

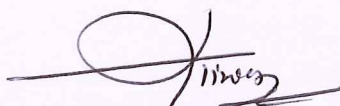
FORM - A

Covering letter of the annual audit report to be filed with the stock exchanges

1	Name of the Company/Body Corporate	Union Bank of India
2	Annual financial statements for the year ended	31 st March, 2016
3	Type of Audit observation	Un-qualified/ Emphasis of Matter
4	Frequency of observation	Not applicable



(VIVEK KAMATH)
GENERAL MANAGER & CFO



(ARUN TIWARI)
CHAIRMAN & MANAGING
DIRECTOR



(G K LATH)
DIRECTOR AND CHAIRMAN OF
AUDIT COMMITTEE

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



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

FOR G P KAPADIA & CO.
CHARTERED ACCOUNTANTS
FIRM REGN.NO.104768W



(NIMESH BHIMANI)
PARTNER (M.NO.030547)

FOR ASHWANI & ASSOCIATES.
CHARTERED ACCOUNTANTS
FIRM REGN.NO.000497N



(ADITYA KUMAR)
PARTNER (M.NO.506955)

FOR GBCA & ASSOCIATES.
CHARTERED ACCOUNTANTS
FIRM REGN.NO.103142W



(TANSUKHLAL K CHHEDA)
PARTNER (M.NO. 047157)

Place: Mumbai

Date : 13th May, 2016.

FOR SUNDAR SRINI &
SRIDHAR.
CHARTERED ACCOUNTANTS
FIRM REGN.NO.0042015



(S. SRIDHAR)
PARTNER (M.NO. 025504)

FOR P A & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 313085E



(PRASHANT PANDA)
PARTNER (M.NO.051092)

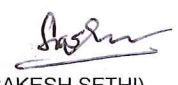
AUDITED FINANCIAL RESULTS FOR THE QUARTER AND TWELVE MONTHS ENDED 31.03.2016


(₹ in lacs)

Sr N	Particulars	STANDALONE				
		Quarter Ended		Year Ended		
		31.03.2016 (Audited)	31.12.2015 (Reviewed)	31.03.2015 (Audited)	31.03.2016 (Audited)	31.03.2015 (Audited)
1	Interest earned (a+b+c+d)	788802	790937	824064	3219880	3208396
	a) Interest/discount on advances/bills	580716	577191	608172	2365806	2397725
	b) Income on investments	183342	189171	192478	753515	718296
	c) Interest on balances with RBI and other interbank funds	21659	19880	16351	81614	67596
	d) Others	3085	4695	7063	18945	24779
2	Other Income	99639	89269	114307	363174	352300
3	Total Income (1+2)	888441	880206	938371	3583054	3560696
4	Interest Expended	580333	591286	611959	2388570	2364006
5	Operating Expenses (i+ii)	167147	155505	161183	622282	614343
	i) Employees cost	93631	90418	95592	361989	378552
	ii) Other operating expenses	73516	65087	65591	260293	235791
6	Total Expenditure (4+5) (excluding provisions & contingencies)	747480	746791	773142	3010852	2978349
7	Operating Profit {before provisions & contingencies} (3-6)	140961	133415	165229	572202	582347
8	Provisions (other than tax) and Contingencies	156467	123765	100994	387724	304009
9	Exceptional Items	0	0	0	7940	0
10	Profit (+) / (Loss) (-) from Ordinary Activities before tax (7-8-9)	-15506	9650	64235	176538	278338
11	Tax expense	-25118	1796	19858	41378	100174
12	Net Profit (+) / (Loss) (-) from Ordinary Activities after Tax (10-11)	9612	7854	44377	135160	178164
13	Extraordinary items (net of tax expense)	0	0	0	0	0
14	Net Profit (+) / (Loss) (-) for the period (12-13)	9612	7854	44377	135160	178164
15	Paid -up equity share capital (face value of ₹ 10 each)	68744	68744	63578	68744	63578
16	Reserves excluding Revaluation Reserves (as per Balance sheet of previous accounting year)				1962253	1770154
17	Analytical Ratios					
	i) Percentage of shares held by Government of India	63.44	63.44	60.47	63.44	60.47
	ii) Capital Adequacy Ratio (%) - Basel II	11.14	10.91	10.74	11.14	10.74
	Capital Adequacy Ratio (%) - Basel III	10.56	10.30	10.22	10.56	10.22
	iii) Earning per share(EPS) (in ₹)					
	a) Basic and diluted EPS before Extraordinary items (net of tax expense) for the period, for the year to date and for the previous year (not annualised)	1.40	1.14	6.98	20.42	28.05
	b) Basic and diluted EPS after Extraordinary items (net of tax expense) for the period, for the year to date and for the previous year (not annualised)	1.40	1.14	6.98	20.42	28.05
	iv) NPA Ratios as on date					
	a) Gross NPA	2417089	1849516	1303087	2417089	1303087
	b) Net NPA	1402594	1032200	691897	1402594	691897
	c) % Gross NPA	8.70	7.05	4.96	8.70	4.96
	d) % Net NPA	5.25	4.07	2.71	5.25	2.71
	v) Return on Assets (annualised) (Average) (%)	0.10	0.08	0.47	0.35	0.49

