THE PEOPLES' URBAN CO-OPERATIVE BANK LTD., TRIPUNITHURA

BALANCE SHEET AS AT 31ST MARCH 2026

		CAPITAL AND LIABILITIES	Schedules		As on 31-03-2026	As on 31-03-2025
					Amount in ₹	
1		**Capital:**				
	(i)	**Authorised capital**				
		1,80,00,000 (1,80,00,000) 'A' Class shares of Rs. 25/- each			45,00,00,000.00	45,00,00,000.00
		50,000 (50,000) 'B" Class shares of Rs. 1000/- each			5,00,00,000.00	5,00,00,000.00
					50,00,00,000.00	50,00,00,000.00
	(ii)	Subscribed capital				
		12429179(11755850) 'A' Class shares of Rs. 25/- each			31,07,29,485.00	29,38,96,260.00
		23286(22162) 'B' Class shares of Rs. 1000/- each			2,32,86,000.00	2,21,62,000.00
					33,40,15,485.00	31,60,58,260.00
	(iii)	Amount called and paid up				
		12429179(11755850) 'A' Class shares of Rs. 25/- each				
		each less calls unpaid				
		On 0 shares at Rs 0				
		each less calls unpaid				
		Of (iii) above held by				
		(a) Individuals		31,07,29,485.00		
		(b) Co-operative institutions.		-		
		(c) State Government		-		
		23286(22162) 'B' Class shares of Rs. 1000/- each		2,32,86,000.00	33,40,15,485.00	31,60,58,260.00
					33,40,15,485.00	**31,60,58,260.00**
2		**Reserve Fund and other reserves:**				
	(i)	Statutory Reserve (Refer Note No. 21)			24,39,50,384.23	23,12,45,708.17
	(ii)	Agricultural (Credit Stabilization Fund)			-	-
	(iii)	Building Fund			7,27,54,791.54	7,27,54,791.54
	(iv)	Dividend Equalization Fund			-	
	(v)	Special Bad Debts Reserve			-	-
	(vi)	Bad and Doubtful Debts Reserve			-	-
	(vii)	Investment Depreciation Reserve			17,58,26,500.00	3,22,400.00
	(viii)	Contingency Fund - Free Reserve			3,50,47,839.58	3,50,47,839.58
	(ix)	Other funds and Reserves				
		Capital Reserve			11,09,387.00	11,09,387.00
		Investment Fluctuation Reserve			13,66,92,090.45	12,41,92,090.45
		Reserve for Computer Recoupment			27,66,630.00	27,66,630.00
		Special Reserve u/s 36 (1)(viii) of I.T.Act			7,43,84,305.00	7,43,84,305.00
		Staff Welfare Fund			50,56,386.29	56,56,386.29
		Common Good Fund			10,52,104.97	11,17,604.97
		Vehicle Recoupment Fund			11,68,901.20	11,68,901.20
		Revaluation Reserve			12,37,05,605.55	12,37,05,605.55
		Contingent Provision Against Standard Assets			7,47,31,570.37	6,66,95,964.09
		Members Relief Fund			1,00,000.00	1,00,000.00
					94,83,46,496.18	**74,02,67,613.84**
3		**Principal/Subsidiary State Partnership Fund Account:**			-	-
4		**Deposits and other accounts:**				
	(i)	Fixed deposits				
		(a) Individuals		7,67,54,92,303.00		
		(b) Central Co-operative Banks		-		
		(c) Other societies		2,43,06,62,029.01	10,10,61,54,332.01	9,77,36,80,679.26
	(ii)	Savings bank deposits				
		(a) Individuals		1,06,77,84,738.98		
		(b) Central Co-operative Banks		-		
		(c) Other societies		-	1,06,77,84,738.98	1,01,78,25,694.21
	(iii)	Current deposits				
