

SCHEDULES FORMING PART OF THE ACCOUNTS FOR 2020-2021

SIGNIFICANT ACCOUNTING POLICIES : SCHEDULE 17

1. Basis of Preparation

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

2. Use of Estimates

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

3. Revenue Recognition

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

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

3.3 Exchange and Brokerage earned, rent on Safe Deposit Lockers, income from Aadhaar Cards etc. are Accounted for on realization basis.

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

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

3.4.2 On Zero-coupon securities, it is accounted for over the balance tenor of the securities on a constant yield basis.

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

3.6 Sale of NPAs accounted in terms of extant RBI guidelines.

4. Cash Flow Statements:

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

4.1 Cash flow from Operating Activities: This activity includes cash flow generated from Operational activities.

4.2 Cash Flow from Investing Activities: This activity includes cash flow generated by investments.

4.3 Cash Flow from Financials Activities: This activity includes the cash flow generated from financial instruments.

5. Investments

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

- i. Government Securities
- ii. Other Approved Securities
- iii. Shares
- iv. Debentures & Bonds
- v. Investments in Subsidiaries & Joint Ventures and
- vi. Other Investments

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

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

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

i. Securities held in "HTM" – at acquisition cost.

5.2.1.1. The excess of acquisition cost over the face value is amortized over the remaining period of maturity and in case of discount; it is not recognized as income.

- 5.2.1.2. Investments in Regional Rural Banks are valued at carrying cost.
- 5.2.1.3. Investments in Subsidiaries and Joint Ventures are valued at carrying cost.
- 5.2.1.4. Diminution, other than temporary, in the value of its investment in subsidiaries/joint ventures, which are included in HTM shall be provided for.

ii. Securities held in “AFS” and “HFT” categories

- 5.2.2.1. Securities held in “AFS” and “HFT” categories are valued classification wise and scrip-wise and net depreciation, if any, in each classification is charged to Profit & Loss account while net appreciation, if any, is ignored.

- 5.2.2 .2. Valuation of securities is arrived at as follows:

H	Venture Capital Funds (VCF)	At declared NAV or Breakup NAV as per audited Balance Sheet which is not more than 18 months old. If NAV / audited financial statements are not available for more than 18 months continuously, at ₹ 1/- per VCF
I	Security Receipts	At NAV as declared by Securitization Companies

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

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

- i. 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.

- ii. From HTM category to AFS/HFT category,

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

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

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

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

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

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

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

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

5.9. Derivative Contracts

- i. The Interest Rate Swap which hedges interest bearing Asset or Liability are

A	Govt. of India Securities	As per quotations put out by Fixed Income Money Market and Derivatives Association (FIMMDA)
B	State Development Loans, Securities guaranteed by Central/ State Government, PSU Bonds	On appropriate yield to maturity basis as per FIMMDA guidelines
C	Equity Shares	As per market rates, if quoted, otherwise at Book value, as per latest Audited Balance Sheet (not more than 1 year old). In the absence of both, At ₹ 1/- per Company.
D	Preference Shares	As per market rates, if quoted, or on appropriate yield to maturity basis not exceeding redemption value as per FIMMDA guidelines
E	Debentures/Bonds	As per market rates, if quoted, otherwise on appropriate yield to maturity basis as per FIMMDA guidelines.
F	Mutual Funds(MF)	As per stock exchange quotations, if quoted. In case of unquoted units, as per latest Repurchase price declared by concerned MF. In cases where latest repurchase price is not available, as per Net Asset Value (NAV)
G	Treasury Bills / Certificate of Deposits / Commercial Papers	At carrying cost

accounted for in the financial statements on accrual basis except the swap designated with an Asset or Liability that is carried at 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.

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

6. Advances

6.1. All advances are classified under four categories:

- i. Standard,
- ii. Sub-standard,
- iii. Doubtful and
- iv. Loss assets.

Provisions required on such advances are made as per the extant prudential norms issued by the RBI in terms of Master Circular DBR.BP.BC.No.2/21.04.048/2015-16 dated 01st July 2015.

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

- i. In respect of term loans, interest and/or instalment of principal remains overdue for a period of more than 90 days;
- ii. In respect of Overdraft or Cash Credit advances, the account remains "out of order", i.e. if the outstanding balance exceeds the sanctioned limit/drawing power continuously for a period of 90 days, or if there are no credits continuously for 90 days as on the date of balance-sheet, or if the credits are not adequate to cover the interest due during the same period.
- iii. In respect of bills purchased/discounted, the bill remains overdue for a period of more than 90 days;
- iv. In respect of agricultural advances for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons.

- v. In respect of agricultural advances for long duration crops, where the principal or interest remains overdue for one crop season.
- vi. In respect of MSME accounts which restructured in terms of RBI Circular No DOR. No.BP.BC.4/21.04.048/2020-21 dated August 6, 2020 with reference to circular DOR. No.BP.BC.34/21.04.048/2019-20 February 11, 2020 and Circular No DBR.No.BP. BC.18/21.04.048/2018-19 dated 1st January, 2019 and kept in standard category, the Bank shall maintain a provision of 5% in addition to the provision already held. Reversal of said provision shall be made in accordance with the said circular.

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

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

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

Sub-Standard Assets:	<ol style="list-style-type: none"> i. A general of 15% of the total outstanding ii. Additional provision of 10% for exposures which are unsecured ab-initio; However, iii. Unsecured Exposure, ab-initio, in respect of infrastructure loan accounts where certain safeguards such as escrow accounts are available - 20% (instead of 25% as stated above)
Doubtful-Secured Portion	<ol style="list-style-type: none"> i. Upto one year – 25% ii. One to three years – 40% iii. More than three years – 100%
Doubtful-Unsecured Portion	100%
Loss Asset	100%

6.5. Advances are stated net of specific loan loss provisions, Counter cyclical provisioning buffer, Provision for diminution in fair value of restructured advances and unrecovered

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

6.6. In respect of foreign offices, classification of loans and advances and provisions for NPAs are made as per the local regulations or as per the norms of RBI, whichever is more stringent.

6.7. For restructured / rescheduled assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the loan before and after restructuring is provided for, in addition to provision for NPAs.

6.8. In the case of loan accounts classified as NPAs, an account may be reclassified as a performing asset if it conforms to the guidelines prescribed by the regulators.

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

6.10. The general provision on Standard Advances is held in "Other Liabilities and Provisions" reflected in schedule 5 of the Balance Sheet and is not considered for arriving at both net NPAs and net advances.

7. Property, Plant and Equipment

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

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

S. No	Capital Asset	Useful Life (Years)	Rate in percentage
1	Immovable Property- Land	Not stipulated; accordingly, no depreciation	NIL
2	Building with RCC frame structure (Both Residential & Non residential)	60	1.67
3	Furniture	10	10.00
4	Fixtures	10	10.00
5	Air-conditioning plants (Package & water/air cooled ductable)	10	10.00
6	Split & Window Air conditioners	5	20.00
7	Electrical installments and equipments	5	20.00
8	Solar Power Equipment	15	6.67
9	Elevators & Lifts	15	6.67
10	Civil & Flooring work in leased Premises	5	20.00
11	Telephone Equipment	5	20.00
12	Motor Cycles, Scooters & other mopeds	10	10.00
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	5	20.00
17	Computers & computer software forming integral part of hardware	3	33.33
18	ATM & allied items	3	33.33
19	UPS & allied items	5	20.00

20	Servers & Networks	6	16.66
21	Computers-End user devices such as desktops, laptops, printer & Scanner etc.	3	33.33

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

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

8. Impairment of Assets

Impairment losses (if any) on Fixed Assets (including revalued assets) are recognised in accordance with AS-28 on “Impairment of Assets” issued by the ICAI and charged off to Profit and Loss Account. The carrying costs of assets are reviewed at each Balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying cost of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying cost of the asset over its remaining useful life. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

9. Counter Cyclical Provisioning Buffer

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

10. Transactions involving Foreign Exchange

Revaluation of Foreign Currency position and booking Profits / Losses:

10.1. Monetary and Non Monetary Assets and Liabilities are revalued at the exchange rates notified by FEDAI at the close of the year and resultant gain / loss is recognized in the Profit & Loss Account.

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

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

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

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

11. Accounting for Non-Integral Foreign operations

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

11.1. Revenue Recognition

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

11.2. Asset Classification and Loan Loss Provisioning

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

11.3. Fixed Assets and Depreciation

- i. Fixed Assets are accounted for at historical cost.
- ii. Depreciation on Fixed Assets is provided as per the applicable laws of the respective countries.

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

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

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

12. Employee Benefits

A. Short Term Employment Benefits:

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

B. Long term Employee Benefits:

i. Defined Contribution Plans:

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

ii. Defined Benefit Plan:

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

13. Segment Reporting

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

- 13.1. Treasury Operations,
- 13.2. Corporate and Wholesale Banking,
- 13.3. Retail Banking Operations and
- 13.4. Other Banking Operations.

14. Lease Transactions

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

15. Earnings per Share

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

16. Taxation:

This comprises of provision for Income tax and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) as determined in accordance with AS-22 on "Accounting for taxes on Income" issued by 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".

17. Provisions, Contingent Liabilities and Contingent Assets

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

18. Share Issue Expenses:

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

19. Consolidation of the Accounts:

Bank is having 5 subsidiaries, 4 JVs and 1 associate. The details are as under:-

S. No.	Nature	Entities	Stake
1	Subsidiary	Union Asset Management Co 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%
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	IndiaFirst Life Insurance Co Ltd	30.00%
9	JV	India International Bank (Malaysia) Berhad	25.00%
10	Associate	Chaitanya Godavri Grameena Bank	35%

The consolidated financial statements are prepared on the basis of:

19.1. Audited Accounts of the parent bank (Union Bank of India)

19.2. **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, unrealised profits/loss in terms of AS 21 on Consolidated Financial Statements issued by Institute of Chartered Accountants of India (ICAI).

19.3. **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).

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

SCHEDULE 18 – NOTES TO ACCOUNTS:

1. DISCLOSURES IN TERMS OF THE RESERVE BANK OF INDIA GUIDELINES

1.1 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 March 31, 2021. As per guidelines, the Tier I capital is made up of Common Equity Tier I (CET I) and Additional Tier I.

Basel III guidelines require the Bank to maintain minimum capital to Risk Weighted Assets ratio (CRAR) of 10.875% with minimum CET I of 7.375% (inclusive of Capital Conservation Buffer of 1.875%) and minimum Tier I CRAR of 9.50% as at March 31, 2021.

However, RBI vide its circular No. DOR.BP.BC.No.15/21.06.201/2020-21 dated Sep 29, 2020, has extended deferment of last tranche of Capital Conservation Buffer i.e. deferment of implementation of the last tranche of 0.625% of Capital Conservation Buffer (CCB) from September 30, 2020 to 1st April 2021. Further, RBI vide its circular no. DOR.CAP.BC.No.34/21.06.201/2020-21 dated Feb 5, 2021 has extended for achievement of ratios as mentioned above to October 1, 2021.

The Government of India (GOI), Ministry of Finance, Department of Financial Services vide Gazette Notification CG-DL-E-04032020-216535 dated 4th March, 2020 approved the scheme of amalgamation of Andhra Bank and Corporation Bank (Amalgamating Banks) into Union Bank of India effective from 1st April, 2020.

a) The working results for the year ended 31st March, 2021 include operations of erstwhile Andhra Bank and erstwhile Corporation Bank. Hence the results for the current year are not comparable with corresponding periods of previous year.

b) The Bank has adopted “Pooling of Interest” method as prescribed under the Accounting Standard – 14 on “Accounting for Amalgamations” issued by the Institute of Chartered Accountants of India (ICAI), to record amalgamation of Andhra Bank and Corporation Bank (the amalgamating banks) with the Bank with effect from 1st April, 2020.

Accordingly, the difference of ₹1309.60 Crore between the net assets of amalgamating banks

and the amount of shares issued to shareholders of the amalgamating banks has been recognized as Amalgamation Reserve in the opening balance sheet as on 1st April, 2020. The Bank has considered this amount under CET I for the purpose of calculation of CRAR.

