

# CORPORATE GOVERNANCE REPORT

## 1. BANK'S PHILOSOPHY ON CORPORATE GOVERNANCE

- 1.1. Union Bank of India has a tradition of good corporate governance practices. The Bank has laid emphasis on the cardinal values of fairness, transparency and accountability for performance at all levels. Thus, enhancing the shareholders' value and protecting the interest of the stakeholders.
- 1.2 The Bank considers itself as trustee of its shareholders and acknowledges its responsibility towards them for creation and safeguarding shareholders' wealth. During the year under review, the Bank continued its pursuit of achieving these objectives through adoption and monitoring of corporate strategies, prudent business plans, monitoring of major risks of the Bank's business and pursuing policies and procedures to satisfy its legal and ethical responsibilities.

## 2. BOARD OF DIRECTORS

- 2.1 The composition of the Board of Directors is governed by the provisions of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 and Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970. As on 31.03.2014, the Board comprised of four whole-time Directors viz. Chairman & Managing Director and three Executive Directors appointed by the Government of India besides eleven part-time Non-Executive Directors who are eminent personalities from various walks of life. Their rich and varied experience, guide the Bank in its progress and achievements in various spheres.
- 2.2 The responsibilities of the Board includes formulation of policies, new initiatives, performance review and control & sanction of cases falling beyond the powers delegated to various functionaries in the Bank. The Board has constituted various sub-committees and delegated powers for different functional areas. The Board as well as its committees meet at periodical intervals.

## 3. BOARD/COMMITTEE MEETINGS AND PROCEEDINGS

### 3.1 Scheduling and Selection of Agenda Items

All Board/Committee Members are given notice of the meetings in advance. The meetings are governed by a structured agenda. The agenda along with the explanatory notes are distributed well in advance.

### 3.2 Availability of Information to the Members

All items in the agenda are supported by detailed background information to enable the members to make comprehensive review and take informed decisions.

### 3.3 Recording Minutes of the Proceedings

Minutes of the proceedings of each Board/Committee meetings are recorded in the respective minutes book.

In keeping with good corporate governance principles, the decisions on all agenda items are arrived by general consensus.

### 3.4 Follow-up Mechanism

The Bank has an effective mechanism for post meeting follow-up, review and reporting process for the actions taken on decisions of the Board and Committees. Action taken report on the decisions/minutes of the previous meeting(s) is placed to the Board/Sub Committee of the Board at the next meeting.

### 3.5 Compliance

The Board periodically reviews compliance reports to ensure adherence to all applicable provisions of law, rules and guidelines.

### 3.6 Code of Corporate Governance

Keeping in view the best practices, the Board has framed a voluntary code of Corporate Governance. The code helps to inculcate a spirit of good corporate governance right from the top. It basically encompasses and documents the practices followed in the Bank in conduct of its duties towards all the stakeholders like;

- Procedures for Board and its various Committees
- Compliance and monitoring procedures
- Relation with shareholders and customers
- Disclosures to public at large
- Corporate social responsibility and
- Other miscellaneous issues viz, code of conduct, insider trading, staff matters, vigilance etc.

### 3.7 Board Meetings

During the year under review 19 Board Meetings were held on the following dates: -

23 <sup>rd</sup> April, 2013	31 <sup>st</sup> October, 2013
8 <sup>th</sup> May, 2013	16 <sup>th</sup> November, 2013
9 <sup>th</sup> May, 2013	29 <sup>th</sup> November, 2013
5 <sup>th</sup> June, 2013	8 <sup>th</sup> January, 2014
8 <sup>th</sup> July, 2013	30 <sup>th</sup> January, 2014
31 <sup>st</sup> July, 2013	31 <sup>st</sup> January, 2014
1 <sup>st</sup> August, 2013	8 <sup>th</sup> March, 2014
3 <sup>rd</sup> September, 2013	8 <sup>th</sup> March, 2014 (Strategy Meet)
28 <sup>th</sup> September, 2013	27 <sup>th</sup> March, 2014
30 <sup>th</sup> October, 2013	

The details of attendance of each Director at the Board Meetings, number of other Board Committees, where he is a member or Chairman during the year, details of shareholding and directorship of other companies/corporations are furnished hereunder: -

**Details of Directors and meetings held during 2013-14**

Name of the Director & Category	DOB/Age (years)	Qualification	No. of Board Meetings Held During their Tenure	Meetings Attended	Member of Board Committees	Share-holding	Other Directorship
Shri Arun Tiwari CMD (Executive) \$	01.07.57 57 years	M. S. (Chemistry)	6	6	CAC-I, MCM, SCR & ALM, DPC, DPC(V), SCMF, STCB, CSCB, HR, ESV by PSBs, RMC	Nil	1
Shri D. Sarkar CMD (Executive) #	03.11.53 60 years	M.Com, FCA, CAIIB	13	13	CAC-I, MCM, SCR & ALM, DPC, DPC(V), SCMF, STCB, CSCB, HR, ESV by PSBs, RMC	Nil	3
Shri S.K.Jain Executive Director (Executive)	05.05.54 59 years	BSC (Hons), MA (Eco), CAIIB	19	19	CAC, MCM, ACB, SCR & ALM, SIGC, SCMF, STCB, CSCB, HR, IT, ESV by PSBs, RMC	Nil	1
Shri K.Subrahmanyam Executive Director (Executive)	15.07.55 58 years	B.Com.(Hons), CAIIB (I)	19	19	CAC, MCM, ACB, SCR & ALM, SIGC, SCMF, STCB, CSCB, HR, IT, ESV by PSBs, RMC	Nil	2
Shri Rakesh Sethi Executive Director (Executive) \$	28.06.56 58 years	B. Com, LLB, Diploma in Personnel Management	11	10	CAC, MCM, ACB, SCR & ALM, SIGC, SCMF, STCB, CSCB, HR, IT, ESV by PSBs, RMC	Nil	Nil
Mohammad Mustafa Government Nominee (Non-executive) \$	15.08.68 45 years	Post Graduation, M. A. Philosophy, IAS	10	5	ACB and MCM	Nil	Nil
Dr. A Bhattacharya Government Nominee (Non-executive) #	30.09.53 60 years	PHD in Economics, M Phil in Public Administration, LLB	9	7	ACB, SCR & ALM, DPC, DPC (V), SCMF, NCB, RCB, HR, RMC	Nil	Nil
Shri Deepak Singhal RBI Nominee (Non-executive) \$	21.01.59 55 years	MBA CAIIB	16	14	MCM, ACB, DPC, DPC(V), RCB	Nil	Nil
Shri Chandan Sinha RBI Nominee (Non-executive) #	15.08.57 56 years	MSC, MBA, CAIIB	3	3	MCM, ACB, DPC, DPC(V), RCB	Nil	Nil
Shri Jag Mohan Sharma Chartered Accountant Director (Non-Executive) \$	29.10.49 64 years	B Com (Hons.), FCA	6	6	MCM, ACB	Nil	Nil
Shri B.M.Sharma Chartered Accountant Director (Non-executive) #	15.07.56 57 years	FCA	-	-	MCM, ACB, SCR & ALM, STCB, NCB, IT, ESV by PSBs	Nil	Nil
Shri B.N.Bhattacharjee Officer Employee (Non-executive)	31.05.54 59 years	BA, LLB-I	19	19	MCM, CSCB, SCR & ALM, STCB	19	Nil

Name of the Director & Category	DOB/Age (years)	Qualification	No. of Board Meetings Held During their Tenure	Meetings Attended	Member of Board Committees	Share-holding	Other Directorship
Shri N. Shankar Workmen Employee (Non-Executive)	20.05.58 55 years	B.Sc., ICWA	19	19	MCM, CSCB, SIGC	Nil	Nil
Dr. Atul Agarwal Part Time Non-Official (Non-Executive) @	02.08.60 53 years	B.Com.,LLB, FCA, ISA(ICAI), Ph.D	19	15	MCM, ACB, SIGC, CSCB, IT, RCB, NCB, ESV by PSBs	300	Nil
Shri Shri Kant Misra Part Time Non-Official (Non-Executive) \$	08.03.55 59 years	B. Com, CA	19	15	NCB, SCR&ALM, MCM	Nil	Nil
Sushri Anusuiya Sharma Part Time Non-Official (Non-Executive) \$	15.06.48 65 years	M. A, B.Ed, LLB	18	15	MCM, SIGC	Nil	Nil
Dr. R.H.Dholakia Shareholder (Non-Executive)	02.04.53 61 years	Ph.D in Economics	19	12	MCM, HR, CSCB	200	3
Shri G.K.Lath Shareholder (Non-Executive) \$	20.08.52 61 years	B.Com., FCA	19	15	MCM, CSCB, SCMF, STCB, ACB	100	Nil
Shri D.Chatterji Shareholder (Non-Executive)	23.08.48 65 years	B.Com. (Hons.),CA	19	15	MCM, RCB, SCR & ALM, IT Strategy	200	10

**\$** New Directors Inducted

**Shri Arun Tiwari** nominated by the Government of India on the Board w.e.f. 26.12.2013 in place of Shri D.Sarkar whose term ended on 30.11.2013

**Shri Jag Mohan Sharma** nominated by the Government of India on the Board w.e.f. 05.12.2013 as Chartered Accountant-Director in place of Shri B. M. Sharma whose term ended on 15.04.2013

**Mohammad Mustafa** nominated by the Government of India on the Board w.e.f. 30.09.2013 in place of Dr. A. Bhattacharya whose term ended on 30.09.2013

**Shri Rakesh Sethi** Nominated by the Government of India on the Board w.e.f 05.08.2013 as Executive Director

**Shri Deepak Singhal** nominated on the Board w.e.f. 31.05.2013 in place of Shri Chandan Sinha whose term ended on 31.05.2013

**Shri Shri Kant Mishra** nominated by the Government of India on the Board w.e.f. 11.04.2013 as part time Non-official Director

**Sushri Anusuiya Sharma** nominated by the Government of India on the Board w.e.f. 06.05.2013 as part time Non-official Director

**@** Chairman of ACB

**#** Directors who completed their tenure

- CAC - Credit Approval Committee
- MCM - Management Committee of the Board
- ACB - Audit Committee of the Board
- SCR&ALM - Supervisory Committee of Directors on Risk & Asset Liability Management
- SIGC - Shareholders/Investors Grievance Committee of the Board
- DPC - Directors' Promotion Committee
- DPC (V) - Directors' Promotion Committee – Vigilance/Non-Vigilance
- STCB - Share Transfer Committee of the Board
- SCMF - Special Committee of the Board of Directors for monitoring cases of frauds of Rs.1 crore and above
- CSCB - Customer Service Committee of the Board

