

Head Office: 10 B.T.M. Sarani Kolkata-700 001

AUDITED ACCOUNTS AS AT 31 MARCH 2021

(000's omitted)

	As on 31.3.2021	As on 31.3.2020
CAPITAL AND LIABILITIES		
Capital	9918 34 06	9918 34 06
Share Application Money	2600 00 00	-
Reserves & Surplus	10088 07 29	9291 28 35
Deposits	205919 39 44	193203 44 35
Borrowings	15382 63 23	15695 06 21
Other Liabilities & Provisions	9427 66 90	7800 02 16
TOTAL	253336 10 92	235908 15 13
ASSETS		
Cash and Balances		
with Reserve Bank of India	9445 41 44	6776 72 84
Balances with Banks and Money at Call and Short Notice	14154 82 95	11029 43 00
Investments	93782 94 99	90998 81 30
Advances	111354 54 09	101174 25 29
Fixed Assets	3218 23 24	2840 37 28
Other Assets	21380 14 21	23088 55 42
TOTAL	253336 10 92	235908 15 13
Contingent Liabilities	73353 46 52	39082 15 89
Bills for Collection	7109 66 94	7822 35 04

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2021

	Year Ended 31.3.2021	Year Ended 31.3.2020
INCOME		
Interest Earned	14446 14 98	15134 33 32
Other Income	3720 26 51	2871 21 30
TOTAL	18166 41 49	18005 54 62
EXPENDITURE		
Interest Expended	8966 45 18	10042 06 01
Operating Expenses	3779 34 79	3127 88 75
Provisions & Contingencies	5253 58 12	7272 42 75
TOTAL	17999 38 09	20442 37 51
PROFIT / LOSS		
Net Profit/(Loss) for the Year	167 03 40	-2436 82 89
Profit/(Loss) Brought Forward	-12537 39 74	-9975 45 40
TOTAL	-12370 36 34	-12412 28 29
APPROPRIATIONS		
Transfer to Statutory Reserves	41 75 85	-
Transfer to Capital Reserves	244 91 08	125 11 45
Proposed Dividend		
Balance Carried over to Balance Sheet	-12657 03 27	-12537 39 74
TOTAL	-12370 36 34	-12412 28 29
Basic & Diluted EPS (₹)	0.17	- 3.10

Schedule 17 - SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared under 'going concern' concept on historical cost convention and on accrual basis accounting unless otherwise stated and conform in all material aspects to Generally Accepted Accounting Principles (GAAP) in India, which comprise applicable statutory provisions, regulatory norms/guidelines prescribed by Reserve Bank of India (RBI), Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), to the extent applicable and generally the practices prevailing in the banking industry in India.

In respect of foreign offices/branches, statutory provisions and accounting practices prevailing in the respective foreign countries are complied with, except as specified elsewhere.

SCHEDULE 18 / NOTES ON ACCOUNTS

Capital
Capital Adequacy Ratio (Amount in ₹ Crore)

	As on 31.03.21	As on 31.03.20
(i) Common Equity Tier 1 capital ratio (%)	11.14	8.98
(ii) Tier 1 capital ratio (%)	11.14	8.98
(iii) Tier 2 capital ratio (%)	2.60	2.72
(iv) Total capital ratio (CRAR) (%)	13.74	11.70
(v) Percentage of the shareholding of the Government of India (%)	94.44	94.44
(vi) Amount of equity capital raised	-	4,494.94

CAPITAL INFUSION DETAILS

"The Government of India vide its letter no. F. No. 7/23/2019-BOA-1 dated 17.03.2021 infused capital of Rs. 2,600 crore by way of preferential allotment of equity shares and the capital contribution was received by the Bank on 31.03.2021. The same has been included in Bank's common Equity Capital (CET-1) after RBI approval vide letter no DOR.CAP.21.01.002/2021-22 dated 19.05.21. The amount has kept under share application money pending receipt of necessary regulatory approvals."

Investments

The Details of investments and the movement of provisions held towards depreciation on the investments/Non Performing Investments of the Bank is given below:

	(Amount in ₹ Crore)	
	As on 31.03.21	As on 31.03.20
(1) Value of Investments		
(i) Gross Value of Investments		
(a) In India	93501.11	89531.52
(b) Outside India	2334.17	3383.34
(ii) Provisions for Depreciation/NPI		
(a) In India	1911.05	1770.42
(b) Outside India	141.28	145.62
(iii) Net Value of Investments		
(a) In India	91590.06	87761.10
(b) Outside India	2192.89	3237.72
(2) Movement of provisions held towards depreciation on investments/NPI		
(i) Opening balance	1916.04	1577.91
(ii) Add : Provisions made during the year	302.76	474.38
By Exchange Difference (0.84)		8.98
(iii) Less: Write-off/write-back of excess provisions during the year	165.64	145.23
(iv) Closing balance	2052.33	1916.04