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

Sr. No	Particulars	31.03.2021	31.03.2020
i)	Common Equity Tier 1 Capital ratio (CET 1) (%) Basel III	9.07	9.40
ii)	Tier I Capital ratio (%) Basel III	10.35	10.75
iii)	Tier II Capital ratio (%) Basel III	2.21	2.06
iv)	Total Capital ratio (CRAR) (%) Basel III	12.56	12.81
v)	Percentage of the shareholding of the Government of India (%)	89.07	86.75
vi)	Amount of Equity Capital raised : (₹ in crore)	Nil	11,767.99
vii)	Amount of Additional Tier I capital raised : (₹ in crore)	1,705.00	Nil
Vii)	Amount of Tier II Capital raised : (₹ in crore)	2,000.00	Nil
	of which Debt capital instruments : (₹ in crore)	2,000.00	Nil

During the year the Bank has raised Basel III compliant AT-1 and Tier-2 bonds of ₹1,705 Crore and ₹ 2,000 Crore respectively. Also the Bank has exercised call option and has redeemed AT-1 and Tier-2 bonds of ₹ 800 and Rs.3,050 Crore (of which ₹1,050 is Basel II compliant).

In terms of notification no. CG-DL-E-23032020-218862 dated 23rd March, 2020, issued by Ministry of Finance, Department of Financial Services, Government of India containing amendment in Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970, after obtaining approval

of Shareholders in Annual General Meeting held on 4th August, 2020 and also after the approval of RBI, the Bank has set off accumulated losses of Rs.32,758.49 Crore against securities premium account as it stood on 1st April, 2020.

1.2 INVESTMENTS

The detail of Investments and the Movement of provision held towards depreciation on investments of the Bank is given below:

(Rs in crore)

Sr. No	Particulars	31.03.2021	31.03.2020
1	Value of Investments		
i)	Gross Value of Investments	3,37,739.21	1,54,865.74
	(a) In India	3,35,033.44	1,51,943.83
	(b) Outside India	2,705.77	2,921.91
ii)	Provisions for Depreciation	6,227.42	2,451.85
	(a) In India	6,225.48	2,450.43
	(b) Outside India	1.94	1.42
iii)	Net Value of Investments	3,31,511.79	1,52,413.89
	(a) In India	3,28,807.96	1,49,493.40
	(b) Outside India	2,703.83	2,920.49
2	Movement of provisions held towards depreciation on investments	-	
i)	Opening balance	6,316.07	2,368.21
ii)	Add: Provisions made during the year	762.72	474.16
iii)	Less: Write-off/write-back of excess provisions during the year	851.37	390.52
iv)	Closing balance	6,227.42	2,451.85

VALUE RESEARCH PREMIUM

1.2 (A) REPO Transactions (In face value terms)

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

(Rs in crore)

	Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on 31.03.2021
A	Securities sold under Repo				
i)	Government securities	13,874.50	33,559.73	23,798.91	14,209.00
ii)	Corporate debt securities	-	-	-	-
B	Securities purchased under Reverse Repo				
i)	Government securities	8,358.11	60,800.00	29,904.90	29,554.00
ii)	Corporate debt securities	-	-	-	-

1.2 (B) Non-SLR Investment Portfolio

i. Issuer composition of Non SLR Investments

The issuer composition of investments in securities, other than government and other approved securities as on 31.03.2021 is given below:

(Rs in crore)

No.	Issuer	Amount	Extent of Private Placement	Extent of Below Investment Grade Securities	Extent of Unrated Securities	Extent of Unlisted Securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
i)	PSUs	35,611.24	1,135.01	-	3,392.83	22.83
ii)	FIs	5,283.23	214.36	-	-	-
iii)	Banks	1,938.63	598.43	-	-	-
iv)	Private Corporate	29,878.49	19,378.01	944.62	216.39	33.75
v)	Subsidiaries/ Joint Ventures	1,691.36	1,691.36	-	-	-
vi)	Others	51,899.18	47,277.50	-	-	-
vii)	Provision held towards depreciation	(6,182.71)		-	-	-
	Total	90,119.42	70,294.67	944.62	3,609.22	56.58

Note: Amounts reported under columns 4, 5, 6 and 7 above may not be mutually exclusive.

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Particulars	31.03.2021	31.03.2020
Shares	2,016.22	1,112.85
Debentures and Bonds	74,822.59	34,039.43
Subsidiaries and Joint Ventures	1,684.96	1,272.74
Others	11,595.65	9,024.64
TOTAL	90,119.42	45,449.66

ii. Non performing Non-SLR investments

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

(Rs in crore)

Particulars	31.03.2021	31.03.2020
Opening balance	4,637.92	2,234.04
Additions during the year	932.60	425.62
Reductions during the year	759.46	432.60
Closing balance	4,811.06	2,227.06
Total provisions held	4,091.41	1,858.95

1.2 (C) Sale and transfers to/from HTM Category

The Bank has made sales and transfers to/from HTM category during the financial year 2020 - 21 exceeding 5 per cent of the book value of investments held in HTM category at the beginning of the year. The Market Value of Investment held in HTM category as at March 31, 2021 was ₹ 2,53,814.41 Crore (excluding investment in Subsidiaries / Joint venture). The excess of Book value (excluding investment in Subsidiaries / Joint venture) over market value for which provision was not made was Nil. The 5 per cent threshold to above will exclude:

- a) The one-time transfer of securities to/from HTM category with the approval of Board of Directors permitted to be undertaken by banks at the beginning of the accounting year.
- b) Sale to the Reserve Bank of India under pre-announced OMO auctions.
- c) Repurchase of Government Securities by Government of India from banks.

1.3 DERIVATIVES

1.3.1 Forward Rate Agreement/Interest Rate Swap

(Rs in crore)

Sr.No.	Particulars	31.03.2021	31.03.2020
i)	The notional principal of swap agreements	10,690.00	14,190.00
ii)	Losses which would be incurred if counter parties failed to fulfill their obligations under the agreements	239.17	352.76
iii)	Collateral required by the Bank upon entering into swaps	Nil	Nil
iv)	Concentration of credit risk arising from the Swaps	Banking Industry	Banking Industry
v)	The fair value of the swap book*	20.04	8.56

Note:

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

1.3.2 Exchange Traded Interest Rate Derivatives

(Rs in crore)

Sr. No	Particulars	31.03.2021	31.03.2020
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)		
	A) Interest Rate Futures		
	Buy	129.98	670.93
	Sell	130.03	660.50
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 st March 2021 (instrument-wise)	Nil	Nil
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not “highly effective” (instrument-wise)	Nil	Nil
iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not “highly effective” (instrument-wise)*	Nil	Nil

*MTM of IRS deals plus interest accrued on hedging deals.

1.3.3 Disclosures on Risk Exposures in Derivatives

a) Qualitative disclosure:

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

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

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

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

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

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

- a) In terms of the structure, operations in the Treasury Branch are segregated into following three functional areas, which are provided with trained officers with necessary systems support and their responsibilities are clearly defined.

- I) Front Office (Dealing Room) - Ensures Compliance with trade origination requirements as per Bank’s policy and RBI guidelines.
- II) Mid-Office - Risk Management, Accounting Policies and Management
- III) Back Office - Settlement, Reconciliation, Accounting.

Mid Office monitors transactions in the trading book and excesses, if any, are reported to Risk management

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

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

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

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

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

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

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

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

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

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

b) Quantitative disclosure:

(Rs in crore)

Quantitative Disclosures					
S No	Particular	31-03-2021		31-03-2020	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)				
	(a) For Hedging	741.97	4,550.00	515.60	5,450.00
	(b) For Trading	3,651.69	6,140.00	1,063.28	8,740.00
(ii)	Mark to Market Position				

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	(a) Asset (+)	24.84	104.25	44.16	154.95
	(b) Liability (-)	-14.90	-109.74	-37.60	-159.30
(iii)	Credit Exposure (*)	162.16	325.92	145.87	473.81
(iv)	Likely impact of one percentage change in interest rate (100*PV01) (in Lacs)				
	(a) On Hedging Derivatives	0.00	5,421.60	0.00	10,075.10
	(b) On Trading Derivatives	0.00	385.98	0.00	297.00
(v)	Maximum and minimum of 100*PV01 observed during the year (in Lacs)				
	I. Maximum				
	(a) On Hedging	0.00	10,201.70	0.00	13,595.57
	(b) On Trading	0.00	581.71	10.56	1,124.30
	II. Minimum				
	(a) On Hedging	0.00	5,409.62	0.00	10,011.88
	(b) On Trading	0.00	3.84	0.00	1.08

*Credit exposure of interest rate derivative also includes the exposure on Hedging deals.

1.4 ASSETS QUALITY

1.4.1 Non Performing Assets

The details of movement of gross non performing assets (NPAs), net NPAs and provisions are given below:
(₹ in crore)

S.No.	Particulars	31.03.2021	31.03.2020
i)	Net NPAs to Net Advances (%)	4.62	5.49
	Movement of NPAs (Gross)		
	(a) Opening balance	97,192.54	48,729.15
	(b) Additions(Fresh NPAs) during the year	16,948.97	14,021.70
	(c) Increase in balance of existing NPA	493.71	889.74
	Sub-total (A)	1,14,635.22	63,640.59
ii)	(b)Less:-		
	(i)Up-gradations	2,674.49	1,870.54
	(ii)Recoveries (excluding recoveries made from upgraded accounts)	5,189.88	4,267.27
	(iii)Technical/Prudential Write-offs	14,746.88	7,019.94
	(iv)Write-offs other than (iii) above	2,235.77	1,397.54
	Sub-total (B)	24,847.02	14,555.29
	Closing balance (A-B)	89,788.20	49,085.30
iii)	Movement of NPAs (Net)		
	(a)Opening Balance	31,324.63	20,332.42
	(b)Additions during the year	14,406.62	3,097.26
	(c)Reduction during the year	18,450.73	6,126.54
	(d)Closing Balance	27,280.52	17,303.14
iv)	Movement of provisions for NPAs (Excluding provisions on Standard Assets)		
	(a)Opening balance	65,535.77	28,396.73
	(b)Provisions made during the year	13,912.19	11,814.18
	(c)Provision increased in restructured accounts	(-) 5.41	(-) 30.86
	(d)Write-off/write-back of excess Provisions	17,288.40	8,397.88
	(e)Closing balance	62,154.15	31,782.17

1.4.2 Particulars Of Accounts Restructured

(Rs in Crore)

