

## BALANCE SHEET AS AT 31ST MARCH 2020

PEOPLE'S URBAN CO-OPERATIVE BANK LTD.NO.51, TRIPUNITHURA							
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2020							
	31-03-2020	31-03-2019		31-03-2020	31-03-2019		
	Rs.	Rs.		Rs.	Rs.		
1	Interest on deposits, borrowing, etc.	623,980,176.53	552,619,052.87	1	Interest and discount	827,672,725.53	733,927,022.78
2	Salaries and allowances and provident fund	97,143,515.00	73,767,912.76	2	Commissions exchange and brokerage	166,101.00	220,414.00
3	Director's and local committee member's fees and allowances	710,121.00	706,817.00	3	Subsidies and donations	-	-
4	Rent, taxes, insurances, lighting etc.	26,884,782.03	25,163,167.06	4	Income from non banking assets and profit from sale of or dealing with such assets	-	-
5	Law charges	268,500.00	102,000.00	5	Other receipts		
6	Postage, telegrams and telephone charges	984,676.58	1,310,821.21		Profit on sale of Investments(net)	30,309,450.00	13,626,500.00
7	Auditor's fees	3,464,142.20	3,373,996.83		Provision for NPA no longer required reversed	-	-
8	Depreciation and repairs to property	8,619,471.92	8,144,590.15		Profit on sale of Units of Mutual Funds	16,509,936.86	10,169,014.86
9	Stationery, printing and advertisement, etc.	1,287,488.78	1,672,944.22		Profit on sale of fixed assets	-	210,000.00
10	Loss from sale of or dealing with non-banking assets	-	-		Rent	-	-
11	Other expenditure	12,316,526.92	12,623,445.11		Investment Depreciation Reserve ( Excess Provision Reversed )	-	-
12	Provisions & contingencies				Miscellaneous Income	21,016,293.74	17,496,941.60
	Provision for Standard assets	8,274,540.41	5,963,164.00				
	Provision for Non Performing assets	12,414,064.30	4,506,537.00				
	Provision for Deferred NPA	3,440,000.00	-				
	Provision for Gratuity	-	-				
	Provision for Overdue Interest	-	-				
	Provision for Leave benefit to Employees	2,295,886.00	368,721.00				
	Provision for Salary revision	13,500,000.00	-				
	Provision for Other Assets	25,410.00	-				
	Provision for Incometax(Income tax expenses)	38,732,470.00	30,523,694.00				
	Provision for Deferred tax liability/(Assets)	1,396,090.00	1,435,042.00				
13	Net Profit/(Loss) carried to Balance sheet	39,936,824.56	53,367,988.03				
	Total	895,674,507.13	775,649,893.24		Total	895,674,507.13	775,649,893.24
	Basic and Diluted earning per share (Rs.)	3.46	5.65				
(Ref. Note No. R.4 of Notes on Accounts)							
Notes on Accounts							

PEOPLE'S URBAN CO-OPERATIVE BANK LTD. NO. 51, TRIPUNITHURA.		
CASH FLOW STATEMENT AS ON 31-03-2020		
Particulars	2019-20 Rs.	2018-19 Rs.
A.Cash Flow from Operating Activities		
Profit Before Tax	80,065,384.56	85,326,724.03
Adjustments for:		
Depreciation on Fixed Assets	5,934,029.63	5,580,892.86
Provisions and Contingencies	39,949,721.61	10,838,422.00
Provisions Written Back	-	-
Operating Profit before Working Capital Change	125,949,135.80	101,746,038.89
Adjustment for Working Capital Change		
Advances	(950,974,927.56)	(661,493,723.51)
Investments	145,731,875.00	(497,803,078.00)
Other Operating Assets	(109,529,831.32)	(68,628,425.19)
Deposits	727,848,865.90	1,373,678,642.81
Borrowings	-	-
Other Operating Liabilities	135,795,990.43	68,298,534.00
Utilisation of various funds	(471,189.00)	(727,097.00)
Cash generated from Operations	74,349,919.25	315,070,892.00
Direct Taxes Paid	(33,430,430.00)	(40,624,854.00)
Net Cash Flow from Operations ( A )	40,919,489.25	274,446,038.00
B.Cash Flow from Investment Activities		
Net Additions to Fixed Assets	(6,789,763.02)	(43,600,371.86)
Net Cash Flow from Investment Activities ( B )	(6,789,763.02)	(43,600,371.86)
C.Cash Flow from Financing Activities		
Share Capital	52,504,325.00	27,088,625.00
Dividend Paid	(24,388,198.00)	(22,493,635.00)
Net Cash generated from Financing Activities ( C )	28,116,127.00	4,594,990.00
D.Net increase in Cash and Cash Equivalents ( A+B+C )	62,245,853.23	235,440,656.14
Cash and Cash Equivalents as at Opening	1,768,295,495.47	1,532,854,839.33
Cash and Cash Equivalents as at Closing	1,830,541,348.70	1,768,295,495.47