RCB	- Remuneration Committee of the Board
NCB	- Nomination Committee of the Board
HR	- Sub Committee of the Board for HR issues
IT	- IT Strategy Committee of the Board
RMC	- Recovery Management Committee of the Board
ESV by PSBs	- Election of Shareholders Voting by Public Sector Banks

### 3.8 Committee Membership of Directors

**Shri S.K.Jain**, Executive Director holds membership/chairmanship of Audit Committee/Investor Grievance Committee outside the Bank as under:

- Union KBC AMC Pvt. Ltd.- Member, Audit Committee

**Shri K. Subrahmanyam**, Executive Director holds membership/chairmanship of Audit Committee/Investor Grievance Committee outside the Bank as under:

- Star Union Dai-ichi-Life Insurance Co. Ltd.- Member, Audit Committee

**Shri D.Chatterji**, Director holds membership/chairmanship of Audit Committee/Investor Grievance Committee outside the Bank as under:

1. Hindusthan National Glass & Industries Ltd.- Member, Audit Committee
2. West Bengal Industrial Development Corporation Ltd.- Chairman, Audit Committee
3. Peerless Financial Services Ltd.- Chairman, Audit Committee
4. TRF Limited.- Chairman, Audit Committee
5. Texmaco Infrastructure & Holdings Ltd.- Member, Audit Committee
6. The Calcutta Stock Exchange Ltd., Member, Audit Committee

**Dr. R.H.Dholakia**, Director holds membership/chairmanship of Audit Committee/Investor Grievance Committee outside the Bank as under:

1. State Trading Corporation Ltd.- Member, Audit Committee.
2. Adani Enterprises Ltd.- Member, Audit Committee.

### 3.9 Inter se Relationship of Directors

None of the Directors are related to each other.

### 3.10 A brief profile of the new directors inducted on the Board during the financial year 2013-14 is as under:-

Profile of Directors inducted in the Board after 31<sup>st</sup> March, 2013.

Name	Age	Experience	Date of appointment	Expiry date of current term	Other Directorship
Shri Arun Tiwari, Chairman & Managing Director	57 years	Shri Arun Tiwari assumed the Office of the Chairman and Managing Director of the Bank on 26 <sup>th</sup> December, 2013. Born on 1 <sup>st</sup> July, 1957, Shri Tiwari is an M.Sc (Chemistry) and has also completed a course in Computer Programming. Shri Arun Tiwari started his career in Bank of Baroda as a Probationary Officer in 1979. He has worked in almost all the key segments of Banking in various capacities – at Branches, Zonal Office, and at Corporate Office as General Manager – MSME & Wealth Management, Whole-sale Banking. His tenure in the Bank spanned various geographies of the country and overseas centers at Kuala Lumpur and Singapore as Chief Executive of the respective territories. Shri Tiwari also headed Greater Mumbai Zone of Bank of Baroda, in the rank of General Manager. On his elevation as Executive Director, Shri Tiwari assumed the Office of Executive Director at Allahabad Bank from 18.06.2012 and handled the portfolios of CREDIT, Credit Monitoring, HR, IT, Risk Management, Finance & Accounts, Inspection, Vigilance and Branch Expansion & Support Services. Under aegis of the World Bank, Shri Tiwari did a Study Assignment in USA and Europe for export oriented Small Scale Industries in India. He has undergone many trainings and courses at various prestigious institutes, like Arthur D'Little, Boston, USA, Kellogg School of Management, Northwestern University, Chicago, Indian School of Business, Hyderabad, NIBM, Pune, Bankers' Training College, Mumbai, Indian Institute of Technology, Mumbai etc. He was a Director on the board of All Bank Finance Ltd. Presently, he is one of the Directors on the Board of General Insurance Corporation of India (GIC).	26.12.2013	30.06.2017 i.e. date of his attaining superannuation or until further orders whichever is earlier	1

Name	Age	Experience	Date of appointment	Expiry date of current term	Other Directorship
Shri Rakesh Sethi, Executive Director	58 years	Shri Rakesh Sethi, born on 28.06.1956, is a B.Com, LLB and Diploma holder in Personnel Management. He is a Certified Associate of the Indian Institute of Banking and Finance. He has vast experience of 35 years in various facets of banking with Bank of India. He has been a branch head of very large/exceptionally large and foreign branches of Bank of India and has worked extensively in the Credit Department at Regional Office/Zonal Office of the Bank. He was also the Zonal Manager, Chandigarh Zone covering branches of Himachal Pradesh, Haryana and Chandigarh. As a General Manager, he headed the National Banking - South, comprising all the six zones of Southern India having 565 branches. He also headed the Retail Banking division and Marketing Department at the Head Office and has been a member of various committees including ALCO, CORM, Investment Committee of the Bank. Shri Sethi has worked at different centers in India including Faridabad, Karnal, Chandigarh, Patiala, Indore, Jabalpur, New Delhi, Mumbai, Goa and Chennai. Over and above his domestic banking experience, Shri Sethi has had three foreign postings to his credit at Jersey - Channel Islands, Zambia and lastly as General Manager and Chief Executive of European operations of Bank of India. During his tenure in Bank of India, his core areas have been Retail/MSME and International Banking with a focus on increasing the bank's share in the overall customers' wealth. He likes touring different places in India & Abroad. He was elevated to the position of Executive Director of Union Bank of India on 5 <sup>th</sup> August, 2013, and since then, he has been overseeing operations in the Treasury, both domestic and forex, Retail Banking & Marketing, Transaction Banking & Third Party Products Distribution; Personal Banking & Operations; Government Business with emphasis on outreach and customer service, Corporate Communications - to promote both product and corporate image, Central Audit & Inspection Department with focus on control aspects, policy formulation relating to credit loans, retail, collateral etc.	05.08.2013	30.06.2016 i.e. date of his attaining superannuation or until further orders whichever is earlier	Nil
Mohammad Mustafa, Govt. Nominee Director	45 years	Mr. Mohammad Mustafa has been appointed as Government Nominee Director of the Board of the Bank w.e.f 30 <sup>th</sup> September, 2013. Mr. Mohammad Mustafa joined IAS in year 1995. He belongs to the Uttar Pradesh cadre. He did his Masters in Philosophy. Besides serving as Joint Magistrate and Chief Development Officers in many districts, he has served as Collector and District Magistrate of Kanpur, Pratapgarh, Rampur, Fatehpur and Balrampur. He has also served in various capacities in the Department of Secondary Education, Higher Education, Social Welfare, Minorities Welfare, Housing & Urban Development, Health & Family Welfare, Science & Technology, Entertainment Tax, Commercial Tax etc. He joined Department of Financial Services as Director in September, 2012. Prior to his nomination in the Union Bank of India, he had been a Government nominee Director in Andhra Bank.	30.09.2013	Until further orders	Nil
Shri Deepak Singhal, RBI Nominee	55 years	Shri Deepak Singhal is the Regional Director of New Delhi office of the Reserve Bank of India. Prior to the current assignment, he was Chief General Manager in-charge looking after the Department of Banking Operations and Development of the RBI at Mumbai. He has vast experience as a central banker of the country. He has earlier headed the Premises Department and Human Resource Development Department at Central Office. Shri Singhal has served on several important working groups/committees of the Basel Committee on Bank Supervision, BIS and Reserve Bank of India. He graduated from Allahabad University in 1977. He also acquired his MBA from the same University in 1979, as also CAIIB during the course of his career in the RBI.	31.05.2013	Until further orders	Nil
Shri Jag Mohan Sharma, Chartered Accountant Category	64 years	Shri Jagmohan Sharma from New Delhi has done his B.Com (Hons) from Delhi University and is a practicing Chartered Accountant with more than 33 years of experience. In the last 33 years, he has conducted various kinds of audits of the Bank's Branches. He was also appointed as concurrent auditor of large borrowers under the CDR mechanism by the Monitoring Institution, Punjab National Bank under CDR cell of RBI. Besides above, he was instrumental in creating Punjab National Bank Employees Welfare Trust for the welfare of existing as well as retired employees under Corporate Social Responsibility. He has also established the Punjab National Bank Centenary welfare Trust for the welfare of the members of Punjab National Bank. He has widely travelled in India and abroad.	05.12.2013	Three years from the date of appointment or until further orders whichever is earlier	Nil

Name	Age	Experience	Date of appointment	Expiry date of current term	Other Directorship
Shri Shri Kant Misra, Part Time Non-Official Director	59 years	Shri S.K.Misra born on 8 <sup>th</sup> March,1955 is a practicing Chartered Accountant since 1978. At present he is the proprietor of M/s S K N & Associates, having its head office at New Delhi. Mr. Misra was also a partner in M/s Chaturvedi & Co from the year 1982 till December, 2012. During his professional career of more than 35 years, he has handled various assignments of Statutory Audit (including Central Statutory Audit of various Nationalised Banks and Life Insurance Companies), Internal/Management Audit of various big business groups like Balrampur Chini, Times of India, Shaw Wallace, Advance Group of Industries, Vikas Telecom etc., Project Financing, Management Consultancy, preparation of accounting manuals for electronic media and real estate and hospitality companies, Expert opinion in Company Law and Income Tax matters, Financial due diligence, Idea Validation & Project feasibility reports and mergers and acquisitions. He has travelled around the globe to acquire and strengthen his knowledge and capabilities. He has gained specialisation in financial planning of real estate and hospitality projects. Shri Misra was also Honorary Secretary of Backward Area Industries Development Association. He is a member of Working Committee of Sanatan Dharam Mahamandal.	11.04.2013	10.04.2016 or until further orders whichever is earlier	Nil
Sushri Anusuiya Sharma (Part Time Non Official Director)	65 years	Central Government nominated Sushri Anusuiya Sharma as a part-time non-official director on the Board of Directors of Union Bank of India for a period of three years. She is M.A, B.Ed and LLB. Sushri Sharma, born in a freedom fighter family, has an active political background and has been a member of AICC, PCC, UPCC etc. She also has an active Trade Union background and is holding various posts like Member, General Secretary, resident etc of various Trade Union Committee/Unions. She has also been a member of various Government Committees besides having participated in seminars, both nationally and internationally.	06.05.2013	Three years from the date of notification of her appointment or until further orders whichever is earlier	Nil

### 3.11 Annual General Meeting:

The Eleventh Annual General Meeting of the Shareholders of the Bank was held on Wednesday 26<sup>th</sup> June, 2013 where the following directors were present:

1. Shri D.Sarkar - Chairman & Managing Director
2. Shri S. K.Jain - Executive Director
3. Shri K. Subrahmanyam - Executive Director
4. Shri B. N. Bhattacharjee - Officer Employee Representative Director
5. Dr. Atul Agrawal - Part Time Non-official Director, Chairman - Audit Committee & Chairman - Shareholders'/Investors Grievance Committee
6. Shri Gopal Krishan Lath - Shareholder Director
7. Dr. R. H. Dholakia - Shareholder Director

## 4 COMMITTEES OF THE BOARD

### 4.1 Audit Committee of the Board of Directors (ACB)

#### 4.1.1 Composition:

Pursuant to the directives of Reserve Bank of India, Audit Committee of the Board of Directors (ACB) has been constituted with seven Directors viz. Executive Directors, Nominees of the Government of India & Reserve Bank of India and two non-official non-executive Directors of which one is a Chartered Accountant, Dr. Atul Agarwal, Independent Non-official Director and a Chartered Accountant chairs the meetings of the Committee.