Asset Classification	Standard	Under CDR Mechanism				Under SME Debt Restructuring Mechanism				
		Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1 Restructured Accounts as on 01.04.2020	No.of Borrowers	0	48	27	77	65,303	7,324	370	58	73,055
	Amount Outstanding	0.00	4,690.67	3,350.03	8,355.20	3,203.88	218.67	767.72	383.63	4,573.90
	Provision thereon	0.00	0.00	0.00	3.77	39.80	7.77	7.49	0.05	55.12
2 Fresh Restructuring during the FY-2020-21	No.of Borrowers	0	0	0	0	88,507	4,051	117	19	92,694
	Amount Outstanding	0.00	0.00	0.00	0.00	2,422.90	112.47	3.42	0.63	2,539.42
	Provision thereon	0.00	0.00	0.00	0.00	8.57	0.38	0.00	0.00	8.95
3 Upgradations to restructured standard category during the FY-2020-21	No.of Borrowers	0	-	-	0	270	-	-	-	270
	Amount Outstanding	0.00	-	-	0.00	59.43	-	-	-	59.43
	Provision thereon	0.00	-	-	0.00	0.67	-	-	-	0.67
4 Restructured advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY-2020-21 and hence need not be shown as restructured standard advances at the beginning of the next FY-2021-22	No.of Borrowers	0	-	-	0	3,279	-	-	-	3,279
	Amount Outstanding	0.00	-	-	0.00	251.27	-	-	-	251.27
	Provision thereon	0.00	-	-	0.00	0.00	-	-	-	0.00
5 Downgradations of restructured accounts during the FY-2020-21	No.of Borrowers	-	0	0	0	-	12,325	1,057	14	13,396
	Amount Outstanding	-	0.00	0.00	0.00	-	657.99	210.69	0.26	88.94
	Provision thereon	-	0.00	0.00	0.00	-	18.75	1.84	0.00	20.59
6 Write-offs of restructured accounts during the FY-2020-21	No.of Borrowers	0	0	6	11	0	0	0	1	1
	Amount Outstanding	0.00	0.00	2,693.52	3,253.28	0.00	0.00	0.00	51.09	51.09
	No.of Borrowers	1	0	28	57	1,25,725	16,410	8,225	103	1,50,463
7 Restructured Accounts as on 31.03.2021	Amount Outstanding	40.33	0.00	2,674.82	6,426.99	4,535.78	773.31	1,153.31	334.32	6,796.72
	No.of Borrowers	3.69	0.00	0.00	3.69	64.25	19.21	12.78	0.00	96.24
	Provision thereon	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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Asset Classification	Others						Total						
	Standard	Sub-Standard	Doubtful	Loss	Total		Standard	Sub-Standard	Doubtful	Loss	Total		
1													
Restructured Accounts as on 01.04.2020	No. of Borrowers	487	338	2,984	368	4,177							
	Amount Outstanding	1,516.38	418.09	11,668.55	3,125.67	16,728.69							
Fresh Restructuring during the FY-2020-21	Provision thereon	11.74	0.66	36.35	0.00	48.76							
	No. of Borrowers	31,587	517	69	6	32,179							
Upgradations to restructured standard category during the FY-2020-21	Amount Outstanding	5,178.38	125.58	80.72	1.08	5,385.76							
	Provision thereon	50.70	0.00	0.00	0.00	50.70							
Restructured advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY-2020-21 and hence need not be shown as restructured standard advances at the beginning of the next FY-2021-22	No. of Borrowers	11	-	-	-	11							
	Amount Outstanding	397.42	-	-	-	397.42							
Downgradations of restructured accounts during the FY-2020-21	Provision thereon	0.00	-	-	-	0.00							
	No. of Borrowers	76	-	-	-	76							
Write-offs of restructured accounts during the FY-2020-21	Amount Outstanding	727.38	-	-	-	727.38							
	Provision thereon	0.00	-	-	-	0.00							
Restructured Accounts as on 31.03.2021	No. of Borrowers	-	57	12	0	69							
	Amount Outstanding	-	34.43	0.55	0.00	34.98							
Restructured Accounts as on 31.03.2021	Provision thereon	-	0.05	0.01	0.00	0.05							
	No. of Borrowers	0	0	14	13	27							
Restructured Accounts as on 31.03.2021	Amount Outstanding	0.00	0.00	860.46	1,125.68	1,986.14							
	No. of Borrowers	31,365	575	2,849	361	35,150							
Restructured Accounts as on 31.03.2021	Amount Outstanding	6,585.87	160.25	8,339.18	3,517.15	18,602.45							
	Provision thereon	54.16	0.06	6.26	0.00	60.48							
Restructured Accounts as on 31.03.2021	Amount Outstanding	13,465	1,346	13,465	14	13,465							
	Provision thereon	13,465	1,346	13,465	14	13,465							
Restructured Accounts as on 31.03.2021	Amount Outstanding	13,465	1,346	13,465	14	13,465							
	Provision thereon	13,465	1,346	13,465	14	13,465							
Restructured Accounts as on 31.03.2021	Amount Outstanding	13,465	1,346	13,465	14	13,465							
	Provision thereon	13,465	1,346	13,465	14	13,465							
Restructured Accounts as on 31.03.2021	Amount Outstanding	13,465	1,346	13,465	14	13,465							
	Provision thereon	13,465	1,346	13,465	14	13,465							
Restructured Accounts as on 31.03.2021	Amount Outstanding	13,465	1,346	13,465	14	13,465							
	Provision thereon	13,465	1,346	13,465	14	13,465							
Restructured Accounts as on 31.03.2021	Amount Outstanding	13,465	1,346	13,465	14	13,465							
	Provision thereon	13,465	1,346	13,465	14	13,465							
Restructured Accounts as on 31.03.2021	Amount Outstanding	13,465	1,346	13,465	14	13,465							
	Provision thereon	13,465	1,346	13,465	14	13,465							
Restructured Accounts as on 31.03.2021	Amount Outstanding	13,465	1,346	13,465	14	13,465							
	Provision thereon	13,465	1,346	13,465	14	13,465							
Restructured Accounts as on 31.03.2021	Amount Outstanding	13,465	1,346	13,465	14	13,465							
	Provision thereon	13,465	1,346	13,465	14	13,465							
Restructured Accounts as on 31.03.2021	Amount Outstanding	13,465	1,346	13,465	14	13,465							
	Provision thereon	13,465	1,346	13,465	14	13,465							
Restructured Accounts as on 31.03.2021	Amount Outstanding	13,465	1,346	13,465	14	13,465							
	Provision thereon	13,465	1,346	13,465	14	13,465							
Restructured Accounts as on 31.03.2021	Amount Outstanding	13,465	1,346	13,465	14	13,465							
	Provision thereon	13,465	1,346	13,465	14	13,465							
Restructured Accounts as on 31.03.2021	Amount Outstanding	13,465	1,346	13,465	14	13,465							
	Provision thereon	13,465	1,346	13,465	14	13,465							
Restructured Accounts as on 31.03.2021	Amount Outstanding	13,465	1,346	13,465	14	13,465							
	Provision thereon	13,465	1,346	13,465	14	13,465							
Restructured Accounts as on 31.03.2021	Amount Outstanding	13,465	1,346	13,465	14	13,465							
	Provision thereon	13,465	1,346	13,465	14	13,465							
Restructured Accounts as on 31.03.2021	Amount Outstanding	13,465	1,346	13,465	14	13,465							
	Provision thereon	13,465	1,346	13,465	14	13,465							
Restructured Accounts as on 31.03.2021	Amount Outstanding	13,465	1,346	13,465	14	13,465							
	Provision thereon	13,465	1,346	13,465	14	13,465							
Restructured Accounts as on 31.03.2021	Amount Outstanding	13,465	1,346	13,465	14	13,465							
	Provision thereon	13,465	1,346	13,465	14	13,465							
Restructured Accounts as on 31.03.2021	Amount Outstanding	13,465	1,346	13,465	14	13,465							
	Provision thereon	13,465	1,346	13,465	14	13,465							
Restructured Accounts as on 31.03.2021	Amount Outstanding	13,465	1,346	13,465	14	13,465							
	Provision thereon	13,465	1,346	13,465	14	13,465							
Restructured Accounts as on 31.03.2021	Amount Outstanding	13,465	1,346	13,465	14	13,465							
	Provision thereon	13,465	1,346	13,465	14	13,465							
Restructured Accounts as on 31.03.2021	Amount Outstanding	13,465	1,346	13,465	14	13,465							
	Provision thereon	13,465	1,346	13,465	14	13,465							
Restructured Accounts as on 31.03.2021	Amount Outstanding	13,465	1,346	13,465	14	13,465							
	Provision thereon	13,465	1,346	13,465	14	13,465							
Restructured Accounts as on 31.03.2021	Amount Outstanding	13,465	1,346	13,465	14	13,465							
	Provision thereon	13,465	1,346	13,465	14	13,465							
Restructured Accounts as on 31.03.2021	Amount Outstanding	13,465	1,346	13,465	14	13,465							
	Provision thereon	13,465	1,346	13,465	14	13,465							
Restructured Accounts as on 31.03.2021	Amount Outstanding	13,465	1,346	13,465	14	13,465							
	Provision thereon	13,465	1,346	13,465	14	13,465							
Restructured Accounts as on 31.03.2021	Amount Outstanding	13,465	1,346	13,465	14	13,465							
	Provision thereon	13,465	1,346	13,465	14	13,465							
Restructured Accounts as on 31.03.2021	Amount Outstanding	13,465	1,346	13,465	14	13,465							
	Provision thereon	13,465	1,346	13,465	14	13,465							
Restructured Accounts as on 31.03.2021	Amount Outstanding	13,465	1,346	13,465	14	13,465							
	Provision thereon	13,465	1,346	13,465	14	13,465							
Restructured Accounts as on 31.03.2021	Amount Outstanding	13,465	1,346	13,465	14	13,465							
	Provision thereon	13,465	1,346	13,465	14	13,465							
Restructured Accounts as on 31.03.2021	Amount Outstanding	13,465	1,346	13,465	14	13,465							
	Provision thereon	13,465	1,346	13,465	14	13,465							
Restructured Accounts as on 31.03.2021	Amount Outstanding	13,465	1,346	13,465	14	13,465							
	Provision thereon	13,465	1,346	13,465	14	13,465							
Restructured Accounts as on 31.03.2021	Amount Outstanding	13,465	1,346	13,465	14	13,465							
	Provision thereon	13,465	1,346	13,465	14	13,465							
Restructured Accounts as on 31.03.2021	Amount Outstanding	13,465	1,346	13,465	14	13,465							
	Provision thereon	13,465	1,346	13,465	14	13,465							
Restructured Accounts as on 31.03.2021	Amount Outstanding	13,465	1,346	13,465	14	13,465							
	Provision thereon	13,465	1,346	13,465	14	13,465							
Restructured Accounts as on 31.03.2021	Amount Outstanding	13,465	1,346	13,465	14	13,465							
	Provision thereon	13,465	1,346	13,465	14	13,465							
Restructured Accounts as on 31.03.2021	Amount Outstanding	13,465	1,346	13,465	14	13,465							
	Provision thereon	13,465	1,346	13,465	14	13,465							
Restructured Accounts as on 31.03.2021	Amount Outstanding	13,465	1,346	13,465	14	13,465							
	Provision thereon	13,465	1,346	13,465	14	13,465							
Restructured Accounts as on 31.03.2021	Amount Outstanding	13,465	1,346	13,465	14	13,465							
	Provision thereon	13,465	1,346	13,465	14	13,465							
Restructured Accounts as on 31.03.2021	Amount Outstanding	13,465	1,346	13,465	14	13,465							
	Provision thereon	13,465	1,346	13,465	14	13,465							
Restructured Accounts as on 31.03.2021	Amount Outstanding	13,465	1,346	13,465	14	13,465							
	Provision thereon	13,465	1,346	13,465	14	13,465							
Restructured Accounts as on 31.03.2021	Amount Outstanding												

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1.4.3 As per RBI Circular No **RBI/2018-19/100 DBR.No.BP.BC.18/21.04.048/2018-19** January 1, 2019, Banks and NBFCs shall make appropriate disclosures relating to the MSME accounts restructured:

(₹ in crore)

No. of Accounts restructured	Amount	Provision Held (@5%)
52,104	2,876.04	58.67

1.4.4 As per RBI Circular No **RBI/2018-19/100 DBR.No.BP.BC.34/21.04.048/2019-20** dated 11/02/2020 & **DOR.No.BP.BC.34/21.04.048/2020-21** dated 06/08/2020 actual position of accounts restructured in terms of One time policy on Restructuring of MSME Sector Advance:

(Rs in crore)

No. of Accounts restructured	Amount	Provision Held (@5%)
98,019	2,810.18	93.17

1.4.5 Outbreak of COVID-19 Pandemic has adversely impacted the economic activity across the globe including the Indian economy. To tide over the pandemic, the Government of India has announced series of lock down since March 2020 and subsequent phased unlocking as well. However, the current second wave of Covid-19 pandemic, with increased number of cases, has resulted in re-imposition of lockdown in regionalized manner across the country. Though the situation continues to remain uncertain the Bank is continuously monitoring the situation and taking all possible measures to ensure continuance of full-fledged banking operations. The management believes that there would not be any significant impact on Bank's performance in future and going concern assumptions.

