



UCO BANK

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

Website : www.ucobank.com

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020

(₹ in Lakh)

SL No.	Particulars	Quarter Ended			Year Ended	Year Ended
		31.03.2020 (Audited)	31.12.2019 (Reviewed)	31.03.2019 (Audited)	31.03.2020 (Audited)	31.03.2019 (Audited)
1	Interest Earned (a)+(h)+(c)+(d)	374242	377074	378181	1513433	1433063
	(a) Interest/discount on advances / bills	201170	205440	188601	814051	782475
	(b) Income on investments	150636	148623	154774	593909	534828
	(c) Interest on balances with RBI & other inter-bank funds	10054	8522	21796	47630	50186
	(d) Others	12383	14489	13010	57844	65574
2	Other Income	76878	74347	36671	287121	151351
3	Total Income (1+2)	451121	451421	414852	1800555	1584414
4	Interest Expended	248791	253415	248985	1004206	1001948
5	Operating Expenses (i) + (ii)	80670	76955	96812	312789	306442
	(i) Employees Cost	49555	48432	56577	192940	194622
	(ii) Other Operating Expenses	31115	28523	40235	119849	111820
6	Total Expenditure (4+5) (excluding Provisions and Contingencies)	329461	330370	345797	1316995	1308390
7	Operating Profit (Before Provisions and Contingencies) (3-6)	121660	121052	69055	483560	276024
8	Provisions (other than current tax) and Contingencies (Net)	119982	217069	224258	727243	706596
	of which provisions for Non Performing Assets	108926	164551	260180	614381	829492
9	Exceptional Items	0	0	0	0	0
10	Profit(+)/Loss(-) from Ordinary Activities before tax (7-8-9)	1678	-96017	-155203	-243683	-430572
11	Provision for Current Taxes	0	0	0	0	1536
12	Net Profit(+)/Loss(-) from Ordinary Activities after tax (10-11)	1678	-96017	-155203	-243683	-432108
13	Extraordinary items (net of tax expense)	0	0	0	0	0
14	Net Profit(+)/Loss (-) for the period (12-13)	1678	-96017	-155203	-243683	-432108
15	Paid-up Equity Share Capital (Face Value ₹ 10/- each)	991834	862330	542340	991834	542340
16	Reserves excluding Revaluation Reserves	694291	624823	601222	694291	602122
17	Analytical Ratios					
	(i) Percentage of shares held by Govt. of India	94.44%	93.61%	93.29%	94.44%	93.29%
	(ii) Capital Adequacy Ratio: Basel-III	11.70%	10.27%	10.70%	11.70%	10.70%
	(a) Common Equity Tier-I Ratio	8.98%	7.21%	8.64%	8.98%	8.64%
	(b) Additional Tier-I Ratio	0.00%	0.00%	0.00%	0.00%	0.00%
	(iii) Earning Per Share (EPS) (in ₹) (Not Annualised)					
	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.	0.02	-1.18	-3.43	-3.10	-11.16
	b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year.	0.02	-1.18	-3.43	-3.10	-11.16
	(iv) NPA Ratios					
	a) Amount of Gross NPA	1928195	2213965	2988833	1928195	2988833
	b) Amount of Net NPA	551065	619965	964992	551065	964992
	c) % of Gross NPA	16.77%	19.45%	25.00%	16.77%	25.00%
	d) % of Net NPA	5.45%	6.34%	9.72%	5.45%	9.72%
	(v) Return on Assets (Annualised) (%)	0.03%	-1.52%	-2.49%	-0.96%	-1.84%



