

THE PEOPLES' URBAN CO-OPERATIVE BANK LTD. NO. 51, TRIPUNITHURA BALANCE SHEET AS AT 31ST MARCH 2024

Balance sheet table with columns: As on 31-03-2024, As on 31-03-2023, As on 31-03-2024, As on 31-03-2023. Rows include Capital and Liabilities, Reserve Fund and other reserves, Principal/Subsidiary State Partnership Fund Account, Deposits and other accounts, Borrowings, Bills for collection, Branch Adjustments, Overdue interest Reserve, Interest payable, Other Liabilities, Profit and Loss, and Contingent Liabilities.

(sd/-) Chairman, (sd/-) Director, (sd/-) Director, (sd/-) Chief Executive Officer, Place: Ernakulam, For Krishnamoorthy & Krishnamoorthy, Chartered Accountants, Date: 14-06-2024, UDN: 242014848KXK01998

THE PEOPLES' URBAN CO-OPERATIVE BANK LTD. NO. 51, TRIPUNITHURA PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2024

Profit and Loss Account table with columns: Expenditure, Income, 31-03-2024, 31-03-2023, 31-03-2024, 31-03-2023. Rows include Interest on deposits, Salaries and allowances, Director's and local committee member's fees, Rent, taxes, insurance, lighting etc., Law charges, Postage, telegrams and telephone charges, Auditor's fees, Depreciation and repairs to property, Stationery, printing and advertisement, etc., Other expenditure, M to M loss on AFS Investment, Provisions and contingencies, Provision for standard assets, Provision for Deferred NPA/Restructured Loans, Provision for Gratuity, Provision for Overdue interest, Provision for Leave benefit to Employees, Provision for Salary revision, Provision for Income tax/(income tax expenses), Provision for Deferred tax liability, Net Profit/(Loss) carried to Balance sheet.

Basic and Diluted earning per share (Rs.), (Ref. Note No. B, 14 of Notes on Accounts), 9.04, 4.92

Notes on Accounts, (sd/-) Chairman, (sd/-) Director, (sd/-) Director, (sd/-) Chief Executive Officer, As per our report of even date For Krishnamoorthy & Krishnamoorthy, Chartered Accountants, Firm's Reg.No.0014885, Place: Ernakulam, Date: 14-06-2024, UDN: 242014848KXK01998, (sd/-) K.T. Mohan, Partner, (M.No.201484)

THE PEOPLES' URBAN CO-OPERATIVE BANK LTD. NO. 51, TRIPUNITHURA CASH FLOW STATEMENT AS ON 31-03-2024

Cash Flow Statement table with columns: Particulars, 2023-24, 2022-23. Rows include A.Cash Flow from Operating Activities, B.Cash Flow from Investment Activities, C.Cash Flow from Financing Activities, D.Net increase in Cash and Cash Equivalents (A+B+C).

(sd/-) Chairman, (sd/-) Director, (sd/-) Director, (sd/-) Chief Executive Officer, As per our report of even date For Krishnamoorthy & Krishnamoorthy, Chartered Accountants, Firm's Reg.No.0014885, Place: Ernakulam, Date: 14-06-2024, UDN: 242014848KXK01998, (sd/-) K.T. Mohan, Partner, (M.No.201484)

