

# DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors are pleased to present the 102<sup>nd</sup> Annual Report of the Bank for the Financial Year 2020-21 together with the 'Audited Balance Sheet', 'Profit & Loss Account', 'Cash-Flow Statement' and the report on 'Management Discussion & Analysis'. The 'Corporate Governance Report' and 'Business Responsibility Report' also form part of the Annual Report 2020-21.

## 1. Highlights:

- 1.1 The year 2020-21 was dominated by the COVID-19 pandemic and the resultant global economic downturn, the most severe one since the Global Financial Crisis. The lockdowns and social distancing norms brought the already slowing global economy to a standstill. As per the latest World Economic Outlook of International Monetary Fund (IMF), the Global economic output contracted by 3.3% in 2020.
  - 1.2 Governments and central banks across the world deployed a range of policy tools to support their economies, such as, lowering key policy rates, quantitative easing measures, loan guarantees, cash transfers and fiscal stimulus measures. The global economy is projected to grow at 6% in 2021, moderating to 4.4% in 2022. Among advanced economies, the United States is expected to surpass its pre-COVID GDP level this year, while many others in the group will return to their pre-COVID levels only in 2022. For emerging and developing market economies, China had already returned to pre-COVID GDP in 2020, whereas many others are not expected to do so until 2023.
  - 1.3 For the Indian economy, the year 2020-21 was challenging due to both supply and demand side disruptions, due to the pandemic. The Indian economy entered a technical recession in the first half of FY21 with GDP plunging by 24.4% in Q1 FY21, 7.4% in Q2 FY21. India recognized the disruptive impact of the pandemic and charted its own unique path amidst its huge population, high population density and an overburdened health infrastructure. The intense lockdown implemented at the start of the pandemic characterized India's unique response in several ways. The Government has ramped up its fiscal spending through Atmanirbhar scheme and a favorable monetary policy ensured support for the economy.
- 1.4 Union Budget 2021-22 has further provided a strong fillip to the capex momentum with clear emphasis on infrastructure investment, as a key focus area, to revive demand and overall growth.  
Setting up the National Bank for Financing Infrastructure and Development (NaBFID), as the principal Development Financial Institution (DFIs) for infrastructure financing and aiming to achieve lending of Rs.5 lakh crore in 3 years to infrastructure projects, is an important measure. It will also dovetail with the ongoing efforts of the government to enhance capital for implementing infrastructure projects under National Infrastructure Pipeline (NIP). Further, the setting up of an Asset Reconstruction and Asset Management Company (ARC&AMC) to clear off the bad loans, privatization of two PSU banks and the enhancement of FDI limits in insurance from existing 49% to 74% are some of the important reform measures announced by the Government in the Budget.
  - 1.5 During the year 2020-21, the RBI undertook several conventional and unconventional measures to ensure ample system-level liquidity as well as targeted liquidity to support vulnerable sectors, institutions and financial instruments. The RBI ensured immediate relief to debtors via temporary loan moratorium, while unclogging monetary policy transmission. Besides this, the regulator has allowed a one-time restructuring scheme to help companies and individuals to manage the financial stress caused by the Covid 19 pandemic.
  - 1.6 Prospects for 2021-22 have strengthened with the progress of the vaccination programme. High frequency indicators point to the growth momentum gaining strength, especially in the fourth quarter of FY 2020-21. The GDP shrugged off the contractions in the preceding quarters and moved into expansion zone in the third and fourth quarter of FY 2020-21. However, the recent surge in infections has imparted greater uncertainty to the outlook, especially as localized and regional lockdowns could dampen the improvement in demand conditions and may delay the return of normalcy.

## 2. Bank's Performance

Established in the year 1919, your Bank has 9312 branches and 3 overseas branches, 12957 ATMs across 29 States and 5 Union Territories and 78202 employees as on March 31, 2021.



Annual Report 2020-2021

Key achievements during FY 2020-21:

- Net Interest Income for FY 21 stood at Rs.24,688 crore.
- Operating profit for FY 21 stood at Rs.19,259 crore.
- PCR stood at 81.27% as on March 31, 2021
- Net NPA ratio stood at 4.62% as on March 31, 2021

During FY 2020-21, your Bank has undergone many transformations/ adopted new processes as given below.