As per RBI Circular No **RBI/2018-19/100 DOR.No.BP.BC.63/21.04.048/2019-20** dated April 17, 2020 and 23rd May 2020, actual position of relief extended under COVID19 Regulatory Package is as under:

(₹ in crore)

Amount Outstanding in SMA/Overdue Category where Moratorium / Deferment extended	No. of Account	Amount Outstanding in Accounts where Asset classification benefit Extended	Provision Made Q4 FY19-20	Additional Provisions made during the Q1 FY20-21	Total Provision held as on 30th June, 2020	Provision held as on 31st Dec, 2020	Provision Required @ 10% of Total Outstanding (C)	Provision to be reversed as on 31.03.2021
A	B	C	D	E	F	G	H	I
47,762.59	4	177.11	339.42	339.42	682.78	587.94	17.71	570.23

1.4.6 The Bank has made an additional provision in terms of RBI circular DBR.No.BP.BC.45/21.04.048/2018-19 dated 7th June, 2019 on Prudential Framework for Resolution of Stressed Assets amounting to Rs 749.94 Crore (PY Rs.386.97 Crore) consisting of 9 NPA accounts..

1.4.7 Details of financial assets sold to Securitization/Reconstruction Company for Asset Reconstruction

A) Details of Sales

(₹ in crore)

Sr. No.	Particulars	31.03.2021	31.03.2020
i)	No. of Accounts	3	4
ii)	Aggregate value (net of provisions) of accounts sold to SC/RC		
	a) NPA Accounts	46.22	37.04
	b) Written-off accounts	0.00	0.00
	c) SMA accounts	NIL	Nil
iii)	Aggregate consideration		
	a) NPA Accounts	153.00	117.29
	b) Written-off accounts	35.46	4.20
	c) SMA accounts	Nil	Nil

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Sr. No.	Particulars	31.03.2021	31.03.2020
iv)	Additional consideration realized in respect of accounts transferred in earlier year.	Nil	Nil
v)	Aggregate gain / (loss) over net book value.		
	a) NPA Accounts	106.78	80.25
	b) Written-off accounts	35.46	4.20
	c) SMA accounts	Nil	Nil

1.4.8 1- Book Value of Investments in Security Receipts backed by NPA

(₹ in crore)

Particulars	Backed by NPAs sold by the bank as underlying		Backed by NPAs sold by other banks/financial institutions/non banking financial companies as underlying		Total	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Security Receipts issued within past 5 years	1,916.68	308.21	0.00	0.00	1,916.68	308.21
Security Receipts issued more than 5 years ago but within past 8 years	238.91	242.77	0.00	0.00	238.91	242.77
Security Receipts issued more than 8 years ago	3.23	0	4.85	10.60	8.08	10.60
Total	2,158.82	550.98	4.85	10.60	2,163.67	561.58

2- Book Value of Investments in Security Receipts backed by SMA

(₹ in crore)

Particulars	Backed SMAs sold by the bank as underlying		Backed by SMAs sold by other banks/financial institutions/non banking financial companies as underlying		Total	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Book Value of Investment in Security Receipts	154.78	155.56	0.00	Nil	154.78	155.56

1.4.9 Details of non performing financial assets purchased /sold (other than ARC)

(a) Details of non performing financial assets purchased

(₹ in crore)

Sr. No.	Particulars	31.03.2021	31.03.2020
1	a. No. of accounts purchased during the year	Nil	Nil
	b. Aggregate outstanding	Nil	Nil
2	a. Of these, number of accounts restructured during the year	Nil	Nil
	b. Aggregate outstanding	Nil	Nil

(b) Details of non performing financial assets sold (Other than ARC's)

(₹ in crore)

Sr. No.	Particulars	31.03.2021	31.03.2020
1	No. of accounts sold	Nil	Nil
2	Aggregate outstanding	Nil	Nil
3	Aggregate consideration received	Nil	Nil

1.4.10 Provision on Standard Assets

(₹ in crore)

Particulars	31.03.2021	31.03.2020
Provision towards Standard Assets	5,119.13	1,943.69

1.4.11 Disclosures on Strategic Debt Restructuring Scheme (accounts which are currently under the stand-still period)

(₹ in Crore)

No of Accounts where SDR has been invoked	Amount outstanding as on 31.03.2021		Amount outstanding as on 31st March 2021 with respect to accounts where conversion of debt to equity is pending		Amount outstanding as on 31st March 2021 with respect to accounts where conversion of debt to equity has taken place	
	Standard	NPA	Standard	NPA	Standard	NPA
Classified as	Nil	Nil	Nil	Nil	Nil	Nil

1.4.12 Disclosures on Flexible Structuring of Existing Loans

(₹ in Crore)

Period	No of Borrowers taken up for flexibly Structuring	Amount of Loans taken up for flexible structuring		Exposure weighted average duration of loans taken up for flexible structuring	
		Classified as Standard	Classified as NPA	Before applying flexible structuring (Yrs)	After applying flexible structuring (Yrs)
2019-20	Nil	Nil	-	Nil	Nil
2020-21	Nil	Nil	-	Nil	Nil

1.4.13 Disclosures on Change in Ownership outstanding SDR Scheme (accounts which are currently under the stand-still period)

(₹ in Crore)

No of Accounts where banks have decided to effect change in ownership	Outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity / Invocation of pledge of equity shares is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares has taken place		Amount outstanding as on the reporting date with respect to accounts where change in ownership is envisaged by issuance of fresh shares or sales of promoters equity	
	Standard	NPA	Standard	NPA	Standard	NPA	Standard	NPA
Classified as	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

1.4.14 Disclosures on Change in Ownership of Projects under Implementation (accounts which are currently under the stand-still period)

(₹ in Crore)

No of project loan accounts where Banks have decided to effect change in ownership	Amount outstanding as on 31st March 2021		
	Classified as Standard	Classified as Standard Restructured	Classified as NPA
Nil	Nil	Nil	Nil

1.4.15 Disclosures on the Scheme for Sustainable Structuring of Stressed Assets (S4A) as on 31.03.2021

(₹ in Crores)

Accounts where S4A has been applied		Aggregate Amount outstanding	Amount outstanding		Provision held
Asset Classification	Number of Accounts		In Part A	In Part B	
Standard Accounts	1	59.37	56.16	77.99	31.20
NPAs	0	0	0	0	0

1.4.16 As per RBI Circular No RBI/2020-21 DOR.No.BP.BC.03/21.04.048/2020-21 dated 06/08/2020, Restructuring of Retail and Corporate Loans:

Type of borrower	(A) Number of accounts (Borrowerwise) where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan #	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loans	31,958	3,394.55	-	-	317.30
Corporate persons*	8	1,969.79	-	-	109.24
Of which, MSMEs	5	206.50	-	-	19.71
Others	-	-	-	-	-
Total	31,966	5,364.34	-	-	426.54

*As defined in Section 3(7) of the insolvency and Bankruptcy Code, 2016.

including exposure under investments & non-fund based facility.

1.4.17 FITL accounts opened as per RBI Circular No RBI/2020-21 DOR.No.BP.BC.71/21.04.048/2020-21 dated 6/08/2020:

No. of accounts	Outstanding as on 31.03.2021 (Rs in crore)
5540	314.39

1.4.18 As per RBI circular No. DBR No. BP. 15199/21.04.048/2016-17 and DBR No. BP. 1906/21.04.048/2016-17 dated June 23, 2017 and August 28, 2017 respectively, for the accounts covered under the provisions of the Insolvency and Bankruptcy Code (IBC), the Bank has made a total provision of ₹ 14724 (PY ₹6940 Crore) Crore (covering 99.82% of the total outstanding) as on the Balance Sheet date.

1.5 BUSINESS RATIOS

Sr. No.	Particulars	31.03.2021	31.03.2020
i)	Interest Income as a percentage to Working Funds	6.34	6.82
ii)	Non-interest income as a percentage to Working Funds	1.05	0.96
iii)	Operating Profit as a percentage to Working Funds	1.78	1.68
iv)	Return on Assets	0.27	(0.53)
v)	Average Business (Deposits plus advances) per employee (₹ in crore)	19.23	20.06
vi)	Net Profit per employee (₹ in crore)	0.04	(0.08)

1.6 ASSET LIABILITY MANAGEMENT

The maturity pattern of Deposits, Borrowings, Advances and Investment as of 31st March 2021 is based on the following:

- RBI Guidelines on ALM
- Behavioral studies of Assets & Liabilities which do not have definite maturity and for embedded optionality
- Foreign Currency On-balance sheet Assets & Liabilities

Current Year 2020-21

(₹ in crore)

MATURITY PATTERN	DEPOSITS	ADVANCES	INVESTMENT/ SECURITIES	BORROWING	FOREIGN CURRENCY ASSETS	FOREIGN CURRENCY LIABILITIES
NEXT DAY	11,694.42	7,173.12	100,670.43	802.64	3,540.66	2,193.50
2-7 DAYS	18,607.02	11,484.58	11,906.20	636.06	1,084.56	748.75
8-14 DAYS	13,760.66	6,734.08	1,008.94	-	560.53	85.33
15-30 DAYS	23,523.19	16,592.79	2,560.90	1,146.47	2,674.13	1,707.52
31 DAYS - 2 MONTHS	37,021.49	6,417.73	1,178.82	1,932.10	2,100.73	2,406.03
>2 MONTHS - 3 MONTHS	31,306.22	18,817.87	3,305.04	868.80	1,704.15	1,013.28
> 3 MTHS - 6 MONTHS	68,591.32	26,682.54	18,365.60	10,393.24	2,690.29	10,709.85
> 6 MTHS - 1 YEAR	107,186.17	48,794.25	18,003.07	1,283.94	9,436.09	5,877.58
> 1 YEAR - 3 YEARS	108,382.66	277,422.49	36,339.39	18,242.36	9,264.62	3,320.28
> 3 YEARS - 5 YEARS	73,551.34	68,391.66	26,551.54	2,176.49	5,197.94	3,688.13
> 5- YEARS	430,180.85	102,471.75	111,621.87	14,355.00	3,034.17	785.01
TOTAL	923,805.34	590,982.88	331,511.79	51,837.11	41,287.87	32,535.26

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Previous Year 2019-20

(₹ in crore)

MATURITY PATTERN	DEPOSITS	ADVANCES	INVESTMENT/ SECURITIES	BORROWING	FOREIGN CURRENCY ASSETS	FOREIGN CURRENCY LIABILITIES
NEXT DAY	2,684.77	5,206.85	29,337.34	351.85	3,471.89	1,760.66
2-7 DAYS	11,862.50	6,232.11	3,630.41	448.24	987.99	481.01
8-14 DAYS	9,490.51	4,535.93	393.70	1,016.45	1,126.78	377.90
15-30 DAYS	12,365.95	7,424.37	1,367.17	720.67	3,257.45	1,814.17
31 DAYS - 2 MONTHS	13,481.26	2,304.49	4,461.56	688.06	3,469.33	1,773.43
>2 MONTHS - 3 MONTHS	15,861.28	8,525.10	17,458.76	557.47	2,353.64	1,240.03
> 3 MTHS - 6 MONTHS	42,821.54	36,556.79	5,029.33	2,662.39	5,324.97	4,395.36
> 6 MTHS - 1 YEAR	51,922.11	21,829.25	4,365.40	8,664.92	6,006.15	8,669.47
> 1 YEAR - 3 YEARS	55,805.55	1,36,492.92	14,065.90	22,865.18	13,220.98	14,643.41
> 3 YEARS - 5 YEARS	39,816.16	40,058.36	9,328.59	7,261.02	6,704.37	8,239.02
> 5- YEARS	1,94,556.81	45,883.26	62,975.74	7,250.00	2,826.81	259.78
TOTAL	4,50,668.45	3,15,049.41	1,52,413.90	52,486.25	48,750.36	43,654.24

1.7 EXPOSURES

1.7.1 Exposure to Real Estate Sector

(₹ in crore)