		(a) Individuals		16,67,64,393.87		
		(b) Central Co-operative Banks		-		
		(c) Other societies		3,74,78,256.32	20,42,42,650.19	13,80,54,306.98
					11,37,81,81,721.18	**10,92,95,60,680.45**
5		**Borrowings**			-	-
6		**Bills for collection being bills receivable as per contra**			**17,87,056.00**	**56,81,130.00**
7		**Branch Adjustments (Net)**			-	-
8		**Overdue interest Reserve-on Non performing Assets as per contra**			**15,59,92,651.00**	**14,87,33,059.00**
9		**Interest payable**			**24,22,24,815.21**	**31,48,53,918.39**
10		**Other Liabilites**				
	(i)	Bills payable			19,78,280.55	58,93,030.70
	(ii)	Unclaimed dividends payable			3,55,78,306.03	3,34,42,133.33
	(iii)	Suspense			1,15,02,206.50	1,25,38,807.40
	(iv)	Sundries	26 (e)		1,49,69,064.50	87,14,022.89
	(v)	Provision for Non performing Assets			28,82,86,964.17	43,82,86,964.17
	(vi)	Provision for Leave benefit to employees			1,84,45,922.00	1,47,68,363.00
	(vii)	Provision for Salary Revision			4,00,00,000.00	3,00,00,000.00
	(viii)	Provision for DA Arrears			14,39,809.00	65,98,013.00
	(ix)	Provision for Gratuity			3,08,66,449.10	2,20,31,602.54
	(x)	Provision for Deferred NPA/ Restructured Loans			-	-
	(xi)	Provision for Other Assets			89,49,537.20	47,04,939.80
	(xii)	Provision against un-realised interest on Non Banking Assets			4,35,52,593.13	4,93,99,311.13
	(xiii)	Provision for Income Tax			-	3,10,00,000.00
	(xiv)	Deferred Tax Liability			-	-
					49,55,69,132.18	**65,73,77,187.96**
11		**Profit and Loss**				
		Profit as per last Balance Sheet			4,98,60,574.69	3,50,53,834.20
		Profit as per profit and loss account			6,35,23,380.30	10,34,52,718.36
					11,33,83,954.99	13,85,06,552.56
	Less	**Appropriations:**				
		Statutory Reserves @ 20% of profit for the year			1,27,04,676.06	2,06,90,543.67
		Education Fund			1,00,000.00	1,00,000.00
		Building Fund			-	-
		Members Relief Fund			1,00,000.00	1,00,000.00
		Dividend Equalisation Fund			-	-
		Special Bad Debts Reserve			-	-
		Special Reserve (Sec36(1)(viii) of IT Act)			-	27,01,600.00
		Staff Welfare Fund			-	-
		Common Good Fund			-	-
		Computer Recoupment Fund			-	-
		Capital Reserve			-	-
		Investment Fluctuation Reserve			1,25,00,000.00	3,00,00,000.00
		Vehicle Recoupment Fund			-	-
		Contingency Fund - Free Reserve			-	-
						-
		Dividend paid for the year 2024-25			3,62,66,884.70	3,50,53,834.20
					5,17,12,394.23	**4,98,60,574.69**
		Contingent Liabilities				
	(i)	Outstanding liabilities		Nil		
		for guarantees issued				
		Guarantees given on behalf of Constituents in India				
		Claim against the Bank not acknowledged		Nil		
	(ii)	Others				
		Depositor Education and Awareness Fund (DEAF-2014)		₹ 15783375.77 (PY: ₹13359501.37)		
		Income Tax (TDS Demand)		₹36060.00 (PY: ₹120646.00)		
		Total			**13,60,78,29,750.98**	**13,16,23,92,424.33**