## 2.1 Amalgamation:

As a part of mega consolidation of Public Sector Banks, Government of India vide gazette dated March 04, 2020 provided approval for amalgamation of Corporation Bank and Andhra Bank into Union Bank of India (**Anchor Bank**) and announced the said Amalgamation would be effective from April 01, 2020.

The amalgamation has significantly resulted in improving the geographical penetration of Union Bank across the country. With the amalgamation, Union Bank became the 5<sup>th</sup> largest public sector Bank in terms of business with extensive network of offerings.



The bank has recognized amalgamation as an exercise in change management and leveraged this as an opportunity for such transformation. Accordingly, a detailed integration plan was prepared to ensure smooth transition to Amalgamation Effective Date (AED) with minimum customer disturbance and employee grievances.

Dedicated programme management office in the name of Amalgamation Management Office (AMO) was set up for better coordination with various verticals and smooth drive of Amalgamation process. The project under which entire amalgamation related exercise has been carried out in the Bank is named as **“Project Samarth”**.

Programme Management Consultant, M/s Boston Consultancy Group (BCG) was on-boarded for planning, designing, guiding and ensuring the implementation of all aspects required for successful completion of the amalgamation. AMO, in close coordination with BCG, Corporate Verticals and field functionaries has initiated the amalgamation process with following broad objectives:



While initiating amalgamation process, emphasis has been provided mainly on unlocking the multiple levers having multiple inter-linked complexities.



After identification, plan and road map for amalgamation has been defined and strategized. Based on criticality of functions, the amalgamation process was divided into Pre Amalgamation Effective Date (Pre-AED), AED and posts AED phases.

31 functional committees representing the functions of all verticals were created to handle the basic work of harmonization of activities, resolving issues and escalating unresolved issues. Each committee was represented by members of all 3 Banks who met on regular frequency to arrive at a detailed Master Amalgamation Plan (MAP).

3 banks collaborated through functional committees to create detailed amalgamation plan



For ensuring branches are adequately supported in amalgamation process, a peer based program- **Buddy Branch Program**- is launched to handhold branches of erstwhile Andhra Bank and erstwhile Corporation Bank. This program was intended to build coordination across branches, quicker resolution of queries and people integration.

Creating awareness about the benefits of amalgamation to customers, employees and other stakeholders about the changes was important for the Bank to address the apprehensions. For this a robust communication plan was activated with multiple channels. Stakeholders are categorised into 3 categories i.e. Customers, Employees and other stakeholders.



Along with the above preparedness at corporate level, various long term approaches were also strategized to handhold branches to ensure AED readiness. Communication channels such as Branch Handbooks, Microsite etc. were set up to ensure single source of communication for all amalgamation updates. FAQs and Branch level dos and don'ts created and circulated based on field experience.

With the objective of getting employees to know each other as a team, building a shared understanding and foster culture of one Bank going forward, a series of activities such as leadership summit "Triveni Sangam", People's survey, value survey, cultural integration summit for all DGMs, AGMs and Branch Managers, has been conducted for culture integration and change management. Sessions of guest speakers has been arranged for change workforce profoundly on mental and emotional aspect.



Guest Speaker Session  
Triveni Sangam



Training Architecture for the Amalgamated entity was defined and various large scale functional training sessions, Soft skills Training sessions and leadership workshops have been arranged for better understanding and working effectively. Key functional trainings through e-learning portal have also been arranged.

With the above preparedness, the Bank has achieved the AED transition smoothly without disruption to customers as planned. The business was continued as usual.

## AED critical items

- 1) **Equity listing** : De-listing of shares of transferee banks completed on 1<sup>st</sup> April
- 2) **Product harmonization**:
  - 163 products are harmonized in Amalgamated Entity
  - Harmonized liability products launched from 1<sup>st</sup> April
  - Launch of harmonized asset products was taken up on 1<sup>st</sup> May
- 3) **Inter-operability**: Basic services were available for all branches and customers from 1<sup>st</sup> April
- 4) **ATM network** harmonized to the effect that transactions across the network are treated as bank's internal transactions
- 5) **Branding**:
  - Rollout of logos of amalgamated entity initiated from 1<sup>st</sup> April
  - Logos on signages and digital avenues (ATM screen, website, internal banking etc.) were available from 1<sup>st</sup> April
- 6) **Customer service**: Call centers were inter-linked to ensure adequate handholding from AED

However, there are some of the initiatives which were deferred in view of the COVID-19 pandemic, but rolled out all the deferred activities by 30.06.2020.