PART : A BUSINESS SEGMENTS						
Sl. No.	Particulars	Quarter Ended			Year Ended	Year Ended
		31.03.2020 (Audited)	31.12.2019 (Reviewed)	31.03.2019 (Audited)	31.03.2020 (Audited)	31.03.2019 (Audited)
1	Segment Revenue					
	i) Treasury Operations	204414	192052	199284	826425	680987
	ii) Corporate Banking Operations	119777	148438	92745	547004	504670
	iii) Retail Banking Operations	125386	109966	121689	423114	394760
	iv) Other Banking Operations	1544	965	1134	4012	3997
	Total Revenue	451121	451421	414852	1800555	1584414
2	Segment Results					
	i) Treasury Operations	63568	33495	56498	268417	135323
	ii) Corporate Banking Operations	-24611	-76084	-112815	-296418	-319527
	iii) Retail Banking Operations	-38824	-54393	-100020	-219693	-250365
	iv) Other Banking Operations	1544	965	1134	4012	3997
	Total	1678	-96017	-155203	-243683	-430572
	Less: Unallocated Expenses	0	0	0	0	0
	Profit Before Tax	1678	-96017	-155203	-243683	-430572
	Provision for Tax	0	0	0	0	1536
	Net Profit	1678	-96017	-155203	-243683	-432108
3	Segment Assets					
	i) Treasury Operations	11905263	11086208	11761141	11905263	11761141
	ii) Corporate Banking Operations	6603924	6512485	6303976	6603924	6303976
	iii) Retail Banking Operations	5033124	4767414	4934315	5033124	4934315
	iv) Other Banking Operations	48504	48767	48976	48504	48976
	Total Assets	23590815	22414874	23048408	23590815	23048408
4	Segment Liabilities					
	i) Treasury Operations	10867050	10047612	10219901	10867050	10219901
	ii) Corporate Banking Operations	7220626	7140277	7195988	7220626	7195988
	iii) Retail Banking Operations	5503139	5226985	5632519	5503139	5632519
	iv) Other Banking Operations	0	0	0	0	0
	Total Liabilities	23590815	22414874	23048408	23590815	23048408

PART : B GEOGRAPHICAL SEGMENTS					
Particulars	Quarter Ended			Year Ended	Year Ended
	31.03.2020 (Audited)	31.12.2019 (Reviewed)	31.03.2019 (Audited)	31.03.2020 (Audited)	31.03.2019 (Audited)
Domestic					
i) Revenue	440556	429188	402540	1742373	1537683
ii) Assets	22236113	21131839	21881474	22236113	21881474
International					
i) Revenue	10565	22234	12312	58181	46731
ii) Assets	1354702	1283035	1166934	1354702	1166934
Global					
i) Revenue	451121	451421	414852	1800555	1584414
ii) Assets	23590815	22414874	23048408	23590815	23048408




(₹ in Lakh)

STATEMENT OF ASSETS AND LIABILITIES

Particulars	As on 31.03.2020 (Audited)	As on 31.12.2019 (Reviewed)	As on 31.03.2019 (Audited)
Capital & Liabilities			
Capital	9918 34	8623 30	5423 40
Share Application Money			3596 68
Reserves & Surplus	9291 28	8590 55	8370 97
Deposits	193203 44	188436 99	197906 78
Borrowings	15695 06	10522 59	8323 68
Other Liabilities & Provisions	7800 02	7975 32	6862 57
Total	235908 15	224148 74	230484 08
Assets			
Cash and Balance with RBI	6776 73	8646 08	8823 01
Balance with Banks and Money at call and Short Notice	11029 43	7122 67	15609 09
Investments	90998 81	83752 75	82231 69
Advances	101174 25	97803 64	99313 84
Fixed Assets	2840 37	2811 06	2822 31
Other Assets	23088 55	24012 53	21684 14
Total	235908 15	224148 74	230484 08


SHASHI KANT KUMAR
 Deputy General Manager


RAM KUMAR
 General Manager


AJAY VYAS
 Executive Director


A K GOEL
 Managing Director & CEO

For R M Lall & Co
 Chartered Accountants
 FRN 000932C



(CA Vikas Chandra Srivastava)
 Partner
 MRN 0401216

For M C Bhandari & Co.
 Chartered Accountants
 FRN303002E



(CA Neeraj Jain)
 Partner
 MRN 064393

For V Singhi & Associates
 Chartered Accountants
 FRN 311017E



(CA Dibyendu Pal Choudhury)
 Partner
 MRN 016830

For Rama K Gupta & Co
 Chartered Accountants
 FRN 005005C



(CA Nitin Gupta)
 Partner
 MRN 419124

For Rawla & Co
 Chartered Accountants
 FRN 001661N



(CA Hardeep Singhal)
 Partner
 MRN 505618

UDIN 20401216 AAAA B23605 UDIN 20064393 AAAA M26776 UDIN 20016830 AAAA B22989

Udin No:- 2041924 AAAA BC2400

Kolkata, 26th June, 2020

UDIN 20505618 AAAA BY9585



UCO BANK
HEAD OFFICE: KOLKATA

NOTES ON THE AUDITED FINANCIAL RESULTS
FOR THE QUARTER / YEAR ENDED 31ST MARCH, 2020

- 1) The above financial results were reviewed and recommended by the Audit Committee of the Board and approved by the Board of Directors at their meeting held on 26.06.2020. The results have been audited by Statutory Central Auditors of the Bank, in line with the guidelines issued by Reserve Bank of India and as per the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended.
- 2) The financial results for the quarter / year ended 31st March, 2020 have been arrived at following the same accounting policies and practices as those followed in the preceding financial statements for the year ended 31st March, 2019.