Place : Mumbai
Date : 13.05.2016


(VINOD KATHURIA)
EXECUTIVE DIRECTOR


(RAKESH SETHI)
EXECUTIVE DIRECTOR


(ARUN TIWARI)
CHAIRMAN & MANAGING DIRECTOR

STANDALONE SEGMENT REPORTING AS PER ACCOUNTING STANDARD - 17

(₹ in Lacs)

	Business Segment	Quarter ended			Year ended	
		(Audited)	(Reviewed)	(Audited)	(Audited)	
		31.03.2016	31.12.2015	31.03.2015	31.03.2016	31.03.2015
(a)	Segment Revenue					
1	Treasury Operations	250337	256708	262440	1017719	945735
2	Retail Banking Operations	330908	236345	255030	1022126	1009656
3	Corporate /Wholesale Banking	301678	382494	412128	1523662	1573395
4	Other Banking Operations	7898	6356	9876	26476	34236
5	Unallocated	0	0	0	0	0
	Total Segment Revenue	890821	881903	939474	3589983	3563022
	Less Inter-segment Revenue	2380	1697	1103	6929	2326
	Income from operations	888441	880206	938371	3583054	3560696
(b)	Segment Results (i.e. Profit/ (Loss) Before Tax)					
1	Treasury Operations	61996	64688	64187	214601	190299
2	Retail Banking Operations	20523	16173	57520	66762	121699
3	Corporate /Wholesale Banking	-101494	-74156	-62456	-117331	-50319
4	Other Banking Operations	3470	2945	4984	12507	16659
5	Unallocated	0	0	0	0	0
	Total Profit Before Tax	-15505	9650	64235	176539	278338
(c)	Capital Employed (i.e. Segment Assets-Segment Liabilities)					
1	Treasury Operations	671778	711767	578649	671778	578649
2	Retail Banking Operations	438582	571419	452538	438582	452538
3	Corporate/Wholesale Banking	861375	698538	660018	861375	660018
4	Other Banking Operations	0	0	0	0	0
5	Unallocated	317385	225719	284998	317385	284998
	Total	2289120	2207443	1976203	2289120	1976203

- 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.
- Previous year's/Twelve Month's/Quarter's figures have been regrouped/recasted wherever considered necessary to correspond with the current Twelve Month's/Quarter's classification/presentation.



(VINOD KATHURIA)
EXECUTIVE DIRECTOR



(RAKESH SETHI)
EXECUTIVE DIRECTOR



(ARUN TIWARI)
CHAIRMAN & MANAGING DIRECTOR

Statement of Assets and Liabilities

(₹ in lacs)

Particulars	As at 31.03.2016 (Audited)	As at 31.03.2015 (Audited)
CAPITAL AND LIABILITIES		
Capital	68,744	63,578
Reserves and surplus	22,20,377	19,12,510
Deposits	3,42,72,001	3,16,86,992
Borrowings	30,95,735	35,35,998
Other Liabilities and Provisions	8,12,733	9,62,515
Total	4,04,69,590	3,81,61,593
ASSETS		
Cash and Balances with Reserve Bank of India	15,60,472	15,06,308
Balances with Banks and Money at Call and Short Notice	13,67,150	7,31,494
Investments	89,20,835	84,46,172
Advances	2,67,35,400	2,55,65,457
Fixed Assets	3,93,987	2,68,195
Other Assets	14,91,746	16,43,967
Total	4,04,69,590	3,81,61,593

NOTES :-

1. The above audited financial results have been reviewed and recommended by the Audit Committee of Board and approved by the Board of Directors in their meetings held on 13th May, 2016
2. The working results of the bank for the year ended 31.03.2016 have been arrived at following the same accounting policies and practices as those followed in the preceding financial year ended 31.03.2015. The same have been subjected to audit by the Statutory Central Auditors of the Bank in line with the guidelines issued by the Reserve Bank of India and as per the Listing agreement with the Stock Exchanges.
3. The working results of the Bank for the quarter and year ended 31st March, 2016 have been arrived at after considering the provisions on non-performing assets, standard assets, restructured assets, standard derivative exposures, non performing investments and investment depreciation and provision for exposure to entities with un-hedged foreign currency exposure on the basis of extant guidelines issued by the Reserve Bank of India.