Sr. No.	Category	31.03.2021	31.03.2020
a)	Direct exposure	92,742.69	39,297.40
i)	Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; -Out of the above individual housing loans up to Rs.20 lakh	78,513.68	29,441.16
		38,020.20	12,589.00
ii)	Commercial Real Estate – lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) Exposure includes non-fund based (NFB) limits: (W/w LRD)	12,250.56 (2109.33)	8,153.42 (1,817.94)
iii)	CRE RH	1,978.45	1,702.83
iv)	LRD (Lease Rental Discounting) w/w CRE w/w Other than CRE	3,227.29 (2,109.33) (1,117.96)	2,438.95 (1,817.94) (621.01)
v)	Investments in Mortgage Backed Securities (MBS) and other securitized exposures - a. Residential, b. Commercial Real Estate.	Nil Nil	Nil Nil
b)	Indirect Exposure Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	35,195.26	16,866.09
	Total Exposure to Real Estate Sector	1,27,937.95	56,163.50

1.7.2 Exposure to Capital Market

(₹ in crore)

Sr. No.	Particulars	31.03.2021	31.03.2020
i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity – oriented mutual funds the corpus of which is not exclusively invested in corporate debt.	1,284.63	1,028.85
ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures and units of equity oriented mutual funds	6.45	2.90
iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	372.31	293.13
iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds/ convertible debentures/ units of equity oriented mutual funds does not fully cover the advances	0.95	0.55
v)	Secured and unsecured advances to stock brokers and guarantees issued on behalf of stock brokers and market makers	452.23	594.73
vi)	Loans sanctioned to corporate against the security of shares /bonds/ debentures or other securities or on clean basis for meeting promoter contribution to the equity of new companies in anticipation of raising resources	1,288.69	310.98
vii)	Bridge loans to companies against expected equity flows /issues.	-	Nil
viii)	Underwriting commitments taken up by the Banks in respect of primary issue of shares or convertible bonds or convertible debentures and units of equity oriented mutual funds	-	Nil
ix)	Financing to stock brokers for margin trading	-	Nil
x)	All exposures to venture capital funds (both registered and unregistered) will be deemed to be on par with equity and hence will reckon for compliance with the capital market exposure.	1,102.54	840.23
	Total exposure to Capital Market	4,507.80	3,071.37

1.7.3 Risk Category wise Country Exposure

(₹ in crore)

Risk Category	Net Exposure 31.03.2021	Provision held 31.03.2021	Net Exposure 31.03.2020	Provision held 31.03.2020
Insignificant	16,661.26	Nil	12,463.67	Nil
Low	9,989.26	Nil	7,570.31	Nil
Moderate	286.23	Nil	220.16	Nil
High	0.65	Nil	9.79	Nil
Very High	0.00	Nil	Nil	Nil
Restricted	0.00	Nil	Nil	Nil
Off-credit	0.00	Nil	1.05	Nil
Total	26,937.40	Nil	20,264.98	Nil

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As per Country Risk Policy 2020-21, Bank has used ECGC country risk classification for the Trade Exposure and other than Trade exposure in India both for branches in India and for overseas branches.

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

1.7.4 Details of Single Borrower Limit (SBL), Group Borrower Limit (GBL) exceeded by the Bank. (Capital fund ₹ 55009.39 crore)

(₹ in crore)

Sr. No	Name of the Borrower	Exposure Ceiling (₹)	Total Exposure (₹)	Exposure as % of Capital Fund	Position as on 31.03.21	Position as % of Capital Fund
1.	Single Borrower	Nil	Nil	Nil	Nil	Nil
2.	Group Borrower	Nil	Nil	Nil	Nil	Nil

- ▶ Individual borrower exposure limit is 20% of Tier-I Capital Fund. However, 5% additional exposure taken with the approval of the Board as permitted by Reserve Bank of India.
- ▶ One single borrower i.e. M/s Food Corporation of India has exceeded the threshold limit of 20% as of March 2021 but the Bank has taken Board approval vide agenda no. A-09 dated 22.10.2020 for the same.
- ▶ Group Exposure Limit – 25% however, RBI has permitted exposure ceiling limit of 30% due to COVID outbreak upto June 2021.

1.7.5 Unsecured Advances:

(₹ in crore)

Particulars	31.03.2021	31.03.2020
Total amount of advances outstanding against charge over intangible securities such as the rights, licenses, authority etc.	Nil	Nil
Estimated value of such intangible collateral securities	Nil	Nil

Advances backed by Annuity under Build Operate Transfer (BOT) model in respect of Road/Highway Projects and toll collection rights have been considered secured as per RBI circular No. OD. BP. BC. No. 83/08.12. 014 / 2012-13 dated 18 March 2013.

1.8 DISCLOSURE OF PENALTIES IMPOSED BY RBI AND OTHER REGULATOR:

(₹ in Crore)

Name of Regulator	Year ended 31 st March 2021		Year ended 31 st March 2020	
	No. of Cases	Amount	No. of Cases	Amount
Reserve Bank of India	NIL	NIL	2	1.60
Other Regulators	NIL	NIL	NIL	NIL

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

2.1 REVENUE RECOGNITION (AS 9)

Income and Expenditure have been accounted for on accrual basis except certain items of income are recognized on realization basis as per Accounting Policy no.3.3 of Schedule 17 of Significant Accounting Policies which however, is not considered to be material.

2.2 EMPLOYEE BENEFITS (AS 15 - REVISED)

(A) Short Term Employment Benefits:

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

(B) Long Term Employee Benefits:

i. Defined Contribution Plans:

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

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. 2020-21, the Bank has contributed Rs 297.92 crore (Previous Year Rs 120.24 crore) to NPS.

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.

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, 2021.

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(Rs in crore)

	Particulars	31.03.2021		31.03.2020	
		Gratuity	Pension	Gratuity	Pension
	Table showing change in Defined Benefit Obligation :				
	Liability at the beginning of the year	2,738.03	24,553.31	1,222.64	12,158.43
	Interest Cost	187.28	1,667.17	95.24	945.93
	Current Service Cost	137.71	265.17	59.54	90.78
	Past Service Cost (Vested Benefit Amortized)	Nil	Nil	Nil	Nil
	Past Service Cost (Vested Benefit)	Nil	Nil	Nil	Nil
i)	Liability Transfer in	Nil	Nil	Nil	Nil
	Liability Transfer out	Nil	Nil	Nil	Nil
	(Benefit paid)	(433.15)	(1,682.84)	(198.23)	(809.13)
	Actuarial (Gain)/loss on obligation –due change In the financial assumption	(26.36)	(247.67)	86.88	(578.22)
	Actuarial (Gain) / Loss on obligations	752.31	1,456.27	25.87	938.90
	Liability at the end of the year	3,355.82	26,011.41	1,291.94	12,746.69
	Table of Fair value of Plan Assets:				
	Fair value of Plan Assets at the beginning of the year	2,671.12	23,145.31	1,202.14	12,308.84
	Expected return on Plan Assets	182.70*	1,571.57*	93.65*	957.63*
	Contributions	291.35	3,605.19	114.25	74.59
	Transfer from Other Company	Nil	Nil	Nil	Nil
	Transfer to Other Company	Nil	Nil	Nil	Nil
ii)	(Benefit paid)	(433.15)	(1,682.84)	(198.23)	(809.13)
	Actuarial (Gain)/loss on Plan Assets	(34.41)	(81.65)	(7.20)	(75.23)
	Fair Value of Plan Assets at the end of the year	2,746.43*	26,720.88*	1,219.01*	12,607.16*
	Actuarial (Gain)/loss on obligation for the period	725.95	1,208.60	112.75	360.68
	Actuarial (Gain)/loss on Plan Assets	(34.41)	(81.65)	(7.20)	(75.23)
	Total Actuarial (Gain)/loss to be recognized	691.54	1,126.95	105.55	285.45
	Recognition of Transitional Liability :				
iii)	Transitional Liability at start	Nil	Nil	Nil	Nil
	Transitional Liability recognized during the year	Nil	Nil	Nil	Nil
	Transitional Liability at end	Nil	Nil	Nil	Nil
	Actual return on Plan Assets :				
iv)	Expected Return on Plan Assets	182.70	1,571.57	93.65	957.63
	Actuarial Gain/(Loss) on Plan Assets	34.41	81.65	7.20	75.23
	Actual return on Plan Assets	217.11	1,653.22	100.85	1,032.86

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	Particulars	31.03.2021		31.03.2020	
		Gratuity	Pension	Gratuity	Pension
	Expenses recognized in the Income Statement:				
	Current Service Cost	137.71	265.17	59.54	90.78
	Interest Cost	4.58	95.60	1.59	(11.70)
	Expected Return on Plan Assets	Nil	Nil	Nil	Nil
v)	Past Service Cost (Vested Benefit Amortized) recognized	Nil	Nil	Nil	Nil
	Past Service Cost (Vested Benefit) recognized	Nil	Nil	Nil	Nil
	Recognition of Transition Liability	691.54	1,126.95	105.55	285.45
	Actuarial (Gain) or Loss	833.83	1,487.72	166.68	364.53
	Expenses Recognized in P & L				
	Balance Sheet Reconciliation:				
	Opening Net Liability (Last year net amount recognized in the balance sheet)	66.91	1,408.00	20.50	(150.41)
	Expenses as above	833.83	1,487.72	166.68	364.53
vi)	Transfer from other Company (Net)	Nil	Nil	Nil	Nil
	Transfer to other Company (Net) (Employer Contribution)	(291.35)	(3,605.19)	(114.25)	(74.59)
	Net (Asset)/Liability Amount recognized in Balance Sheet	609.39	(709.47)	72.93	139.53
	Other Details :				
	Pension is payable at the rate of 1/66 Salary for Each Year of Service Subject to Maximum of 50%. Gratuity is payable at the rate of 15 days salary for each year of service subject to maximum of ₹20,00,000 or as per the Bank scheme. Actuarial gain / loss is accounted for in the year of occurrence. Salary escalation is considered as advised by the company which is in line with the industry practice considering promotion and demand and supply of the employees.				
vii)	No. of Members	78,203	28,235	37,323	13,839
	Salary Per Month	354.09	210.64	193.54	89.29
	Contribution for next year	354.09	-	144.39	213.65
	Category of assets:				
	Government of India Assets	64.56	601.59	64.14	198.34
	Corporate Bonds/FDR	96.29	1029.07	88.78	1,004.11
	Special Deposits Scheme	-	-	-	-
	State Govt.	125.89	1150.74	161.47	995.87
viii)	Property	Nil	Nil	Nil	Nil
	Other	185.67	1,426.35	35.33	322.26
	Insurer Managed Funds	2,252.98	22,235.49	869.29	10,086.58
	Mutual Fund	21.04	277.64	-	-
	Total	2,746.43	26,720.88	1,219.01	12,607.16

*Note: Return on investments in LIC & other insurance companies is considered as 7.00% while arriving at the Fair Value of Plan Assets, due to Covid-19 crisis the same is yet to be declared by the Insurance companies for the FY2020-21.

