commission, brokerage, broken period interest etc. on securities is debited / credited to Profit & Loss account.
- viii) Brokerage and STT paid on purchase and sale of Equity is accounted to price of the deal.
- ix) The Amortization of premium on HTM Securities is computed using Straight-line Method.
- x) The Bank is following weighted average Price (WAP) for accounting of investment portfolio.
- xi) As per the extant RBI guidelines, the Bank follows 'Settlement Date' for accounting of investments transactions.
- xii) Income from the units of Mutual Fund, Venture Capital & Security Receipt shall be recognized on Cash Basis.

### 7. Derivative Contracts:

- a) The Interest Rate Swap which hedges interest bearing Asset or Liability are accounted for in the financial statements on accrual basis except the swap designated with an Asset or Liability that is carried at market value or lower of cost or market value. Gains or losses on the termination of swaps are recognized over the shorter of the remaining contractual life of the swap or the remaining life of the Asset / Liability.
- b) Trading swap transactions are marked to market with changes recorded in the financial statements. (profit if any, is ignored)
- c) In the case of option contracts, guidelines issued by Foreign Exchange Dealers Association of India (FEDAI) from time to time for recognition of income, premium and discount are being followed.
- d) Arbitrage Income earned on forex swap transactions is accounted in Profit / Loss on Exchange Transactions category.

### 8. Advances

- i) Advances in India, are classified under four categories, i.e.
  - (a) Standard,
  - (b) Sub-standard,
  - (c) Doubtful and
  - (d) Loss assets.

Provisions required on such advances are made as per the extant prudential norms issued by the RBI in terms of RBI Master Circular/RBI/2023-2024/06 DOR. STR.REC.3/21.04.048/2023-24 dated April 01, 2023. In respect of foreign offices, Advances are classified in accordance with Prudential Norms prescribed by the RBI or local laws of the host country in which advances are made, whichever is more stringent.

- ii) Advances are stated net of specific loan loss provisions, counter cyclical provisioning buffer and unrecovered interest held in sundry / claims received from Credit Guarantee Trust for Micro & Small Enterprises (CGTMSE)/Export Credit Guarantee Corporation (ECGC) relating to non-performing assets.
- iii) The general provision on Standard Advances is held in "Other Liabilities and Provisions" reflected in schedule 5 of the Balance Sheet and is not considered

for arriving at both net NPAs and net advances. Standard Assets provision to be made as per IRAC RBI/2022-2023/15 DOR.STR.REC.3/21.04.048/2023-24 dated April 01,2023 and any subsequent circular issued from time to time.

- iv) Amounts recovered against debts written off are recognized as revenue in the year of recovery.
- v) Provision on Suspense accounts entries outstanding for more than six months are made at 100% except the claim receivable from Govt./Govt. Bodies like Interest Subsidy on crop loan/export advance, Pension receivable, SDS Interest claim from RBI, Rent Deposits, capital and prepaid expenditure, deposits with Govt & other agencies, Franking stamps, Festival advance to staff etc.

## 9. Property, Plant and Equipment

- i) Premises and Other Fixed Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, eligible borrowing costs and directly attributable costs of bringing the Asset to its working condition for the intended use less trade discounts and rebates. Subsequent expenditure incurred on assets put to use is capitalized only when it increases the future benefits from such assets or their functional capability. Land and Buildings, if revalued are stated at revalued amount. The appreciation on revaluation is credited to Revaluation Reserve and the depreciation provided thereon is deducted there from and shall be credited to Revenue Reserves in terms of revised AS-10 on "Property, Plant and Equipment".
- ii) Depreciation on Fixed Assets is provided for on the Straight-Line Method at the rates prescribed in Expenditure Policy of the Bank from time to time. The applicable rates of depreciation are as under:

S. No.	Capital Asset	Useful Life (Years)	Rate in percentage
1	Immovable Property-Land	Not stipulated; accordingly, no depreciation	NIL
2	Building with RCC frame structure (Both Residential & Non-residential)	60	1.67
3	Furniture	10	10.00
4	Fixtures	10	10.00

S. No.	Capital Asset	Useful Life (Years)	Rate in percentage
5	Air-conditioning plants (Package & water/air cooled ductable)	10	10.00
6	Split & Window Air conditioners	5	20.00
7	Electrical installation and equipments	5	20.00
8	Solar Power Equipment	15	6.67
9	Elevators & Lifts	15	6.67
10	Civil & Flooring work in leased Premises	5	20.00
11	Telephone Equipment	5	20.00
12	Motorcycles, Scooters & other mopeds	10	10.00
13	Motor Cars, Motor Lorries and Electrically operated vehicles including battery powered or fuel cell powered vehicles	8	12.50
14	Mobile Phones	3	33.33
15	Generators	15	6.67
16	Office Equipment/ Appliances,	5	20.00
17	Computers & computer software forming integral part of hardware	3	33.33
18	ATM & allied items	5	20.00
19	UPS & allied items	5	20.00
20	Servers & Networks	6	16.66
21	End user devices such as desktops, laptops, i-pads, tablets, printer & Scanner, digital watches etc.	3	33.33
22.	SDV lockers, Strong Room door, Cash Safe etc. (Along with Fixtures).	20	5.00
23.	Items provided to staff (Furniture/Electrical and etc.)	5	20.00



## Significant Accounting Policy For 2023-24 On Consolidated Basis

- iii) Depreciation on premises is provided on composite cost, wherever the value of Land and Buildings is not separately identifiable.
- iv) Depreciation on Leased assets and Leasehold improvements is recognized on a straight-line basis using rates determined with reference to the primary period of lease.
- v) Depreciation on fixed assets outside India and fixed assets of subsidiaries / associates is provided as per regulatory requirements / or prevailing practices of respective country / industry.