Miscellaneous

Amount of Provision made/(written back) for Income Tax (Amount in ₹ Crore)

Particulars	31.03.21	31.03.20
Provision for Income Tax		
In India	258.69	Nil
Outside India	8.38	Nil

Related Party Disclosures (AS- 18)

(Amount in ₹ Crore)			
Key Management Personnel	Period	Items	Amount
Shri A.K. Goel MD & CEO	01.04.2020 to 31.03.2021	Remuneration, perquisites & incentive	30.45
		/Deposits	20.89
		Investments in UCO Shares	0.00
		Interest Received	1.00
		Borrowings	0.00
		Deposits	10.18
Relatives of Shri A. K. Goel MD & CEO	01.04.2020 to 31.03.2021	Investments in UCO Shares	1300 shares
		Interest Received	0.27
		Borrowings	0.00
		Deposits	0.99
Shri Ajay Vyas	01.04.2020 to 31.03.2021	Remuneration, perquisites & incentives	25.82
		Deposits	2.27
		Investments in UCO Shares	0.00
		Interest Received	0.14
		Borrowings	1.88
Relatives of Shri Ajay Vyas ED	01.04.2020 to 31.03.2021	Deposits	0.99
		Investments in UCO Shares	0.00
		Interest Received	0.00
		Borrowings	0.00
Shri Ishraq Ali Khan ED	10.03.2021 to 31.03.2021	Remuneration, perquisites & incentives/	1.47
		Deposits	1.39
		Investments in UCO Shares	0.00
		Interest Received	0.00
Borrowings	0.00		

Associates

Regional Rural Bank (RRB) sponsored by the Bank is as under:
 i) Paschim Banga Gramin Bank (PGB): UCO Bank is having an investment of Rs.108,16 crore which is 35% of the total Share Capital of PGB i.e. Rs.308.02 crore as per extent guidelines.
 ii) Bihar Gramin Bank (BGB) sponsored by UCO Bank was amalgamated vide Gazette Notification issued by Government of India dated 21.12.2018. We have received our contribution towards share capital amounting Rs. 76.35 crore on 30.03.2019. However the investment under Zero Coupon Bonds (Tier II Bond) amounting Rs.6.57 crore is yet to be received

Accounting for Taxes on Income (AS-22) :

a) The Bank does not have any current Income Tax obligation during the year. During the year net amount of ₹ 675.81 Crore (₹ 1275.71 Crore for FY 2019-20) has been recognized as Deferred Tax Assets as per accounting standard AS-22.

(Amount in ₹ Crore)		
Particulars	As on 31.03.21	As on 31.03.20
Deferred Tax Assets		
Carried Forward Loss	9574.09	8894.10

continued...		
Particulars	As on 31.03.2021	As on 31.03.2020
Provision for leave encashment	223.71	185.40
Diminution in fair value	0.00	23.69
Provision for Employee Benefits	0.00	21.660
Provision for Standard Assets	167.08	172.32
Difference in investment valuation	-	-
Depreciation on Fixed Assets	73.01	64.91
TOTAL :	10037.89	9362.08

(Amount in ₹ Crore)		
Particulars	As on 31.03.2021	As on 31.03.2020
Deferred Tax Liabilities		
Depreciation on Fixed Assets	-	-
Difference in Investment valuations	-	-
Total:	-	-
Deferred Tax Assets (Net)	10037.89	9362.08

The Government of India has pronounced Section 115BAA of Income Tax Act, 1961 through Taxation Laws (Amendment) Ordinance, 2019 which provides domestic companies a non-reversible option to pay corporate tax at reduced rate effective from 1st April, 2019 subject to compliance of certain conditions. Bank is currently in the process of evaluating this option and continues to recognize the taxes on income for the quarter ended year ended 31st March, 2021 as per the earlier provisions of the Income Tax Act, 1961.

Intangible assets (AS-26):

Fixed Assets include computer software, which has been considered as intangible assets as per AS-26 issued by the ICAI. The movement in software asset is given below:

(Amount in ₹ Crore)		
Particulars	As on 31.03.2021	As on 31.03.2020
Gross Block at the beginning of the year	55.14	30.68
Less: Adjustment on account of MOC of the previous year	0.00	0.00
Net Block at the beginning of the year	55.14	30.68
Addition during the year	13.56	36.92
Less: Retirement of intangibles fully amortised	11.69	12.46
Total	57.01	55.14
Less: Amortization up to date (Net of amount on assets retired)	30.75	21.50
Less: Impairment Loss	0.00	0.00
Net Block at the end of the year	26.26	33.64

Amortization as on 31.03.2020

(Amount in ₹ Crore)		
Amortization	As on 31.03.2021	As on 31.03.2020
Gross Opening balance	21.49	17.56
Less: Adjustment on account of MOC of the previous year	0.00	0.00
/Net Opening Balance	21.49	17.56
/Add: Impairment Loss	-	0.00
Add: Amortization recognised during the year	20.95	16.40
Less: Appropriation on assets retired	11.69	12.46
Closing Balance	30.75	21.50