VALUE RESEARCH PREMIUM

(Rs in crore)

Surplus/Deficit in the Plan:	Gratuity Plan				
Amount recognized in the Balance-Sheet	31.03.21	31.03.20	31.03.19	31.03.18	31.03.17
Liability at the end of the year	3,355.82	1291.94	1,222.64	1,244.88	1,114.72
Fair value of Plan Assets at the end of the year	2,746.43	1219.01	1,202.14	1,302.00	1,333.03
Difference	(609.39)	(72.93)	(20.50)	57.12	218.31
Unrecognized Past Service Cost	Nil	Nil	Nil	Nil	Nil
Unrecognized Transition Liability	Nil	Nil	Nil	Nil	Nil
Amount Recognized in the Balance Sheet	(609.39)	(72.93)	(20.50)	57.12	218.31

Amount recognized in the Balance-Sheet	Gratuity Plan				
Experience Adjustment	31.03.21	31.03.20	31.03.19	31.03.18	31.03.17
On plan liability (Gain) / Loss	752.31	25.87	7.91	(142.26)	(13.96)
On plan Assets (Loss) / Gain	34.41	7.20	(13.03)	10.64	42.42

Surplus/Deficit in the Plan:	Pension Plan				
Amount recognized in the Balance-Sheet	31.03.21	31.03.20	31.03.19	31.03.18	31.03.17
Liability at the end of the year	26,011.41	12,746.69	12,158.43	11,803.32	11,231.15
Fair value of Plan Assets at the end of the year	26,720.88	12,607.16	12,308.84	12,115.00	11,214.89
Difference	709.47	(139.53)	150.41	311.68	(16.26)
Unrecognized Past Service Cost	Nil	Nil	Nil	Nil	Nil
Unrecognized Transition Liability	Nil	Nil	Nil	Nil	Nil
Amount Recognized in the Balance Sheet	709.47	(139.53)	150.41	311.68	(16.26)

Amount recognized in the Balance-Sheet	Pension Plan				
Experience Adjustment	31.03.21	31.03.20	31.03.19	31.03.18	31.03.17
On plan liability (Gain) / Loss	1,456.27	938.90	125.22	(37.82)	793.17
On plan Assets (Loss) / Gain	81.65	75.23	7.18	(21.39)	526.25

	Principal actuarial assumption used (%)	2020-2021		2019-2020	
		Gratuity	Pension	Gratuity	Pension
	Discount Rate Prev.	6.84	6.79	7.79	7.78
	Rate of return on Plan Assets Prev.	6.84	6.79	7.79	7.78
	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	6.93	6.91	6.84	6.79
	Rate of Return on Plan Assets Current	6.93	6.91	6.84	6.79
	Salary Escalation Current	5.00	5.00	5.00	5.00
	Attrition Rate Current	2.00	2.00	2.00	2.00

(C) Other long term Employee Benefits:

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

(Rs in crore)

Sr. No.	Other Long Term Benefits	31.03.2021	31.03.2020
	Pension	1,487.72	364.53
	Leave Travel Concession	27.45	(3.44)
	Leave Encashment	102.29	116.76
	Sick Leave	Nil	Nil

2.3 SEGMENT REPORTING (AS-17)

(Rs in Crore)

Business Segment		Standalone	
		Year Ended	
		(Audited)	(Audited)
		31.03.2021	31.03.2020
(a)	Segment Revenue		
1	Treasury Operations	27,382.29	14,211.07
2	Retail Banking Operations	24,817.48	11,272.88
3	Corporate /Wholesale Banking	26,541.51	16,629.02
4	Other Banking Operations	1,371.55	688.87
5	Unallocated	133.91	18.15
	Total Segment Revenue	80,246.74	42,819.99
	Less Inter-segment Revenue	(142.54)	(328.08)
	Income from operations	80,104.20	42,491.91
(b)	Segment Results (i.e. Profit/ (Loss) Before Tax)		
1	Treasury Operations	6,157.83	2,583.12
2	Retail Banking Operations	4,197.57	2,207.06
3	Corporate /Wholesale Banking (before exceptional item)	(8,823.12)	(6,704.72)
4	Add Exceptional Item	-	(2,509.98)
	Corporate /Wholesale Banking (after exceptional item)	(8,823.12)	(9,214.70)
5	Other Banking Operations	733.23	378.74
6	Unallocated	133.91	18.15
	Total Profit Before Tax	2,399.42	(4,027.63)
(c)	Provision for Tax	(506.55)	(1,129.85)
(d)	Net Profit/(Loss) After Tax	2,905.97	(2,897.78)
(e)	Segment Assets		
1	Treasury Operations	427,941.43	1,94,271.84
2	Retail Banking Operations	277,171.79	1,30,909.74
3	Corporate/Wholesale Banking	341,941.30	2,18,860.11
4	Other Banking Operations	-	0.00
5	Unallocated Assets	24,651.32	6,641.58
	Total Assets	10,71,705.84	5,50,683.27

(f)	Segment Liabilities		
1	Treasury Operations	4,19,807.14	1,89,114.93
2	Retail Banking Operations	2,53,344.66	1,20,337.54
3	Corporate /Wholesale Banking	3,10,531.92	2,01,355.86
4	Other Banking Operations	-	0.00
5	Unallocated Liabilities	23,545.40	6,089.29
	Total Liabilities	10,07,229.12	5,16,897.62
1	Treasury Operations	8,134.29	5,156.91
2	Retail Banking Operations	23,827.13	10,572.20
3	Corporate/Wholesale Banking	31,409.38	17,504.25
4	Other Banking Operations	-	0.00
5	Unallocated	1,105.92	552.29
	Total Capital Employed	64,476.72	33,785.65

Notes:

- The Bank operates in four segments viz., Treasury, Retail, Corporate / Wholesale and Other Banking Operations. These segments have been identified in line with AS-17 on segment reporting after considering the nature and risk profile of the products and services, the target customer profiles, the organizational structure and the internal reporting system of the bank. The bank has disclosed the business segment as primary segment. The revenue and other parameters prescribed in AS-17 of foreign branch for the period are within the threshold limits as stipulated under AS-17 and hence the bank has only one reportable geographical segment.
- 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.
- There has been change in the methodology of allocation of various items in reportable segments due to which previous periods figures have been regrouped/recasted.

2.4 RELATED PARTY DISCLOSURES (AS-18)

2.4.1 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
- IndiaFirst Life Insurance Co. Ltd.

c) Associate

- Chaitanya Godavari Grameena Bank

d) Key Management Personnel

Name	Designation	Joining/Cessation during the year 2020-21
Shri Rajkiran Rai G.	Managing Director & CEO	N.A.
Shri Gopal Singh Gusain	Executive Director	N.A.
Shri Dinesh Kumar Garg	Executive Director	N.A.
Shri Birupaksha Mishra	Executive Director	Joining on 01.04.2020 (consequent to amalgamation of Corporation Bank into Union Bank of India), Cessation on 31.01.2021
Shri Manas Ranjan Biswal	Executive Director	N.A.
Shri Nitesh Ranjan	Executive Director	Joining on 10.03.2021

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.

2.4.2 Key Management Personnel – Remuneration paid.

(Rs in crore)

Particulars	31.03.2021	31.03.2020
Managing Director and CEO	0.34	0.33
Executive Directors	1.11	0.81
Total	1.45	1.14

2.5 “Leases” – Premises taken on Operating Lease (AS 19)

The data of Liability of Premises taken on Non-Cancellable operating lease is as under:

(Rs in crore)

Particulars	31.03.2021	31.03.2020
Not later than 1 year	28.63	14.87
Later than 1 year and not later than 5 year	234.44	84.59
Later than 5 years	241.70	127.20
Total	504.77	226.66

2.6 EARNING PER SHARE (AS-20)

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

The computation of earnings per share is given below:

Particulars	31.03.2021	31.03.2020
Number of Equity shares at the beginning of the year	6,40,68,44,355	1,76,30,16,314
Number of Equity shares issued during the year	Nil	1,65,98,02,538
Number of Equity shares outstanding at the end of the year	6,40,68,44,355	3,42,28,18,852

VALUE RESEARCH PREMIUM

Particulars	31.03.2021	31.03.2020
Weighted Average Number of Equity Shares used in computing Basic Earnings per share	6,40,68,44,355	2,32,08,18,806
Weighted Average Number of Shares used in computing diluted Earnings per share	6,40,68,44,355	2,32,08,18,806
Net Profit/(Loss) Rs in Crore	2905.98	(2897.77)
Basic Earnings per share (Rs)	4.54	(12.49)
Diluted Earnings per share (Rs)	4.54	(12.49)
Nominal Value per share (Rs)	10.00	10.00

2.7 PROVISION FOR TAXES:

2.7.1 Deferred Tax (AS-22)

(Rs in crore)

Sr. No.	Particulars	31.03.2021	31.03.2020
	Deferred Tax Assets		
1	Employee Benefits (Leave Encashment)	457.76	294.57
2	Depreciation on Fixed Assets	299.18	112.05
3	On account of other provisions	18,182.58	9,239.00
4	On account of unabsorbed losses	0.00	0.00
	Total	18,939.52	9,645.63
	Deferred Tax Liabilities		
1	Accrued interest on securities	1,104.51	806.32
2	Special Reserves u/s 36(i) (viii)	1,924.67	1,004.64
3	Depreciation on Investment	237.86	477.79
	Total	3267.04	2,288.75
	Net Deferred Tax Asset	15,672.48	7,356.88
	Net Deferred Tax Liability	Nil	Nil

2.7.2 Direct Tax

(Rs in crore)

Particulars	31.03.2021	31.03.2020
Provision for Income Tax (Including Deferred tax)	(506.55)	(1129.85)

2.8 INVESTMENT IN JOINT VENTURES (AS - 27)

Investments include Rs.435.72 Crores (Previous year ₹ 65 Crores) representing Bank's interest in Star Union Dai-ichi Life Insurance Co., ASREC(India) Limited, India First Life Insurance Co., and India International Bank (Malaysia) BHD.

2.9 IMPAIRMENT OF ASSET (AS-28)

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

2.10 CONTINGENT LIABILITIES (AS - 29)

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

3. ADDITIONAL DISCLOSURE

3.1 Provisions and Contingencies

(Rs In crore)

Break up of Provision & Contingencies. shown under the head in Profit & Loss:	31.03.2021	31.03.2020
Provision / (Reversal) for Depreciation on Investment	435.08	372.37
Provision towards NPA	13595.75	9304.20
Provision towards Harmonization (refer note below)	323.86	2509.98
Provision/(Reversal) towards Standard Assets	1245.63	505.74
Net Provision made towards Income Tax (IT)/ Deferred tax assets (DTA)	(506.55)	(1129.85)
Other Provision and Contingencies:		
- Shifting Loss	124.14	4.16
- Restructured Advances	81.87	(16.76)
- Others	1053.54	529.05
TOTAL	16,353.32	12,078.89

Note - The amalgamation of Andhra Bank and Corporation Bank with Union Bank of India has been effected w.e.f. April 1, 2020 in terms of GOI Notification CG-DL-E-04032020-216535 G.S.R.154 (E) dated March 4, 2020. Accordingly, the Bank, as a prudential measure, has made harmonization provisioning in its Books of Accounts for the position as on 31st March, 2020 with regard to impact of divergence in Asset Classification across Union Bank of India, Andhra Bank and Corporation Bank as per extant IRACP norms. The Bank on standalone basis had made an additional harmonization provision amounting to Rs 2509.98 Crore and the same is included in the total NPA provision. Further, the Bank had made additional harmonization provision of Rs.323.86 Crore during the FY 2020-21.

3.2 Counter Cyclical Provisioning Buffer / Floating Provision:

(Rs in crore)

Sr. No	Particulars	31.03.2021	31.03.2020
i)	Opening Balance	306.20	293.20
ii)	Additional provisions made during the accounting year	Nil	Nil
iii)	Amount of drawdown made during the accounting year	Nil	Nil
iv)	Closing balance	306.20	293.20

3.3 DRAW DOWN FROM RESERVES:

During the year 2020-21, bank has drawn Rs 937.89 crore from other reserves & Rs 21.37 Crore from share premium account. The detail is as under:

- 1- Unamortized portion of Frauds amounting to Rs.937.89 Crore debited to other reserves.
- 2- ₹ 21.37 Crore for expenditure towards allotment of shares to shareholders of e-AB & e-CB was debited from share premium account.

3.4 DISCLOSURE OF COMPLAINTS:

(A)

Summary information on complaints received by the bank from customers and from the OBOs				
Complaints received by the Bank from its customers				
Sr.No.		Particulars	2020-21	2019-20
1.		Number of complaints pending at beginning of the year (Including BO Complaints)	2872	9713
2.		Number of complaints received during the year (Including BO Complaints)	415035	353549
3.		Number of complaints disposed during the year (Including BO Complaints)	407127	360390
	3.1	Of which, number of complaints rejected by the bank	1131	790
4.		Number of complaints pending at the end of the year (Including BO Complaints)	10780	2872
Maintainable complaints received by the bank from OBOs				
5.		Number of maintainable complaints received by the bank from OBOs	8544	3575
	5.1	Of 5, number of complaints resolved in favour of the bank by BOs	6446	3187
	5.2	Of 5, Number of complaints resolved through conciliation/ mediation/ advisories issued by BOs	1182	388
	5.3	Of 5, number of complaints resolved after passing of Awards by BOs against the bank.	8	1
6.		Number of Awards unimplemented within the stipulated time (Other than those appealed)	0	0
Note:- 1) Maintainable complaints refer to complaints on the grounds specifically mentioned in BO Scheme 2006. However, the above data collated from CMS site also includes those complaints settled by agreement per Clause 11 as well as Rejected Complaints as per Clause 13 of Ombudsman Scheme 2006 which is under correspondence.				