### 10. Impairment of Assets

The carrying costs of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying cost of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying cost of the asset over its remaining useful life. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation, if there was no impairment.

### 11. Counter Cyclical Provisioning Buffer

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

### 12. Transactions involving Foreign Exchange

Accounting for transactions involving foreign exchange is done in accordance with AS 11, (The Effects of Changes in Foreign Exchange Rates), issued by the ICAI. As stipulated in AS 11, the foreign currency operations of the Bank are classified as under

- a) Integral Operations and
- b) Non Integral Operations.

All Overseas Branches, Offshore Banking Units, Overseas Subsidiaries are treated as Non-Integral Operations and domestic operations in foreign exchange and Representative Offices are treated as Integral Operations.

- a) Translation in respect of Integral Operations
  - i) Income and Expenditure items are recognized at the exchange rates prevailing on the date of the transaction.
  - ii) Foreign Currency Monetary and Non-Monetary Assets and Liabilities are translated at the closing spot rates notified by FEDAI at the end of each quarter.
  - iii) Contingent liabilities on account of guarantees, acceptances, endorsements and other obligations are stated at the exchange rates notified by FEDAI at the close of the year
  - iv) The resulting exchange differences are recognized as income or expenses and are accounted through Profit and Loss Account.
  - v) Forward exchange contracts are recorded at the exchange rate prevailing on the date of commitment. Outstanding forward exchange contracts are revalued at the exchange rates notified by FEDAI for specified maturities and at interpolated rates for contracts of 'in-between' maturities. The resultant gains or losses are recognized in the Profit and Loss account.
- b) Translation in respect of Non Integral Operations
  - i) Assets and Liabilities (including contingent liabilities) are translated at the closing spot rates notified by FEDAI at the end of each quarter
  - ii) Foreign Exchange Spot and Forwards contingent liabilities outstanding as at the balance sheet date are translated at the closing spot and forward rates respectively notified by FEDAI and at interpolated rates for contracts of interim maturities.
  - iii) Income and Expense are translated at quarterly average rate notified by FEDAI at the end of each quarter.
  - iv) The resulting exchange differences are not recognized as income or expense for the period but accumulated in a separate account "Foreign Currency Translation Reserve" till the disposal of the net investment.

### 13. Employee Benefits

#### A. Short Term Employment Benefits:

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

#### B. Long Term Employee Benefits:

##### i. Defined Contribution Plans:

The Bank operates a new pension scheme (NPS) for all officers/employees joining the Bank on or after 1<sup>st</sup> April,2010, which is a defined contribution plan, such new joinees not being entitled to become members of the existing Pension Scheme. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with 14% of their basic pay plus dearness allowance as contribution from the Bank. Pending completion of registration procedures of the employees concerned, these contributions retained with the Bank. The Bank recognizes such annual contributions in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS trust.

##### ii. Defined Benefit Plan:

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

### 14. Segment Reporting

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

14.1. Treasury Operations,

14.2. Corporate and Wholesale Banking,

14.3. Retail Banking Operations and (w/w Digital Banking Segment)

14.4. Other Banking Operations.

### 15. 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.

### 16. Earnings Per Share

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

### 17. Taxation

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



## ***Significant Accounting Policy For 2023-24 On Consolidated Basis***

### **18. Provisions, Contingent Liabilities and Contingent Assets**

As per AS 29 (Provisions, Contingent Liabilities and Contingent Assets) issued by the ICAI, the Bank recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

### **19. Share Issue Expenses:**

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

### **20. Cash Flow Statements:**

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

- 20.1. Cash flow from Operating Activities:** This activity includes cash flow generated from Operational activities.
- 20.2. Cash Flow from Investing Activities:** This activity includes cash flow generated from investments.
- 20.3. Cash Flow from Financials Activities:** This activity includes the cash flow generated from financial instruments.

## SCHEDULE 18 – NOTES TO ACCOUNTS (CONSOLIDATED)

### 1 The particulars of the subsidiaries whose financial statements are consolidated with the standalone financial statement of the Bank (the Parent) are as under:

Names of Subsidiaries	Country of Incorporation	Proportion of Ownership by the parent as on 31.03.2024
Union Asset Management Company Private Limited	India	100%
Union Trustee Company Private Limited	India	100%
Union Bank of India UK Limited	United Kingdom	100%
Andhra Bank Financial Services Limited	India	100%
UBI Services Ltd	India	100%

### 2 The particulars of Joint Venture considered in the Consolidated Financial Statements are as under :

Names of Joint Venture	Country of Incorporation	Proportion of Ownership
Star Union Dai-Ichi Life Insurance Company Limited (Non-Banking)	India	25.10%
ASREC (India) Ltd	India	26.02%
India international Bank (MALAYSIA) BHD	India	25.00%

### 3 The particulars of Associate considered in the Consolidated Financial Statements are as under:

Names of Associates	Country of Incorporation	Proportion of Ownership
Chaitanya Godavari Grameena Bank	India	35%

The value of the investment made by the Bank is ₹ 1,533.02 Crore as on 31<sup>st</sup> March 2024 which is treated as long term investment.

