

PEOPLE'S URBAN CO-OPERATIVE BANK LTD. NO.51, TRIPUNITHURA
BALANCE SHEET AS AT 31ST MARCH 2023

Balance Sheet table showing Capital and Liabilities, Reserve Fund and other reserves, Deposits and other accounts, Borrowings, and Profit and Loss. Columns include As on 31-03-2023 and As on 31-03-2022.

PEOPLE'S URBAN CO-OPERATIVE BANK LTD. NO.51, TRIPUNITHURA
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2023

Profit and Loss Account table showing Expenditure and Income for the year ended 31st March 2023. Includes items like Interest on deposits, Salaries and allowances, and various provisions.

Notes on Accounts
As per our report of even date
For Krishnamoorthy & Krishnamoorthy Chartered Accountants Firms Reg No.0014885

Place: Tripunithura Date: 03-05-2023
Place: Ernakulam Date: 03-05-2023 UDIN: 23201484BGWMEH4689 (KT Mohan Partner M.No.201484)

PEOPLE'S URBAN CO-OPERATIVE BANK LTD. NO. 51, TRIPUNITHURA
CASH FLOW STATEMENT AS ON 31-03-2023

Cash Flow Statement table showing Particulars and amounts for 2022-23 and 2021-22. Categories include Cash Flow from Operating Activities, Investment Activities, and Financing Activities.

(Sd/-) Chairman (Sd/-) Director (Sd/-) Director (Sd/-) Chief Executive Officer
As per our report of even date For Krishnamoorthy & Krishnamoorthy Chartered Accountants Firms Reg No.0014885

Place: Tripunithura Date: 03-05-2023
Place: Ernakulam Date: 03-05-2023 UDIN: 23201484BGWMEH4689 (KT Mohan Partner M.No.201484)

PEOPLE'S URBAN CO-OPERATIVE BANK LTD.
Notes on Accounts for the Year 2022-23

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...

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.

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.

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 plans 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 direct 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. FORM OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT:
Section 56 was inserted in Banking Regulation 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.45/11.04.018/2021-22 dated 30/08/2022; the Reserve Bank of India has issued Master Directions on Financial Statement - Preparation and Disclosure. As per the said circular, 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 dt. 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

As per our report of even date
For Krishnamoorthy & Krishnamoorthy Chartered Accountants Firms Reg No.0014885

Place: Tripunithura Date: 03-05-2023

Place: Ernakulam Date: 03-05-2023 UDIN: 23201484BGWMEH4689

(Sd/-) Chairman (Sd/-) Director (Sd/-) Director (Sd/-) Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements:
We have audited the accompanying financial statements of the People's Urban Co-Operative Bank Limited ("the Bank"), which comprise the Balance Sheet as at 31st March, 2023, 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.

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 unidentified 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 not to recognize the same as a matter of abundant caution.
iii) Note No.16 of Part B being the Note forming part of financial statements, regarding the creation of provision of Rs.607.83 lakhs, towards the interest recognized in respect of Non-Banking Assets which were taken possession and adjusted against the loan amount and interest due till the date of reporting, pending disposal of the said non-banking assets.
iv) Note No.17 of Part B being the Note forming part of financial statements, regarding the restrictions on activities imposed by the Reserve Bank of India under Supervisory Action Framework (SAF).
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, 2023;
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 dealt with 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 Firms Reg No.0014885
Place: Kochin - 16 Date: 03-05-2023 UDIN: 23201484BGWMEH4689

(Sd/-) Chairman (Sd/-) Director (Sd/-) Director (Sd/-) Chief Executive Officer



Table showing Nature of Transaction, Directors, KMP, and Total for items like Sitting Fee & Honorarium, Remuneration, Fixed Deposit, Borrowings, Interest Received, and Interest Paid.

4. Employee Benefits
a) Defined Contribution Plan:
i) Employees of the Bank are covered by Provident Fund to which bank makes a defined contribution measured as a fixed percentage of Basic Salary and Dearness Allowance.