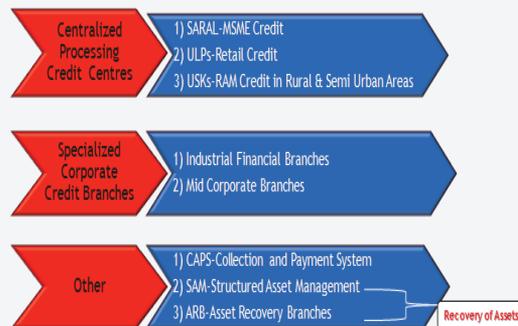
Post AED, bank has decided to continue with 4 tier Organization structure for effective monitoring and management. Future ready Organization structure for Central Office and field has been designed to ensure high accountability and fulfilling strategic imperatives for the bank.



Field organization structure footprint in the form of 18 FGMO (Field General Manager Office) and 125 RO (Regional Offices), planned to strengthen pan India presence. Structures of RO-FGMO at field are constituted as mirror image of Central Office. RO-FGMO locations evaluated basis a number of dimensions such as Business footprint, Branch spans, Business potential, Geographical layout, Connectivity, Strategic importance including Proximity to service, credit centres, and cost of establishment.

With roll out of field organization structure, various specialized structure has also been rolled out for focussed growth under identified areas.

## Specialized Structure



After process unification, a clear IT integration road map was formed much before AED. It inter alia included provisions of various hardware requirements, on boarding vendors, dependencies, availability of resources, compatibility of systems etc. This advanced planning helped the bank in concluding one of the fastest IT merger in banking history.

Core Banking Solutions (CBS) along with all CBS and non-CBS applications have been integrated in a structured and well defined manner to ensure minimal disruption to the end users. Bank leveraged this opportunity to improve Bank's digital offerings to each segment and ensuring better customer experience useful to lay down the foundation of further growth.

Capturing synergy is one of the key rationale for amalgamation of banks. Multiple synergy opportunities in terms of Revenue expansion, cost reduction, business rationalization, have been planned. The plan has identified both recurring and one-time, across functions with estimated cumulative monetary value in the next 3 years.

## Structured approach used for realizing cost & revenue synergy



Around 70+ initiatives were identified across verticals broadly the following subheads:

- Cost Synergy by way of optimization of physical distribution of network and realization

of resources such as Branch & ATM network rationalization, employee alignment, monetization of real estate assets, Vendor rationalization and integration of IT systems.

- Revenue synergy by way of cross sell & sales acceleration, fee income improvement and harmonization of service & penal charges. Thus, the amalgamation has laid the foundation for the Bank to fulfil the vision of "Future Ready Bank".

## 2.2 EASE (Enhanced Access and Service Excellence):

Enhanced Access and Service Excellence (EASE) was launched by Government of India in the financial year 2018-19 to increase efficiency of PSBs across every domain and to measure the performance on a common index on quarterly basis.

EASE 3.0, an augmented version of EASE 1.0 and EASE 2.0 set the implementation roadmap for FY 2020-21 with 5 Themes and 27 Action Points. Your bank, with continuous improvement in performance, secured 3rd position in overall ranking for the quarter ended December 2020 as against 8th rank in the baseline quarter ended March 2020. Your bank was among top 3 banks in 4 out of 5 themes.

The Bank has taken several initiatives and implemented measures to improve efficiency under EASE agenda including:

- Implemented digital journey for lead generation through 5 channels (SMS, Missed Call, Internet Banking, Mobile Banking and Call Centre) for 6 Products (Personal Loan, Home Loan, Vehicle Loan, Credit Card, MSME loan and Shishu Mudra).
- Implemented analytical rule based engine to generate offers for Pre-Approved Personal Loans, Housing Loan take over, Housing Loan top-up, and working capital enhancement for MSME with end to end digital journey.
- Launched end-to-end Straight Through Processing for Pre-approved Personal Loans, Shishu Mudra loans and renewal of MSME Loans.
- Implemented lead registration for KCC Loan through Mobile Banking app.
- Re-designed Performance Management System through digital & IT tools with focus on talent management, performance management and Rewards & Recognition.