		PROPERTY AND ASSETS	Schedules		As on 31-03-2026	As on 31-03-2025
					Amount in ₹	
1		**Cash**	26 (a)			
		Cash In hand and Current Account with Reserve Bank of India, State Bank of India, State Co-operative Bank and Central Co-operative Bank			**41,91,65,958.20**	**69,87,69,583.04**
2		**Balances with other banks**	26 (b)			
	(i)	Current Deposits			34,14,88,986.74	34,84,62,503.66
	(ii)	Savings Bank Deposits			-	-
	(iii)	FD with Scheduled Banks			37,55,92,660.00	83,08,76,832.00
					71,70,81,646.74	**1,17,93,39,335.66**
3		**Money at call and short Notice**			-	-
4		**Investments**	26 (c)			
	(i)	In Central and State Government securities (at book value)			3,82,24,76,664.00	3,32,32,90,180.00
	(ii)	Other trustee securities			-	-
	(iii)	Shares in co-operative institutions other than in item (5) below			2,25,000.00	2,25,000.00
	(iv)	Other investments			-	-
					3,82,27,01,664.00	**3,32,35,15,180.00**
5		**Investments out of the Principal/Subsidiary State Partnership Fund**				
		In shares of -				
	(i)	Central Co-operative Bank			-	-
	(ii)	Primary Agricultural Credit Societies			-	-
	(iii)	Other Societies			-	-
6		**Advances:**				
	(i)	**Short-term loans, cash credits,overdrafts and bills discounted : of which**				
		secured against -				
		(a) Government and other approved securities		-		
		(b) Other tangible securities				
		of the advances,amount due from the Individuals		4,17,03,04,165.42		
		of the advances,amount due from others		59,58,04,315.72		
		Of the advances, amount overdue Considered bad and doubtful of recovery ₹4,47,57,874.55				
		Unsecured advances				
		of the advances,amount due from the Individuals		49,79,442.00		
		of the advances,amount due from others		-		
		Of the advances, amount overdue Considered bad and doubtful of recovery ₹ 49,79,442.00			4,77,10,87,923.14	3,84,11,46,093.96
	(ii)	**Medium-term loans : of which**				
		Secured against -				
		(a) Government and other approved securities		-		
		(b) Other tangible securities				
		of the advances,amount due from the Individuals		17,12,10,278.00		
		of the advances,amount due from others		2,22,04,785.00		
		Of the advances, amount overdue Considered bad and doubtful of recovery ₹1,03,94,406.00				
		Unsecured advances		-		
		of the advances,amount due from the Individuals		3,49,68,186.00		
		of the advances,amount due from others		-		
		Of the advances, amount overdue Considered bad and doubtful of recovery ₹2,90,44,861.00			22,83,83,249.00	23,86,88,555.00
	(iii)	**Long-term loans :of which**				
		Secured against -				
		(a) Government and other approved securities		-		
		(b) Other tangible securities				
		of the advances,amount due from the Individuals		2,65,55,74,132.21		
		of the advances,amount due from others		27,89,23,243.00		
		Of the advances, amount overdue Considered bad and doubtful of recovery ₹21,59,61,960.00				
		Unsecured advances				
		of the advances,amount due from the Individuals		-		
		of the advances,amount due from others		-		
		of the advances, amount overdue Considered bad and doubtful of recovery :		-	2,93,44,97,375.21	3,13,88,34,468.72
					7,93,39,68,547.35	**7,21,86,69,117.68**
7		**Interest Receivable**				
		Investment on Government Securities		5,95,05,490.28		
		on Bank Deposits		2,18,23,648.67		
		on Loans&Advances : Performing		6,73,76,527.00	**14,87,05,665.95**	**17,38,47,377.38**
		on Loans&Advances : Non Performing as per contra			**15,59,92,651.00**	**14,87,33,059.00**
		Of which overdue considered bad and doubtful of recovery ₹14,67,78,739.00				
8		**Bills receivable being bills for collection as per contra**			**17,87,056.00**	**56,81,130.00**
9		**Branch Adjustments**			**17,79,721.00**	**54,12,308.22**
10		**Fixed Assets**	26(d)		**17,91,26,767.26**	**17,77,36,112.17**
11		**Advance Income Tax/TCS**			**3,81,16,660.00**	**3,40,00,000.00**
12		**Other Assets**			**1,59,91,652.35**	**53,28,580.05**
13		**Non-banking assets acquired in satisfaction of claims** (At value due to the bank or net realisable value based on the valuation of the approved valuer) (Refer note No.18)			**15,99,05,832.13**	**18,15,54,752.13**
14		**Profit and Loss**			-	-
15		**Deferred Tax assets**			**1,35,05,929.00**	**98,05,889.00**
		Total			**13,60,78,29,750.98**	**13,16,23,92,424.33**

