

THODUPUZHA URBAN CO.OPERATIVE BANK LTD. NO. 394, THODUPUZHA

THODUPUZHA, IDUKKI DISTRICT-685584

- 4) Income Tax Department has proceeded with revision assessments in respect of Income Tax Assessments for A.Y.s 2017-18 and A.Y. 2018-19 in respect of the deductions claimed by the bank for provision for bad and doubtful debts pertaining to rural branches. Assessment in respect of the A.Y. 2017-18 has been concluded and department had demanded additional tax and interest amounting to Rs. 34,60,770/-. Bank had preferred appeal against the order of the IT department before the Commissioner (Appeals). Assessment in respect of the A.Y. 2018-19 has been concluded and department had demanded additional tax and interest amounting to Rs. 1,90,19,170/-. Against the order of the AO, Bank will prefer an appeal before the Commissioner (Appeals) within the time limit. The tax and interest amounts demanded by the IT department been disclosed under contingent liability in the financials under 'claims not acknowledged as debts'.
- 5) Since the All Inclusive Directions (AID) and SAF (Supervisory Action Framework) imposed is withdrawn by RBI with effect from 20.01.2025, the Bank's Management is of strong belief that the bank will be able to continue its operations on a going concern basis and meet all its liabilities as they fall due for payment based on the operating plans which the management believes will enable the bank to generate operating cash flows and make future profits by reducing the NPAs further. The financial statements have accordingly been prepared on a going concern basis.
- 6) As per Reserve Bank of India directions No. DCBS(T) No.1018/12.04.1222/2016-17 dated 05.05.2017, SAF was imposed on Bank based on the Financial position of the Bank as on 31-03-2016. Vide Reserve Bank of India directions No. DoS(T) No. 131/12.04.1219/2020-21 dated 22-10-2020, there were restrictions on sanction/disbursement of fresh loans and advances, borrowings, payment of dividend, donations, capital expenditure etc. Further, Reserve Bank of India had issued All Inclusive Directions (AID) to the Bank vide its Directive No. CO.DOS.SED.No. S3361/12-07-005/2022-2023 dated 23-08-2022 as per which bank is restricted from all its activities except with the approval of RBI. According to the directives No. DOR.MON.D-70/12.16.051/2024-25 dated 18-11-2024, the period of restrictions has been extended till February 23, 2025 subject to review. As per the latest directives No. DOR.MON.D-92/12.16.051/2024-25 dated 15-01-2025, the RBI has withdrawn the above directions with effect from 20.01.2025. As per the directives of RBI, bank is submitting daily/quarterly/monthly reports to RBI and Banks management is taking various steps to improve the financial position of the bank.
- 7) During the F.Y. 2022-2023, Deposit Insurance and Credit Guarantee Corporation (DICGC) has settled an amount of Rs. 85,08,688.23/- towards 3735 eligible deposit claims of the depositors of the Bank. As per section 21(2) of the DICGC (Amendment) Act, 2021 read with Regulation 22 of DICGC General Regulations, 1961, bank is liable to repay the claim amount to the corporation and as pe the DICGC Letter Ref No. CO.DICG.CSD.No.S1582/05.02.482/2022-23 dated 30.11.2022 the sum of Rs. 8508.69 Lakhs is to be repaid in 5 Annual Installments commencing from November 30, 2023. During the current financial year 2023-24, DICGC claim has further extended to additional 392 depositors and settled an amount of Rs. 8,85,26,523.50/- towards eligible deposit claims. Bank has repaid the first instalment amount of Rs. 18,69,69,535.79/- to DICGC on 24.11.2023. Bank has remitted (on 28.11.2024) another installment of rupees 18,87,83,348.90 during the current year. Bank's Management is confident of meeting the future liabilities in time.
- 8) As part of settlement of NPA accounts, bank has permitted remission of interests in various borrowal accounts amounting to Rs. 14,14,420/- during the current financial year (Rs. 3,85,07,651/- during previous year) and the said rebate on interest has been shown as reduction from the interest income and net amount of interest income only has been shown in the profit and loss account.
- 9) During the current financial year 2024-25, bank had written off (technical write off) loans and advances amounting to Rs. 1,20,00,000 (4,68,23,096/- during the previous year) in respect of 2 nos. of borrowers as approved by the Board, which were in the NPA category. No interest remission in respect of the said written off accounts is provided during the current year.
- 10) Board of directors has decided to effect payment of salary arrears of employees as well as eligible retired employees, which were due from the financial year 2021-22 onwards amounting to of Rs. 51,90,366/- and accordingly amounts were provided for in the financials and provision for applicable TDS has also been made.
- 11) The Bank has created and carrying the following provisions as on 31-03-2025.