EASE 4.0 reforms agenda sets implementation roadmap for FY 2021-22 with 6 Themes and 26 Action Points with focus on Technology-Enabled Collaborative & Simplified Banking. Your bank has been fast adopting technology advancements

to benefit its large customer base. Your bank is also contributing in nation building through its improvisation in process and products ranging from financial inclusion to infrastructure lending. Your bank has shown a significant improvement in its performance under EASE 3.0 parameters in FY 2020-21 and will strive to continue its stride in coming days.

**2.3 Online Sales of Union Mutual Fund Schemes-** In order to promote digitization, the bank has been working closely with respective channel partners to develop system capabilities which would enable customers to buy third party products like Insurance and Mutual Fund online using the Bank's technology interfaces. Facility to buy Union Mutual Fund schemes through Bank's website and U-Mobile App has been commenced.

## 2.4 New UMobile App based services :

- Option to buy PMJJBY insurance cover through UMobile App has been enabled.
- Mobile Banking services enabled for NRIs.
- Under value added services new features such as Setting of Standing Instructions & Personalize Transaction Limits.
- New Credit Card module providing facility to Make payment, Set PIN.

**2.5** Launched the Treasury- FX Retail, an electronic trading platform designed by Clearing Corporation of India Ltd which provides for buying/selling of foreign exchange by retail customers of the bank.

During the current FY 2020-21 the Bank has added 88 new clients in this segment.

## 2.6 Specialization in Monitoring and Recovery:

Your Bank has taken many proactive steps for monitoring of loans like;

- Specialized cell for monitoring of accounts in the range of Rs.100.00 crore to Rs.250.00 crore and above, both headed by Senior Executives.
- A system of identifying Early Warning Signals(EWS) has been put in place to proactively identify the signals of Stress/Warnings in the borrowal accounts to facilitate taking timely corrective steps.
- Advanced analytical tools are being utilized to predict Early Stress Signals covering non SMA and non NPA portfolio of the Bank's advances to facilitate initiating necessary measures to maintain the health of the Loan Book.

2.7 Your Bank is adopting the centralization /automation /integration of internal business processes in order to enhance quality of IT services. It is taking substantial measures in securing the IT assets of the Bank by implementing best-in-class IT Security and Risk Management Framework.

2.8 Your Bank is also thriving to streamline the banking services for customers with cutting edge technology. Door step Banking for Financial and Non-financial services including Jeevan Pramaan facility, Government e-Marketplace for Corporate Customers, FASTag integration for individual and corporate customers, Positive pay facility, Real-time integration with PMSVANidhi portal, GREEN PIN facility for all customers of the Bank at all the ATM terminals, Automated e-stamping and e-signing through NSEL, DIAL-A-LOAN facility for various loan products upto Rs. 5 crore, Straight through processing of online retail and MSME loans, implementation of E2E Digitisation for Shishu Mudra Loans upto Rs.50,000, Current account opening from Ministry of Corporate Affairs (MCA) Portal, Mobile Banking for NRIs, facility to apply for PMJJBY through Mobile Banking, NCMC technology in PoS machines for accepting contactless RuPay debit cards, Deposit calculator for calculating of maturity value of deposit, UToken facility through separate mobile app for generation of OTP in addition to the existing mode of OTP on mobile, Credit card module are some of the major initiatives taken during the FY 2020-21.

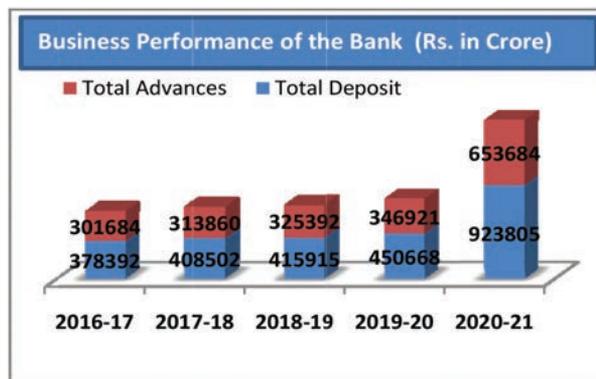
During 2020-21, the overall digital transactions grew from 74.43% in Mar'20 to 79.11% in Mar'21 registering a growth of around 5% during the year.