The figures for the last quarter ended 31st March, 2020 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to the third quarter ended 31st December, 2019. The figures up to the end of third quarter only reviewed by the Statutory Auditors of the Bank and not subjected to audit.

- 3) The financial results for the quarter / year ended 31st March, 2020 have been arrived at after considering provisions on advances, non-performing investments, depreciation on investments and on fixed assets and provision for exposure to entities with unhedged foreign currency on the basis of extant guidelines/directives issued by the Reserve Bank of India. Provisions for Employee Benefits, Income Tax including deferred tax and other usual and necessary provisions have been made as per the applicable accounting standards issued by the Institute of Chartered Accountants of India.
- 4) Based on the available data, available financial statements and the declaration from borrowers wherever received, the Bank has estimated a liability of Rs.0.31crore as on 31st March, 2020 towards Unhedged Foreign Currency Exposure to their constituents in terms of RBI Circular DBOD.No.BP.BC.85/21.06.200/2013-14 dated 15th January 2014. The entire estimated amount is fully provided for.
- 5) Pending finalization of Bipartite agreement on wage revision (due from November, 2017), an adhoc amount of Rs. 23.66 crore has been provided during the quarter ended 31st March, 2020 towards wage revision. The cumulative provision held as on 31st March, 2020 for wage revision is Rs. 528.66 crore
- 6) In terms of Supreme Court Order and necessary guidelines issued by Reserve Bank of India (RBI) the Bank has kept Delhi Airport Metro Express Pvt.Ltd. "DAMEPL" as standard account. However, necessary provision as per IRAC norms have been made which are detailed as under:-

(Rs. in crores)

Amount not treated as NPA as per IRAC norms	Provisions required to be made as per IRAC norms	Provision actually held
194.14	48.54	48.54

- 7) As per the RBI directions issued during the financial year ended March 31, 2018 in respect of select borrower accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC), against total outstanding of Rs. 1888.58, bank is holding a provision of Rs. 1705.49 as on 31st March, 2020.



- 8) In accordance with RBI circular No. DBR No. BP. BC. 18/21.04.048/2018-19 dated 01.01.2019 on "Micro, Small and Medium Enterprises(MSME) sector – Restructuring of Advances" the details of MSME restructured accounts during the year ended 31st March, 2020 are as under:

No. of Accounts Restructured	Amount (Rs. in Crores)
2353	365

- 9) 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, 2020 as per the earlier provisions of the Income Tax Act, 1961.
- 10) Bank has recognized net deferred tax assets aggregating to Rs. 1275.71 crore on carry forward losses and other items of timing difference during the financial year 2019-20. During the quarter bank has recognized deferred tax assets of Rs.(-) 6.57 crore.
- 11) The details of divergence in asset classification and provisioning in terms of Risk Assessment Report (RAR) of RBI for the previous year ended 31.03.2019 are furnished hereunder pursuant to RBI Circular No. DBR.BPBC.No.32.21.04.018/2018-19 dated 01.04.2019 and SEBI Circular dated 31.10.2019.

Sl	Particulars	(Rs. in crore) Amount
1.	Gross NPAs as on March 31, 2019 as reported by the bank	29,888.33
2.	Gross NPAs as on March 31, 2019 as assessed by RBI	31,105.75
3.	Divergence in Gross NPAs (2-1)	1,217.42
4.	Net NPAs as on March 31, 2019 as reported by the bank	9,649.92
5.	Net NPAs as on March 31, 2019 as assessed by RBI	9,484.87
6.	Divergence in Net NPAs (5-4)	(165.05)
7.	Provisions for NPAs as on March 31, 2019 as reported by the bank	18,993.71
8.	Provisions for NPAs as on March 31, 2019 as assessed by RBI	20,383.88
9.	Divergence in provisioning (8-7)**	1390.17
10.	Reported Net Profit after Tax (PAT) for the year ended March 31, 2019	(4321.09)
11.	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2019 after taking into account the divergence in provisioning	(5,225.53)#

** Figures includes divergence in Provision attributable to Valuation of Investment of Rs.7,70,00,000.

#Figures adjusted with impact of Deferred Tax Asset (DTA)

Bank has made full provision against said divergence.