See accompanying significant Accounting Policies and Notes to the financial statements.

(Sd/-) T C Shibu, Chairman | (Sd/-) Adv. Madhusoodanan S, Director | (Sd/-) Gokuldas S, Director | (Sd/-) K Jayaprasad, Chief Executive Officer

Place: Tripunithura
Date: 25-06-2026

Place: Ernakulam
Date: 25-06-2026
UDIN: 26018483OLLYUL8348

Auditor's Report
As per our report of even date
For Menon & Menon Chartered Accountants
Firm's Reg No: 002060S

(Sd/-)
M P Ittyrah
Partner
Membership No: 018483

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 People's Urban Co-Operative Bank Limited ("the Bank"), which comprise the Balance Sheet as at 31st March 2026, the Profit and Loss Account and 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 and fair presentation of these financial statements 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 Guidelines issued by the Reserve Bank of India. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 entity's preparation and fair presentation of the financial statements to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of 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.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the financial statements read with the accounting policies followed by the bank and Notes thereon give a true and fair view of the state of affairs of the Bank as at 31st march 2026, and its profit for the year ended on that date in accordance with the applicable provisions of the Banking Regulation Act, 1949, and in compliance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India and other statutory requirements except that the provision made for the leave encashment is on estimate basis and not on actuarial valuation method as required by Accounting Standard-15-Employes Benefits.

Emphasis of Matter

Attention is invited to:

1. Provision for depreciation on investment securities (Available for Sale) has been made amounting to Rs, 17,55,04,100/- in accordance with Reserve Bank of India direction/ circulars,
2. Provision for Non-Performing Assets has been released and taken credit for Rs. 15,00,00,000/-out of the opening outstanding provision. No additional provision for Non-Performing Assets has been made during the year, since the provision already made is adequate to cover the provision required as per RBI norms.
3. Provision for salary revision, pending settlement, was made for Rs,1croreon an estimated basis of excepted liability during the year.
4. The Bank has made provisions for the enexpected decrease in the value of investments available for sale, and due to this, there is a loss for the year as per the Income Tax Act. It is informed that, as a prudent measure, the bank has not taken credit for the Deferred Tax Asset on account of carried forward loss in accordance with the Accounting Standard-Accounting for Tax on Income.

Our opinion is not modified in respect of this matter.

Key Audit Matter

Provisions for leave encashment, Salary revision arears, and non-performing assets/Loss assets in accordance with RBI directions have been made on estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements and the net profit for the reporting period. Actual results could differ from those estimates, and any revisions to the estimates are recognised prospectively in the current and future periods.

Our opinion is not modified in respect of this matter.

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 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, the Profit and Loss account and the Cash Flow dealt with in this report agree with the books of accounts and returns.

(v) In our opinion, the Balance Sheet, 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, so far as they apply to the bank.

For Menon & Menon Chartered Accountants
Firm's Reg No: 002060S
(Sd/-)
M P Ittyrah
Partner
Membership No: 018483
UDIN: 26018483OLLYUL8348

Place: Ernakulam
Date: 25.06.2026

THE PEOPLES' URBAN CO-OPERATIVE BANK LTD., TRIPUNITHURA

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2026

	Expenditure	Schedules	As on 31-03-2026	As on 31-03-2025
			Amount in ₹	
1	Interest on deposits, borrowing, etc.	26(i)	83,79,77,629.28	84,70,86,828.96
2	Salaries and allowances and provident fund	26(j)	13,98,81,975.00	11,06,86,112.40
3	Director's and local committee member's fees and allowances		8,74,500.00	7,78,625.00
4	Rent, taxes, insurance, lighting etc.	26(k)	3,40,40,610.17	3,49,78,436.19
5	Law charges		10,64,000.00	21,08,250.00
6	Postage, telegrams and telephone charges		8,28,856.80	7,37,035.01
7	Auditor's fees	26(l)	19,76,000.00	14,37,000.00
8	Depreciation and repairs to property	26(m)	1,49,53,239.78	1,14,66,086.14
9	Stationery, printing and advertisement, etc.		28,37,809.04	33,57,761.01
10	Loss from sale of or dealing with non-banking assets		-	-
11	Other expenditure	26(n)	2,49,19,587.73	2,41,94,244.63
12	**Provisions & contingencies**			
	Provision for standard assets		80,35,606.28	68,83,756.18
	Provision for Non Performing assets		-	-
	Provision for Investment Depreciation		17,55,04,100.00	-
	Provision for Gratuity		88,34,846.56	-
	Provision for Leave benefit to Employees		36,77,559.00	10,48,383.00
	Provision for Salary revision		1,00,00,000.00	1,93,98,013.00
	Provision for Other Assets		42,44,597.40	11,76,464.00
	Provision for Income tax(Income tax expenses)		-	3,10,00,000.00
13	Net Profit/(Loss) carried to Balance sheet		6,35,23,380.30	10,34,52,718.36
	Total		**1,33,31,74,297.34**	**1,19,97,89,713.88**
	"Basic and Diluted earning per share (Rs.) (Ref. Note No. B (16) of Notes on Accounts)		4.92	8.18