2.9 As a part of business process transformation, your Bank has envisaged technology innovations in providing hassle free services by launching HRMS mobile application on android and iOS platform for its valuable employees for immediate sanctioning and disbursement of perks and allowances. This application is secured with OTP based login authentication mechanism to enable the employees 24\*7 access to carry out their day-to-day HR related activities on the fly. Bank's retired employees can also access this mobile app for pension details and medical insurance scheme.

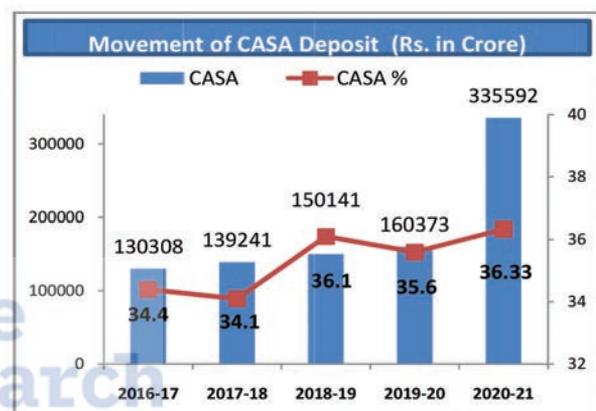
2.10 **Cyber Security Operation Centre (CSOC):**Bank has implemented cyber security framework and instituted Cyber Security Operation Centre. A dedicated skilled team is deployed to manage the CSOC. The CSOC helps to identify, detect, protect & prevent the cyber threats.

**3. Business Highlights:**

3.1 The global business of the Bank stood at Rs.15,77,490 crore as on March 31, 2021.



3.2 Total Deposits increased to Rs.9,23,805 crore as on March 31, 2021. Out of this CASA share (current account and saving account) stood at 36.33 % as on March 31, 2021.



3.3 Gross Advances stood at Rs. 6,53,684 crore as on March 31, 2021. The RAM (Retail, Agriculture and MSME) sector stood at Rs.3,67,825 crore as on March 31, 2021 compared to Rs. 3,39,318 crore as on March 31, 2020. RAM Sector as a whole grew at an annual rate of 8.40 %.



3.4 Overseas business of the Bank stood at Rs.18,191 crore as on March 31, 2021 compared to Rs.24,345 crore as on March 31, 2020. Your Bank has three overseas branches at Hong Kong, DIFC (Dubai) and Sydney

(Australia). Your Bank also operates in the United Kingdom through its wholly owned subsidiary, Union Bank of India (UK) Ltd

5.4 During FY 2020-21, Return on Average Assets stood at 0.27%, whereas Return on Equity stood at 6.68%.

**4. Income and Expenditure:**

Sl.	Parameter	FY 2020-21	FY 2019-20*
1	Interest Earned	68767	37231
2	Other Income	11337	5261
3	Total Income (1+2)	80104	42492
4	Interest Expended	44079	25794
5	Net Interest Income (1-4)	24688	11437
6	Operating Expenses	16766	7516
	w/w Establishment Expenses	9025	3359
7	Total Expenditure	60845	33311
8	Operating Profit (3-7)	19259	9181
9	Provisions	16353	12079
10	Net Profit/Loss	2906	-2898
11	Earnings per share (in Rs.)	4.54	-12.49

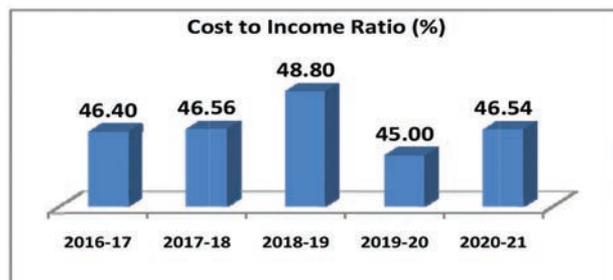
\*Figures are related to standalone Union Bank of India financial results for pre amalgamation period, hence not comparable with post amalgamation financial results for the year ended March 31, 2021.