12) During the year the Bank issued shares and allotted -

- 175,17,09,626 Equity Shares of face value Rs.10/- each at an issue price of Rs. 19.01 (including premium of Rs.9.01) per share on 23.04.2019 to Government of India against capital infusion of Rs.3,330 Crore received on 21.02.2019 by way of preferential allotment of Equity Shares.
- 18,70,89,228 Equity Shares of face value of Rs.10/- each fully paid at an issue price of Rs.14.25 per share after a discount of 25% on the floor price of Rs. 19/- per share, in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014 to the employees on 23.04.2019 under UCO Bank Employee Share Purchase Scheme (ESPS) 2019 against their capital contribution aggregating to Rs.266.60 Crore.
- 126,11,01,243 Equity Shares of face value of Rs.10/- each fully paid at an issue price of Rs. 16.89 (including premium of Rs.6.89) per share on 07.11.2019 to Government of India against capital infusion of Rs.2130 Crore received on 27.09.2019 by way of preferential allotment of Equity Shares.
- 129,50,42,321 Equity Shares of face value of Rs.10/- each fully paid at an issue price of Rs.16.54 (including premium of Rs.6.54) per share on 28.02.2020 to Government of India against capital infusion of Rs.2142 Crore received on 03.01.2020 by way of preferential allotment of Equity Shares.

13) During the quarter ended 31st March, 2020, Bank has exercised call option and redeemed Upper Tier II bonds aggregating Rs.500 crore. Further, Bank also redeemed Lower Tier II Bonds aggregating Rs. 800 crore on due date.

14) In accordance with RBI circular DBOD No. BP. BC/1/21.06.201/2015-16 dated 1st July, 2015, banks are required to make Pillar 3 disclosures under Basel III Capital requirements. The disclosures are being made available on Bank's website (www.ucobank.com). These disclosures have not been subjected to review by the auditors.

15) The Spread of COVID 19 has resulted a lockdown in India and across the Globe. The continued lockdown has resulted in significant decline in globe and local economic activities. The situation continues to be uncertain and Bank is closely monitoring the same. Despite these events and conditions, there would not be any material impact on Bank's results in future and going concern assumptions as at presently made. Management belief that no adjustments are required in the Financial Results as it does not significantly impact in the current financial year.

In accordance with RBI guidelines relating to 'COVID 19 Regulatory Package' on asset classification and provisioning dated 27.03.2020, 17.04.2020 and 23.05.2020 on COVID -19 Regulatory Package- Asset Classification and Provisioning the Bank has extended asset classification benefit and made provision as under:

S No.	Particulars	Amount (Rs. In Crore)
1	Respective amount where asset classification benefits is extended	571.54
2	Provisions made during the 4th quarter of FY 2019-20	57.15
3	Provisions adjusted during the respective accounting periods against slippages and the residual provisions	Nil

In terms of RBI circular DOR No. BP.BC.62/21.04.048/2019-20 dated 17.04.2020 on COVID 19 Regulatory Package – Review of resolution Timelines under the Prudential Framework on resolution of stressed assets, none of the account was eligible for getting extension of the said resolution period."