	Income	Schedules	As on 31-03-2026	As on 31-03-2025
			Amount in ₹	
1	Interest and discount	26(f)	1,11,50,35,728.94	1,07,30,98,354.90
2	Commissions exchange and brokerage		2,96,671.68	2,35,583.02
3	Subsidies and donations		-	-
4	Income from non banking assets and profit from sale of or dealing with such assets		1,20,964.41	28,02,598.39
5	Other receipts Profit on sale of Investments(net)	26(g)	2,14,66,500.00	1,53,17,850.00
6	Profit on sale of Units of Mutual Funds		-	-
7	Profit on sale of fixed assets		5,33,810.69	-
8	Rent		-	-
9	Miscellaneous Income	26(h)	3,61,73,863.62	3,09,51,693.57
10	Investment Depreciation Reserve (Excess Provision Reversed)		-	4,94,97,650.00
11	Provision for Non Performing Assets Released		15,00,00,000.00	1,00,00,000.00
12	Provision For Other Assets (Non Banking)no longer required		58,46,718.00	60,76,255.00
13	Provision for Income Tax no longer required		-	20,03,840.00
14	Provision for Deferred Tax Asset		37,00,040.00	98,05,889.00
	Total		**1,33,31,74,297.34**	**1,19,97,89,713.88**

See accompanying significant Accounting Policies and Notes to the financial statements.

(Sd/-) T C Shibu, Chairman | (Sd/-) Adv. Madhusoodanan S, Director | (Sd/-) Gokuldas S, Director | (Sd/-) K Jayaprasad, Chief Executive Officer

Auditor's Report As per our report of even date
For Menon & Menon Chartered Accountants
Firm's Reg No: 002060S

Place: Tripunithura
Date: 25-06-2026

Place: Ernakulam
Date: 25-06-2026
UDIN: 26018483OLLYUL8348

(Sd/-)
M P Ittyrah
Partner
Membership No: 018483

THE PEOPLES' URBAN CO-OPERATIVE BANK LTD., TRIPUNITHURA

CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2026

Particulars	2025-26 Amount in ₹	2024-25 Amount in ₹
A.Cash Flow from Operating Activities		
Profit Before Tax	5,98,23,340.30	12,46,46,829.36
Adjustments for:		
Depreciation on Fixed Assets	80,23,115.30	55,56,819.21
Provisions and Contingencies	21,02,96,709.24	2,85,06,616.18
Profit on Sale of Asset	-5,33,810.69	
Reserve/Provisions Reversal	-15,58,46,718.00	(6,75,77,745.00)
Operating Profit before Working Capital Change	**12,17,62,636.15**	**9,11,32,519.75**
Adjustment for Working Capital Change		
Advances	-71,38,42,119.67	-66,45,00,508.56
Investments	-49,91,86,484.00	-69,15,25,214.00
Other Operating Assets	3,70,92,628.03	-1,26,56,118.74
Deposits	44,86,21,040.73	1,28,93,38,302.24
Borrowings	-	-
Other Operating Liabilities	-7,31,18,098.62	5,14,48,772.58
Cash generated from Operations	**-67,86,70,397.38**	**6,32,37,753.27**
Direct Taxes Paid	-3,81,16,660.00	(3,40,00,000.00)
Net Cash Flow from Operations (A)	**-71,67,87,057.38**	**2,92,37,753.27**
B.Cash Flow from Investment Activities		
Net Additions to Fixed Assets	-94,30,430.40	(1,93,61,366.52)
Sale of fixed Asset	5,29,661.02	
Net Cash Flow from Investment Activities (B)	**-89,00,769.38**	**(1,93,61,366.52)**
C.Cash Flow from Financing Activities		
Share Capital	1,79,57,225.00	2,29,77,400.00
Dividend Paid	-3,41,30,712.00	(3,48,10,116.00)
Net Cash generated from Financing Activities (C)	**-1,61,73,487.00**	**(1,18,32,716.00)**
D.Net increase in Cash and Cash Equivalents (A+B+C)	**-74,18,61,313.76**	**(19,56,329.25)**
Cash and Cash Equivalents as at Opening	1,87,81,08,918.70	1,88,00,65,247.95
Cash and Cash Equivalents as at Closing	1,13,62,47,604.94	1,87,81,08,918.70