- 4 The financial statements of the subsidiaries, joint venture and associate which are used in the consolidation have been drawn up to the same reporting date as that of the Parent i.e. 31<sup>st</sup> March 2024 except for India International Bank (Malaysia) BHD for 31<sup>st</sup> December, 2023.
- 5 The Consolidated Financial Statements have been prepared on the basis of audited financial statements of Union Asset Management Company Private Limited, Union Trustee Company Private Limited, Union Bank of India (UK) Limited, Chaitanya Godavari Grameena Bank, Star Union Dai-ichi Life Insurance Company Limited, UBI Services LTD, Andhra Bank Financial Services Limited for the financial year ended 31.03.2024, India International Bank (Malaysia) BHD for the period ended 31.12.2023 and unaudited financials of ASREC(INDIA) Limited for the financial year ended 31.03.2024.
- 6 Suspense Accounts, Sundry Deposits etc., and Inter Office Accounts between branches, controlling offices, Head Office and any other establishments are being reconciled on an ongoing basis and Management is of the opinion that, there is no material effect on the profit and loss account of the current year.

**Schedule 18 – Notes To Accounts****7 DISCLOSURES IN TERMS OF THE RESERVE BANK OF INDIA GUIDELINES****A. Capital**

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

Basel III guidelines require the Bank to maintain minimum capital to Risk Weighted Assets ratio (CRAR) of 11.50% with minimum CET I of 8.00% and minimum Tier I CRAR of 9.50% (both inclusive of Capital Conservation Buffer of 2.50%) as at March 31, 2024.

During the year, the Bank has issued Equity capital of ₹ 8,000 crore. Further, the Bank has repaid ₹ 2,000 crore of Basel III compliant Tier-II Bonds during the year.

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

		(Amount in ₹ crore)	
Sr. No	Particulars	31.03.2024	31.03.2023
i.	Common Equity Tier 1 capital (CET 1) (net of deductions, if any)	91,205.93	71,879.53
ii.	Additional Tier 1 capital	8,928.65	8,985.99
iii.	Tier 1 capital (i + ii)	1,00,134.58	80,865.52
iv.	Tier 2 capital	13,066.90	12,299.90
v.	Total capital (Tier 1+Tier 2)	1,13,201.48	93,165.42
vi.	Total Risk Weighted Assets (RWAs)	6,68,083.61	5,82,024.83
vii.	CET 1 Ratio (CET 1 as a percentage of RWAs)	13.65	12.35
viii.	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	14.99	13.89
ix.	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	1.96	2.11
x.	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	16.94	16.01
xi.	Leverage Ratio	6.58	5.74
xii.	Percentage of the shareholding of		
	a) Government of India	74.76	83.49
	b) State Government	--	--
	c) Sponsor Bank	--	--
xiii.	Amount of paid-up equity capital raised during the year	8,000.00	--
xiv.	Amount of non-equity Tier 1 capital raised during the year, of which:		
	a) Basel III compliant Perpetual Non-Cumulative Preference Shares	--	1,983.00
	b) Basel III compliant Perpetual Debt Instruments		
xv.	Amount of Tier 2 capital raised during the year, of which		
	a) Perpetual Cumulative Preference Shares	--	--
	b) Redeemable Non-Cumulative Preference Shares	--	--
	c) Basel III compliant Redeemable Non-convertible Tier 2 Bonds	--	2,200.00

## 8.1 Provisions and Contingencies

	(₹ in crore)	
<b>Break up of Provision &amp; Contingencies. debited to Profit &amp; Loss Account:</b>	<b>31.03.2024</b>	<b>31.03.2023</b>
Provision / (Reversal) for Depreciation on Investment	(355.20)	1,915.53
Provision towards NPA	6,409.60	12,506.77
Provision/(Reversal) towards Standard Assets	701.20	(988.37)
Net Provision made towards Income Tax (IT)/ Deferred tax assets (DTA)	7,799.28	3,716.20
Other Provision and Contingencies	55.00	(22.08)
<b>TOTAL</b>	<b>14,609.88</b>	<b>17,128.04</b>

## 8.2 Counter Cyclical Provisioning Buffer / Floating Provision:

		(₹ in crore)	
Sr. No	Particulars	31.03.2024	31.03.2023
i)	Opening Balance	Nil	Nil
ii)	Additional provisions made during the accounting year	Nil	Nil
iii)	Amount of drawdown made during the accounting year	Nil	Nil
iv)	Closing balance	Nil	Nil

## 9. EMPLOYEE BENEFITS (AS 15 - REVISED) (Parent Bank)

### i) Short Term Employment Benefits:

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

### ii) Long Term Employee Benefits:

#### a) Defined Contribution Plans:

The Bank operates a new pension scheme (NPS) for all officers/employees joining the Bank on or after 1<sup>st</sup> April, 2010, which is a defined contribution plan, such new joiners not being entitled to become members of the existing Pension Scheme. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with 14% contribution from the Bank. Pending completion of registration procedures of the employees concerned, these contributions retained with the Bank. The Bank recognizes such annual contributions in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS trust.

The Bank has Defined Contribution Pension Scheme (DCPS) applicable to all categories of officers and employees joining the Bank on or after April 1, 2010. The scheme is managed by National Pension Scheme (NPS) Trust under the aegis of the Pension Fund Regulatory and Development Authority. National Securities Depository Limited has been appointed as the Central Record Keeping Agency for the NPS. During F.Y. 2023-2024, the Bank has contributed ₹ 644.84 crores (Previous Year ₹525.36 crore) to NPS.

#### b) Defined Benefit Plan:

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

**Schedule 18 – Notes To Accounts****c) Defined Benefit Plans – Employee’s Pension plan and Gratuity plan:**

The Bank has accounted for employee benefits as per Accounting Standards issued by the Institute of Chartered Accountants of India, as per actuarial valuation report for the year ended March 31, 2024.