Provisioning Coverage Ratio

	As on 31.03.2021 (Current Year)	As on 31.03.2020 (Previous year)
Provisioning Coverage Ratio	88.40%	85.45%

Reconciliation:

Most of the inter branch transactions are reconciled automatically with implementation of Centralized Banking Solution (CBS). Very few entries under inter branch account & inter bank account requires reconciliation which is done on ongoing basis.
 Reconciliation of entries outstanding has been drawn up to 31.03.2021 in case of Inter-Branch Accounts and in Inter-Bank Accounts. Elimination of entries outstanding in Inter-Bank Accounts including Reserve Bank of India, State Bank of India, NOSTRO Accounts etc. and in Inter-Branch Accounts viz., branch adjustment, balances pertaining to advances paid for acquisition of assets, sundry creditors etc. is in progress. In the opinion of the management, consequential effect of the above on the revenue/assets/liabilities are not material.

Disclosure on Implementation of resolution plan on stressed accounts under Revised Framework:

a) In accordance with RBI circular DBR No BP BC 45/21.04.048/ 2018-19 dated 07.06.2019 on prudential framework for resolution of stressed assets, Bank holds total additional provision of Rs. 1083.49 crore in 13 Accounts.
 b) As per RBI Circular DOR.No.BP.BC.63/21.04.048/2019-20 dated 17th April 2020, details of the number of accounts and the amount involved in those accounts where Resolution Period was extended for the year ended 31st March, 2021.

Prompt Corrective Action (PCA)

In terms of the RBI Circular No. RBI/2016-17/276 DBS.CO.PPD.BC.No. 8/11.01.005/2016-17 dated April 13, 2017, RBI through its letter dated May 05, 2017 put UCO Bank under Prompt Corrective Action (PCA) framework on account of high Net NPA and negative RoA. Bank is complying the PCA framework norms meticulously. Bank has taken various steps as a result of which NPA ratio has reduced and profitability has improved.

Independent Auditors' Report

Report On the Financial Statements

Opinion

1. We have audited the accompanying financial statements of UCO Bank ("the Bank"), which comprises the Balance Sheet as at 31st March, 2021, and the Statement of Profit and Loss Account and the Cash Flow Statement for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information in which are incorporated the returns for the year ended on that date of:

- 21 branches inclusive of one treasury branch audited by us
- 1629 branches (including Service branches) audited by statutory branch auditors
- 2 overseas branches audited by overseas 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 Account and the Cash Flow Statement are the returns from 1419 branches which have not been subjected to audit. These unaudited branches account for 8.06 per cent of advances, 27.09 per cent of deposits, 10.42 per cent of interest income and 28.37 per cent of interest expenses.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Bank's Board of Directors is responsible with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by ICAI, and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India (RBI) from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We further report that:

- in our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches/offices not visited by us;
- the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;
- the reports on the accounts of the branch offices audited by branch auditors of the Bank as per the provisions 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; and
- in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by RBI.

Head Office confers the same level of priority to the depositors of Singapore Office vis-a-vis the home country depositors in the repayment of deposits in the event of receivership, winding up proceedings or equivalent proceedings of the Bank Notes to accounts form an integral part of the audited financial statements and a full understanding of the statements and the state of affairs of the Bank cannot be achieved without reference to the complete set of the Bank's audited financial statements.

" BOARD OF DIRECTORS "

SHIRI A.K. GOEL - Managing Director & CEO
SHIRI AJAY VYAS - Executive Director
SHIRI ISHRAQ ALI KHAN - Executive Director
DR TULI ROY - Director
K RAJIVAN NAIR - Director
DR SANJAY KUMAR - Director

AUDITORS

For RAWLA & CO
 Chartered Accountants
 Registration No. 001661N
 (CAYASH PAL RAWLA)
 Partner
 Membership No. 010475

For R GOPAL & ASSOCIATES
 Chartered Accountants
 Registration No. 000846C
 (CA RAJENDRA PRASAD AGARWAL)
 Partner
 Membership No. 051979

For KHANDELWAL KAKANI & CO
 Chartered Accountants
 Registration No. 001311C
 (CA V K KHANDELWAL)
 Partner
 Membership No. 070546

For S K AGRAWAL AND CO
 CHARTERED ACCOUNTANTS LLP
 Chartered Accountants
 Registration No. 306033E/300272
 (CA CA SANDEEP AGRAWAL)
 Partner
 Membership No. 058553

For GHOSHAL & GHOSHAL
 Chartered Accountants
 Registration No. 304013E
 (CA SOMNATH BISWAS)
 Partner
 Membership No. 064735

For more details, please contact:

CHIEF EXECUTIVE & BRANCH HEAD

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