4. *The provisions for Gratuity, Pension, Leave Encashment, other retirement benefits* have been made based on actuarial valuation in terms of AS-15. The provisions for Income Tax and other usual and necessary provisions have been made as per extant guidelines.
5. The Bank has recognized deferred tax assets amounting to ₹ 415.54 crore , in accordance with the applicable Accounting Standards. Accordingly, figures of previous corresponding reporting periods are not comparable
6. During the year, the Bank allotted 5,16,62,281 Equity Shares of ₹10/- each at a issue price of Rs 209.05 per share including premium of ₹199.05 per share to the Government of India on preferential basis to the tune of Rs 1080 crore. Consequently, the Government share holding has increased from 60.47% to 63.44%.
7. Based on available data, financial statements and the declaration from the borrowers wherever received, the Bank has estimated the liability of ₹ 33.30 crore as on 31.03.2016 towards Unhedged Foreign Currency Exposure to their constituents in terms of RBI DBOD Circulars dated 15.01.2014 and 03.06.2014 which amount is fully provided.
8. In accordance with RBI circular DBOD No.BP.BC. 9/21.06.201/2013-14 dated 01.07.2013 banks are required to make Pillar 3 disclosures under Basel III Capital Regulations w.e.f 30th September, 2013. The disclosures are being made available on our website at the following link: http://www.unionbankofindia.co.in/Basel_Disclosures_III.aspx. These disclosures have not been subjected to audit review by the Statutory Central Auditors of the Bank.
9. Pursuant to RBI circular no: RBI/2014-15/535 DBR.NO.BP.BC.83/21.04.048/2014-15 dated 1.4.2015, the Bank has made a provision of ₹ 907.75 crore during the year ended 31/03/2016 in respect of frauds/suspected frauds and balance unprovided amount of ₹ 352.60 crore has been debited to Revenue & Other Reserves in terms of RBI circular no RBI/2015-16/376 DBR NO BP.BC.92.21/04.048/2015-16 dated 18/4/2016. The same will be reversed by debit to the P & L account in subsequent quarters in the next financial year.
10. Pursuant to Asset Quality Review (AQR) under section 35 of Banking Regulation Act, 1949 carried out by the Reserve Bank of India, the Bank has made the classification of advances and provisioning required to be done by 31st March, 2016 as suggested by the Reserve Bank of India.
11. During the year the Bank has revalued the premises based on the reports of external independent valuers and the valuation have been approved by the Board. The surplus arising from the revaluation amounting to ₹ 1213.10 crore is shown as "Revaluation Reserves" under "Reserves and Surplus" and the same has been reckoned in Tier I capital as per RBI guidelines.
12. Provision coverage ratio as on 31.03.2016 is 50.98%.

13. During the Financial year 2015-16, the Bank has raised Tier II Bonds amounting to Rs 1000 crore.

14. The Bank has proposed dividend of 19.50 % (₹ 1.95 per share) on the face value of ₹ 10/- for the year 2015-16 subject to approval of shareholders.

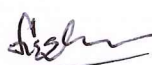
15. Position of investor complaints for the quarter ended 31.03.2016:

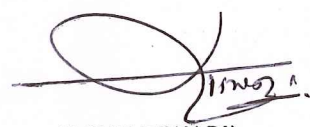
	No. of complaints
Pending as on 01.01.2016	4
Received during the quarter	109
Resolved during the quarter	111
Pending as on 31.03.2016	2*

* These complaints were received on 31.03.2016 and have been redressed by 04.04.2016

16. Figures of previous period have been rearranged/reclassified/regrouped wherever necessary.


(VINOD KATHURIA)
EXECUTIVE DIRECTOR


(RAKESH SETHI)
EXECUTIVE DIRECTOR


(ARUN TIWARI)
CHAIRMAN & MANAGING DIRECTOR

Place: Mumbai.