#### 4.1.2 Functions

The Audit Committee of the Board reviews the functions of the Bank as mandated by calendar of items issued by RBI on 10.11.2010. The major functions of ACB are enumerated below:

1. ACB provides direction as also oversees the operation of the total audit function in the Bank. Total audit function implies the organisation, operationalisation and quality control of internal audit and inspection within the Bank and follow-up on the statutory/external audit of the Bank and inspection by RBI.
2. ACB reviews the internal inspection/audit functions in the Bank i.e., the system, its quality and effectiveness in terms of follow-up. It reviews the inspection reports of specialised and extra-large branches and all branches with unsatisfactory ratings. It also specially focuses on the follow-up of:-

- Inter-branch adjustment accounts
  - Un-reconciled long outstanding entries in Inter-Bank accounts and Nostro accounts
  - Arrears in balancing of books at various branches
  - Frauds
  - All other major areas of housekeeping.
3. ACB obtains and reviews half-yearly reports from the Compliance Officers appointed in the Bank in terms of other guidelines of RBI and quarterly reports on compliance of listing and other SEBI guidelines.
  4. Regarding statutory audits, ACB follows up on all the issues raised in the Long Form Audit Reports. It interacts with the external auditors before and after the finalisation of annual/semi-annual financial accounts and on the audit reports.
  5. ACB reviews the accounting policies and practices, related party transactions, management discussion and analysis and quarterly and annual financial results of the Bank.
  6. ACB reviews the mechanism for whistle blower annually.
  7. Review of all financial policies of the Bank.
  8. Major accounting entries based on exercise of judgment by management.
  9. Qualifications, if any, in draft Audit Report.
  10. Significant adjustments arising out of audit, compliance with Accounting Standards.
  11. Going Concern Assumption.
  12. Default in payment to depositors, shareholders (dividend) & creditors. (Where there is delay in payment.)

#### 4.1.3 Attendance of ACB Meetings

The Committee met 10 times during the year 2013-14 and attendance details are as follows:-

Name of the Director	No. of Meetings Held During their Tenure	No. of Meetings Attended
Dr. Atul Agarwal, Chairman ACB	10	10
Shri S.K.Jain, ED	10	10
Shri K.Subrahmanyam, ED	10	10
Shri Rakesh Sethi, ED	7	6
Mohammad Mustafa, Government Nominee	6	2
Dr. A Bhattacharya, Government Nominee	4	3
Shri Deepak Singhal, RBI Nominee	8	8
Shri Chandan Sinha, RBI Nominee	2	1
Shri Jag Mohan Sharma, Director(CA Category)	4	4
Shri G. K. Lath, Part Time Non Official Director	7	7

## 4.2 Management Committee of the Board (MCB)

### 4.2.1. Composition:

Pursuant to the amendments made by the Ministry of Finance (Department of Economic Affairs) Banking Division vide Notification dated 19<sup>th</sup> February, 2007 to the Nationalised Bank's (Management & Miscellaneous Provisions Scheme) 1970 and further amendment upto 29<sup>th</sup> June, 2007, the Management Committee of the Board now consists of Chairman & Managing Director, Executive Director/s, RBI Nominee Director, a Chartered Accountant Director nominated by the Central Government under Section 9(3)(g) who functions as regular member of the Committee and three other Non-Executive Directors under Section 9(3) (e),(f),(h) & (i) nominated by the Board for a period of six months each on rotation basis. The Chairman & Managing Director is the Chairman of the Committee.

### 4.2.2. Functions

Pursuant to the directives of the Ministry of Finance, the Government of India, the Management Committee of the Board is constituted by the Board of Directors for considering various business matters viz. sanctioning of credit proposals, loan compromise/write-off proposals, approval of capital and revenue expenditure, acquisition and hiring of premises, investments, donations etc.

### 4.2.3. Attendance of MCB Meetings

During the year 2013-14, 26 meetings of Management Committee of the Board were held and attendance details are as under:-

Name of the Director	No. of Meetings Held During their Tenure	No. of Meetings Attended
Shri Arun Tiwari, CMD	9	9
Shri D. Sarkar, CMD	15	15
Shri S.K.Jain, ED	26	25
Shri K.Subrahmanyam, ED	26	25
Shri Rakesh Sethi, ED	19	17
Shri Deepak Singhal, RBI Nominee	23	18
Shri Chandan Sinha, RBI Nominee	3	2
Shri Jagmohan Sharma, Director (C.A. Category)	11	11
Shri N. Shankar, Workmen Employee Director	13	13
Shri B.N.Bhattacharjee, Officer Employee Director	12	11
Dr. Atul Agarwal, Non-Official Director	6	6
Dr. R.H.Dholakia, Shareholder Director	3	1
Shri G.K.Lath, Shareholder Director	9	6
Shri D.Chatterji, Shareholder Director	14	12
Shri S. K Mishra, Part Time Non Official Director	11	10
Sushri Anusuiya Sharma, Part Time Non official Director	10	9

### 4.3 Supervisory Committee of Directors on Risk & Asset Liability Management (SCR & ALM)

#### 4.3.1. Composition:

The Committee consists of the following members of the Board of Directors: Chairman & Managing Director, Executive Directors, Nominee of Government of India and three Non-Executive Directors. The Chairman & Managing Director is the Chairman of the Committee.

#### 4.3.2 Functions:

The Bank has constituted a Supervisory Committee of Directors on Risk and Asset Liability Management to supervise the functions of Risk and Asset Liability Management in the Bank. The Committee is responsible for identifying, evaluating and monitoring the overall risks faced by the Bank.

#### 4.3.3 Attendance of SCR & ALM Meeting

The Committee has held four meetings during the year 2013-14 and the attendance details are as under:

Name of the Director	No. of Meetings Held During their Tenure	No. of Meetings Attended
Shri Arun Tiwari, CMD	2	2
Shri D.Sarkar, CMD	2	2
Shri S.K.Jain, ED	4	3
Shri K.Subrahmanyam, ED	4	4
Shri Rakesh Sethi, ED	3	3
Mohammad Mustafa, Government Nominee Director	2	-
Dr. A. Bhattacharya, Government Nominee Director	2	2
Dr. Atul Agrawal, Part time Non Official Director	4	3
Shri B.N.Bhattacharjee, Workmen Employee Director	4	4
Shri D.Chatterji, Shareholder Director	4	3
Shri S K Mishra, Part Time Non-Official Director	3	3

### 4.4 Shareholders'/Investors' Grievance Committee of the Board (SIGC)

#### 4.4.1 Composition:

The Shareholders'/Investors' Grievance Committee of the Board consists of Executive Directors and Three Non-Executive Directors. The Chairman of the Committee is Dr. Atul Agarwal a Non-Executive Director.

#### 4.4.2 Functions:

Pursuant to Clause 49 of the Listing Agreement, a Shareholders'/Investors' Grievance Committee of the Board (SIGC) has been constituted by the Board to

look into the redressal of shareholders' and investors' complaints regarding transfer of shares, non-receipt of refund orders, share certificates, dividends etc.

#### 4.4.3 Attendance of SIGC

The Committee has held four meetings during the year 2013-14 and attendance details are as under:

Name of the Director	No. of Meetings Held During their Tenure	No. of Meetings Attended
Dr Atul Agarwal, (Chairman of SIGC)	4	4
Shri S.K.Jain, ED	4	4
Shri K.Subrahmanyam, ED	4	4
Shri Rakesh Sethi, ED	3	3
Shri N Shankar, Workmen Employee Director	4	4
Sushri Anusuiya Sharma, Part time Non Official Director	3	3

A comparative chart showing number of complaints received, responded and pending for the financial year ended 31.03.2014 *vis-à-vis* 31.03.2013 is as under:-

	For F.Y. ended 31.03.2014	For F.Y. ended 31.03.2013
a. No. of shareholders complaints pending at the beginning of the year	-NIL-	-NIL-
b. No. of shareholders complaints received during the year	1,377	1,027
c. No. of shareholders complaints resolved during the year	1,377	1,027
d. No. of shareholders complaints pending at the end of the year	-NIL-	-NIL-

Ms. Neha Agrawal, Company Secretary has been designated as the Compliance Officer of the Bank for Investor Grievances.

### 4.5 Share Transfer Committee of the Board (STCB)

#### 4.5.1 Composition:

The Committee consists of Chairman & Managing Director and/or Executive Directors, General Manager(MDO), and Chief Law Officer.

#### 4.5.2 Functions:

With a view to effecting speedy transfer of shares, the Bank has constituted a Share Transfer Committee of the Board with powers to confirm transfer, transmission, demat and issue of duplicate shares etc.

#### 4.5.3 Attendance of STCB:

During the year, the Committee attended to transfer, transmission, demat and issue of duplicate shares etc. and met 35 times.



#### 4.6 Special Committee of the Board of Directors for Monitoring Cases of Fraud of ₹ 1.00 Crore and Above (SCMF)

Special Committee of the Board of Directors for monitoring cases of frauds of ₹ 1 crore and above is constituted as per the guidelines issued by the Reserve Bank of India vide RBI/2004.15. DBS.FGV (F) No.1004/23.04.01A/2003-04 dated 14.01.04. At present, the Audit Committee of Board of Directors (ACB) is required to oversee the internal inspection, statutory audit, inter branch/inter bank accounts and major areas of housekeeping etc. The ACB is also required to focus attention on preventive aspects and follow-up action being initiated by the bank on frauds. However, this Special Committee focuses on Monitoring and following up of cases of frauds involving amounts of ₹ 1 crore and above exclusively while ACB continues to monitor all the cases of frauds in general.

