

AUDITED ACCOUNTS AS AT 31 MARCH 2022

	(000's omitted)	
	As on 31.3.2022	As on 31.3.2021
CAPITAL AND LIABILITIES		
Capital	11955 95 82	9918 34 06
Share Application Money		2600 00 00
Reserves & Surplus	11512 78 22	9998 15 82
Deposits	224072 89 83	205919 39 44
Borrowings	13508 14 42	15382 63 23
Other Liabilities & Provisions	6609 47 56	9427 66 90
TOTAL	267659 25 85	253246 19 45
	As on 31.3.2022	As on 31.3.2021
ASSETS		
Cash and Balances with Reserve Bank of India	10287 54 69	9445 41 44
Balances with Banks and Money at Call and Short Notice	15860 44 41	14154 82 95
Investments	96749 04 54	93693 03 52
Advances	122784 40 56	111354 54 09
Fixed Assets	3334 92 12	3218 23 24
Other Assets	18642 89 53	21380 14 21
TOTAL	267659 25 85	253246 19 45
Contingent Liabilities	142556 91 39	73353 46 52
Bills for Collection	8039 44 63	7109 66 93

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2022

	Year Ended 31.3.2022	Year Ended 31.3.2021
INCOME		
Interest Earned	14981 33 88	14446 14 98
Other Income	3100 80 69	3424 17 46
TOTAL	18082 14 57	17870 32 44
EXPENDITURE		
Interest Expended	8508 38 95	8966 45 18
Operating Expenses	4776 32 26	4754 80 89
Provisions & Contingencies	3867 67 02	3982 02 97
TOTAL	17152 38 23	17703 29 04
PROFIT / LOSS		
Share of earnings/ loss in Associates	(-34 84 25)	(-21 35 11)
Net Profit/(Loss) for the Year	929 76 34	167 03 40
Profit/(Loss) Brought Forward	(-189 91 47)	(-12605 96 10)
TOTAL	805 00 62	(+12460 27 81)
APPROPRIATIONS		
Transfer to Statutory Reserves	232 44 08	41 75 85
Transfer to Capital Reserves	41 29 90	244 91 08
Transfer to Investment Fluctuation Reserves	559 30 74	-
Proposed Dividend	-	-
Balance Carried over to Balance Sheet	(-28 04 10)	(-12746 94 74)
TOTAL	805 00 62	(+12460 27 81)
Basic & Diluted EPS (₹)	₹ 0.77	₹ 0.15

Schedule 17 - SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on historical cost basis and conform, in all material aspects, to Generally Accepted Accounting Principles (GAAP) in India, unless otherwise stated, encompassing applicable statutory provisions, regulatory norms prescribed by Reserve Bank of India (RBI), circulars and guidelines issued by RBI from time to time, Banking Regulation Act 1949, Accounting Standards (AS) and pronouncements issued by The Institute of Chartered Accountants of India (ICAI) to the extent applicable and generally the practices prevailing in 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)

	Current Year	Previous year
(i) CET 1 Ratio (CET 1 as a percentage of RWAs)*		
(ii) Paid-up share capital and reserves as percentage of RWAs	10.97	11.14
(iii) Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	10.97	11.14
(iv) Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	2.77	2.60
Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	13.74	13.74
(vii) Percentage of the shareholding of Government of India	95.39	94.44

CAPITAL INFUSION DETAILS

The Government of India vide its letter no. F. No. 7/23/2019 - BOA-I 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 been kept under share application money pending receipt of necessary regulatory approvals. Bank issued and allotted 203,78,17,554 equity shares of face value of Rs. 10/- each fully paid at an issue price of Rs.12.76 (including premium of Rs.2.76) per share on 28.05.2021 to Government of India against capital infusion of Rs.2600 Crore received on 31.03.2021 by way of preferential allotment of Equity Shares.

Bank has raised Rs.500 crore through Private placement of BASEL III Tier II Bonds in two tranches during the year 2021-22. Bank has also redeemed its Tier II Bond of Rs.1000 crore by exercising call option during the year 2021-22.

Investments

Movement of Provisions for Depreciation and Investment Fluctuation Reserve

	(Amount in ₹ Crore)	
	Current Year	Previous Year
I) Movement of provisions held towards depreciation on investments		
Opening balance	1274.41	983.12
Add: Provisions made during the year	379.63	299.63
Less: Write off / write back of excess provisions during the year	456.54	7.50
Exchange Difference	4.14	-0.84
Closing Balance	1201.64	1274.41
II) Movement of Investment Fluctuation Reserve		
Opening balance	0.00	0.00
Add: Amount transferred during the year	559.31	0.00
Less: Drawdown	0.00	0.00
Closing Balance	559.31	0.00
III) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category	1.90%	0.00