THE PEOPLES' URBAN CO-OPERATIVE BANK LTD. Notes on Accounts for the Year 2023-24

A. Significant Accounting Policies, 1. GENERAL, The Financial Statements have been prepared under the historical cost convention on accrual basis of accounting except for locker rent and bank guarantee commission which are recognized on cash basis and also for the recognition of interest on Non-Performing Advances, which is recognized in accordance with Income Recognition and Asset Classification norms prescribed by Reserve Bank of India. 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. The Co-operative Bank is a Level I entity as per the latest announcement of criteria for classification of non-company entities for applicability of Accounting Standards issued by ICAI, which came into effect on 1st April 2020. Accordingly, the Accounting Standards applicable to the said level of entities has been complied with while preparing the financial statements. Accounting Policies not referred to otherwise are consistent with generally accepted accounting principles including the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable. 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 a) 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 as provision for Non-performing assets. Contingent Provision against Standard Assets is maintained as per RBI guidelines and the same is included under Reserve fund and other reserves. 4. FIXED ASSETS (PROPERTY, PLANT AND EQUIPMENTS) Premises and other fixed assets are stated at historical cost. a) Depreciation on Buildings is provided at a flat rate of 2.50% on Straight Line Method. b) Depreciation on Furniture and Fixtures is provided at a flat rate of 10% on Straight Line Method. c) Depreciation on Computer & Computer Software is provided at a flat rate of 33.33% on Straight Line Method. d) Depreciation on Motor Vehicles is provided at a flat rate of 30% in the year of addition, 25% for the second year, 20% for the third year, 15% for the fourth year and 10% for the fifth year on Straight Line Method. e) Depreciation on Solar Power is provided at a flat rate of 20% on Straight Line Method. 5. STAFF BENEFITS a) Defined Contribution Plan:- The Bank has defined contribution plans for employees comprising of Provident Fund. The contribution paid/ payable to these plans during the year is charged to Profit & Loss Account. b) Defined Benefit Plan As per the terms of employment, the long-term benefits available are Gratuity and leave encashment. The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. 6. 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. 7. PROVISION FOR TAXATION a) Income tax is computed in accordance with Accounting Standard on Accounting for Taxes on Income (AS22) which includes current tax and deferred tax. Current tax is computed applying the prevailing rate of tax for co-operative societies. b) Deferred 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 sufficient future profit to absorb the asset. b. OTHER NOTES ON ACCOUNTS 1. Format of Balance Sheet and Profit and Loss account: Section 56 was inserted in Banking Regulations Act 1949, vide Amendment Act 39, which came into force on 29-9-2020, whereby the various provisions of Banking Regulation Act has been made applicable to co-operative society doing banking business (including Urban Co-operative Banks). Accordingly, section 29 has been amended, whereby cooperative societies are required to prepare the Balance sheet and Profit and Loss account in accordance with the format prescribed under schedule III to Banking Regulations Act. Further vide notification no.45/21.04.018/2021-22 dated 30/08/2022; the Reserve Bank of India has issued Master Directions on Financial Statement - Preparation and Disclosure. As per the said circular format of Balance Sheet and Profit and Loss account has been prescribed both for commercial banks and URBs. In the said notification, the format applicable to commercial bank is mentioned as "Form A" as per Third schedule and is reproduced as "Annexure" to the notification. This annexure is in consonance with second Form A as per Third schedule. As per section 56(j)(ii) of the Banking Regulations Act, it is stated that the format of Balance Sheet and Profit and Loss applicable to URBs is the form prescribed as per Third Schedule and the notification of RBI dtd.29-09-2020, also states that the form applicable to URBs is the form prescribed under Third Schedule. Since the form prescribed as per the latest notification is for commercial bank, which is given as annexure to the notification, The Peoples' Urban Co-operative bank is following the first "Form A" as per Third Schedule, in accordance with section 56 of Banking Regulation Act and also complying with the Notification dtd. 29-09-2020. 2. Segment Reporting In accordance with AS 17 and with RBI guidelines in regard to business segments of banks, the operation of the bank is confined in one business segment. The Bank has only the domestic geographic segment. 3. Related Party Transactions Disclosure of facilities granted to directors and their relatives (Amount in ₹ Lakhs)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE PEOPLES' URBAN CO-OPERATIVE BANK LIMITED, TRIPUNITHURA.

Report on the Financial Statements: We have audited the accompanying financial statements of The Peoples' Urban Co-Operative Bank Limited ("the Bank"), which comprise the Balance Sheet as at 31st March, 2024, the Profit and Loss Account and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information. Management's Responsibility for the Financial Statements: The Bank's Management is responsible for 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 provisions of Section 29 of the Banking Regulation Act 1949, Accounting Standards issued by the Institute of Chartered Accountants of India in so far as they apply to the banks and the Guidelines issued by the Reserve Bank of India. This responsibility includes the design, implementation and maintenance of internal controls 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. 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 misstatement. 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 Bank's preparation and fair presentation of the financial statements in order to design audit procedures that 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 Attention is invited to: i) Note No. 8 of Part B, being the Notes forming part of financial statements, explaining the rectification of the variations identified in the automation of Income Recognition, Asset Classification and Provisioning norms and the management's confirmation of having no material variations remaining unidentifiable as on the date of reporting. ii) Note No. 15 of Part B, being the Note forming part of financial statements, regarding the computation of deferred tax in accordance with Accounting Standard 22 (AS22), resulting in deferred tax asset and the management decision to recognize the same to the extent of Deferred Tax Liability. iii) Note No.17 of Part B being the Note forming part of financial statements, regarding the lifting of restrictions on activities imposed by the Reserve Bank of India under Supervisory Action Frame Work (SAF), during the year. 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: i) in the case of the Balance Sheet, of the state of affairs of the Bank as at

31st March, 2024; ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and iii) 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 notice, have been within the powers of the Bank. iii) the returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit. iv) in our opinion, proper books of account, as required by law, have been kept by the bank so far as appears from our examination of those books, and we further report that the Balance Sheet and the Profit and Loss account and the Cash Flow Statement in this report are in agreement with the books of accounts and returns. v) in our opinion, the Balance Sheet and Profit and Loss Account and Cash Flow Statement, dealt with by this report comply with the Accounting Standards issued by the Institute of Chartered Accountants of India read with guidelines issued by the Reserve Bank of India in so far as they apply to the bank. For Krishnamoorthy & Krishnamoorthy Chartered Accountants Firm Reg.No: 0014885 (sd/-) K.T. Mohan Partner Membership No: 201484 Place: Cochin - 16 Date: 14-06-2024 UDN: 242014848KXK01998