- 16) In terms of RBI Circular No. RBI/2018-19/2013 DBR No.BP.BC.45/21.04.048/2018-19 dated 07.06.2019 on Prudential frame work for Resolution of stressed assets, Bank has made total provision of Rs.190.08 Crore in 19 accounts.
- 17) The Non-Performing Loan Provisioning Coverage Ratio is 85.46% as on 31st March, 2020 as against 74.93% as on 31st March, 2019.
- 18) Bank has reported two loan accounts under Borrowal Fraud category to RBI in Quarter I of FY 2020-21 and amount outstanding was Rs.581.59 crore as on 31.03.2020. The accounts were already under NPA category and provision amounting to Rs.282.64 crores is held in the account as at 31.03.2020. Bank has made additional provision of Rs.74.73 crore (25% of remaining provision) as on 31.03.2020 and the remaining amount of Rs.224.22 crore has been charged to Reserves and deferred for adjustment in subsequent quarters in line with RBI circular No. BP.BC.92/21.04.048/2015-16 dated 18.04.2016
- 19) Other income of the Bank includes income from non-fund based activities such as brokerage, commission, fees, income from foreign exchange fluctuation, profit/ loss on sale of investments, recovery from write-off accounts and income from sale of priority sector lending certificates etc.
- 20) Number of investor Complaints: - (i) Outstanding at the beginning of the quarter – Nil (ii) Received during the quarter – 108 (iii) Disposed of during the quarter – 108 and Outstanding at the end of the quarter – Nil.
- 21) During the financial year 2019-20, Reserve Bank of India, in exercise of powers conferred under Section 47(A)(1)(c) read with section 51 and 46(4)(i) of The Banking Regulation Act, 1949, has imposed penalty of :
- a) Rs. 50 lakhs (Rupees Fifty lakhs only) for non-compliance of RBI directives on " KYC Norms/AML Standards/CFT/Obligation of banks and financial institutions under PMLA 2002" and "Opening of Current Accounts by Banks –Need for discipline".
- b) Rs 1 crore (Rupees One Crore only) on the Bank for delayed reporting of fraud on CRILC data platform.
- 22) As per the guidelines of the RBI on compliance with the Accounting Standards, the bank has adopted "Treasury Operation", "Wholesale ", "Retail" and "Other Banking Operation, as primary business segment and "Domestic" and "International" as secondary/ Geographic segments for the purpose of compliance with Accounting Standards 17 on segment reporting issued by Institute of Chartered Accountants of India (ICAI).
- 23) Figures of the corresponding previous periods have been regrouped / reclassified wherever considered necessary.


(Ajay Vyas)
Executive Director


(A. K. Goel)
Managing Director & CEO

Date: 26.06.2020

Place: Kolkata



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

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PARTICULARS	Year ended 31.03.2020	Year ended 31.03.2019
A. Cash Flow from Operating Activities :		
Net Profit before taxes	(24368289)	(43057202)
Adjustments for :		
Depreciation on fixed assets	1372893	1368811
Depreciation/Provision on investments	5304824	5914201
Provision for non-performing assets	61438130	82949254
Provision for Standard Assets	(23932)	(49114)
Provision for other items	6005254	(18154698)
(Profit)/Loss on sale of fixed assets	(1062)	(94905)
Interest paid on subordinated debt (treated separately)	1586520	1889793
Dividend Received	(89780)	(48483)
Interest received from Tier-II Bonds (treated separately)	(14177)	(318973)
Interest paid on AT-1 Bonds (treated separately)	0	57699
Interest paid on Upper Tier-2 Debt Instruments (treated separately)	1835952	445000
Sub-total	53046332	30901383
Less: Direct Tax Paid	0	0
	53046332	30901383
Adjustments for :		
(Increase)/Decrease in investments	(92976036)	(118609649)
(Increase)/Decrease in advances	(80042236)	(1387465)
(Increase)/Decrease in other assets	(1287114)	10758577
Increase/(Decrease) in borrowings	70184282	(31418631)
Increase/(Decrease) in deposits	(47033382)	160575018
Increase/(Decrease) in other liabilities & provisions	(8476005)	(8919880)
Net Cash Flow from Operating Activities (A)	(106584159)	41899353
B. Cash Flow from Investing Activities :		
Purchase of fixed assets	(1432220)	(755047)
Sale/disposal of fixed assets	200148	250176
Dividend Received	89780	48483
Interest received from Tier-II Bonds	14177	318973
Net Cash Flow from Investing Activities (B)	(1128115)	(137415)
C. Cash Flow from Financing Activities :		
Preferential allotment of Equity Shares	25561436	14682578
Share Premium on issue of Equity Shares	17158564	16077422
Capital infusion by GOI (Kept in Share Application Money)	0	33300000
Amount of ESPS Application Money		2666822
Issue of Basel-III compliant Tier 2 Bonds	10000000	
Redemption of AT-1 Bonds	0	(7500000)
Redemption of Upper Tier-2 Bonds	(5000000)	0
Redemption of Subordinated Debts	(10750000)	(1000000)
Refinance from / Redemption to - NABARD/SIDBI/NHB	9279553	(1337202)
Interest paid on AT-1 Bonds	0	(57699)
Interest paid on Upper T-2 Debt Instruments	(1835952)	(445000)
Interest paid on subordinated debts	(1586520)	(1889793)
Net Cash Flow from Financing Activities (C)	42827081	54497128
Net increase in Cash & Cash Equivalents (A+B+C)	(64885193)	96259066
Adjustment for Foreign Exchange Fluctuation	(1374213)	581563
Net Increase in Cash & Cash Equivalents	(66259406)	96840629
Cash and Cash Equivalents as on April 1,2019 & 2018 respectively	244320990	147480361
Cash and Cash Equivalents as on March 31,2020 & 2019 respectively	178061584	244320990