Transactions with Key Management Personnel

	(Amount in ₹ Crore)		
Key Management Personnel	Period	Items	Amount
Shri Soma Sankara Prasad MD & CEO	01.01.2022 to 31.03.2022	Remuneration, perquisites & Incentive Reimbursements Investments in UCO Shares	8.09 0.28 -
Shri A. K. Goel (MD & CEO)	01.04.2021 to 31.12.2021	Remuneration, perquisites & Incentive Reimbursements Investments in UCO Shares	26.77 4.04 26,500 shares As on 31.03.2022
Relatives of Shri A. K. Goel MD & CEO	01.04.2021 to 31.12.2021	Investments in UCO Shares	1,300 shares As on 31.03.2022
Shri Ajay Vyas ED	01.04.2021 to 31.03.2022	Remuneration, perquisites & Incentive Reimbursements Investments in UCO Shares	29.78 9.93
Shri Ishraq Ali Khan ED	01.04.2021 to 31.03.2022	Remuneration, perquisites & Incentive Reimbursements Investments in UCO Shares	28.24 5.39

Associates

Regional Rural Bank (RRBs)

UCO Bank sponsored RRB namely, Paschim Banga Gramin Bank (PGBB) is head quartered at Howrah, West Bengal with four regional offices and 230 branches as on 31.03.2022.

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 ₹ 817.71 Crore (₹ 675.81 has been recognized Crore for FY 2020- 21) has been recognized as Deferred Tax Assets as per accounting standard AS-22.

	(Amount in ₹ Crore)	
Particulars	As on 31.03.22	As on 31.03.21
Deferred Tax Assets		
Carried Forward Loss	8277.94	9574.09
Provision for leave encashment	226.81	223.71
Diminution in fair value	0.00	0.00
Provision for Employee Benefits	0.00	0.00
Provision for Standard Assets	285.49	167.08
Difference in investment valuation	-	-
Depreciation on Fixed Assets	80.49	73.01
TOTAL :	9220.18	10037.89

	(Amount in ₹ Crore)	
Particulars	As on 31.03.2022	As on 31.03.2021
Deferred Tax Liabilities		
Depreciation on Fixed Assets	-	-
Difference in Investment valuations	-	-
TOTAL	9220.18	10037.89

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 year ended 31st March, 2022 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 31.03.2022	As on 31.03.2021
Gross Block at the beginning of the year	56.94	56.14
Less: Adjustment on account of MOC of the previous year	0	0
Net Block at the beginning of the year	56.94	56.14
Addition during the year	39.14	13.56
Less: Retirement of intangibles fully amortised	13.31	11.69
Total	82.77	57.01
Less: Amortization up to date (Net of amount on assets retired)	44.13	30.75
Less: Impairment Loss	-	-
Net Block at the end of the year	38.64	26.26

Amortization as on 31.03.2022

	(Amount in ₹ Crore)	
Amortization	As on 31.03.2022	As on 31.03.2021
Gross Opening balance	30.75	21.49
Less: Adjustment on account of MOC of the previous year	0	0
/Net Opening Balance	30.75	21.49
/Add: Impairment Loss	-	-
Add: Amortization recognised during the year	26.69	20.95
Less: Appropriation on assets retired	13.31	11.69
Closing Balance	44.13	30.75

Provisioning Coverage Ratio

	Current Year	Previous Year
Provisioning Coverage Ratio	91.44%	88.40%

Disclosure on Implementation of resolution plan on stressed account under Revised Framework

1. 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 additional provision of Rs.702.32 Crore in 10 accounts.
2. 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, 2022.

Prompt Corrective Action (PCA)

Despite FY 2021-22 being the most turbulent year with onset of the Omicron variant of COVID-19 and geopolitical tensions, Bank continued to post profits consistently in all the quarters. During the year, Bank came out of Prompt Corrective Action framework and made suitable plans for improving scale of business through quality lending.

Independent Auditors' Report

Report on Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying Standalone Financial Statements of UCO Bank ("the Bank"), which comprises the Balance Sheet as at 31st March, 2022, and the Statement of Profit and Loss Account and the Cash Flow Statement for the year then ended, and notes to the standalone 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:

- The Head Office 42 Zones, 21 branches inclusive of 1 treasury branch audited by us
 - 1007 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 2044 branches which have not been subjected to audit. These unaudited branches account for 16.52% of advances, 43.28% of deposits, 11.68 % of interest income and 44.04% 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

Managing Director & CEO
SOMA SANKARA PRASAD

Executive Director
ISHRAQ ALI KHAN

Director
DR SANJAY KUMAR

Director
RAJESH KUMAR

Director
ANJAN TALUKDAR

Director
RAVI KUMAR AGRAWAL

Director
K RAJIVAN NAIR

Asst. General Manager
SANDEEP KUMAR BOSE

General Manager
SHASHI KANT KUMAR

AUDITORS

For **KHANDELWAL KAKANI & CO**
Chartered Accountants Registration No. 001311C
(CA SANTOSH DESHMUKH)
Partner - Membership No. 071011

For **R GOPAL ASSOCIATES**
Chartered Accountants Registration No. 000846C
(CA G D AGRAWALA)
Partner- Membership No. 051609

For **S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP**
Chartered Accountants Registration No. 306033E/ E300272
(CA SANDEEP AGRAWAL)
Partner- Membership No. 058553

For **GHOSHAL GHOSAL**
Chartered Accountants Registration No. 304013E
(CA AMIYA KUMAR GHOSHAL)
Partner- Membership No. 005254

For more details, please contact:

CHIEF EXECUTIVE & BRANCH HEAD

UCO BANK, SINGAPORE

or visit us at www.ucobank.co.sg

email: accounts@ucobank.com.sg