##### 4.6.1 Composition:

The Special Committee is constituted with the following members of the Board of Directors.

- Chairman & Managing Director
- Two members from ACB
- Two other members from the Board excluding RBI nominee

##### 4.6.2 Functions:

The major functions of the Special Committee is to monitor and review all the cases of frauds of ₹ 1 crore and above so as to:

- Identify the systemic lacunae if any that facilitated the perpetration of the fraud and put in place measures to plug the same.
- Identify the reasons for delay in detection, if any and/or reporting to top management of the Bank and RBI.
- Monitor progress of CBI/Police Investigation and recovery position.
- Ensure that the staff accountability is examined at all levels in all the cases of frauds and staff side action, if required, is completed quickly without loss of time.
- Review the efficacy of the remedial action taken to prevent recurrence of frauds, such as strengthening of internal controls.
- Put in place other measures as may be considered relevant to strengthen preventive measures against frauds.

##### 4.6.3 Attendance of SCMF

The Committee has held three meetings during the year 2013-14 and attendance details are as under:

Name of the Director	No. of Meetings Held During their Tenure	No. of Meetings Attended
Shri D.Sarkar, CMD (Chairman)	2	2
Shri S.K.Jain, ED	3	3
Shri K.Subrahmanyam, ED	3	3
Shri Rakesh Sethi, ED	2	2
Mohammad Mustafa, Government Nominee Director	1	1
Dr. A Bhattacharya, Government Nominnee Director	2	2
Shri G.K.Lath, Shareholder Director	3	3

#### 4.7 Customer Service Committee of the Board (CSCB)

Customer Service Committee of the Board is constituted as per the guidelines issued by the Reserve Bank of India. It was constituted in terms of the Reserve Bank of India, DBOD circular dated 14<sup>th</sup> August, 2004.

##### 4.7.1 Composition:

The Committee Comprises of ten members as under:

- Chairman & Managing Director/Executive Directors
- Two Directors representing customer interest.
- Three Non-Executive Directors.
- Government Nominee Director is a permanent member.
- Two representatives of Customers as special invitees.

##### 4.7.2 Functions

The Committee is undertaking the following tasks:

- To make suggestions on improving the quality of services.
- To review the implementation of the existing policies and procedures with a view to rationalise and simplify them and to suggest appropriate improvements to facilitate changes on an ongoing basis.
- To oversee the functioning of the Adhoc Committee of the **Bank including compliance with recommendations of the Committee on Procedures and Performance Audit on Public Service (CPPAPS) set up by the Reserve Bank of India.**

#### 4.7.3 Attendance of CSCB

The Committee has held four meetings during the year 2013-14 and attendance details are as under:

Name of the Director	No. of Meetings Held During their Tenure	No. of Meetings Attended
Shri Arun Tiwari, CMD	1	1
Shri D.Sarkar, CMD	3	3
Shri S.K.Jain, ED	4	4
Shri K.Subrahmanyam, ED	4	4
Shri Rakesh Sethi, ED	3	3
Mohammad Mustafa, Government Nominee Director	2	-
Dr. A. Bhattacharya, Government Nominee Director	2	2
Shri N.Shankar, Workmen Employee Director	4	4
Shri B.N.Bhattacharjee, Officer Employee Director.	4	4
Dr.Atul Agarwal, Part Time Non Official Director	4	4
Dr. R.H.Dholakia, Shareholder Director	4	3
Shri G.K. Lath, Shareholder Director	4	4

#### 4.8 Remuneration Committee of the Board (RCB)

The Government of India (GOI) Ministry of Finance, Department of Economic Affairs (Banking Division) vide their communication F.No. 20/1/2005-BO.I dated 9<sup>th</sup> March, 2007 has announced a scheme of Performance Linked Incentive to the whole-time Directors of Public Sector Banks (PSBs). As per GOI communication, a Sub-committee of the Board of Directors called "Remuneration Committee" has been formed.

##### 4.8.1 Composition:

- Government Nominee Director
- RBI Nominee Director
- Two other Directors

##### 4.8.2 Functions:

To decide upon the performance linked incentive to be paid to the whole-time Directors of the Banks in terms of the above mentioned GOI guidelines.

##### 4.8.3 Attendance of RCB

The Committee met once during the year 2013-14 and the attendance details are as under:

Name of the Director	No. of Meetings held during their tenure	No. of meetings attended
Dr.A.Bhattacharya, Government Nominee (Chairman RCB)	1	1
Shri Deepak Singhal, RBI Nominee Director	1	1
Dr. Atul Agarwal, Part Time Non Official Director	1	1
Shri D.Chatterji, Shareholder Director	1	1

#### 4.9 Nomination Committee of the Board (NCB)

In exercise of the powers conferred by sub-sections (3AA) and (3AB) of Section 9 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980 (as amended in 2006), the Reserve Bank of India has laid down specific 'Fit and Proper' criteria to be fulfilled by the persons being elected as directors on the Boards of the Nationalised Banks. RBI has issued circular DBOD No.BCNo.47/29.39.001/2007-08 dated 1<sup>st</sup> November, 2007 on 'Fit and Proper' criteria for elected directors on the Boards of Nationalised Banks.

Banks are required to constitute a Nomination Committee to undertake process of due diligence to determine the fit and proper status of existing elected directors under section 9 (3) (i) of the Act. Accordingly, the Bank has formed a Nomination Committee of the Board.

##### 4.9.1 Composition:

- Three Non-Executive Independent Directors.

##### 4.9.2 Functions:

- To undertake the due diligence exercise afresh and examine the 'Fit and Proper' status of the elected director.
- To ensure whether non adherence to any of the criteria such as (i) Educational Qualification (ii) Experience and Field of expertise (iii) Track record and integrity, would hamper the existing elected director/proposed candidate from discharging the duties as a director on the Board of the Bank. Further, the candidate coming to the adverse notice of any authority/regulatory agency or insolvency or default of any loan from any Bank or any Financial Institution would make the candidate unfit and improper to be a director on the Board of the Bank.
- Based on the signed declaration, this Committee should decide on the acceptance or otherwise of the candidate and make references, where considered necessary to the appropriate authority/persons, to ensure their compliance with the requirements indicated.

#### 4.9.3 Attendance of NCB

The Committee met once during the year 2013-14 and attendance details are as under:

Name of the Director	No. of Meetings Held During their Tenure	No. of Meetings Attended
Dr. A. Bhattacharya, Govt. Nominee Director (Chairman NCB)	1	1
Shri Shri Kant Mishra, Part Time Non Official Director.	1	1
Dr. Atul Agarwal, Part Time Non Official Director.	1	1

#### 4.10 Directors Promotion Committee (DPC)

##### 4.10.1 Composition:

- Chairman and Managing Director
- Government of India Nominee Director
- RBI Nominee Director

##### 4.10.2 Functions:

The Committee considers candidates for promotions to Top Executive Grade Scale VII as well as representation of officers against non selection/non approval to Top Executive Grade Scale VII, besides considering cases for continuation in service in respect of officers in Top Executive Grade.

##### 4.10.3 Attendance of DPC

The Committee met once during the year 2013-14 and attendance details are as under:

Name of the Director	No. of Meetings Held During their Tenure	No. of Meetings Attended
Shri D.Sarkar, CMD	1	1
Dr. A.Bhattacharya, Government Nominee Director	1	1
Shri Chandan Sinha, RBI Nominee	1	1

#### 4.11 Directors Promotion Committee – Vigilance/Non-vigilance

##### 4.11.1 Composition:

- Chairman and Managing Director
- Government of India Nominee Director
- RBI Nominee Director

In addition, the Executive Directors also participate as special invitees in these Committee meetings.

##### 4.11.2 Functions:

The Committee reviews Vigilance, Non-Vigilance disciplinary cases and departmental enquiries on a quarterly basis.

#### 4.11.3 Attendance of DPC –Vigilance/Non-vigilance

The Committee has held four meetings during the year 2013-14 and attendance details are as under:

Name of the Director	No. of Meetings Held During their Tenure	No. of meetings attended
Shri Arun Tiwari, CMD	1	1
Shri D.Sarkar, CMD	2	2
Mohammad Mustafa, Government Nominee Director	2	1
Dr. A.Bhattacharya, Government Nominee Director	2	2
Shri Deepak Singhal, RBI Nominee Director	4	4

#### 4.12 HR Committee of Directors

##### 4.12.1 Composition

The Committee consists of Chairman and Managing Director and/or Executive Directors and any two Directors.

##### 4.12.2 Functions:

To oversee and review the implementation of following aspects:

1. Overall Strategy for the Bank.
  - Overall manpower plan and skills gap identification.
  - Systems, procedures and structures to attract and groom the right talent.
2. Development of performance management system covering all the staff in the Bank
  - Performance assessment on transparent Key Responsibility Areas.
  - System of providing developmental feedback to all staff.
3. Fine tuning of policies in line with the Bank's strategy and market realities.
  - Reward and incentives
  - Promotions
  - Deployment
4. Training
  - Specialist business skills training
  - General retaining/reorientation for all staff
5. IT automation of all HR related activities

##### 4.12.3 Attendance of HR Committee of Directors

The Committee has held three meetings during the year 2013-2014 and the attendance details are as under:

Name of the Director	No. of Meetings held during their tenure	No. of meetings attended
Shri Arun Tiwari, CMD	1	1
Shri D.Sarkar, CMD	2	2
Shri S.K.Jain, ED	3	2
Shri K.Subrahmanyam, ED	3	3
Shri Rakesh Sethi, ED	2	2
Mohammad Mustafa, Government Nominee	2	1
Dr.A.Bhattacharya, Government Nominee Director	1	1
Dr. R.H.Dholakia, Shareholder Director	3	3

#### 4.13 IT Strategy Committee of Directors

As a part of IT Governance measures, RBI has recommended creation of the IT Strategy Committee of the Board to advise the Board on strategic direction on IT and to review IT Investments on behalf of the Board.

##### 4.13.1 Composition

The Committee consists of:

- Executive Directors,
- Two Independent Directors - one of whom will be the Chairman of the meeting,
- Outside IT Expert,
- Chief Information Officer (GM heading the IT function of the Bank)

##### 4.13.2 Functions

- Approving IT strategy and policy documents
- Ensuring that the management has put an effective strategic planning process in place.
- Ratifying that the business strategy is indeed aligned with IT strategy.
- Ensuring that the IT organisational structure complements the business model and its direction
- Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business.
- Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable
- Monitoring the methods that management uses to determine the IT resources needed to achieve strategic goals and provide high level direction for sourcing and use of IT resources.
- Ensuring proper balance of IT investments for sustaining the bank's growth.
- Ensure adequate mitigation for exposure towards IT risks and controls, evaluating effectiveness of management's monitoring.
- Assessing Senior Management's performance in implementing IT strategies.