Table showing Particulars and amounts for 31-03-2023 and 31-03-2022\* for items like Opening Defined benefit obligation, Current Service cost, Interest cost, etc.

b) Leave Encashment:
i) Leave benefits to employees is provided on the basis of accumulated leave to the credit of the employees on the basis of eligible salary at the year end and the provision for the same is made based on the actuarial valuation assessing the outstanding leave as on the date of reporting.

Table showing Particulars and amounts for 31-03-2023 and 31-03-2022\* for items like Opening Defined benefit obligation, Fair value of assets, etc.

\* Since the actuarial valuation is obtained for the first time during the current year, no previous year figures are available.

Table showing Composition of Regulatory Capital (Rs. In Lakhs) with columns for Particulars, Current Year, and Previous Year.

Table showing Ratios (in per cent) for Gross NPA to Gross Advances, Net NPA to Net Advances, and Provision coverage ratio.

Table showing Maturity pattern of certain items of assets and liabilities (Amount in ₹ Lakhs) with columns for various time periods from Day 1 to Over 5 years.

Table showing Composition of Investment Portfolio (Amount in ₹ Lakhs) with columns for various investment types like Deposits, Advances, Investments, etc.

Table showing Movement of Provisions for Depreciation and Investment Fluctuation Reserve (Amounts in ₹ Lakhs) with columns for Particulars, Current Year, and Previous Year.

Table showing Movement of Provisions for Depreciation and Investment Fluctuation Reserve (Amounts in ₹ Lakhs) with columns for Particulars, Current Year, and Previous Year.

c) Sale and transfers to/from HTM category - Nil
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.0.84 lakhs, (previous year Rs. 0.84 lakhs) and is netted against Income on investment, grouped under the head 'Interest and discount' income.

Table showing Non-SLR investment portfolio (Amount in ₹ Lakhs) with columns for SL No., Particulars, Current Year, and Previous Year.

Table showing Issuer composition of non-SLR investments (Amount in ₹ Lakhs) with columns for Sr. No., Issuer, Amount, and Extent of various securities.

e) Repo transactions (in face value terms) - Nil
8. Asset quality
a) Classification of advances and provisions held (Amount in ₹ Lakhs)

Table showing Classification of advances and provisions held (Amount in ₹ Lakhs) with columns for Particulars, Standard, Sub-standard, Doubtful, Loss, Total Non Performing Advances, and Total.

Table showing Ratios (in per cent) for Gross NPA to Gross Advances, Net NPA to Net Advances, and Provision coverage ratio.

b) The recognition of income and classification of assets is done in accordance with the norms prescribed by the Reserve Bank of India and the process of IRAC norms compliance is generally automated. However, because of various technical snags noticed in the software system also because of difficulty in incorporating the various directions issued by controlling authority in provisioning considering the pandemic situation, instances of technical glitches in automation of assets classification and income recognitions were observed at the time of review by the external auditors during the year.

c) Sector-wise Advances and Gross NPAs (Amount in ₹ Lakhs)

Table showing Sector-wise Advances and Gross NPAs (Amount in ₹ Lakhs) with columns for Sector, Current Year, and Previous Year.

e) Details of accounts subjected to restructuring (Amounts in ₹ Lakhs)

Table showing Details of accounts subjected to restructuring (Amounts in ₹ Lakhs) with columns for Asset Category, Particulars, and Total.

f) Details of non-performing financial assets purchased/sold from/to other banks/Financial Institutions/NBFCs (excluding ARCs) - Nil
g) Fraud Accounts (Amounts in ₹ Lakhs)

Table showing Details of non-performing financial assets purchased/sold from/to other banks/Financial Institutions/NBFCs (excluding ARCs) - Nil.