**5. Profitability and Efficiency:**

5.1 Your Bank reported an Operating Profit of Rs.19,259 crore in FY 2020-21 as compared to Rs.9,181crore in FY 2019-20.

5.2 Netprofit of the Bank stood at Rs.2,906 crore in FY 2020-21.

5.3 Cost-to-income ratio of your Bank stood at 46.54 % in FY 2020-21



Parameter (%)	FY 2020-21	FY 2019-20*
Return on Average Assets	0.27	(-) 0.53
Return on Equity	6.68	(-) 12.52

5.5 The following are the key productivity ratios of the Bank for FY 2020-21.

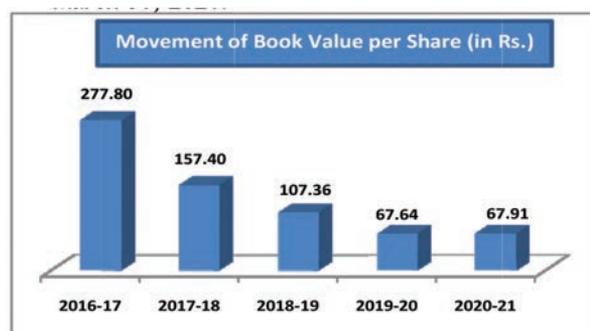
Parameter	FY2020-21	FY2019-20*
Business per Employee (Rs. in crore)	20.17	21.37
Business per Branch (Rs. in crore)	169.35	186.18
Gross Profit per Employee (Rs. in lakh)	24.63	24.60

**5.6 Dividend:**

Board of the Bank has not recommended any dividend for FY 2020-21.

**6. Shareholders' Return:**

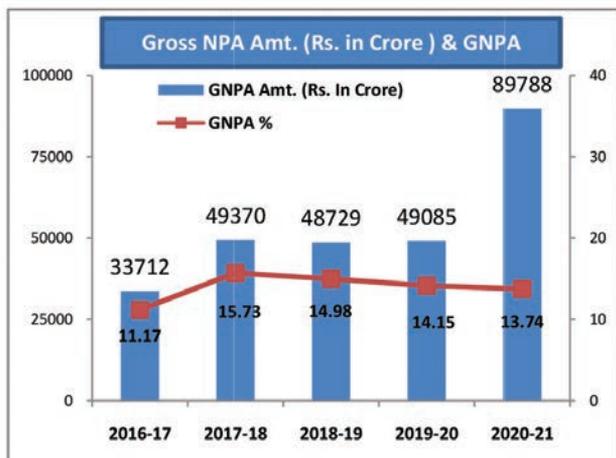
6.1 The Bank's net worth was Rs. 43,507 crore as on March 31, 2021\*.



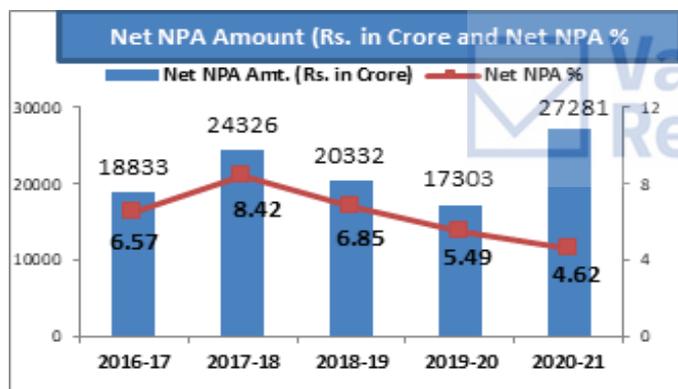
\*Figures are related to standalone Union Bank of India financial results for post amalgamation period, hence not comparable with pre amalgamation financial results for the year ended March 31,2020.

## 7. Asset Quality:

7.1 Gross Non-Performing Assets (GNPA) of the Bank stood at Rs.89,788 crore as on March 31, 2021. GNPA as per cent to gross advances stood at 13.74 % as on March 31, 2021.



7.2 Net NPA of the Bank stood at Rs.27,281 crore as on March 31, 2021 and the Net NPA ratio stood at 4.62 % as on March 31, 2021.



## 8. Capital Adequacy :

8.1 The Capital Adequacy Ratio as per BASEL III norms stood at 12.56% as on March 31, 2021. Common Equity Tier I (CET I) capital of the Bank stood at 9.07% in March 2021.