PARTICULARS	Year ended 31.03.2020	Year ended 31.03.2019
D Cash and Cash Equivalents at the beginning of the Year		
Cash in Hand (including foreign currency notes and gold)	5850833	6363014
Balance with Reserve Bank of India	82379270	74887777
Balance with Banks and Money at Call and Short Notice	156090887	66229570
	244320990	147480361
E Cash and Cash Equivalents at the end of the Year		
Cash in Hand (including foreign currency notes and gold)	9234231	5850833
Balance with Reserve Bank of India	58533053	82379270
Balance with Banks and Money at Call and Short Notice	110294300	156090887
	178061584	244320990



For R M LALL & CO
Chartered Accountants
Registration No. 000932C

(CA VIKAS CHANDRA SRIVASTAVA)

Partner

Membership No. 0401216

UDIN 20401216 AAAA BW 63605

For RAMA K GUPTA & CO
Chartered Accountants

Registration No. 005005C



(CA NITIN GUPTA)

Partner

Membership No. 419124

UDIN 20419124 AAAADC 2400

For RAWLA & CO
Chartered Accountants
Registration No. 001661N



(CA HARDEEP SINGHAL)

Partner

Membership No. 505618

UDIN 20505618 AAAA BY 9585

For M C BHANDARI & CO
Chartered Accountants
Registration No. 303002E



(CA NEERAJ JAIN)

Partner

Membership No. 064393

UDIN 20064393 AAAA HW 6776

For V SINGHI & ASSOCIATES
Chartered Accountants

Registration No. 311017E



(CA D PAL CHOUDHURY)

Partner

Membership No. 016830

UDIN 20016830 AAAA BF 2989

K RAJIVAN NAIR
Director

DR. ARVIND SHARMA
Director

ANAND MADHUKAR
Director

DR. ASISH SAHA
Director

SHASHI KANT KUMAR
Deputy General Manager

RAM KUMAR
General Manager

A.K. GOEL
Managing Director & CEO

AJAY VYAS
Executive Director

R M Lall & Co Chartered Accountants 4/10, Vishal Khand, Gomti Nagar, Lucknow- 226 010 (U.P.)	M. C. Bhandari & Co Chartered Accountants 4, Synagogue Street, Suite # 205, 2nd Floor, Facing Brabourne Road, Kolkata - 700 001.	V Singhi & Associates Chartered Accountants Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Ground Floor Kolkata - 700 001
Rama K Gupta & Co Chartered Accountants 156, Ravi Nagar, Behind GDA Kherapati Road Gwalior (M.P) - 474 002	M/s Rawla & Co. Chartered Accountants 504, Surya Kiran, 19 Kasturba Gandhi Marg, New Delhi-110001	

Independent Auditor's Report on Quarterly and year to date Financial Results of UCO Bank pursuant to Regulation 33 of the Security and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015

Independent Auditor's Report

TO THE BOARD OF DIRECTORS OF UCO BANK

Report on the Audit of the Financial Results

Opinion

We have audited the accompanying quarterly Financial Results of UCO Bank ("the Bank") for the quarter ended 31st March, 2020 and the year to date Financial Results for the period from 1st April, 2020 to 31st March, 2020 attached herewith, being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), except for the disclosures relating to Pillar 3 as at 31st March, 2020, leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Financial Results and have not been audited by us.

The Financial Statements included returns/results for the year ended on that date of:

- i) 21 branches inclusive of one treasury branch audited by us
- ii) 1471 branches (including Service branches) audited by statutory branch auditors
- iii) 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 1594 branches which have not been subjected to audit. These unaudited branches account for 9.49 per cent of advances, 31.87 per cent of deposits, 11.05 per cent of interest income and 32.55 per cent of interest expenses.