Date: 13th May, 2016

J. GUPTA & CO.
CHARTERED ACCOUNTANTS
25 Jawahar Lal, Nehru Road,
KOLKATA - 700087

G. P. KAPADIA & CO.
CHARTERED ACCOUNTANTS
HAMAM HOUSE, AMBALAL DOSHI MARG
MUMBAI - 400001

ASHWANI & ASSOCIATES
CHARTERED ACCOUNTANTS
19-A UDHAM SINGH NAGAR,
LUDHIANA 141001

GBCA & ASSOCIATES
CHARTERED ACCOUNTANTS
BENEFICE BUSINESS HOUSE, 3rd FLOOR
126 MATHURADAS MILLS COMPOUND,
N.M. JOSHI, LOWER PAREL (W),
MUMBAI - 400013

SUNDAR SRINI & SRIDHAR
CHARTERED ACCOUNTANTS
NEW NO 9, RAJAMANNAR STREET,
T. NAGAR,
CHENNAI - 600017

P A & ASSOCIATES
CHARTERED ACCOUNTANTS
20 GOVIND VIHAR,
BAMIKHAL,
BHUBANESHWAR - 751010

INDEPENDENT AUDITORS' REPORT

To

The Members of Union Bank of India

Report on the Financial Statements

1. We have audited the accompanying financial statements of Union Bank of India as at 31st March, 2016, which comprises the Balance Sheet as at 31st March, 2016, Profit and Loss Account and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information. Incorporated in these financial statements are returns of 20 branches including 1 treasury branch, 18 regional offices, 26 offices/centres audited by us, 2079 branches audited by Statutory Branch Auditors and 4 foreign branches audited by local auditors. The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India. Also incorporated in the Balance Sheet and the Profit and Loss are the returns from 2101 branches, 44 regional offices and 58 offices/centres which have not been subjected to audit. These unaudited branches account for 6.73 per cent of advances, 23.26 per cent of deposits, 6.56 per cent of interest income and 21.60 per cent of interest expenses.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements in accordance with Banking Regulation Act 1949, accounting principles generally accepted in India along with recognition and measurement principles laid down in the Accounting Standards specified by the Institute of Chartered Accountants of India so far as they are applicable to the Bank and the guidelines and circulars issued by Reserve bank of India from time to time. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of

Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used, the reasonableness of the accounting estimates made by management, and the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, as shown by books of the Bank, and to the best of our information and according to the explanations given to us:
 - a. the Balance Sheet, read with the notes thereon, is a full and fair Balance Sheet containing all the necessary particulars and is properly drawn up so as to exhibit a true and fair view of state of affairs of the Bank as at 31st March 2016 in conformity with accounting principles generally accepted in India;
 - b. the Profit and Loss Account, read with the notes thereon shows a true balance of profit, in conformity with accounting principles generally accepted in India, for the year covered by the account; and
 - c. the Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949.
8. Subject to the limitations of the audit indicated in paragraph 1 to 5 above and as required by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980, and subject also to the limitations of disclosure required therein, we report that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory.
- b. The transactions of the Bank, which have come to our notice, have been within the powers of the Bank, and
- c. The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

9. We further report that

- a. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and returns;
- b. the reports on the accounts of the branch offices audited by statutory branch auditors of the Bank under Section 29 of the Banking Regulation Act, 1949 have been sent to us and have been properly dealt with by us in preparing this report;
- c. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the applicable accounting standards.

FOR J. GUPTA & CO.
CHARTERED ACCOUNTANTS
FRN 314010E


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

FOR G. P. KAPADIA & CO.
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(ADITYA KUMAR)
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FRN 103142W


(TANSUKH CHHEDA)
PARTNER
M.NO.047157

FOR SUNDAR SRINI & SRIDHAR
CHARTERED ACCOUNTANTS
FRN 004201S


(S. SRIDHAR)
PARTNER
M.NO.025504

FOR P A & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 313085E


(PRASHANT PANDA)
PARTNER
M.NO.051092

Place: Mumbai.

Date: 13th May, 2016

To
The Board of Directors
Union Bank of India
Mumbai

Re: Certificate Under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations , 2015

This is to certify that


- (a) We have reviewed financial statements and the cash flow statement for the year (2015-16) 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.

....2/-

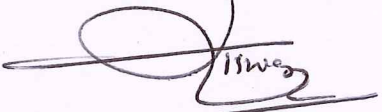
(d) We have indicated to the auditors and the Audit Committee -

- (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


(Vivek Kamath)
General Manager & CFO

For Union Bank of India


(Arun Tiwari)
Chairman & Managing Director

Place : Mumbai
Date : 13th May, 2016.