As per our Report of even date

(Sd/-) T C Shibu, Chairman | (Sd/-) Adv. Madhusoodanan S, Director | (Sd/-) Gokuldas S, Director | (Sd/-) K Jayaprasad, Chief Executive Officer

For Menon and Menon
Chartered Accountants
Firm's Reg No.0002060S

Place: Tripunithura
Date: 25-06-2026

Place: Ernakulam
Date: 25-06-2026
UDIN: 26018483OLLYUL8348

(Sd/-)
M P ITTYRAH
Partner
(M.No.018483)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH ,2026

A. SIGNIFICANT ACCOUNTING POLICIES

1. GENERAL INFORMATION

The Peoples Urban Corporative Bank Ltd (PUCB) was registered on 12th November 1917 with registered office at Tripunithura, Ernakulam District.

The Bank is governed by the Banking Regulation Act 1949, Kerala Co-operative Societies Act 1969 and other applicable Acts and Regulations, The Bank got the RBI License to carry on banking activities in the year 1983 in Ernakulam District. The total deposits has exceeded rupees one thousand crores in the year 2025 and notified by RBI as Tier-3- bank. There are 115 employees and 24 branches as on 31st March 2026. The Bank is managed by the Board of Directors consisting of 12 directors.

During the year the Bank approved the proposal for amalgamation of the Mattancherry Mahajanik Co-operative Urban Bank Ltd, Cochin with the PUCB. The scheme of amalgamation submitted to the Reserve Bank of India has been sanctioned effective from 27th April 2026.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared and presented in accordance with statutory requirements prescribed under the Third Schedule (Form A) in accordance with Section 56 B of the Banking Regulation Act 1949. The accounting and reporting policies of the bank conform to the generally Accepted Accounting Principles in India and the circulars, notifications guide line and direction issued by Reserve Bank of India from time to time, the Accounting Standards issued by the Institute of Chartered Accountants of India and current policies prevailing within the banking industry in India. The Bank follows the historical cost convention and accrual method of accounting in the preparation of the financial statements, except as otherwise stated. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except as otherwise stated.

3. USE OF ESTIMATES

The preparation of the financial statements in conformity with the generally accepted accounting principles in India requires the management to make estimates and necessary assumptions that affect the reported amounts of assets and liabilities including disclosure of contingent liabilities as at the date of the financial statements and the reported revenues and expenses during the reporting period. The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revisions to the accounting estimates are recognized prospectively in the current and future periods.

4. INVESTMENTS

a) Securities acquired with the intention to hold them up to maturity are classified under HTM category

b) Securities acquired with the intention to trade by taking advantage of the short-term price/interest rate movements, which are sold within 90 days, are classified under HFT category.

c) Securities which do not fall under HTM or HFT categories are classified under AFS category.

Under each of these categories, investments are further classified for the purpose of disclosure in the Balance Sheet as Government Securities, Other approved Securities, Shares, Debenture and Bonds, Investment in subsidiaries / joint ventures and other investments.

d) The Bank has the option to decide on the extent of investments holdings under AFS and HFT category taking into account various aspects such as basis of intent, trading categories, risk management capabilities, tax planning, manpower skills, capital position etc. Shifting of investments to/ from HTM category can be made with the approval of the board once a year.

e) Transfer of securities from AFS/HFT category to HTM category is made at the lower of book value or market value. Where the market value is higher than the book value at the time of transfer, the appreciation is ignored and the security is transferred at the book value

In cases where the market value is lower than the book value, the provision for depreciation held against the security is adjusted to reduce the book value to the market value and the security is transferred at the market value.

f) Specific RBI guidelines for classifying investments, valuation and sale under each category are followed.

g) Profit or loss on sale of investment in HFT and AFS categories are taken to the profit and loss account directly.