9. Disclosure under Resolution Framework for COVID-19-related Stress (Amounts in ₹ Lakhs)

Table showing Exposure to Standard classified as accounts consequent to implementation of resolution plan - Position as at the end of the previous half-year (A).

10. Exposures (Amounts in ₹ Lakhs)

Table showing Exposure to real estate sector (Amounts in ₹ Lakhs) with columns for Category, Current year, and Previous Year.

Table showing Exposure to capital market - Nil (Amounts in ₹ Lakhs) with columns for Particulars, Current year, and Previous Year.

Table showing Concentration of deposits, advances, exposures and NPAs (Amount in ₹ Lakhs) with columns for Particulars, Current year, and Previous Year.

Table showing Concentration of advances (Amount in ₹ Lakhs) with columns for Particulars, Current year, and Previous Year.

Table showing Concentration of exposures (Amount in ₹ Lakhs) with columns for Particulars, Current year, and Previous Year.

Table showing Concentration of NPAs (Amount in ₹ Lakhs) with columns for Particulars, Current year, and Previous Year.

Table showing Transfers to Depositor Education and Awareness Fund (DEAF) (Amount in ₹ Lakhs) with columns for Particulars, 2022-23, and 2021-22.

13. Disclosure of Complaints
Summary information on complaints received by the bank from customers and from the office of Banking Ombudsman

Table showing Summary information on complaints received by the bank from customers and from the office of Banking Ombudsman.

Table showing Top five grounds of complaints received by the bank from customers.

Table showing Grounds of complaints (i.e. complaints relating to) with columns for 1, 2, 3, 4, 5, 6.

Table showing Other Disclosures a) Business ratios (Amount in ₹ Lakhs) with columns for Particulars, Current Year, and Previous Year.

Table showing Business ratios (Amount in ₹ Lakhs) with columns for Particulars, Current Year, and Previous Year.

Table showing Business ratios (Amount in ₹ Lakhs) with columns for Particulars, Current Year, and Previous Year.

Table showing Business ratios (Amount in ₹ Lakhs) with columns for Particulars, Current Year, and Previous Year.

Table showing Business ratios (Amount in ₹ Lakhs) with columns for Particulars, As on 31-03-2023, and As on 31-03-2022.

c) During the year under consideration, the Management has assessed the computation of Deferred Tax in accordance with Accounting Standard 22 (AS 22), considering the deferred tax liability and deferred tax asset on account of timing difference. Accordingly, the deferred tax asset (considering the provision for Advances also) is more than the deferred tax liability. During the previous year, only the deferred tax liability was being recognized, without taking into account the deferred tax asset. The impact of the same in the current year is reversal of opening deferred tax liability of Rs.169.38 lakhs.

16. Non-Banking Assets:
Non-Banking assets acquired in settlement of debts / dues are accounted at the lower of their cost of acquisition or net realizable value, based on the valuation of assets by an Approved valuer. Any valuation in excess of the amount due to the Bank is not recognized. Also, Non-banking assets acquired in satisfaction of claims includes certain non-banking assets, the title of the property of which is in the process of being transferred to the Bank's name. During the year the Bank has accounted non-banking assets amounting to Rs.753.18 lakhs (Rs.439.54 lakhs) in satisfaction of claims and the unrealized interest portion recognized as income out of these transactions is Rs.234.47 lakhs (Rs.178.01 lakhs).

17. (a) Proposed Dividend:
(i) The Board of Directors has proposed a dividend of 10% per Equity Share (Previous Year 10%) for the year ended 31st March 2023, subject to the approval of the shareholders at the ensuing Annual General Meeting. In terms of revised Accounting Standard (AS) - 4, 'Contingencies and Events Occurring After Balance Sheet Date' issued by the Institute of Chartered Accountants of India, proposed dividend of Rs. 310.00 lakhs (Previous year Rs. 306.64 lakhs) is not recognized as Liability as on 31st March 2023, because no obligation exists as on the date of reporting and will be recognized as and when approved by the shareholders.