(B)

Top five grounds of complaints received by the Bank from customers (Including BO Complaints)					
Grounds of complaints, (i.e. Complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year (2020-21)					
	01.04.2020	2020-21		31.03.2021	
ATM/Debit Cards	1250	292035	3.30%	4583	2342
Internet/Mobile/Electronic Banking	214	61087	44.16%	344	205
Levy of Charges Without prior Notice/Excessive Charges/Foreclosure Charges	171	8406	37.51%	2389	1746

VALUE RESEARCH PREMIUM

Cheques/Drafts/Bills	20	5331	129.48%	52	24
Credit Cards	16	3853	146.04%	27	8
Others	1201	44323	146.48%	3385	1847
Total	2872	415035	17.39%	10780	6172

(C)

Previous Year (2019-20)					
	01.04.2019	2019-20		31.03.2020	
ATM/Debit Cards	9160	282682	-20.91%	1250	868
Internet/Mobile/Electronic Banking	17	42374	-24.80%	214	54
Levy of Charges Without prior Notice/Excessive Charges/Foreclosure Charges	19	6113	566.63%	171	3
Cheques/Drafts/Bills	11	2323	97.36%	20	0
Loans & Advances	76	2075	35.50%	187	149
Others	430	17982	57.25%	1030	525
Total	9713	353549	-22.17%	2872	1599

(D) **Complaints pertaining to Third Party Products/Business**

Sr. No	Particulars	31.03.2021	31.03.2020
(a)	No. of complaints pending at the beginning of the year	2	2
(b)	No. of complaints received during the year	45	29
(c)	No. of complaints redressed during the year	36	29
(d)	No. of complaints pending at the end of the year	11	2

3.5 Disclosure of Letter of Comfort (LoC's) issued

(Rs in crore)

Particulars	31.03.2021	31.03.2020
Letter of Comfort outstanding at beginning of the year	0.00	0.00
Add : Issued during the year	0.00	0.00
Less: Expired during the year.	0.00	0.00
Outstanding at the end of the year	0.00	0.00

In terms of RBI/2017-18/139 A.P. (DIR Series) Circular No. 20 dated March 13, 2018, issuance of Letter of Undertaking (LoUs) and Letters of Comfort (LoCs) for Trade Credits for imports into India has been discontinued.

3.6 Provision Coverage Ratio (PCR)

Particulars	31.03.2021	31.03.2020
Provision Coverage ratio (%)	81.27	73.64

3.7 DISCLOSURE OF – BANCASSURANCE BUSINESS:

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

(Rs in crore)

Sr. No.	Nature of Income	31.03.2021	31.03.2020
1	Life Insurance Policies	142.13	89.95
2	Non Life Insurance Policies	48.72	14.43
3	Health Insurance	32.37	11.79

3.8 CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAs:

3.8.1 Concentration of Deposits

(Rs in crore)

Particulars	31.03.2021	31.03.2020
Total Deposits of twenty largest depositors	73,698.36	45,012.97
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank.	7.98%	9.99%

3.8.2 Concentration of Advances

(Rs in crore)

Particulars	31.03.2021	31.03.2020
Total Advances of twenty largest borrowers/customers	71,722.59	30,224.02
Percentage of Advances of twenty largest borrowers to Total Advances of the Bank	10.83%	9.26%

3.8.3 Concentration of Exposures

(Rs in crore)

Particulars	31.03.2021	31.03.2020
Total Exposures of twenty largest borrowers/customers	1,11,126.87	56,458.23
Percentage of Exposures of twenty largest borrowers/customers to Total Exposures of the Bank on borrowers / customers	13.09%	9.90%

3.8.4 Concentration of NPAs

(Rs in crore)

Particulars	31.03.2021	31.03.2020
Total Exposures to top four NPA accounts	7,864.59	6,522.21

3.9 SECTOR-WISE ADVANCES

(Rs in crore)

Sr. No.	Sector	Current Year (FY 2020-21)			Previous Year (FY 2019-20)		
		Outstanding Total Advances	Gross NPA	Percentage of Gross NPAs to total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to total Advances in that sector
A	Priority Sector						
1	Agriculture and allied activities	1,16,944.15	14,379.97	12.30	49,609.81	5,880.39	11.85
2	Advances to industries sector eligible as priority sector lending	42,785.42	10,124.17	23.66	20,480.16	4,429.81	21.63

VALUE RESEARCH PREMIUM

3	Services	79,639.65	14,899.51	18.71	49,937.32	8,066.84	16.15
4	Personal loans	40,258.40	2,389.44	5.94	16,848.64	723.53	4.29
	Sub-total (A)	2,79,627.62	41,793.09	14.95	1,36,875.93	19,100.57	13.95
B	Non Priority Sector						
1	Agriculture and allied activities	3193.75	126.81	3.97	0.00	0.00	0.00
2	Industry	1,26,763.50	26,357.31	20.79	58,979.67	15,904.60	26.97
3	Services	1,14,066.55	13,757.81	12.06	99,677.26	12,515.69	12.56
4	Personal loans	1,30,032.91	7,753.18	5.96	51,388.33	1,564.44	3.04
	Sub-total (B)	3,74,056.71	47,995.11	12.83	2,10,045.26	29,984.73	14.28
	Total (A+B)	6,53,684.33	89,788.20	13.74	3,46,921.19	49,085.30	14.15

Note - Previous year figures are regrouped wherever necessary.

3.10 TReDS Exposure

(Rs in crore)

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

3.11 MOVEMENT OF NPA

(Rs in crore)

Particulars	31.03.2021	31.03.2020
Gross NPA (Opening Balance)	97,192.54	48,729.15
Additions (Fresh NPAs) during the year	16,948.97	14,021.70
Increase in balance of existing NPA	493.71	889.74
Sub-total (A)	1,14,635.22	63,640.59
Less:-		
(i) Up-gradations	2,674.49	1,870.54
(ii) Recoveries (excluding recoveries made from upgraded accounts)	5,189.88	4,267.27
(iii) Write-Offs	16,982.65	8,417.48
Sub-total (B)	24,847.02	14,555.29
Gross NPA (closing balance) (A-B)	89,788.20	49,085.30

3.12 In terms of RBI circular DBR.BP.BC.No. 32/21.04.018/2018-19 dated 1st April, 2019, the Bank should disclose the divergence, resulting due to RBI's Supervisory Program for Assessment of Risk and Capital, wherever either or both of the following conditions are satisfied:

- i) The additional provisioning for NPAs assessed by RBI exceeds 10 percent of the reported profit before provisions and contingencies for the reference period, and;
- ii) The additional Gross NPAs identified by RBI exceeds 15 percent of the published incremental Gross NPAs for the reference period.

As the divergence are within the prescribed threshold limit, hence no disclosure is required with respect to RBI's annual supervisory process for the FY 2019-20.

3.13 STOCK OF TECHNICAL WRITE-OFFS

(Rs in crore)

Sr. No.	Particulars	31.03.2021	31.03.2020
i)	Opening balance of Technical/ Prudential written-off accounts	46,139.52	11,496.15
ii)	Add: Technical/ Prudential write-offs during the year	14,746.88	6,760.22
iii)	Sub-total (A)	60,886.40	18,256.37
iv)	Less: Recoveries made from previously technical/ prudential written-off accounts during the year (B)	5,008.52	1,705.93
v)	Closing balance (A-B)	55,877.88	16,550.44

3.14 In term In terms of RBI Circular DOR.No.BPBC.62/21.04.048/2019-20 dated 17th April, 2020 on Covid-19 Regulatory Package – Review of Resolution Timelines under the Prudential Framework on Resolution of Stressed Assets the Bank has extended Resolution Period in respect of NIL accounts having aggregate exposure NIL.

3.15 OVERSEAS ASSETS, NPAS AND REVENUE

(Rs in crore)

Particulars	31.03.2021	31.03.2020
Total Assets	21,541.36	27,867.10
Total NPAs	2,545.74	2,221.59
Total Revenue	571.47	853.72

3.16 There is no Off – Balance Sheet SPVs sponsored by the Bank.

3.17 UNAMORTIZED PENSION AND GRATUITY LIABILITIES

(₹in crore)

Particulars	31.03.2021	31.03.2020
Pension		
a) Charged to Profit & Loss account	Nil	Nil
b) Carried forward	Nil	Nil
Gratuity		
a) Charged to Profit & Loss account	Nil	Nil
b) Carried forward	Nil	Nil

3.18 DISCLOSURES RELATING TO SECURITISATION

As on March 31, 2021 Bank does not have any Special Purpose Vehicles (SPVs) sponsored for securitization transactions.

3.19 CREDIT DEFAULT SWAPS:

The Bank has not entered into any Credit Default Swap transactions during the FY 20-21.

3.20 INTRA GROUP EXPOSURES

(Rs in crore)

Particulars	31.03.2021	31.03.2020
Total amount of Intra group exposure	Nil	Nil
Total amount of Top 20 Intra group exposure	Nil	Nil
Percentage of Intra group exposure to Total exposure of the Bank on borrowers/customers	Nil	Nil
Details of breach of limits on Intra group exposure and regulatory action thereon	Nil	Nil

3.21 TRANSFERS TO DEPOSITOR EDUCATION AND AWARENESS FUND (DEAF)

(Rs in crore)

Particulars	31.03.2021	31.03.2020
Opening balance amounts transferred to DEAF	1,914.71	1,146.21
Add: Amount transferred to DEAF during the Year	490.35	224.70
Less: Amount reimbursed by DEAF towards claims	29.82	31.19
Closing balance of Amount transferred to DEAF	2,375.24	1,339.72

3.22 UN-HEDGED FOREIGN CURRENCY EXPOSURES

In terms of guidelines issued by Reserve Bank of India with regard to UFCE, Bank has approved Policy on Unhedged Foreign Currency Exposure of Clients 2020-21. While framing the policy, Bank has taken into consideration the exchange risks arising out of volatility in the forex market and accordingly has made suitable provisions to reduce the risks. Bank has also taken into consideration credit risks arising out of unhedged foreign currency exposure and accordingly Bank has put in place risk mitigation measures by incorporating additional loan pricing framework. Total provision made for exposures to entities with UFCE for the year ended March 2021 is ₹ 19.09 Crores.

3.23 Compliance to the Provision of MSME Development Act, 2006

Bank is complying with the extant provisions of MSME Development Act, 2006 and there has been no reported cases of any delayed payments of the principal amount or interest due thereon to Micro, Small and Medium Enterprises.

4. LIQUIDITY COVERAGE RATIOS (LCR)

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

LCR is the ratio of HQLA to Net Cash Outflow.

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

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

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

HQLA:

Liquid assets comprise of high quality assets that can be readily sold or used as collateral to obtain funds in a range of stress scenarios. They should be unencumbered i.e. without legal, regulatory or operational impediments. Assets are considered to be high quality liquid assets if they can be easily and immediately converted into cash at little or no loss of value.

HQLA is categorized into two a) Level 1 Assets, and b) Level 2 Assets. Level 2 Assets are further sub divided into Level 2A Assets & Level 2B Assets based on Liquidity & Price Volatility.

