



i) **Introduction**

Union Bank of India (UK) Limited (UBIUK) is a fully owned subsidiary regulated by the Prudential Regulation Authority (PRA) and Financial Conduct Authority (FCA) in the UK. The Subsidiary prepares its books of accounts in compliance with the International Financial Reporting Standards (IFRS). However, the Holding Company viz Union Bank of India prepares its books of accounts under Indian Generally Accepted Accounting Principles (IGAAP). To ensure consistency and compliance with the Holding Company's reporting requirements, the Subsidiary seeks to appoint a reputable Chartered Accountant (CA) firm for the conversion of its financial statements from IFRS to IGAAP.

ii) **Objectives**

The main objective of this engagement is to convert the UBIUK's IFRS-based financial statements to IGAAP along with Limited Review Assurance ensuring they align with the requirements and expectations of the Holding Company for consolidation purposes.

iii) **Scope of Work:** The appointed Accounting & Audit firm will be responsible for the following tasks:

• **Conversion of Financial Statements:**

- Assess and convert the Subsidiary's financial statements prepared under IFRS to IGAAP, ensuring compliance with Indian accounting and regulatory standards.
- Prepare/Review financial statements under IGAAP for reporting periods i.e. quarterly & annually.
- Limited Assurance Review opinion stating that financials are prepared in all material aspects as per IGAAP and other regulatory guidelines and presents a true and fair view.

• **Identification and Documentation of Adjustments:**

- Identify and quantify necessary adjustments required for conversion from IFRS to IGAAP, including, but not limited to, differences in recognition, measurement, and disclosures between IFRS and IGAAP.
- Prepare comprehensive documentation for all adjustments made to assist in future reporting consistency and audit requirements.

• **Reconciliation Report:**

- Prepare a reconciliation statement that highlights key differences between IFRS and IGAAP financials for the specified reporting periods.
- Provide an explanation of each reconciliation item for clarity to the Holding Company.

• **Supporting Workpapers and Explanations:**

- Provide a complete set of workpapers, calculations, and detailed explanations of assumptions made and judgments applied in the conversion process.

• **Coordination with Holding Company:**

- Actively engage with the Parent Bank's finance and accounting teams in India to align on any specific requirements, address queries, and provide any necessary clarifications on the converted IGAAP financial statements.

• **Compliance and Regulatory Requirements:**

- Ensure that the converted financial statements comply with applicable regulatory requirements, guidelines, and directives issued by the relevant Indian authorities, including those from the Reserve Bank of India (RBI) where applicable.

**iv) Deliverables:** The following deliverables are expected from the Accounting & Audit firm:

- A fully converted set of financial statements in IGAAP for all specified reporting periods.
- A detailed reconciliation statement and explanatory notes.
- Supporting workpapers, schedules, and documentation of adjustments.
- Periodic status updates and a final presentation to the Subsidiary and Holding Company's management on the conversion process and final IGAAP financial statements.
- Statement of Related Party Transaction on Quarterly and Annual Basis with working details.
- Limited Assurance Review Report (Annually) stating that financials are prepared in all material aspects as per IGAAP and other regulatory guidelines and presents a true and fair view.
- Statement/Report required by the Auditor of parent company, if any.

**v) Timeline:** The appointed Accounting & Audit firm is expected to complete the conversion of financial statements by:

- The time limit for quarter end review is 10th of the subsequent month after completion of quarter end.
- The time limit for Annual / year end review is 20th of the subsequent month after completion of year end.

**vi) Terms of Engagement**

- The engagement will be conducted as per the mutually agreed terms and conditions.
- The Accounting & Audit firm is expected to maintain strict confidentiality regarding the Subsidiary's financial data and other sensitive information.
- The Accounting & Audit firm must adhere to all applicable ethical standards and professional codes of conduct.