- Issuing high level policy guidance ( e.g. related to risk, funding or sourcing tasks).
- Confirming whether IT or business architecture is to be designed, so as to derive maximum business value from IT.
- Overseeing the aggregate funding of IT at a bank-level, and ascertaining if the management has resources to ensure the proper management of IT risks.
- Reviewing IT performance measurement and contribution of IT to business (i.e. delivering the promised value).
- To build up mechanism to undertake IT disaster management.

#### 4.13.3 Attendance of IT Strategy Committee of Directors

The Committee has held six meetings during the year 2013-2014 and attendance details are as under:

Name of the Director	No. of Meetings Held During their Tenure	No. of Meetings Attended
Dr. Atul Agarwal, Director (Chairman IT Strategy)	6	6
Shri S.K.Jain, ED	6	6
Shri K.Subrahmanyam, ED	6	6
Shri Rakesh Sethi, ED	3	3
Shri D. Chatterjee, Shareholder Director	6	4

#### 4.14. Committee of the Board to Decide on Election of Shareholder Directors – Voting by Public Sector Banks (ESV by PSBs)

The Government of India who is a major shareholder does not participate in the election process as specified by notification of Ministry of Finance vide its letter No.16/11/2012-BO-I dated 3<sup>rd</sup> April, 2012. As such the ministry has advised the Banks to constitute a Committee of the Board headed by CMD to carefully consider all factors like qualification, experience, profile and background of various candidates and take decisions on supporting the candidates in the election, Furthermore, in case of an election of shareholder director of PSBs, the requirement of the Bank in terms of expertise required in various field would also be taken into account. The communication further states that the Committee would not include the Government or the RBI Nominee Directors.

##### 4.14.1 Constitution:

The composition of the Committee is:

- Chairman & Managing Director
- Executive Directors
- Two other members as may be nominated by the Board.

#### 4.14.2 Functions:

Terms of Reference - Consider all factors including qualification, experience, profile and background of various candidates and take a decision on supporting the candidates in the election. Furthermore, in case of an election of shareholder director of PSBs, the requirement of the Bank in terms of the expertise required in various fields would also be taken into account.

#### 4.14.3 Attendance of Committee of the Board to Decide on Election of Shareholder Directors – Voting by Public Sector Banks.

The meeting is required to be convened as and when required. Since there was no requirement, no meeting of the Committee was held during the year 2013-14.

#### 4.15. Recovery Management Committee (RMC)

A Board level Sub Committee for Recovery Management has been formed as per GOI communication no. F.No.7/112/2012-BOA dated 21<sup>st</sup> November, 2012 on the above subject on 27.11.2012.

It has also been stated that Public Sector Banks (PSBs) should constitute a Board level Sub-Committee consisting of CMD, EDs and GOI Nominee Director to monitor the progress in recovery on regular basis and this Committee would submit its report to the Board.

##### 4.15.1 Constitution:

The composition of the Committee is:

- Chairman & Managing Director
- Executive Director(s)
- Government of India Nominee Director

##### 4.15.2 Functions:

To monitor the progress in recovery on regular basis and submit the report to the Board.

##### 4.15.3 Attendance of Recovery Management Committee

The Committee has held five meetings during the year 2013-2014 and attendance details are as under:

Name of the Director	No. of Meetings held during their tenure	No. of meetings attended
Shri Arun Tiwari, CMD	2	2
Shri D.Sarkar, CMD	3	3
Shri S.K.Jain, ED	5	5
Shri K.Subrahmanyam, ED	5	4
Shri Rakesh Sethi, ED	4	4
Mohammad Mustafa, Government Nominee Director	3	3
Dr. A. Bhattacharya, Government Nominee Director	2	2

#### 4.16. Credit Approval Committee-I (CAC)

As per the provisions contained in the Ministry of Finance, Department of Financial Services Gazette Notification No. SO.2736 (E) dated 5<sup>th</sup> December, 2011 the Board in its meeting held on 24.01.2012 has approved the constitution of Credit Approval Committee at the Central Office. CAC (Credit Approval Committee-I) is operational with effect from April, 2012.

##### 4.16.1 Constitution:

The composition of CAC is as under;

- Chairman & Managing Director (Mandatory)
- Executive Directors (at least one Mandatory)
- General Managers - Credit
- General Manager - Financial Planning & Investors Relations (CFO)
- General Manager - Risk Management (Mandatory)

##### 4.16.2 Functions:

Sanctioning of Credit proposals, Funded/Non Funded Loan Compromise/write off proposals

##### 4.16.3 Attendance of Credit Approval Committee-I

The Committee has held 35 meetings during the year 2013-2014 and attendance details are as under:

Name of the Director	No. of Meetings Held During their Tenure	No. of Meetings Attended
Shri Arun Tiwari, CMD	10	10
Shri D.Sarkar, CMD	25	25
Shri S.K.Jain, ED	35	34
Shri K.Subrahmanyam, ED	35	31
Shri Rakesh Sethi, ED	23	19
Attendees by Designation		
GM (RMD)	35	35
CFO	35	31
GMs (Credit)	35	34

#### 5. GENERAL BODY MEETINGS:

The details of the General Body Meetings of the Shareholders held during last three years are given below:

Nature of Meeting	Date & Time	Venue
Ninth Annual General Meeting	29 <sup>th</sup> June, 2011 at 3.30 p.m.	Rama Watumull Auditorium, K. C. College, Dinshaw Wacha Road, Churchgate, Mumbai – 400 020.
Extraordinary General Meeting	20 <sup>th</sup> March, 2012 at 11.00 a.m.	Rama Watumull Auditorium, K. C. College, Dinshaw Wacha Road, Churchgate, Mumbai – 400 020.

Nature of Meeting	Date & Time	Venue
Extraordinary General Meeting	26 <sup>th</sup> June, 2012 at 10.30 a.m.	Rama Watumull Auditorium, K. C. College, Dinshaw Wacha Road, Churchgate, Mumbai – 400 020.
Tenth Annual General Meeting	26 <sup>th</sup> June, 2012 at 3.30 p.m.	Rama Watumull Auditorium, K. C. College, Dinshaw Wacha Road, Churchgate, Mumbai – 400 020.
Extraordinary General Meeting	16 <sup>th</sup> March, 2013 at 10.00 a.m.	Rama Watumull Auditorium, K. C. College, Dinshaw Wacha Road, Churchgate, Mumbai – 400 020.
Eleventh Annual General Meeting	26 <sup>th</sup> June, 2013 at 3.30 p.m	Rama Watumull Auditorium, K. C. College, Dinshaw Wacha Road, Churchgate, Mumbai – 400 020.
Extraordinary General Meeting	14 <sup>th</sup> December, 2013 at 10 a.m	Rama Watumull Auditorium, K. C. College, Dinshaw Wacha Road, Churchgate, Mumbai – 400 020.

The details of special resolutions placed for approval in the Extraordinary General Meetings are as under:

#### 5.1 Extraordinary General Meeting held on 20<sup>th</sup> March, 2012.

##### Special resolutions:

- to create, offer, issue and allot up to 1,43,11,631 (One Crore Forty Three Lakh Eleven Thousand Six Hundred Thirty One) equity shares of ₹ 10/- each (Rupees Ten only) for cash at ₹ 248.05 in accordance with Regulation 76(1) of SEBI (ICDR) Regulations and aggregating up to ₹ 355 crore (Rupees Three Hundred Fifty Five Crore Only) on preferential basis to Government of India and
- to create, offer, issue and allot up to 2,62,16,620 (Two Crore Sixty Two Lakh Sixteen Thousand Six Hundred Twenty) equity shares of ₹ 10/- each (Rupees Ten only) for cash at ₹ 248.05 in accordance with Regulation 76(4) of SEBI (ICDR) Regulations and aggregating up to ₹ 650.30 crore (Rupees Six Hundred Fifty Crore and Thirty Lakh Only) on preferential basis to Life Insurance Corporation of India and/or various Schemes of Life Insurance Corporation of India (LIC).

Pursuant to the above resolution the Bank had received application money only from LIC and 2,62,16,620 shares have been issued and allotted to LIC of India on 30<sup>th</sup> March, 2012.

#### 5.2 Extraordinary General Meeting held on 16<sup>th</sup> March, 2013.

##### Special resolutions:

##### 1. Issue of Equity Shares through Preferential Allotment to Government of India (GoI)

To create, offer, issue and allot up to 4,62,45,174 (Four Crore Sixty Two Lakh Forty Five Thousand One Hundred Seventy Four) equity shares of ₹.10/- each (Rupees Ten only) for cash at ₹ 240.89 in accordance with Regulation 76(1) of SEBI ICDR Regulations and aggregating up to ₹ 1,114 crore (Rupees One Thousand One Hundred Fourteen Crore) on preferential basis to GOI.

##### 2. Issue of Equity Shares through Qualified Institutional Placement (QIP)

To create, offer, issue and allot by way of a Qualified Institutional Placement under Chapter VIII of ICDR Regulations, such number of Equity Shares of the Bank to Qualified Institutional Buyers as defined under Chapter VIII of ICDR Regulations, whether they be holders of the shares of the Bank or not, as may be decided by the Board in their discretion and permitted under the applicable laws and regulations, for an aggregate amount not exceeding ₹.1,386 crore (Rupees One Thousand Three Hundred Eighty Six crore only) at such time or times, at such price or prices including premium in such manner and on such terms and conditions as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead manager(s) and/or underwriter(s) and/or other advisor(s) as the Board may in its absolute discretion deem fit or appropriate.

Pursuant to the above resolutions the Bank has received application money from GOI and 4,62,45,174 shares have been issued and allotted to GOI on 21<sup>st</sup> March, 2013.

The Second Resolution was for extending the time for another one year enables the Bank to raise capital through QIP within a period of one year from passing of this Resolution at such time(s) and in such tranche(s) that would be in the interest of the Bank. The capital raised would be utilised to improve the Capital Adequacy and to fund general business needs of the Bank. So far the Bank has not raised any capital under the said resolution.