**PEOPLE'S URBAN CO-OPERATIVE BANK LTD.**

**Notes on Accounts for the Year 2019-20**

**A. Significant Accounting Policies**

**1. GENERAL**

The Financial Statements have been prepared under the historical cost convention on accrual basis of accounting except for items which are measured on cash basis and according to relevant requirements prescribed under Banking Regulation Act, 1949.

The preparation of the financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosures of contingent liabilities at the date of the financial statements. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

**2. INVESTMENTS**

a) In terms of RBI guidelines, the entire investments portfolio has been classified under three categories for valuation purpose, viz. "Held to Maturity", "Available for sale" and "Held for Trading".

b) Valuation of Securities:

i) Investments in "Held to Maturity" category are accounted for at acquisition cost. In case the cost is higher than the face value, the premium is amortised over the period remaining to maturity using Constant Yield Method.

ii) Securities classified as "Available for Sale" are valued scrip-wise on a quarterly basis and net depreciation is provided for, while net appreciation is ignored.

iii) Securities in "Held for Trading" category are revalued as on the last day of every month at the market price and the depreciation, if any, is provided for.

**3. ADVANCES**

Provision for Non-Performing Assets has been made based on asset classification and provisioning requirement under the prudential accounting norms laid down by the RBI and the same is included under Other Liabilities. Contingent Provision against Standard Assets is provided on the basis of the RBI guidelines.

**To The Members of People's Urban Co-Operative Bank Limited, Tripunithura.**  
**Report on the Financial Statements**

are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Emphasis of Matter**

As more fully described in Note No. Part B 8 of Notes on Accounts, the extent to which the COVID-19 pandemic will have an impact on the Bank's financial performance is dependent on future developments, which are highly uncertain. Our opinion is not modified in respect of this matter.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements read with the accounting policies followed by the Bank and Notes thereon give the information required by the Banking Regulation Act, 1949 in the manner so required for Co-operative banks and the Guidelines issued by Reserve Bank of India from time to time and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Bank as at 31<sup>st</sup> March, 2020; and
- (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

**Report on Other Legal and Regulatory Requirements**

We report that:

- (i) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- (ii) the transactions of the Bank, which have come to our

Employees are provided on the basis of accumulated leave to the credit of the employees on the basis of entitlement at the year end.

**16. INCOME RECOGNITION**

a. Interest / discount on advances / bills are recognized on accrual basis except on non- performing assets where the income is recognized only on realization.

b. Exchange, Brokerage, Commission & Rent on lockers are recognized on cash basis.

c. Income from Investments (other than income from mutual funds and income from non- performing investments) is recognized on accrual basis.

**17. PROVISION FOR TAXATION**

a) Provision for Income Tax of Rs. 3,87,32,470/- includes Current year provision for income tax of Rs. 3,72,63,080/- and Balance Tax of Deferred tax of Rs. 14,69,390/-.

b) Deferential Tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realised in future.