S. no.	Particulars	(₹ in crore)			
		31.03.2024		31.03.2023	
		Gratuity	Pension	Gratuity	Pension
<b>i)</b>	<b>Table showing change in Defined Benefit Obligation:</b>				
	Liability at the beginning of the year	3,225.86	29,170.59	3,197.81	28,650.99
	Interest Cost	241.62	2,196.55	233.76	2,120.17
	Current Service Cost	176.23	171.59	163	184.38
	Past Service Cost (Vested Benefit Amortized)	NIL	NIL	NIL	NIL
	Past Service Cost (Vested Benefit)	NIL	NIL	NIL	NIL
	Liability Transfer in	NIL	NIL	NIL	NIL
	Liability Transfer out	NIL	NIL	NIL	NIL
	(Benefit paid)	(317.32)	(2,426.52)	(334.38)	(2,120.73)
	Actuarial (Gain)/loss on obligation –due to change				
	In the financial assumption	95.91	(1,890.74)	(63.88)	(278.47)
	in demographic assumption	NIL	NIL	NIL	NIL
	Actuarial (Gain) / Loss on obligations	179.70	4,334.44	29.55	614.25
	<b>Liability at the end of the year</b>	<b>3,602.00</b>	<b>31,555.91</b>	<b>3,225.86</b>	<b>29,170.59</b>
<b>ii)</b>	<b>Table of Fair value of Plan Assets:</b>				
	Fair value of Plan Assets at the beginning of the year	3,262.35	28,754.24	3,367.60	27,043.50
	Expected return on Plan Assets	244.35	2,165.19	246.17	2,001.22
	Contributions	238.96	2,223.33	NIL	1,780.29
	Transfer from Other Company	NIL	NIL	0.29	NIL
	Transfer to Other Company	NIL	NIL	NIL	NIL
	(Benefit paid)	(317.32)	(2,426.52)	(334.38)	(2,120.73)
	Actuarial (Gain)/loss on Plan Assets	29.34	423.97	(17.33)	49.96
	Fair Value of Plan Assets at the end of the year	3,457.68	31,140.21	3,262.35	28,754.24
	Actuarial (Gain)/loss on obligation for the period	275.61	2,443.70	(34.33)	335.78
	Actuarial (Gain)/loss on Plan Assets	(29.34)	(423.97)	17.33	(49.96)
	<b>Total Actuarial (Gain)/loss to be recognized</b>	<b>246.27</b>	<b>2,019.73</b>	<b>(17.00)</b>	<b>285.82</b>
<b>iii)</b>	<b>Recognition of Transitional Liability:</b>				
	Transitional Liability at start	NIL	NIL	NIL	NIL
	Transitional Liability recognized during the year	NIL	NIL	NIL	NIL
	<b>Transitional Liability at end</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>iv)</b>	<b>Actual return on Plan Assets :</b>				
	Expected Return on Plan Assets	244.35	2,165.19	246.17	2,001.22
	Actuarial Gain/(Loss) on Plan Assets	29.34	423.97	(17.33)	49.96
	<b>Actual return on Plan Assets</b>	<b>273.69</b>	<b>2,589.16</b>	<b>228.84</b>	<b>2,051.18</b>

S. no.	Particulars	(₹ in crore)			
		31.03.2024		31.03.2023	
		Gratuity	Pension	Gratuity	Pension
<b>v)</b>	<b>Expenses recognized in the Income Statement:</b>				
	Current Service Cost	176.23	171.59	163	184.38
	Interest Cost	(2.73)	31.36	(12.41)	118.95
	Expected Return on Plan Assets	NIL	NIL	NIL	NIL
	Past Service Cost (Vested Benefit Amortized) recognized	NIL	NIL	NIL	NIL
	Past Service Cost (Vested Benefit) recognized(1/5 of enhanced family pension)	NIL	NIL	NIL	1,521.62
	Recognition of Transition Liability	NIL	NIL	NIL	NIL
	Actuarial (Gain) or Loss	246.27	2,019.73	(17.00)	285.82
	<b>Expenses Recognized in P &amp; L</b>	<b>419.77</b>	<b>2,222.68</b>	<b>133.59</b>	<b>2,110.77</b>
<b>vi)</b>	<b>Balance Sheet Reconciliation:</b>				
	Opening Net Liability (Last year net amount recognized in the balance sheet)	(36.49)	416.35	(169.79)	85.87
	Expenses as above	419.77	2,222.68	133.59	2,110.77
	Transfer from other Company (Net)	NIL	NIL	(0.29)	NIL
	Transfer to other Company (Net) (Employer Contribution)	(238.96)	(2,223.23)	NIL	(1,780.29)
	<b>Net (Asset)/Liability Amount recognized in Balance Sheet</b>	<b>144.32</b>	<b>415.70</b>	<b>(36.49)</b>	<b>416.35</b>
<b>vii)</b>	<b>Other Details:</b>				
	Service of thirty three years will qualify for the full pension of 50%. In the case of an employee who has put in the less than thirty-three years of service, pension will be payable on proportionate basis for the no of years of qualifying service.				
	Gratuity is payable at the rate of 15 days salary for each year of service subject to maximum of ₹ 20,00,000 or as per the Bank scheme.				
	Actuarial gain / loss is accounted for in the year of occurrence.				
	Salary escalation and attrition rate are considered as advised by the entity, they appear to be in line with the industry practice considering promotion and demand and supply of the employees.				
	No. of Members	75,866	19,218	75,618	21,138
	Salary Per Month	584.18	185.19	513.88	180.41
	<b>Contribution for next year</b>	<b>371.87</b>	<b>600.03</b>	<b>139.74</b>	<b>587.94</b>