Our opinion on the Financial Results is not modified in respect of the above matter.

In our opinion and to the best of our information and according to the explanations given to us, these Financial Results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations. In this regard except for the disclosures relating to Pillar 3 disclosure as at 31st March, 2020, leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Financial Results and have not been audited by us; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Accounting Standard issued by the Institute of Chartered Accountants of India, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India of the net profit and other financial information for the quarter ended 31st March, 2020 and losses for the year to date results for the period from 1st April, 2019 to 31st March, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Results section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Results, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

1. We draw attention to Note no. 15 of notes to the Financial Result regarding impact of COVID-19 pandemic. The situation continues to be uncertain and Bank's financial performance is dependent on future development. Bank is evaluating the situation on an ongoing basis with respect to the challenges faced.
2. Refer Note no. 18 of notes to the Financial Result relating to deferment of provision of Rs. 224.22 crore pertaining to certain fraud accounts identified during the 1st quarter of the financial year 2020-21 and to be charged to the Profit and Loss accounts in the three quarters of financial year 2020-21 in terms of RBI Circular DBR No .BP.BC.92/21.04.048/2015-16 dated April 18, 2016.

Our opinion is not modified in respect of these matters.



Board of Directors' Responsibility for the Financial Results

These Financial Results have been compiled from the interim financial statements. The Bank's Board of Directors are responsible for the preparation of these Financial Results that give a true and fair view of the net loss and other financial information in accordance with the recognition and measurement principles laid down in Accounting Standard 25 (AS 25) issued by the Institute of Chartered Accountants of India, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act/Banking Regulations Act, 1949 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 Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Results, the Board of Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the Financial Results 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 Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Results, including the disclosures, and whether the Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

1. We did not audit the Financial Statements / information of 1471 branches and 2 overseas branches included in the Financial Statements of the Bank whose financial statements/ financial information reflects total advances of Rs. 53703.60 crore as at 31st March, 2020 and total interest income of Rs. 5011.27 crore for the year ended on that date, as considered in the Financial Statements. The financial statements/ information of these branches have been audited by the Statutory Branch Auditors whose reports have been furnished to us, and in our opinion in so far as it relates to the amounts and disclosures included in respect of branches, are based solely on the report of such branch auditors.
2. The Reserve Bank of India vide Notification No. DOS:ARG:No. 6270/08.91.001/2019-20 dated 17/03/2020 had advised that SCAs should report in their independent audit report for the year 2019-20 about adequacy of internal control system with reference to Financial Statements in the Bank and its operating effectiveness. We have been informed by the bank vide their letter dated 31.05.2020 that RBI has made it optional for the Bank for the year 2019-20 and that Bank has opted not to implement the report on the financial controls for the year 2019-20. Hence our audit report does not include report on the adequacy of internal financial control over financial statements and its operating effectiveness.



3. The statement includes Financial Results for the quarter ended 31st March, 2020 being the balancing figures between the audited figures in respect of year ended 31st March 2020 and the published year to date figures up to 31st December 2019, being the date of the third quarter of the current financial year, which were subject to a limited review.

Our opinion on the financial results is not modified in respect of above matter.

For R M LALL & CO

Chartered Accountants
Registration No. 000932C



(CA VIKAS CHANDRA
SRIVASTAVA)

Partner

Membership No. 0401216
UDIN: 20401216 AAAA BW 3605

For M C BHANDARI & CO

Chartered Accountants
Registration No. 303002E



(CA NEERAJ JAIN)

Partner

Membership No. 064393
UDIN: 20064393 AAAA MW 6776

For V SINGHI & ASSOCIATES

Chartered Accountants
Registration No. 311017E



(CA DIBYENDU PAL
CHOUDHURY)

Partner

Membership No. 016830
UDIN 20016830 AAAA BF 2989

For RAMA K GUPTA & CO

Chartered Accountants
Registration No. 005005C



(CA NITIN GUPTA)

Partner

Membership No. 419124
UDIN: 20419124 AAAA BC 2400

For RAWLA & CO

Chartered Accountants
Registration No. 001661N



(CA HARDEEP SINGHAL)

Partner

Membership No. 505618
UDIN: 20505618 AAAA BY 9585

Place: Kolkata
Date: 26.06.2020