h) Profit on sale of investments from HTM category are first taken to the profit and loss account and thereafter appropriated to the "Capital Reserve". The amount appropriated is net of taxes and the amount required to be transferred to Statutory Reserves. Loss on sale is recognised in the profit and loss account in the year of sale.

i) Securities held in HTM are carried at cost and not marked to market after initial recognition. Any discount or premium on the securities under HTM is amortized over the remaining life of the investment on a straight- line basis. The amortised amount is clubbed with interest income on investment in the Profit and Loss

Securities held in HFT and AFS category are valued security -wise and depreciation /appreciation is aggregated for the purpose of arriving at net depreciation/appreciation of investments for each classification. Net depreciation, if any is provided for and net appreciation, if any, is ignored.

Net depreciation required to be provided for in any one classification is not reduced on account of net appreciation in any other classification. The net depreciation is provided by charging to the Profit & Loss account and disclosed as "Investment Depreciation Reserve" in the Balance Sheet as contingent provision against depreciation in Investments.

A minimum 5% of total Investments in HFT and AFS categories is maintained out of appropriation of net profit and is disclosed as "Investment Fluctuation Reserve" in the Balance Sheet.

j) The market value of quoted securities shall be the prices declared by the Financial Benchmark India Pvt Ltd (FBIL). For securities whose prices are not published, the market price of quoted security shall be as available from the trades/quotes on the stock-exchanges/ reporting platforms/trading platforms authorized by RBI/SEBI and prices declared by the Fixed Income Money Market and Derivatives Association of India (FIMMDA)

Units of mutual funds are valued at the latest repurchase price/net amount value declared by Association of Mutual Funds in India.

In the case of bonds and debentures where interest is not received and overdue beyond 90 days, the valuation is made in accordance with prudential norms for provisioning as prescribed by RBI.

5. ASSEST CLASSIFICATION

Loans and Advances are classified into the following broad groups as per the RBI guidelines

a) Standard Assets
b) Sub – Standard Assets
c) Doubtful Assets
d) Loss Assets

Assets are further classified as Non-performing assets depending on the interest/instalment of principal remains overdue in respect of Term Loan and bills and remaining "Out of Order" in respect of Overdraft / Cash Credit.

Provision for Non-performing Assets has been made on the basis of asset classification and provisioning requirements under the prudential accounting norms laid down by the RBI. The provision made is disclosed under other Liabilities as "Provision for Non -performing Assets".

The Bank creates specific provision for certain loans based on the management assessment of performance of accounts and recoverability of securities over and above the minimum provisioning requirements prescribed by RBI.

The Bank makes provision for standard Assets in accordance with the guidelines stipulated by RBI and classified under "Reserve Fund and Other Reserves".

6. REVENUE RECOGNITION

Interest income on standard assets is recognised on an accrual basis and interest income on non – performing assets is recognised on receipt basis in accordance with RBI guidelines relating to "Prudential Norms on Income Recognition."

Processing fees, Locker rent and other fees collected are recognised on cash basis.

Profit / Loss on sale of Non-Banking assets is recognised on realisation of the sale proceeds.

Income from Investments, other than income from Mutual Funds and non-performing investments, is recognized on accrual basis.

7. FIXED ASSETS AND DEPRECIATION

Fixed Assets are carried at cost of acquisition less accumulated depreciation, amortization and impairment, if any. Cost includes cost of purchase and related expenditure like freight, duties, taxes and incidental expenses. 50% of Goods and Service taxes paid on fixed assets, wherever eligible, are availed as Input Tax Credit.

Depreciation on Fixed Assets, including amortization of Software, is charged over the estimated useful life of the assets on Straight – Line -Method from the date of acquisition at the following rates

a) On Building at a flat rate of 2.50%.
b) On Furniture and Fixtures at flat rate of 10%.
c) On Computer & Computer Software at flat rate of 33.33%.
d) On Motor Vehicles at flat rate of 30% in the year of addition ,25% for second year ,20% for third year 15% for fourth year and 10% for the fifth year.
e) On Solar Power at flat rate of 20%.

8. IMPAIRMENT OF ASSETS

The Bank assesses at each Balance Sheet date whether there is any indication based on internal / external factors that an asset is impaired. The impairment loss, if any, is provided in the Profit and Loss Account to the extent the carrying amount of assets exceeds their estimated measurable amount.