**Schedule 18 – Notes To Accounts**

S. no.	Particulars	(₹ in crore)			
		31.03.2024		31.03.2023	
		Gratuity	Pension	Gratuity	Pension
viii)	<b>Category of assets:</b>				
	Government of India Assets	27.56	479.80	61.47	565.13
	Corporate Bonds/FDR	297.23	2,773.66	25.75	720.80
	Special Deposits Scheme	NIL	NIL	-	-
	State Govt.	393.93	3,521.70	82.81	1,379.39
	Property	NIL	NIL	NIL	NIL
	Other	190.78	1330.78	64.13	454.17
	Insurer Managed Funds	2,548.18*	23,034.27*	3,028.18	25,634.75
	Mutual Fund	NIL	NIL	NIL	NIL
	<b>Total</b>	<b>3,457.68</b>	<b>31,140.21</b>	<b>3,262.34</b>	<b>28,754.24</b>

\*Note: Return received on investments in LIC is 8.11% & for other insurance companies it is expected as 7.50% while arriving Pension and Gratuity liability at the Fair Value of Plan Assets for the FY 2023-24 as against the 7.50% considered for arriving Pension & Gratuity liability for the FY 2022-23.

Surplus/Deficit in the Plan:		Gratuity Plan			
Amount recognized in the Balance-Sheet	31.03.24	31.03.23	31.03.22	31.03.21	31.03.20*
Liability at the end of the year	3,602.00	3,225.86	3,197.81	3,355.82	1,291.94
Fair value of Plan Assets at the end of the year	3,457.68	3,262.35	3,367.60	2,746.43	1,219.01
Difference	(144.32)	36.49	169.79	(609.39)	(72.93)
Unrecognized Past Service Cost	NIL	Nil	Nil	Nil	Nil
Unrecognized Transition Liability	NIL	Nil	Nil	Nil	Nil
Amount Recognized in the Balance Sheet	(144.32)	36.49	169.79	(609.39)	(72.93)

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

Amount recognized in the Balance-Sheet		Gratuity Plan			
Experience Adjustment	31.03.24	31.03.23	31.03.22	31.03.21	31.03.20*
On plan liability (Gain) / Loss	179.70	29.55	30.86	752.31	25.87
On plan Assets (Loss) / Gain	29.34	(17.33)	53.31	34.41	7.20

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

(₹ in crore)

Surplus/Deficit in the Plan:	Pension Plan				
	31.03.24	31.03.23	31.03.22	31.03.21	31.03.20*
Amount recognized in the Balance-Sheet					
Liability at the end of the year	31,555.91	29,170.59	28,650.99	26,011.41	12,746.69
Fair value of Plan Assets at the end of the year	31,140.21	28,754.24	27,043.50	26,720.88	12,607.16
Difference	(415.70)	(416.35)	(1,607.49)	709.47	(139.53)
Unrecognized Past Service Cost	NIL	Nil	1,521.62	Nil	Nil
Unrecognized Transition Liability	NIL	Nil	Nil	Nil	Nil
Amount Recognized in the Balance Sheet	(415.70)	(416.35)	(85.87)	709.47	(139.53)

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

(₹ in crore)

Amount recognized in the Balance-Sheet	Pension Plan				
	31.03.24	31.03.23	31.03.22	31.03.21	31.03.20*
Experience Adjustment					
On plan liability (Gain) / Loss	4,334.44	614.25	2,452.27	1,456.27	938.90
On plan Assets (Loss) / Gain	423.97	49.96	266.31	81.65	75.23

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

Principal actuarial assumption used (%)	2023-24		2022-23	
	Gratuity	Pension	Gratuity	Pension
Discount Rate Prev.	7.49	7.53	7.31	7.40
Rate of return on Plan Assets Prev.	7.49	7.53	7.31	7.40
Salary Escalation Prev.	5.00	5.00	5.00	5.00
Attrition Rate Prev.	2.00	2.00	2.00	2.00
Discount Rate Current	7.21	7.24	7.49	7.53
Rate of Return on Plan Assets Current	7.21	7.24	7.49	7.53
Salary Escalation Current	5.00	5.00	5.00	5.00
Attrition Rate Current	2.00	2.00	2.00	2.00

i) **Other Long-Term Employee Benefits:**

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

(₹ in crore)

Sr. No.	Other Long Term Benefits	31.03.2024	31.03.2023
1.	Leave Travel Concession	(5.43)	3.66
2.	Leave Encashment	350.14	149.30

Bank is having provision of ₹273.70 Crore towards Sick Leave on prudential basis though there is no payout.