### 5.3 Extraordinary General Meeting held on 14<sup>th</sup> December, 2013.

#### Special resolutions:

#### 1. Issue of Equity Shares through Preferential Allotment to Government of India (GoI)

- a) To create, offer, issue and allot up to 3,35,12,064 (Three Crore Thirty Five Lakh Twelve Thousand Sixty Four only) equity shares of ₹10/- each (Rupees Ten only) for cash at an Issue Price of ₹ 149.20 including premium of ₹139.20 determined in accordance with Regulation 76(1) of SEBI ICDR Regulations and aggregating up to ₹ 500 crore (Rupees Five Hundred Crore only) on preferential basis to GOI.
- b) To create, offer, issue and allot by conversion of 11.10 crore PNCPS (Perpetual Non-cumulative Preferential Shares) of ₹10 each into 74,39,678 (Seventy Four Lakh Thirty Nine Thousand Six Hundred Seventy Eight) equity shares of ₹10/- each at an conversion price of ₹149.20 including premium of ₹139.20 determined in accordance with Regulation 76(1) of SEBI ICDR Regulations and aggregating up to ₹ 111 crore (Rupees One Hundred and Eleven Crore Only) on preferential basis to GOI.

#### 2. Issue of Equity Shares through Qualified Institutional Placement (QIP)

To create, offer, issue and allot by way of a Qualified Institutional Placement under Chapter VIII of ICDR Regulations, such number of Equity Shares of the Bank to Qualified Institutional Buyers as defined under Chapter VIII of ICDR Regulations, whether they be holders of the shares of the Bank or not, as may be decided by the Board in their discretion and permitted under the applicable laws and regulations, for an aggregate amount not exceeding ₹1,386 crore (Rupees One Thousand Three Hundred Eighty Six Crore only) at such time or times, at such price or prices including premium in such manner and on such terms and conditions as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead manager(s) and/or underwriter(s) and/or other advisor(s) as the Board may in its absolute discretion deem fit or appropriate.

Pursuant to the above resolutions the Bank has received application money from GOI and 3,35,12,064 equity shares have been issued and allotted to GOI on 21<sup>st</sup> December, 2013.

For Conversion of PNCPS, the Bank is yet to receive necessary approval from GOI and the same would be acted upon accordingly.

The Second Resolution enables the Bank to raise capital through QIP within a period of one year by way of a special resolution authorising the Board to raise capital by way of QIP to QIBs within a period of one year from passing of this Resolution at such time(s) and in such tranche(s) that would be in the interest of the Bank. The capital raised would be utilised to improve the Capital Adequacy and to fund general business needs of the Bank. So far the Bank has not raised any capital under the said resolution.

#### 6. DISCLOSURES

The Bank is governed by the Banking Regulations Act 1949, Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 and Nationalised Banks (Management & Miscellaneous Provisions) Scheme, 1970. SEBI has clarified that for listed entities which are not companies, but body corporates (e.g. private and public sector banks, financial institutions, insurance companies etc.) incorporated under other statutes, Clause 49 of the Listing Agreement will apply only to the extent that it does not violate their respective statutes and guidelines issued by the relevant regulatory authorities. Keeping in view the above, it is stated that the Bank is complying with all the applicable mandatory requirements of Clause 49 of the Listing Agreement. Compliance with respect to non-mandatory requirements under the said clause is also given in this report. The other disclosure requirements stipulated by the clause are as under:

##### i. Remuneration of Directors

The remuneration including traveling and halting expenses to Non-Executive Directors is being paid as decided by the Central Government in consultation with RBI from time to time in terms of Clause 17 of Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970.

The Chairman & Managing Director & Executive Directors are being paid remuneration and reimbursement of traveling and halting expenses as per the rules framed by Government of India in this regard. Other terms and conditions of the appointment of whole-time directors are as per clause 8 of the Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970. The details of the same are given in the notes to accounts.

##### ii. Disclosure of Material Transactions and Pecuniary Relationship

Other than those in the normal course of banking business, the Bank has not entered into any materially significant transaction with its promoters, directors or the management, their subsidiaries or relatives etc. that may have potential conflict with

the interests of the Bank at large. There was no pecuniary relationship or transactions of the non-executive director *vis-à-vis* the Bank during the year.

It is an established practice in the Bank that Directors do not take part in the deliberations of the Board and other Sub-Committees of the Board, when matters relating to them or to their relatives/firms/companies in which they are interested are discussed.

### iii. Proceeds From Public issues, Right issues, Preferential issues etc.

During the year under review the Bank has increased its equity capital by way of allotment of 3,35,12,064 equity shares of ₹.10/-each to Government of India on preferential basis.

The Bank issued Non Convertible Bonds in the nature of Promissory Notes (Tier I & II capital) from time to time. The relevant details are mentioned in para 8.2 of the report.

The funds were raised with the primary objective of augmenting Capital for strengthening Capital Adequacy Ratio and for improving the long-term resources of the Bank and the same were utilised for the said purpose.

### iv. Penalties or Strictures

No penalties or strictures were imposed on the Bank by any of the Stock Exchanges, SEBI or any Statutory Authority on any matter relating to Capital Markets during the last three years.

### v. Whistle Blower Policy

The Bank has put in place the Whistle Blower Policy. The Audit Committee periodically reviews the functioning of the said policy. It is further stated that no employee has been denied access to the Audit Committee.

### vi. Management Discussion and Analysis

The same has been given separately in the Annual Report.

## 7. MEANS OF COMMUNICATIONS

The quarterly, half-yearly and annual financial results of the Bank were published in leading newspapers including Financial Express (English), Free Press Journal (English), Navbharat (Hindi) and Navshakti (Marathi). The results are simultaneously displayed on the Bank's website- [www.unionbankofindia.co.in](http://www.unionbankofindia.co.in). Similarly, the press releases issued by the Bank, related presentations, shareholding pattern etc. are also simultaneously placed on the Bank's website.

## 8. SHAREHOLDERS' INFORMATION

8.1 The Bank is a Scheduled Commercial Bank with its Head Office at Mumbai. The Bank has its presence in different parts of the country with a network of 3,871 Branches (including two Overseas Branches) as on 31<sup>st</sup> March, 2014.

8.2 The Bank's equity shares are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited and its stock scrip code is as follows: -

Bombay Stock Exchange Limited (BSE)	532477
National Stock Exchange of India Limited (NSE)	UNIONBANK-EQ

The annual listing fee for the financial year 2014-15 has been paid to the Stock Exchanges before/on 30<sup>th</sup> April, 2014.

The Bank has issued Non Convertible Bonds in the nature of Promissory Notes (Tier I & II capital) from time to time. The relevant details thereof as on 31<sup>st</sup> March, 2014 are as under:

SERIES	Size (Rs. in Cr)	Date of Allotment	Maturity Date	Coupon Rate % (p.a.)	ISIN NO.
VII	450	08.02.2005	08.05.2015	7.15	INE692A09076
VIII-FIXED	600	23.09.2005	23.04.2015	7.45	INE692A09084
IX	200	19.05.2006	19.05.2016	8.33	INE692A09100
X-Ist TRANCHE	300	10.10.2006	PERPETUAL	9.45 UPTO 10YRS STEP UPTO 9.95 AFTER 10 <sup>TH</sup> YR	INE692A09118
X-IIND TRANCHE UPPER TIER –II	750	16.10.2006	16.10.2021	8.95 WITH STEP UPTO 9.45 AFTER 10 <sup>TH</sup> YR	INE692A09126
XI – LOWER TIER – II, –Ist TRANCHE	400	12.12.2007	12.04.2018	9.35	INE692A09134
XI-IInd TRANCHE	200	12.12.2007	PERPETUAL	9.90 UP TO 10 YRS STEP UP TO 10.40 AFTER 10 <sup>TH</sup> YR	INE692A09142



SERIES	Size (Rs. in Cr)	Date of Allotment	Maturity Date	Coupon Rate % (p.a.)	ISIN NO.
XII PERPETUAL	200	09.09.2008	PERPETUAL	11.15% UP TO 10 YRS STEP UP TO 11.65 AFTER 10 <sup>TH</sup> YR, IF CALL OPTION NOT EXERCISED	INE692A09159
XII LOWER TIER II	400	17.09.2008	17.09.2018	10.95	INE692A09167
XII LOWER TIER II	200	23.12.2008	23.12.2018	9.50	INE692A09175
XII LOWER TIER II	200	30.12.2008	30.12.2018	8.60	INE692A09183
XII PERPETUAL	140	30.03.2009	PERPETUAL	9.10 UP TO 10 YRS STEP UP TO 9.60 AFTER 10 <sup>TH</sup> YR, IF CALL OPTION NOT EXERCISED	INE692A09191
XIV-A PERPETUAL	200	16.06.2009	PERPETUAL	8.85 UP TO 10 YRS STEP UP TO 9.35 AFTER 10 <sup>TH</sup> YEAR, IF CALL OPTION NOT EXERCISED	INE692A09209
XIV-B UPPER TIER II	500	25.06.2009	15 YEARS 25.06.2024	8.65 UPTO 10 YRS STEP UP TO 9.15 AFTER 10 <sup>TH</sup> YR, IF CALL OPTION NOT EXERCISED	INE692A09217
XIV-C UPPER TIER II	500	27.01.2010	15 YEARS 27.01.2025	8.55 UPTO 10YRS STEP UP TO 9.05 AFTER 10 <sup>TH</sup> YR, IF CALL OPTION NOT EXERCISED.	INE692A09225
XV-A Upper Tier II	500	28.06.2010	15YEARS 28.06.2025	8.48 UP TO 10UYS STEP UP TO 8.98 FROM 11 <sup>TH</sup> YR , IF CALL OPTION NOT EXERCISED	INE692A09233
XVI-B Lower Tier II	800	28.12.2012	28.12.2022	8.90	INE692A09241
XVII-A	2000	22.11.2013	22.11.2023	9.80 ANNUALLY	INE692A09266
<b>TOTAL</b>	<b>8540</b>				

All these bonds are listed on National Stock Exchange of India Ltd and the Bank has paid the Annual listing fee for 2014-15 to the Stock Exchange before/on 30<sup>th</sup> April 2014.

### 8.3 Dividend

In addition to the interim dividend of 27% already declared in the Board Meeting dated 8<sup>th</sup> January, 2014, the Board of Bank in the meeting held on 8<sup>th</sup> May, 2014 has recommended total dividend for the Year 2013-14 at 40 % i.e. Rs. 4.00 per share.