Particulars	(Amount in Rupees)	
	As on 31-03-2025	As on 31-03-2024
Provision for Income Tax	10,75,54,720	10,03,09,360
Provision for Matured FDs	NIL	NIL
Provision for Non-Banking Asset	9,70,78,294	9,70,78,294
Provision for Standard Assets	14,70,617	20,96,205
Provision for Bad & Doubtful Debts	35,85,08,836	34,25,08,836
Provision for Special Bad debt reserve	3,46,342	3,46,342
Provision for Leave Surrender	1,23,82,287	1,00,95,587
Provision for Restructured advances	8,85,905	81,09,677
Total	57,82,27,000	56,05,44,301

- 12) No accounts were restructured during the year 2024-2025
- 13) Core Banking System and Management Information System
- Bank implemented CBS software "SIMS" developed and maintained by Softline Intelligent Micro Systems and migration of data completed and became online in HO and branches. The CBS software is not fully capable in NPA identification, classification and provisioning, reporting generation etc.
- 14) Quantitative information regarding i) Regulatory Capital, ii) Movement of CRAR, iii) Investment, iv) Exposure to Real estate sector, Exposure to capital market, v) Advance against shares and debentures vi) Advance to Directors and their relatives, vii) Cost of Deposit, viii) NPA ix) Movement of NPA, x) Business ratios, xi) Provision towards NPA and standard assets, xii) Movement of Provisions, xiii) Foreign currency Asset & Liabilities management, xiv) DICGC premium details, xv) Penalty imposed by RBI, xvi) Details of restructured accounts, xvii) Fixed asset revaluation details, xviii) details of DEAF, xix) Maturity pattern of assets and liabilities etc. are provided in the additional disclosures annexed to the report.
- 15) Previous year figures have been regrouped/recast/reclassified, wherever necessary to conform the current years classification.

For J A B & Associates
Chartered Accountants
Firm Regn. No. 015239S

For The Thodupuzha Urban Co-operative Bank Ltd-394

Sd/-	Sd/-	Sd/-
CA. Ajesh Jose, FCA	V.V. Mathai	Sreekumar R
M.No. 232288	Chairman	Managing Director
Thodupuzha		
27-06-2025		

INDEPENDENT AUDITORS' REPORT

To

The Members of M/s The Thodupuzha Urban Co-operative Bank Ltd No 394, Thodupuzha

Opinion

We have audited the standalone financial statements of **The Thodupuzha Urban Co-operative Bank Ltd No 394**, which comprise the balance sheet as at March 31, 2025, and the Statement of Profit and Loss, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements together with the notes thereon give the information required by the banking Regulations Act 1949, in the manner so required for the Co-operative societies doing banking business and give a true and fair view in conformity with the accounting principles generally accepted in India,

i. of the state of affairs of the Bank as at March 31, 2025,

ii. of the Profit for the year ended on that date.

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 standalone financial statements 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 standalone financial statements under the provisions of the Act 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. standalone

Emphasis on Matter

We draw attention to the following matters in the Notes on accounts to the financial statements:

- Note no B.5 of the financial statements on preparation of financial statements as a going concern basis as explained in the said note.
- Note no B.6 of the financial statements regarding the Reserve Bank of India (RBI) Supervisory Action Framework (SAF) and All Inclusive Directions (AID) against the Bank which restricted the activities of the Bank and withdrawal of such directions with effect from 20.01.2025.

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

Responsibility of Management and those charged with governance for Standalone Financial Statements

The Bank's management is responsible for the preparation of the standalone financial statements in accordance with the Banking Regulation Act 1949 (as applicable to cooperative Societies). This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

The Banks Board of Directors is responsible with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance of the Bank in accordance with the accounting principles generally accepted in India including the Accounting Standards issued by the ICAI and provisions of Section 29 of the Banking Regulation Act 1949 and circulars and guidelines issued by RBI from time to time.

In preparing the financial statements, management is 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 management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The board of directors is also responsible for overseeing the bank's financial reporting process.

Auditor's responsibilities for the audit of the standalone financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 standalone financial statements.

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 standalone financial statements, 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 whether the Bank has in place adequate internal financial controls system over the financial reporting and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's 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 standalone financial statements 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation. standalone Materiality is the magnitude of misstatements in the Standalone financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonable knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in:

- Planning the scope of our audit work and in evaluating the results of our work and
- To evaluate the effect of any identified misstatements in the financial statements.

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. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory matters

The Balance Sheet and the Statement of Profit and Loss have been drawn up in accordance

with the provisions of Section 29 of the Banking Regulation Act 1949 (as applicable to Co-operative Societies) as required by section 143(3) of the Act, we report that:

(a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) The transactions of the Bank, which have come to our notice have been within the powers of Bank

(c) The returns received from the offices and branches of the Bank have been found adequate for the purpose of audit.

(d) In our opinion, the Balance Sheet and the Profit and Loss Account comply with the Accounting Standards issued by the Institute of Chartered Accountant of India.

(e) We further report that:

(i) The balance sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and the returns;

(ii) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books;

(iii) The Bank has promptly paid the DICGC premium within the stipulated time.

For J A B & Associates
Chartered Accountants
Firm Registration Number: 015239S
Sd/-
CA. AJESH JOSE FCA
Partner
Membership no: 232288
Place: Thodupuzha
Date: 27.06.2025
UDIN- 25232288BMIGCB5954