**Schedule 18 – Notes To Accounts****ii) Unamortized Family pension & Gratuity Liabilities:**

(₹ in crore)

Particulars	31.03.2024	31.03.2023
Pension	NIL	
a) Balance brought forward	NIL	1,521.62
b) Gross Liability	NIL	NIL
c) Charged to Profit & Loss account	NIL	1,521.62
d) Balance Carried forward		NIL
Gratuity	NIL	
a) Charged to Profit & Loss account	NIL	NIL
b) Carried forward	NIL	NIL

- a. The additional liability on account on enhancement in family pension for employees covered under XI Bi-partite settlement and Joint note dated 11<sup>th</sup> November, 2020 is arrived at ₹ 1,902.02 Crores as per Actuarial valuation. Further, in terms of RBI circular RBI/2021-22/105 DOR.ACC.REC.57/21.04.018/2021-22 dated October 4, 2021, Banks are permitted to amortize the said liability over a period of not exceeding 5 years beginning with FY ending 31.03.2022. Bank has charged an amount of ₹ 380.40 crore to the profit/loss account for year ended March 31, 2022 and the balance unamortized expense of ₹ 1,521.62 crores has been fully charged in the profit or loss account for the year ended 31.03.2023.
- b. In terms of RBI circular no. RBI/DOR/2021-22/83 DOR.ACC.REC.No.45/21.04.018/2021-22 dated August 30, 2021 (Updated from time to time), the following disclosures are required:
- In case of Other Liabilities and Provisions, any item under the head "Others (including provisions)" exceeds one per cent of the total assets,
  - In case of Other Assets, any item under the head "Others" exceeds one per cent of the total assets,
  - In case of Other Income, any item under the head "Miscellaneous Income" exceeds one per cent of the total income,
  - In case of Operating Expenses, any item under the head "Other expenditure" exceeds one per cent of the total income,

Schedule	Item under the Sub Head	₹ in Crore	% of Total Income/ Assets as applicable
Schedule 5 - Other liabilities and provisions (IV- Others (including provision))	-	-	-
Schedule 11 - Other assets (VI- others)	-	-	-
Schedule 14 - Other Income (VII Miscellaneous Income)	Processing Charges for Advances	1,501.62	1.30
	Recovery in Write-Off	3,987.40	3.44
Schedule 16 - Operating Expenses (XII Other expenditure)	-	-	-

## 10. SEGMENT REPORTING (AS-17)

### 10.1. Business Segments:

(₹ in Crore)

Business Segment	Consolidated	
	Year Ended	
	(Audited) 31.03.2024	(Audited) 31.03.2023
<b>Segment Revenue</b>		
Treasury Operations	31,656.46	26,442.90
Retail Banking Operations	39,288.06	31,078.66
(a) Digital Banking Operations	985.02	566.49
(b) Other Retail Banking Operations	38,303.04	30,512.17
Corporate /Wholesale Banking	42,224.34	35,941.71
Other Banking Operations	2,601.53	1,979.37
Unallocated	3,392.33	2,198.75
<b>Total Segment Revenue</b>	<b>1,19,162.72</b>	<b>97,641.39</b>
Less Inter-segment Revenue	(974.37)	(562.86)
<b>Income from operations</b>	<b>1,18,188.35</b>	<b>97,078.53</b>
		-
<b>Segment Results</b>		
Treasury Operations	4,240.79	2,426.80
Retail Banking Operations	6,409.37	5,059.25
(a) Digital Banking Operations	686.88	(45.05)
(b) Other Retail Banking Operations	5,722.49	5104.30
Corporate Banking	8,324.19	3,091.44
Other Banking Operations	1,393.91	1,063.52
Unallocated	1,139.96	505.46
<b>Total Profit/(Loss) Before Tax</b>	<b>21,508.22</b>	<b>12,146.47</b>
Provision for Tax	7,799.28	3716.12
<b>Net Profit/(Loss) after Tax</b>	<b>13,708.94</b>	<b>8,433.27</b>
Add: Share of Profit in Associate	88.17	81.32
<b>Consolidated Net Profit /(Loss)</b>	<b>13,797.11</b>	<b>8,511.67</b>
		-
<b>Segment Assets</b>		
Treasury Operations	4,72,537.71	4,64,788.70
Retail Banking Operations	4,14,535.30	3,59,680.33
(a) Digital Banking Operations	7,182.14	1,737.64
(b) Other Retail Banking Operations	4,07,353.16	3,57,942.69
Corporate/Wholesale Banking	4,73,324.30	4,26,011.76
Other Banking Operations	-	-
Unallocated	41,598.60	37,876.32
<b>Total</b>	<b>14,01,995.91</b>	<b>12,88,357.11</b>

**Schedule 18 – Notes To Accounts**

Business Segment	Consolidated	
	Year Ended	
	(Audited)	(Audited)
	31.03.2024	31.03.2023
<b>Segment Liabilities</b>		-
Treasury Operations	4,62,058.16	4,56,704.84
Retail Banking Operations	3,75,409.89	3,28,812.17
(a) Digital Banking Operations	6,699.23	1,640.02
(b) Other Retail Banking Operations	3,68,710.66	3,27,172.15
Corporate/Wholesale Banking	4,28,285.50	3,88,190.19
Other Banking Operations	-	-
Unallocated	38,644.70	35,846.40
<b>Total</b>	<b>13,04,398.25</b>	<b>12,09,553.60</b>
		-
<b>Capital Employed</b>		-
Treasury Operations	10,479.55	8,083.86
Retail Banking Operations	39,125.41	30,868.16
(a) Digital Banking Operations	482.91	97.62
(b) Other Retail Banking Operations	38,642.50	30,770.54
Corporate/Wholesale Banking	45,038.80	37,821.57
Other Banking Operations	-	-
Unallocated	2,953.90	2,029.92
<b>Total</b>	<b>97,597.66</b>	<b>78,803.51</b>

**Notes:**

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

## 11. RELATED PARTY DISCLOSURES (AS-18) (Parent Bank)

### 11.1 List of Related Parties

#### a) Subsidiaries

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

#### b) Joint Venture

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

#### c) Associate

- Chaitanya Godavari Grameena Bank

#### d) Key Management Personnel

(₹ in Crore)