### 8.4 Particulars of AGM & Financial Calendar

#### 8.4.1 Particulars of AGM

Board Meeting for considering Accounts and Dividend	8 <sup>th</sup> May, 2014
Date, Time & Venue of AGM	27 <sup>th</sup> June, 2014 at 11:00 a.m at Rama Watumull Auditorium, K. C. College, Dinshaw Wacha Road, Churchgate, Mumbai-400020
Posting of Notices of AGM and Annual Report	On or before 31 <sup>st</sup> May, 2014
Dates of Book Closure	21 <sup>st</sup> June 2014 to 27 <sup>th</sup> June 2014
Date of payment of dividend	8 <sup>th</sup> July, 2014

#### 8.4.2 Financial Calendar

The tentative calendar for declaration of results for the financial year 2014-15 is given below:

Financial Results	Likely release of results
For the quarter ending 30 <sup>th</sup> June 2014	25 <sup>th</sup> July, 2014
For the quarter ending 30 <sup>th</sup> September, 2014	28 <sup>th</sup> October, 2014
For the quarter ending 31 <sup>st</sup> December, 2014	27 <sup>th</sup> January, 2014
For the year ending 31 <sup>st</sup> March, 2015	8 <sup>th</sup> May, 2015

### 8.5 Share Transfer System and Redressal of Investors' Grievances

The Bank ensures that all transfers of shares are duly effected within the period of one month from the date of their lodgment with proper documents. The Bank has constituted the Share Transfer Committee of the Board to consider the transfer of shares and other related matters.

Share Transfer and all other investor related activities are attended to and processed at the office of the Registrar & Transfer Agent, Datamatics Financial Services Ltd., Mumbai. The shareholders may lodge their transfer deeds and any other documents, grievances and complaints to the Registrar & Transfer Agent at the following address. The Bank has also established Investor Services Division at their Head Office, Mumbai. The shareholders may contact Company Secretary, Investor Services Division for any of their complaint/grievances. [investorservices@unionbankofindia.com](mailto:investorservices@unionbankofindia.com) is the designated e-mail ID in terms of clause 47 (f) of the listing agreement.

**Registrar & Transfer Agent**

Datamatics Financial Services Ltd.  
Plot No.B-5, Part B, Crosslane, MIDC, Marol,  
Andheri (E),  
**Mumbai-400 093.**  
Tel-(022) 66712151-60  
Fax-(022) 28213404  
E-mail: [ubiinvestors@dfssl.com](mailto:ubiinvestors@dfssl.com)

**Investor Services Division**

Union Bank of India  
12<sup>th</sup> Floor, Central Office,  
239, Vidhan Bhavan Marg,  
Nariman Point,  
**Mumbai-400 021.**  
Tel-(022) 22896643/36  
Fax-(022) 22025238  
E-mail: [investorservices@unionbankofindia.com](mailto:investorservices@unionbankofindia.com)

Also, the Bank has placed a list of frequently asked questions about investor services like change of details, transfer/transmission and issue of duplicate shares/dividend warrants on its website, the same can be checked for easy understanding of procedures and documentation.

**8.5.1 Other Communications**

In addition to timely responses to the queries of the shareholders, the Bank proactively sends a half yearly communication to the shareholders to promote good investors' relations.

The set of communication sent this year was focused on following areas:

- i. Half-yearly performance
- ii. Claiming unpaid dividends and updation of bank details/Dividend Mandate Form
- iii. Implementation of Green Initiative in the Corporate Governance initiated by the Ministry of Corporate Affairs, Government of India.

**8.6 Dematerialisation of Shares**

The Bank's shares are traded compulsorily in Demat form only. The Bank has entered into agreements with both the Depositories viz. National Securities Depositories Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for dematerialisation of the Bank's shares. The ISIN code allotted to the Bank's Equity Shares is **INE692 A01016**. Therefore, it is requested that the shareholders holding the shares in physical mode may get their shares dematerialised in their own interest as it will save them from safe custody of the share certificates which at times may lead to loss/mutilation. Besides, this would also provide them instant liquidity as the shares of the Bank is traded in demat form. This would also result in an easy and faster collection of dividend payments. Particulars of shares in Demat and Physical form are held by the shareholders as of 31.03.2014 are as under:-

	No. of Shareholders	No. of Shares	% Shareholding
<b>Physical</b>	63,330	1,41,04,916	2.24
<b>Demat</b>			
NSDL	1,06,532	21,99,64,990	34.90
CDSL	69,096	39,62,36,367	62.86
<b>Total</b>	<b>2,38,958</b>	<b>63,03,06,273</b>	<b>100.00</b>

Further, in pursuance of the circular issued by SEBI, a practicing Chartered Accountant/Company Secretary has also conducted reconciliation of Share Capital Audit on a quarterly basis. During the course of reconciliation of Share Capital audit no discrepancy in updation/maintenance of the Register of Members or processing of demat requests was found and the capital held in physical mode and demat mode tally with the issued capital.

**8.7 Electronic Clearing Service/Direct Credit to Union Bank Account**

SEBI has made it mandatory for all the listed companies to use the Bank Account details furnished by the Depositories for distribution of dividend through National Electronic Clearing Service (NECS) to the investors, wherever NECS facility is available. In the absence of NECS facility, the Bank shall print the Bank Account details, if available, on the payment instruments for distribution of dividend to the investors.

In addition to above, the Bank has also provided facility of credit of dividend amount by way of-

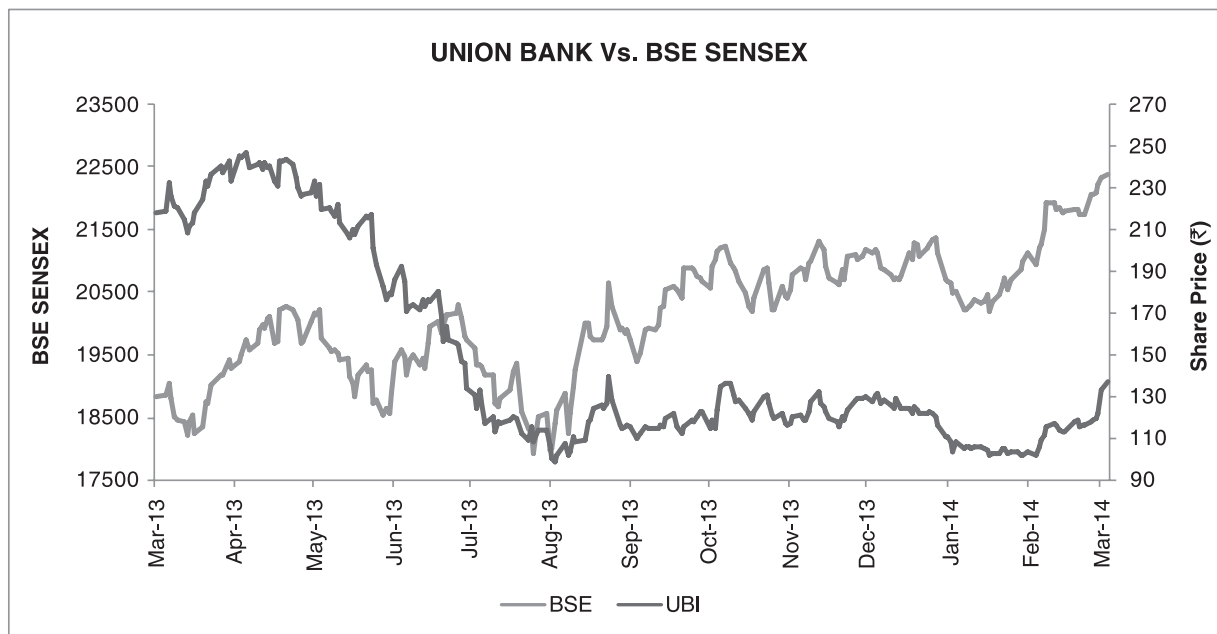
**Direct Credit of dividend amount to the account of the shareholders having their account with Union Bank of India.**

The dividend mandate form is available on the website of the Bank ([www.unionbankofindia.co.in](http://www.unionbankofindia.co.in)) and is also enclosed in this Annual Report as well.

Shareholders are requested to update their correct and complete account number with the Registrar & Transfer Agent of the Bank or Depository Participant (DP) as the case may be for smooth credit of dividend amount to their accounts. In case of non availability of correct and complete account number, the Bank has to issue physical dividend warrants printing therein account details as provided by the shareholders.

**8.8 Market Price, Volume of shares traded in Stock Exchanges**

Months	BSE			NSE		
	High (₹)	Low (₹)	Volume (Nos.)	High (₹)	Low (₹)	Volume (Nos.)
April '13	247.8	204.75	3,546,025	247.90	204.50	29,771,918
May '13	255.00	216.65	4,456,714	255.00	216.50	38,073,109
June '13	224.10	176.40	5,202,022	224.00	176.25	26,112,167
July '13	193.5	118.35	7,575,725	193.00	118.55	53,427,093
August '13	134.00	97.10	11,678,476	134.15	97.00	74,689,058
September '13	142.4	100.15	15,738,148	142.30	100.00	93,729,666
October '13	125.00	108.25	15,893,144	125.00	108.05	89,893,490
November '13	142.70	115.25	19,818,439	142.70	115.10	111,223,732
December '13	134.15	114.50	13,282,220	134.40	114.35	90,793,077
January '14	136.00	103.35	12,793,504	136.00	103.05	76,281,147
February '14	109.00	100.60	6,760,549	109.05	100.50	43,983,569
March '14	138.50	101.55	10,966,868	138.60	101.30	81,793,764
As on 31.03.2014 Closing Price	₹ 137.20			₹ 137.40		
Market Capitalisation	₹ 8,647.80 crore			₹ 8,660.41 crore		



## 8.9 Distribution of Shareholding

The Government's shareholding in the Bank is 37.90 crore shares aggregating to ₹.378.97 crore in the total issued capital of ₹.630.31 crore. The distribution of shareholding as of 31.03.2013 and as of 31.03.2014 is as under:

Shareholding	As of 31/03/2013				As of 31/03/2014			
	No. of shareholders	% to total	No. of shares	% to total	No. of shareholders	% to total	No. of shares	% to total
upto 500	188,821	90.05	27,141,516	4.55	213,156	89.20	30,611,515	4.86
501 to 1000	16,320	7.78	10,699,065	1.79	18,899	7.91	12,771,381	2.03
1001 to 2000	3,018	1.44	4,121,551	0.69	4,296	1.80	6,052,568	0.96
2001 to 3000	580	0.28	1,420,883	0.24	1,015	0.42	2,545,714	0.40
3001 to 4000	184	0.09	645785	0.11	387	0.17	1373764	0.22
4001 to 5000	105	0.05	488479	0.08	246	0.10	1145975	0.18
5001 to 10000	220	0.10	1590924	0.27	415	0.17	2946654	0.47
10001 & above	443	0.21	550686006	92.27	544	0.23	572858702	90.88
<b>Total</b>	<b>209691</b>	<b>100.00</b>	<b>596794209</b>	<b>100.00</b>	<b>238958</b>	<b>100.00</b>	<b>630306273</b>	<b>100.00</b>

The face value of Bank's share is ₹ 10/-. The Bank has also issued Perpetual Non-cumulative Preference Shares (PNCPS) to the extent of ₹ 111/- crore to the Government of India.