**18. AMOUNT TRANSFERRED TO DEAF**

	2019-20	2018-19
		(Rupees in Lakhs)
Opening balance of amounts transferred to DEAF	15.44	12.81
Add: Amounts transferred to DEAF during the year	0.64	2.63
Less: Amounts reimbursed by DEAF towards claims	-	-
Closing balance of amounts transferred to DEAF	16.08	15.44

**B. OTHER NOTES ON ACCOUNTS**

1. Reconciliation  
 Initial reconciliation of the inter-bank/offices accounts has been completed on 31.03.2020. Steps have been taken to eliminate the outstanding entries and in the bank's opinion, consequential impact on Profit and Loss Account will not be material.

2. Investments  
 In respect of Investments in 'Held to Maturity' category, the amount of amortization of excess of acquisition cost over face value for the year is Rs.5.78 lakhs, (previous year Rs. 7.23 lakhs) and is netted against Income on investment, grouped under the head "Interest and discount" income.

3. Expenditure includes Rs.12.54 lakhs, (previous year Rs. 33.61 lakhs) being expenses incurred during the year under various expenditure heads exceeding the approved annual budget and hence objected to by the Registrar of Co-Operative societies.

4. Earnings per share (AS – 20)

The numerators and denominators used to calculate the earnings per share as per Accounting Standard – 20 issued by the Institute of Chartered Accountants of India are as under:

(d) Deferred Tax Liability (Net) of Rs. 96,090/- is debited from Profit & Loss Account.

(e) The COVID-19 pandemic has resulted in significant uncertainties across the global economy. RBI Circular dated 08/07/2020 vide DBR No. BPPRC NO 63/21(OLD)/2016-17 dated 08/07/2020 and RBI Circular dated 27/04/2020 vide DBR No. BPPRC NO 63/21(OLD)/2016-17 dated 27/04/2020 have provided relief measures to borrowers affected by the impact of the Bank has created during the year, deferred tax liability of Rs. 10,46,533/- on special reserve under section 36(1)(viii) of the Income Tax Act, 1961

(f) Non-Banking Assets

The COVID-19 pandemic has resulted in settlement of debts / dues are accounted at the lower of their cost of acquisition or net realisable value. Also non-banking assets acquired in satisfaction of claims includes certain Non-Banking assets acquired in satisfaction of claim which are included as per balance transferred in P&L Statement showing the same. Banks may also receive some portion of such loans i.e., ₹1424.08 lakhs in respect of advances and the unrealized interest portions recognized as income out of these transactions is Rs. 111.59 lakhs. The excess amount Rs. 734.89 lakhs, after setting off respective loan accounts, interest and other charges thereon is parked in liability account.

(g). Proposed Dividend

In terms of revised Accounting Standard (AS) "4 Contingencies and Events occurring after the Balance Sheet date" as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016 dated March 2020, the COVID-19 pandemic is considered to spread across the globe impacting India, which has contributed to a significant volatility in global and Indian Financial markets and a significant decrease in the global and local economic activities. In view of continuing uncertainties, the extent of impact on the Bank's operations and financial position would depend on several factors including the steps taken by governments worldwide to contain the virus and its effects on the bank and the banking industry.

In accordance with the "COVID-19 Regulatory Packages" announced by the RBI on 27<sup>th</sup> March 2020 and 17<sup>th</sup> April 2020 ("the RBI guidelines"), with regard to providing relief to borrowers on account of COVID-19 pandemic whose accounts were standard or on extension basis upto June 30, 2020, based on report submitted on regularity of all eligible borrowers up to September 30, 2020 considering the same as restructuring. Further on 22<sup>nd</sup> May 2020, RBI has permitted the Banks to extend such benefits to eligible borrowers for another three months, from 1<sup>st</sup> June 2020 to 31<sup>st</sup> August 2020. In accordance with the RBI guidelines, the Bank is required to make provision @ 10% against NPA's arising over two quarters beginning with quarter ending 31<sup>st</sup> March 2020 in respect of such borrowers whose accounts, though classified as standard as on 31<sup>st</sup> March 2020, would have become non-performing but for these benefits/rerelations extended as per RBI guidelines, though classified as standard as on 31<sup>st</sup> March 2020, would have become non-performing but for these benefits/relations extended as per RBI guidelines, though classified as standard as on 31<sup>st</sup> March 2020, would have become non-performing but for these benefits/relations. On this basis, the estimated increase in provisions on 31<sup>st</sup> March 2020 was ₹ 34.40 lakhs during the quarter ended 31<sup>st</sup> March 2020 itself. This provision of Rs. 34.40 lakhs in respect of COVID-19 impact is grouped in the Balance sheet under Other Liabilities.