Level 1 assets are stock of HQLA without any haircut. Level 1 Assets mainly comprise Cash including excess CRR (Cash Reserve Ratio), Excess SLR (Statutory Liquidity Ratio) securities, Marginal Standing Facility (3 % of Net demand & time liability) & FALLCR (15.00 % of Net demand & time liability). On account of the ongoing pandemic situation and resultant adverse impact on economic activity, RBI on 17th April 2020 has brought down the LCR minimum requirement to 80% till 31st December 2020, which is to be gradually restored to 90% from 1st October 2020 and 100% from 1st April 2021. Other relaxation extended are as under:

- ▶ Enhanced Marginal Standing Facility (MSF) from 2% to 3% of NDTL till 31st March 2021.
- ▶ Reduced CRR limit from 4% to 3% for 1 year (till 26th March 2021) and restored in phased manner to 3.5% from 27th March, 2021 & 4% with effective from 22nd May,2021.

A haircut of 15% is applied on current market value of Level 2A asset. Level 2A assets mainly comprise of securities with 20% risk weight. A 50% haircut is applied on current market value of Level 2B asset. Level 2B

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assets should not be more than 15% of the total stock of HQLA. Level 2B assets mainly comprise Securities with risk weights higher than 20% but not higher than 50%.

Net Cash Outflows

The total net cash outflows is defined as the total expected cash outflows minus total expected cash inflows. In order to determine cash outflows, the Bank, in terms of RBI guidelines, segregates its deposits into various customer segments, viz Retail (which include deposits from Natural Persons), Small Business Customers (those with total aggregated funding up to ₹ 5 crore) and deposits from Non-Financial Customers (NFC) and Other Legal Entity Customers (OLE). Total expected cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by the rates at which they are expected to flow in, up to an aggregate cap of 75% of total expected cash outflows.

Brief about LCR of the Bank

As per the Government of India order dated 4th March 2020 Andhra Bank and Corporation Bank have been merged with Union Bank of India. Since 1st April 2020, Liquidity Coverage Ratio (LCR) is being computed on daily basis as per RBI guidelines for amalgamated entity (including UBI, e-Corporation Bank, e-Andhra Bank, Overseas branches located in Dubai, Hong-Kong and Sydney and Subsidiary- Union Bank of India (UK) Limited).

The Bank during the three months ended March 31st, 2021 maintained average HQLA of ₹2,60,800 crores. Level 1 assets are the main drivers of HQLA for the bank. They contribute to 94% of the total stock of HQLA. Based on daily averages for the quarter ended 31st March 2021, Facility to avail Liquidity for Liquidity Coverage Ratio (FALLCR) constitutes the highest portion to HQLA i.e. around 53% of the total HQLA. Level 2 assets which are lower in quality as compared to Level 1 assets, constitute 6% of the total stock of HQLA against maximum permissible level of 40%.

Bank's exposure is mainly in Indian Rupees. Unsecured wholesale funding constitute major portion of total funding sources. Retail deposits and deposits from small business customers contributed around 23% and 5% of the total weighted cash outflows, respectively. Deposits from non-financial corporates contributed around 38% of the total weighted cash outflows. The other contingent funding obligations primarily include bank guarantees (BGs) and letters of credit (LCs) issued on behalf of the Bank's clients. Inflows by various counterparties contribute to around 78% of the total weighted cash inflows.

Bank has calculated LCR for all working days over the March 2021 quarter. The average of the daily observation of 69 data points is calculated. The average LCR for the quarter ended 31st March, 2021 is 181.01%, and is well above the present minimum requirement prescribed by RBI of 90% for the Quarter ended March 2021.

Movement of Average LCR during the F.Y 2020-21:

Quarter	June-2020	Sep-2020	Dec-2020	March-21	F.Y 2020-21
LCR Ratio:	163.84	178.69	183.99	181.01	176.70

4.2 Quantitative Disclosure

(Rs in Crore)

Yearly LCR Disclosure - Audited					
	Particulars	FY 2020-21		FY 2019-20	
		Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)
High Quality Liquid Assets					
1	Total High Quality Liquid Assets (HQLA)	256,813.63	253,354.91	118142.43	116567.89
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which:	581,259.28	44,262.31	271641.75	23490.24

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(i)	Stable deposits	2,77,272.39	13,863.62	73,478.75	3,673.94
(ii)	Less stable deposits	3,03,986.89	30,398.69	1,98,163.00	19,816.30
3	Unsecured wholesale funding, of which:	1,81,425.26	86,783.76	77,683.92	39,110.65
(i)	Operational deposits (all counterparties)	0.00	0.00	0.00	0.00
(ii)	Non-operational deposits (all counterparties)	1,81,425.26	86,783.76	77,683.92	39,110.65
(iii)	Unsecured debt				
4	Secured wholesale funding	2,688.14	2.47	2,053.63	18.28
5	Additional requirements, of which	1,29,317.22	17,949.89	35,949.66	6,187.03
(i)	Outflows related to derivative exposures and other collateral requirements	44.26	44.26	0.07	0.07
(ii)	Outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00
(iii)	Credit and liquidity facilities	1,29,272.96	17,905.63	35,949.59	6,186.96
6	Other contractual funding obligations	2,763.28	2,763.28	2,302.24	2302.24
7	Other contingent funding obligations	72,934.32	2,234.88	36,172.42	10,85.32
8	TOTAL CASH OUTFLOWS	970,387.59	153,996.68	425803.61	72193.76
Cash Inflows					
9	Secured lending (e.g. reverse repos)	28,397.91	0.00	5,434.75	0.00
10	Inflows from fully performing exposures	2,971.28	2,971.28	2,731.18	2,731.18
11	Other cash inflows	10,397.38	7,648.06	9,257.43	6,595.25
12	TOTAL CASH INFLOWS	41,766.57	10,619.34	17,423.36	9,326.43
		Total Adjusted Value		Total Adjusted Value	
13	TOTAL HQLA	2,53,354.91		1,16,567.89	
14	TOTAL NET CASH OUTFLOWS	1,43,377.33		62,867.33	
15	LIQUIDITY COVERAGE RATIO (%)	176.70%		185.42%	

5. FIXED ASSETS

Documentation formalities are yet to be completed in respect of one(P.Y. two) immovable properties held by the Bank at written down value of Rs 1.82 crore (P.Y. ₹ 1.98 crore.) in respect of which steps have already been initiated.

6. FRAUD CASES DETECTED/REPORTED

(₹ in crore)

Frauds Detected during the Year	No. of cases of Frauds detected	Amount involved in such frauds	Amount outstanding as on 31/03/2021	Provision made as of 31/03/2021	Unamortized provision as of 31/03/2021
Total	579	12,791.43	10,768.67	9,830.78	937.89

7. BALANCING OF BOOKS, RECONCILIATION OF INTER BRANCH / BANK TRANSACTIONS

- (i) Confirmation/ Reconciliation of balance with foreign banks and other banks has been obtained/ carried out.
- (ii) Adjustment of outstanding entries in Suspense Accounts, Sundry Deposits, Clearing Adjustments, Bank Reconciliation Statements and various inter-branch/office accounts is in progress.
- (iii) Pending final clearance of the (i) and (ii), the overall impact, if any, on the accounts, in the opinion of the management will not be significant.

8. ROADMAP FOR IMPLEMENTATION OF INDIAN ACCOUNTING STANDARDS (Ind-AS)

The RBI vide DBR.BP.BC.No. 76/21.07.001/2015-16 dated 11th February 2016, has prescribed the roadmap for implementation of Indian Accounting Standards (Ind-AS) in the Banks and the Banks needs to disclose





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the strategy for Ind-AS implementation, including the progress made in this regard. The Bank accordingly, has appointed a Consultant to assist in implementation of the Ind-AS. The Bank has also constituted a Steering Committee to oversee the progress made and the Audit Committee of the Board is being apprised of the same from time to time. Further, in terms of DO.DBR.BP.No.2535 /21.07.001/2017-18 dated 13th September 2017, the Bank is submitting Proforma Ind-AS financial statements to the RBI on quarterly basis. Latest Proforma financials for the quarter ended 31st December 2020 was submitted to RBI on 26th February 2021. However, vide Circular No RBI/2018-19/146 DBR.BP.BC.No.29/21.07.001/2018-19 dated 22nd March, 2019, RBI has deferred Ind-AS implementation till further notice.

9. CORPORATE TAXATION:

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

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

10. INVESTMENTS

- i) Profit of ₹ 1,844.94 crore (previous year ₹ 575.95 crore) on sale of “Held to Maturity” category securities has been taken to profit and loss account initially.
- ii) In respect of “Held to Maturity” category, as stated in Significant Accounting Policy No.4 (ii)(a), the excess of acquisition cost over face value of the securities amortized during the year amounted to ₹ 703.10 crore (previous year ₹ 291.33 crore).
- iii) Total investments made in shares, convertible debentures and units of equity linked mutual funds / venture capital funds and also advances against shares aggregate to ₹ 2,387.16 crore (previous year ₹ 1869.08 crore).

11. Climate Control

Union Bank of India has a policy in place in name of “Sustainable Development and Business Responsibility Policy” which is reviewed every year and last reviewed by the Board on 25.03.2021. Through this policy, the Bank is committed to make effort to protect and restore the environment. Bank has taken various initiatives like Electricity Conservations, avoid usage of plastic bottles for packaged drinking water etc.

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

13. There is change in the accounting policies/estimates followed (with effect from 1st April, 2020) during the year ended 31st March, 2021 as compared to those followed in the preceding financial year ended 31st March, 2020:

- a) With effect from 1st April, 2020, the income on account of LC/BG commission is recognized as revenue on accrual basis as against receipt basis followed in earlier periods. Impact due to the change in accounting policy has resulted in decrease in other income and net profit (before tax) for the year by ₹ 441.06 Crore.
- b) Pursuant to amalgamation of Andhra Bank and Corporation Bank into Union Bank of India, there is a change in method of depreciation on Fixed Assets from Written Down Value to Straight Line Method and change in estimated useful life with respect to some categories of assets. Impact due to the said changes has resulted in increase in depreciation and decrease in net profit (before tax) of ₹ 3.24 Crore for the year ended 31st March, 2021. However, due to harmonisation, one time impact on the depreciation during the year amounting to ₹ 180.16 Crore.

14. Other income of the Bank inter alia includes commission income of ₹ 24.38 Crore from sale of Priority Sector Lending Certificate. Traded value of PSCL certificate are given below:

Category	Traded Value (₹ In Crore)
PSLC-General	15,000.00
PSLC-Small & Marginal Farmer	3,500.00

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15. In terms of RBI instructions contained in DOR.STR.REC.4/21.04.048/2021-22 dtd. 7th April, 2021 the Bank shall refund/adjust interest on interest charged to all borrowers during the moratorium period i.e. 1st March, 2020 to 31st August, 2020. Pursuant to these instructions, the methodology for calculation of the amount to be refunded/adjusted shall be finalised by the Indian Bank Association (IBA) in consultation with other industry participants/bodies, which shall be adopted by the lending institutions. The IBA vide its letter dtd. 19th April, 2021 has informed the methodology as per Supreme Court Judgement. Accordingly, the Bank has estimated the liability of ₹127.30 Crore and recognised a charge in its Profit and Loss Account for the year ended March 31, 2021.
16. The figures of the previous year have been regrouped/rearranged wherever considered necessary.

Signatories to Schedules 1 to 18

(DHIRENDRA JAIN)
DY. GENERAL MANAGER

(PRAFULLA KUMAR SAMAL)
CHIEF FINANCIAL OFFICER

(NITESH RANJAN)
EXECUTIVE DIRECTOR

(MANAS RANJAN BISWAL)
EXECUTIVE DIRECTOR

(DINESH KUMAR GARG)
EXECUTIVE DIRECTOR

(GOPAL SINGH GUSAIN)
EXECUTIVE DIRECTOR

(RAJKIRAN RAI G.)
MANAGING DIRECTOR & CEO

(Dr. MADNESH KUMAR MISHRA)
DIRECTOR

(ARUN KUMAR SINGH)
DIRECTOR

(DR. UTTAM KUMAR SARKAR)
DIRECTOR

(DR. JAYADEV M.)
DIRECTOR

For M/s B M Chatrath & Co. LLP
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CA Vijay Garg
Partner
Membership No.076387
UDIN: 21076387AAAAAE3168

Place : MUMBAI
Date : 07th June, 2021