## 8.10 Shareholding Pattern

The shareholding pattern of the Bank's shares as of 31.03.2013 and as of 31.03.2014 was as follows:-

Category of shareholder	As of 31/03/2013		As of 31/03/2014	
	No. of shares held	% to total holding	No. of shares held	% to total holding
Government of India	34,54,59,689	57.89	37,89,71,753	60.13
Non-Residents (FIIs/OCBs/NRIs)	6,36,03,403	10.66	5,41,30,826	8.59
Banks/Financial Institutions/Insurance Cos.	7,01,52,974	11.75	7,02,67,222	11.15
Mutual Funds/UTI	3,74,83,056	6.28	3,45,05,926	5.47
Domestic Companies/Private Corporate Bodies/Trusts	3,24,21,665	5.43	3,31,54,868	5.26
Resident Individuals	4,76,73,422	7.99	5,92,75,678	9.40
<b>Total</b>	<b>59,67,94,209</b>	<b>100.00</b>	<b>63,03,06,273</b>	<b>100.00</b>

### List of Top 10 Shareholders of the Bank:

The list of top 10 shareholders of the Bank as on 31.03.2014 is as follows:

Sr. No.	Name	No. of shares	% to Capital
1.	PRESIDENT OF INDIA	378971753	60.13
2.	LIFE INSURANCE CORPORATION OF INDIA	47134525	7.48
3.	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED	14928590	2.37
4.	LIC OF INDIA MONEY PLUS GROWTH FUND	6547690	1.04
5.	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.	6403064	1.02
6.	MERRILL LYNCH CAPITAL MARKETS ESPANA S.A. S.V.	5655288	0.90
7.	HDFC TRUSTEE COMPANY LTD - A/C HDFC MID – CAP OPPORTUNITIES FUND	5500000	0.87
8.	HDFC TRUSTEE COMPANY LIMITED - HDFC TOP 200 FUND	4977000	0.79
9.	LIC OF INDIA MARKET PLUS 1 GROWTH FUND	4650577	0.73
10.	ICICI PRUDENTIAL DISCOVERY FUND	4623227	0.73
TOTAL		479391714	76.06

## 8.11 Unclaimed/Unpaid Dividend

The amount of dividend remaining unclaimed for a period of seven years from the date of transfer of dividend to the Unpaid Dividend Account shall be transferred to the Investor Education and Protection Fund. Thereafter, no claim shall lie against the Bank or the said Fund in respect of dividend amounts that have been transferred to the said Fund. The list of dividends declared so far and the last date for making claim for various dividend accounts are given below:

Period of the Dividend	% of dividend declared	Last date for making claim
Final Dividend 2006-07	20%	27.07.2014
Dividend for 2007-08	40%	08.08.2015
Dividend for 2008-09	50%	02.08.2016
Dividend for 2009-10	55%	09.08.2017
Dividend for 2010-11	80%	08.08.2018
Dividend for 2011-12	80%	06.08.2019
Dividend for 2012-13	80%	29.07.2020
Interim Dividend 2013-14	27%	11.02.2021

The shareholders who have not received or claimed the above dividends till now are requested to make a claim at the earliest to the Registrar & Transfer Agent or the Investor Services Division of the Bank. A format of indemnity bond in this respect is available on the website of the bank ([www.unionbankofindia.co.in](http://www.unionbankofindia.co.in))

## 8.12 Unclaimed Shares:

### a) In Demat Form:

As per Clause 5A of the listing agreement i.e. Uniform procedure for dealing with unclaimed shares, the Bank has opened a Demat Suspense Account in March 2010 after completion of procedure as instructed by SEBI. The shares allotted to the applicants at the time of Bank's FPO during 2006, but not credited to their respective demat account due to some technical reasons are controlled in this account. The details of the shares lying in this account are as follows:

	No. of shareholders	No. of shares
Balance as of 01.04.2013 lying in Demat Suspense Account	235	29130
Shareholders approached for transfer during the financial year 2013-14	2	349
Shareholders to whom shares were transferred during the year 2013-14	2	349
Balance as on 31.03.2014 lying in Demat Suspense Account	233	28781

The voting rights on above mentioned 28,781 shares shall remain frozen till the rightful owner of these shares claims the same.

### b) In Physical Form:

As per Clause 5A-II of the listing agreement i.e. Uniform procedure for dealing with unclaimed shares in physical form, the Bank has opened a Unclaimed Suspense Account in March 2012 after completion of procedure as instructed by SEBI. The shares issued in physical form during the IPO of the Bank in the year 2002, which are still unclaimed are controlled in this account. The details of the shares lying in this account are as follows:

	No. of shareholders	No. of shares
Balance as of 01.04.2013 lying in Demat Suspense Account	4	600
Shareholders approached for transfer during the financial year 2013-14	NIL	NIL
Shareholders to whom shares were transferred during the year 2013-14	N.A.	N.A.
Balance as on 31.03.2014 lying in Demat Suspense Account	4	600

The voting rights on above mentioned 600 shares shall remain frozen till the rightful owner of these shares claims the same.

## 9. Extent of Compliance with Non-mandatory Requirements of Listing Agreement

S.No.	Non-Mandatory Requirement	Extent of Compliance
1 (a)	<b>Board</b> A non-executive Chairman should be entitled to maintain a Chairman's Office at the company's expense and also allowed reimbursement of expenses incurred in performance of his duties	The Chairman of the Board is an Executive Director appointed by Government of India, hence, the clause is <b>not applicable</b> as it relates to maintenance of office by a non-executive Chairman.
1 (b)	Independent Directors may have a tenure not exceeding, in the aggregate, a period of nine years, on the Board of a company.	In terms of clause 9 of Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970, the tenure of Elected Directors is fixed as three years with further re-election for another period of three years, provided that no such director shall hold office continuously for a period exceeding six years as against maximum number of nine years stipulated by the clause, hence the same is <b>complied with</b> .
2	<b>Remuneration Committee</b>	The Bank has formed a Remuneration Committee in terms of the Government of India, the Ministry of Finance, the Department of Economic Affairs (Banking Division) letter no. F.No. 20/1/2005-BO.1 dated 9 <sup>th</sup> March, 2007 to look into performance linked incentive payable to whole-time Directors of the Bank. The Committee comprises of four directors all of whom are non-executive directors. Hence <b>complied with</b> .
3	<b>Shareholder Rights</b> A half-yearly declaration of financial performance including summary of significant events in the last six months, may be sent to each household of shareholders.	<b>Complied with.</b>
4	<b>Audit Qualification</b> Company may move towards a regime of unqualified financial statements.	There has been no audit qualification during the year under review, hence <b>complied with</b> .
5.	<b>Training of the Board members</b>	The Bank has been updating the Board Members on latest developments through various in-house presentations. Besides the in-house presentation, during the year 2013-14, the Bank had nominated its Directors for Conference for Non-Official Directors on the Board of Commercial Bank organised by the Centre for Advanced Financial Research and Learning (CAFRAL) and Excellence Enablers. Hence, the requirement is <b>complied with</b> .
6	<b>Mechanism for evaluating non-executive Board Members</b>	Composition of the Board of Directors is regulated by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970. Hence this clause is <b>not applicable</b> .
7	<b>Whistle Blower Policy</b>	The Bank has a Whistle Blower Policy in place and the functioning of the same is reviewed by the Audit Committee annually. Hence, <b>complied with</b> .

## 10. DECLARATION OF CODE OF CONDUCT

The Board has laid down a Code of Conduct for all the Board Members and Senior Management of the Bank and the same is posted on the website of the Bank. The Board Members and Senior Management have affirmed compliance with the Code of Conduct for the year 2013-14.

For Union Bank of India

(Arun Tiwari)

Chairman and Managing Director

Place: Mumbai

Date: 08.05.2014

To

**The Board of Directors  
Union Bank of India  
Mumbai**

**Re: Certificate Under Clause 49 of the Listing Agreement**

This is to certify that

- (a) We have reviewed financial statements and the cash flow statement for the year (2013-14) and that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Bank's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Bank during the year which are fraudulent, illegal or violative of the Bank's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Bank pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we were aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee –
- (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Bank's internal control system over financial reporting.

For Union Bank of India

**(Mayank Mehta)**  
General Manager & CFO

**(Arun Tiwari)**  
Chairman & Managing Director

Place: Mumbai

Date: 8<sup>th</sup> May, 2014

## TO THE MEMBERS OF UNION BANK OF INDIA

We have examined the compliance of conditions of Corporate Governance by Union Bank of India for the year ended on 31<sup>st</sup> March, 2014 as stipulated in Clause – 49 of the Listing Agreement of the said Bank with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Bank for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Bank.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Bank has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Bank as per the records maintained by the shareholders/Investors Grievances Committee.

We further state that such compliance is neither an assurance as to the future viability of the Bank nor the efficiency or effectiveness with which the Management has conducted the affairs of the Bank.

**FOR PRICE PATT & CO**  
CHARTERED ACCOUNTANTS  
FIRM REGN NO.002783S

**FOR S G C O & CO.**  
CHARTERED ACCOUNTANTS  
FIRM REGN NO. 112081W

**FOR JINDAL & CO.**  
CHARTERED ACCOUNTANTS  
FIRM REGN NO. 000844N

**(S RAMASWAMY)**  
PARTNER (M.NO. 025918)

**(K V S SHYAM SUNDER)**  
PARTNER (M.NO. 015747)

**(AKHIL JINDAL)**  
PARTNER (M.NO. 090515)

**FOR SHAH GUPTA & CO.**  
CHARTERED ACCOUNTANTS  
FIRM REGN NO. 109574W

**FOR V. ROHATGI & CO.**  
CHARTERED ACCOUNTANTS  
FIRM REGN NO. 000980C

**FOR J. GUPTA & CO.**  
CHARTERED ACCOUNTANTS  
FIRM REGN NO 314010E

**(VIPUL K CHOKSI)**  
PARTNER (M.NO. 037606)

**(VANDANA RASTOGI)**  
PARTNER (M.NO. 086956)

**(H.K.DATTA)**  
PARTNER (M.NO. 012208)

Place : MUMBAI  
Date : 8<sup>th</sup> May, 2014