Parameters	RBI Minimum Benchmark March 31, 2021	March 31, 2021	March 31, 2020 (Pre amalgamation)
Total Risk Weighted Assets		5,51,521	2,94,984
Total Capital Funds	NA	69,262	37,790
CET 1 Capital		50,001	27,714
Tier 1 Capital		57,090	31,714
CRAR (%)	10.875	12.56	12.81
CET 1 (%)	7.375	9.07	9.40
Tier 1 (%)	8.875	10.35	10.75
Tier 2 (%)	NA	2.21	2.06

Note: RBI minimum benchmarks are including CCB (Capital Conservation buffer) of 1.875 per cent in CRAR, CET 1 and Tier 1 ratios. There is no minimum for Tier II ratio.

## 8.2 Capital raised by the Bank

The Bank has issued and allotted Basel III compliant Tier 1 Bonds of Rs.1705 crore and Tier II Bonds of Rs.2000 crore during the FY 2020-21.

## 9. Network

Network of your Bank is spread across the country with 9312 branches as on March 31, 2021. The Bank also has three full fledged overseas branches. Out of these 56% of the branches are located in rural and semi-urban centres. The Bank has network of 12957 ATMs as on March 31, 2021.

**10. Awards & Accolades:**

During FY 2020-21, your Bank received various awards for its new initiatives taken in Digitization, Financial Inclusion, HR management, Customer Service etc.

Awarded By	Category	Year
National Feather Award	Hall of Fame Award for MD & CEO	30-Apr-21
	Best Advance in Competency Management	
	Best in Training & Organizational Development	
	CHRO of the year	
Golden Peacock	Golden Peacock HR Excellence Award - 2020	Apr-21
Apex India HR Excellence Awards & Business Excellence Awards	Apex India Best Strategy in HR 2020	Apr-21
	Apex India HR Oriented CEO Award 2020	
Greentech HR Award	Technology Excellence	Feb-2021
	Leading CEO of the year	
Global HR Excellence Award by World HRD Congress	Best Service Provider in HR	Feb-2021
	Award for Excellence in Learning & Development	
	CHRO of the Year	
World CSR Congress	CEO of the Year	Feb-2021
	Best Training solutions during COVID 19 times	
The Future of Tech Congress & Awards presents 'The Internet Entrepreneur Awards	The best Digital Transformation of a training programme in response to Covid 19	Oct-2020
Golden Peacock	Golden Peacock National Training Award 2020	July-2020

**11. Social Media:**

**11.1**Your Bank has expanded the reach across all the major social media platforms like Facebook, Twitter, Instagram, YouTube and LinkedIn under project Union Connect. Your Bank's official pages are very responsive and reply within minutes.

**11.2** As a part of Digital Marketing, your Bank is also engaged in e-commerce business tie-ups to promote Bank's products & services. Bank conducts campaigns through Google Ads, YouTube and LinkedIn to promote its products and services and get more reach on Corporate Website.

The total followers on official Social Media handles of your Bank as at March 2021 stood at 19.51 lakh.

**12. Changes in the Directors on the Board of the Bank:**

The following changes took place in the Board of directors of your Bank during the financial year 2020-21.

- Shri Nitesh Ranjan has been appointed as an Executive Director in the Board of the Bank on March 10, 2021.
- Shri Birupaksha Mishra has been appointed as an Executive Director in the Board of the Bank on April 01, 2020 and completed his term in the office on January 31, 2021 upon superannuation.
- Shri Rajiv Kumar Singh, Chartered Accountant Category Director of the Bank has completed his term in the office on February 5, 2021.
- Dr. Madhura Swaminathan, Part-Time Non-Official Director of the Bank has completed his term in the office on December 26, 2020.
- Shri Kewal Handa, Non-Executive Chairman and Part-Time Non-Official Director of the Bank has completed his term in the office on July 5, 2020.