Name	Designation	Remuneration paid for the Year ended 31 <sup>st</sup> March 2024
Ms. A. Manimekhalai	Managing Director & CEO	0.40
Shri Nitesh Ranjan	Executive Director	0.41
Shri Rajneesh Karnatak#	Executive Director	0.03
Shri Nidhu Saxena##	Executive Director	0.34
Shri Ramasubramanian S	Executive Director	0.37
Shri Sanjay Rudra*	Executive Director	0.16
Shri Pankaj Dwivedi^	Executive Director	0.004

# till 28.04.2023

## till 27.03.2024

\* from 09.10.2023

^ from 27.03.2024

#### Parties with whom transactions were entered into during the year

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

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

## 12. EARNING PER SHARE (AS-20)

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

**Schedule 18 – Notes To Accounts**

The computation of earnings per share is given below:

Particulars	31.03.2024	31.03.2023
Number of Equity shares at the beginning of the year	6,83,47,47,466	6,83,47,47,466
Number of Equity shares issued during the year	79,88,58,141	Nil
Number of Equity shares outstanding at the end of the year	7,63,36,05,607	6,83,47,47,466
Weighted Average Number of Equity Shares used in computing Basic Earnings per share	7,20,31,48,214	6,83,47,47,466
Weighted Average Number of Shares used in computing diluted Earnings per share	7,20,31,48,214	6,83,47,47,466
Net Profit/(Loss) ₹ in Crore	13,797.11	8,511.67
Basic Earnings per share (₹)	19.15	12.45
Diluted Earnings per share (₹)	19.15	12.45
Nominal Value per share (₹)	10	10

**13. PROVISION FOR TAXES:****Deferred Tax (AS-22)**

(₹ in crore)

Sr. No.	Particulars	31.03.2024	31.03.2023
<b>Deferred Tax Assets</b>			
1	Employee Benefits (Leave Encashment)	472.83	534.18
2	Depreciation on Fixed Assets	305.11	395.67
3	Provision for non-performing Assets	5,588.40	11,408.93
4	Foreign Currency Translation Reserve	(68.54)	(84.48)
5	Other Provisions	203.85	-0.01
	<b>Total</b>	<b>6,501.65</b>	<b>12,254.30</b>
<b>Deferred Tax Liabilities</b>			
1	Accrued interest on securities	951.02	1,274.79
2	Special Reserves u/s 36(i)(viii)	1,836.70	2,316.74
	<b>Total</b>	<b>2,787.72</b>	<b>3,591.53</b>
	Net Deferred Tax Asset	3,713.93	8,662.77

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

Management has assessed at balance sheet date i.e. as on 31<sup>st</sup> March 2024 that whether there is any indication that any of the fixed asset to be impaired and no such asset is identified/found where condition of impairment is attached as specified in AS-28

15. Additional information disclosed in the separate financial statements of the parent and the subsidiaries have no bearing on the true and fair view of the Consolidated Financial Statements (CFS) and also the information pertaining the items which are not material, have not been disclosed in the CFS.
16. The Management believes that there would not be any significant impact on Bank's performance in future and going concern assumptions.
17. The figures of the previous year have been regrouped / rearranged wherever considered necessary.

Signatories to Schedules 1 to 18

<b>(Ajay Bansal)</b> Dy. General Manager For and on behalf of The Board of Directors		<b>(Avinash Prabhu)</b> Chief Financial Officer	
<b>(Pankaj Dwivedi)</b> Executive Director	<b>(Sanjay Rudra)</b> Executive Director	<b>(Ramasubramanian S)</b> Executive Director	<b>(Nitesh Ranjan)</b> Executive Director
<b>(Sameer Shukla)</b> Director		<b>(Prakash Baliarsingh)</b> Director	
<b>(Suraj Srivastava)</b> Director	<b>(Laxman S Uppar)</b> Director	<b>(Jayadev Madugula)</b> Director	<b>(Priti Jay Rao)</b> Director
<b>(A. Manimekhalai)</b> Managing Director & CEO		<b>(Srinivasan Varadarajan)</b> Chairman	

As per our report of even Date

<b>For M/s N B S &amp; Co</b> Chartered Accountants FRN 110100W	<b>For Chhajed and Doshi</b> Chartered Accountants FRN 101794W	<b>For G S Mathur &amp; Co</b> Chartered Accountants FRN 08744N
<b>CA Sharath Shetty</b> Partner Membership No. 132775 UDIN: 24132775BKCYES4785	<b>CA Nitesh Jain</b> Partner Membership No.136169 UDIN: 24136169BKEKKZ4882	<b>CA Rajiv Kumar Wadhawan</b> Partner Membership No. 091007 UDIN: 24091007BKCFCT7661
<b>For P Chandrasekar LLP</b> Chartered Accountants FRN 000580S/S200066	<b>For V K Ladha &amp; Associates</b> Chartered Accountants FRN 002301C	
<b>CA P Chandrasekaran</b> Partner Membership No. 026037 UDIN: 24026037BKARCO1889	<b>CA Virendra Kumar Ladha</b> Partner Membership No. 071501 UDIN: 24071501BKFQHF3256	