(h) Disclosures as Per Master Circular on Classification and Provisioning for Non-Performing Assets as per RBI Circular vide DBR No. BPPRC NO 63/21(OLD)/2016-17 dated 08/07/2020 and RBI Circular dated 27/04/2020 vide DBR No. BPPRC NO 63/21(OLD)/2016-17 dated 27/04/2020

(i). Previous year's figures have been re-grouped/recast, wherever necessary, to conform to the current year's presentation.

(j). Disclosures as per RBI's Master Circular on Disclosure in Financial Statements

(k) Capital to Asset Ratio(CAR)

(l) Movement of CRAR

Details of Issuer Composition of Non-SLR Investments and non performing Non-SLR Investment.				
Issuer	Amount Rs.	Extent of 'below investment grade' Securities	Extent of unlisted Securities	Extent of unlisted Securities
1. PSU	-	}	-	
2. FIS	-			
3. Public Sector Banks	-			
4. Mutual Funds	-			
5. Others	-			
6. Provision held towards depreciation	-			
<b>ii. <u>Non performing Non SLR Investments. (Rs. Lakhs)</u></b>				
Opening Balance	-	}	-	
Additions during the year since 1st April	-			
Reductions during the above period	-			
Closing Balance	-			
<b>Total provisions held</b>	-			

x. Provisions made towards NPAs, Depreciation in Investments and Standard Assets Movement in Provisions				
a.	Towards NPAs		1216.60	1092.46
b.	Towards Depreciation on Investments		40.40	25.50
c.	Towards standard assets		510.47	427.72
xi. Foreign Currency Assets and Liabilities				
xii. Payment of D/E G C Insurance Premium (Rs. in Lakhs)		-	-	
a.	Insurance Premium Paid (up to date)	80.57	66.42	
b.	Of the above arrears	-	-	
xiii. Penalty Imposed by RBI (U/B, PCB Cir No 40/16.45.00/2004-05DT 01-03-2005)				
xiv. Restructured Accounts:				
Particulars of Accounts Restructured				
		Housing Loan	SME Debt Restructuring	Others
	Number of Borrowers	Nil	Nil	Nil
	Amount Outstanding	Nil	Nil	Nil
Standard Advances Restructured	Sacrifice (diminution in the fair value)	Nil	Nil	Nil
	Number of Borrowers	Nil	Nil	Nil
	Amount Outstanding	Nil	Nil	Nil
Sub-standard advances restructured	Sacrifice (diminution in the fair value)	Nil	Nil	Nil
	Number of Borrowers	Nil	Nil	Nil
	Amount Outstanding	Nil	Nil	Nil
Doubtful Advances Restructured	Sacrifice (diminution in the fair value)	Nil	Nil	Nil
	Number of Borrowers	Nil	Nil	Nil
	Amount Outstanding	Nil	Nil	Nil
Total	Sacrifice (diminution in the fair value)	Nil	Nil	Nil

As part our report of even date			
(Sd/-) Chairman	(Sd/-) Director	(Sd/-) General Manager	For Pwssht & Associates Chartered Accountants Firm Reg No:1766
Place: Bijnor Date: 23-09-2020		Place: Ernakulam Date: 25-09-2020	(Sd/-) CA. Pwssht P S (M.No.17051) Proprietor