### 13. Directors' Responsibility Statement

The Directors confirm that in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2021:

- The applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any.
- Accounting Policies had been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Bank at the end of the financial year and of the profit and loss of the Bank for that period.
- Proper and sufficient care was taken for the maintenance of adequate Account Records in accordance with the provisions of the relevant Acts for safeguarding the assets of the bank and for preventing and detecting fraud and other irregularities.
- The Annual Accounts were prepared on a going concern basis.
- Internal financial controls had been laid down to be followed by the bank and that such internal financial controls are adequate and were operating effectively. Explanation.- For the purposes of this clause, the term "internal financial controls" means the policies and procedures adopted by the Bank for ensuring the orderly and efficient conduct of its business, including adherence to Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.
- Proper systems were in place to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 14. Corporate Governance

The Board of the Bank is committed to adopt good Corporate Governance practices in letter and spirit. A detailed report on Corporate Governance is given in a separate section of the Annual Report. The Corporate Governance report for financial year 2020-21 has no audit qualifications.

### 15. Corporate Social Responsibility (CSR):

**15.1** Union Bank of India has been in the forefront in meeting its CSR commitments. Towards this the Bank has established Union Bank Social Foundation Trust (UBSFT) in the year 2006 as an extended arm for carrying out the CSR

activities of the Bank. The major CSR activities of the Bank are now being carried out through the UBSFT. Its Board is headed by the Bank's Managing Director & CEO with executive directors as Vice Chairman Trustees, other trustees include the Bank's General Managers and one independent trustee. The UBSFT Board provides directions in accordance with the Bank's thrust areas and undertakes review every quarter. The directions of the Board are executed by the Chief Executive of UBSFT. While the Registered office of UBSFT is at Bengaluru, the administrative office is at Mumbai.

Bank has also formed CSR committee of the directors of the Bank to monitor and guide the CSR activity of the bank so also that of UBSFT on quarterly basis. The committee is Headed by MD & CEO, Executive directors and one part time nonofficial Director nominated under 9(3)(h) of the Banking Companies (Acquisition & transfer of Undertaking) Act 1970 and one Share holder director elected under section 9(3)(i) of the Banking Companies (Acquisition & transfer of Undertaking) Act 1970.

UBSFT has been incorporated aiming to support initiatives towards Social upliftment & improving lives of underprivileged segments.

### 15.2 The CSR activities undertaken by the Bank in 2020-21

UBSFT has approved 6 projects involving an amount of Rs.78.09 lacs during the year 2020-21 under various sectors like Education, Health care, Community Development, Sanitation etc. details of which are given below:

- o Supported Narayana Hrudayalaya, Bengaluru Karnataka for purchase of two ventilators at a cost of Rs. 11.20 lakh for treating COVID 19 patients.
- o Supported Mulki Sunder Ram Shetty Memorial Charitable trust, Mulki, Karnataka for purchasing of one generator set at a cost of Rs. 14.75 lakh for their convention centre.
- o Supported 3 Government schools in Palghar district for construction of toilet blocks at a cost of Rs. 20.32 lakh. Project implemented through Rotary Club of Bombay Queen City Foundation.
- o Supported Municipal Corporation Machilipatanam for construction of one RCC

Bus shelter at a cost of Rs. 2.50 lakh.

- o Supported Bhavita Special school, Machilipatanam for construction of iron compound wall and purchase of physio therapy equipments at a cost of Rs. 3.82 lakh.
- o Approved for setting up of mini science laboratory at a cost of Rs. 25.50 lakh for visually challenged students at NAB Worli centre.

### 16. Acknowledgement:

**16.1** The Directors thank the shareholders, valued customers, well-wishers, Share Transfer Agent and correspondents of the Bank in India and abroad for their goodwill, patronage and support.

**16.2** The Directors acknowledge with gratitude the valuable and timely advice, guidance and support received from Government of India, Government of Maharashtra, Reserve Bank of India, Securities & Exchange Board of India, Insurance Regulatory and Development Authority of India, Central Vigilance Commission, BSE, NSE, financial institutions, correspondent Banks and Statutory Central Auditors of the Bank, in the functioning of the Bank.

**16.3** The Directors place on record their deep appreciation for the dedicated service and valuable contribution made by members of staff in the overall performance of the Bank during the year and look forward to their continued co-operation in the realisation of the corporate goals of the Bank in the years ahead.

**16.4** The Directors express deep condolences and gratitude for the members of the staff who lost their precious lives during COVID-19 Pandemic. The Directors also express that the staff members stay safe, healthy and maintain good health.

**For and on behalf of the Board of Directors**

Place : Mumbai  
Date : 05.07.2021

**(Rajkiran Rai G)**  
**Managing Director & CEO**