Place: Mumbai

Date: May 10, 2024



# Consolidated Cash Flow Statement

for the year ended 31<sup>st</sup> March, 2024

S. No.	Particulars	(₹ in Lakh)	
		For the Year Ended 31 <sup>st</sup> March, 2024	For the Year Ended 31 <sup>st</sup> March, 2023
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
	Net Profit Before Tax	21,50,822	12,14,647
	<b>Adjustments for:</b>		
	Depreciation on Fixed Assets	89,593	74,457
	Provision for Investments	88,070	1,67,478
	Provision for Non Performing Assets (Net)	6,40,960	12,50,677
	Provision for Standard Asset	71,067	(1,15,806)
	Provision for other items (Net)	4,482	14,760
	(Profit)/Loss on Sale or Disposal of Fixed Assets	(217)	149
	Interest on Borrowings : Capital Instruments	1,64,704	1,58,601
	Share of Profit in Associate	8,817	8,132
	Transfer to/from reserve	(2,97,383)	(56,928)
	<b>Sub Total</b>	<b>29,20,915</b>	<b>27,16,168</b>
	<b>Adjustments for:</b>		
	Increase / (Decrease) in Deposits	1,04,27,144	86,00,976
	Increase / (Decrease) in Other Liabilities and Provisions	7,63,049	11,45,747
	(Increase) / Decrease in Investments	(1,01,844)	6,61,560
	(Increase) / Decrease in Advances	(1,16,21,266)	(1,14,16,687)
	(Increase) / Decrease in Other Assets	(93,029)	(7,74,427)
	Direct taxes paid (Net of Refund)	(3,02,000)	(3,27,752)
	<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>19,92,969</b>	<b>6,05,585</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
	Purchase of Fixed Assets	(1,64,880)	(3,06,555)
	Proceeds from Sale/Adjustment of Fixed asset	34,320	68,280
	(Increase)/ Decrease in Investment in Subsidiary/Associates	(8,817)	(17,830)
	<b>NET CASH FLOW FROM INVESTING ACTIVITIES (B)</b>	<b>(1,39,377)</b>	<b>(2,56,105)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
	Proceeds from Issue of Preference Share Capital Issued by Subsidiary Company Including Share Premium (Net)	-	-
	Proceeds from issue of Equity Share Capital Including Share Premium (Net)	7,97,085	-
	Proceeds from issue of Capital Instruments	-	98,300
	Repayments of Capital Instruments	(2,00,000)	(10,000)
	(Decrease)/Increase Borrowings other than Capital Instruments	(13,76,233)	(8,65,254)
	Interest Paid on Borrowings : Capital Instruments	(1,64,704)	(1,58,601)
	Dividend paid during the year	(2,05,042)	(1,29,861)
	<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<b>(11,48,894)</b>	<b>(10,65,416)</b>
	<b>Net Increase (Decrease) in Cash &amp; Cash Equivalent ( A )+( B )+( C )</b>	<b>7,04,698</b>	<b>(7,15,936)</b>
	<b>Cash and Cash Equivalents as at the beginning of the year</b>	<b>1,12,59,886</b>	<b>1,19,75,822</b>
	<b>Cash and Cash Equivalents as at the end of the year</b>	<b>1,19,64,584</b>	<b>1,12,59,886</b>

S. No.	Particulars	For the Year Ended 31 <sup>st</sup> March, 2024	(₹ in Lakh) For the Year Ended 31 <sup>st</sup> March, 2023
<b>D</b>	<b>Components of Cash and Cash equivalents</b>		
	<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		
	Cash and Balances with RBI (including FC notes)	50,25,811	46,11,589
	Balances with Banks and Money at call	62,34,076	73,64,233
	<b>Net cash and cash equivalents at the beginning of the year</b>	<b>1,12,59,887</b>	<b>1,19,75,822</b>
<b>E</b>	<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		
	Cash and Balance with RBI (including FC notes)	52,90,154	50,25,811
	Balances with Banks and Money at call	66,74,430	62,34,076
	<b>Net cash and cash equivalents at the end of the year</b>	<b>1,19,64,584</b>	<b>1,12,59,887</b>

The above Cash Flow Statement has been prepared under the Indirect method as set out in the Accounting standard -3 on Cash Flow Statement issued by The Institute of Chartered Accountants of India.

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

(Ajay Bansal)  
Dy. General Manager

(Avinash Prabhu)  
Chief Financial Officer

For and on behalf of The Board of Directors

(Pankaj Dwivedi)  
Executive Director

(Sanjay Rudra)  
Executive Director

(Ramasubramanian S)  
Executive Director

(Nitesh Ranjan)  
Executive Director

(Sameer Shukla)  
Director

(Prakash Baliarsingh)  
Director

(Suraj Srivastava)  
Director

(Laxman S Uppar)  
Director

(Jayadev Madugula)  
Director

(Priti Jay Rao)  
Director

(A. Manimekhalai)  
Managing Director & CEO

(Srinivasan Varadarajan)  
Chairman

As per our report of even Date

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

For Chhajed and Doshi  
Chartered Accountants  
FRN 101794W

For G S Mathur & Co  
Chartered Accountants  
FRN 08744N

CA Sharath Shetty  
Partner  
Membership No. 132775  
UDIN: 24132775BKCYES4785

CA Nitesh Jain  
Partner  
Membership No.136169  
UDIN: 24136169BKEKKZ4882

CA Rajiv Kumar Wadhawan  
Partner  
Membership No. 091007  
UDIN: 24091007BKCFCT7661

For P Chandrasekar LLP  
Chartered Accountants  
FRN 000580S/S200066

For V K Ladha & Associates  
Chartered Accountants  
FRN 002301C

CA P Chandrasekaran  
Partner  
Membership No. 026037  
UDIN: 24026037BKARCO1889

CA Virendra Kumar Ladha  
Partner  
Membership No. 071501  
UDIN: 24071501BKFQHF3256

Place: Mumbai  
Date: May 10, 2024