



THE PAYYANUR CO-OP. TOWN BANK Ltd. No. C. 827-PAYYANUR

RBI/UBD/KR/889P

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-03-2026

BALANCE SHEET AS AT 31-3-2026

(Amount in Rupees)

(Amount in Rupees)

	PARTICULARS	Sch No	Year ended 31.03.2026	Year ended 31.03.2025
I.	Income			
	Interest earned	13	27,04,47,904	26,01,56,496
	Other income	14	1,81,26,570	2,74,79,872
	Total		28,85,74,474	28,76,36,368
II.	Expenditure			
	Interest expended	15	19,54,09,192	19,70,08,855
	Operating expenses	16	7,92,90,793	6,42,15,783
	Provisions & contingencies	17	1,27,54,539	1,31,89,557
	Total		28,74,54,524	27,44,14,195
III.	Profit/Loss			
	Net Profit/Loss (-) for the year		11,19,950	1,32,22,173
	Profit/Loss (-) brought forward		-	-
	Total		11,19,950	1,32,22,173
IV.	Appropriations			
	Transfer to statutory reserves		-	-
	Transfer to Capital Reserve			
	(i) Education Fund		-	-
	(ii) Common Good Fund		-	-
	(iii) Co-operative Members Relief Fund		-	-
	Transfer to Government/ Dividend			
	Declared & Paid		--	-
	Balance carried to Balance Sheet		11,19,950	1,32,22,173
	Total		11,19,950	1,32,22,173

Significant Accounting Policies and Notes to accounts- Schedule-A

In terms of our report of even date For **Muhammed & Associates LLP** Chartered Accountant, Firm Regn. No.015712S/S000064

For and on behalf of the Board of Directors

Sd/- Sd/- Sd/- Sd/- Sd/-

CEO Director Director Chairman **CA MUHAMMED FAISAL K P,**
FCA, DISA(ICAI) M.No:232338
Chartered Accountant
ICAI UDIN: 26232338OIJJWF2581

PAYYANUR
Date:20-06-2026

Capital and Liabilities	Sch No	As on 31.03.2026	As on 31.03.2025
Capital	1	16,33,44,790	15,25,50,965
Reserves and Surplus	2	13,93,78,004	13,58,36,314
Deposits	3	289,79,36,685	2,81,12,66,045
Borrowings	4	-	-
Other Liabilities & Provisions	5	14,18,88,209	14,49,13,006
Total		3,34,25,47,688	3,24,45,66,330
Assets			
Cash & Bank balances with RBI, SBI, SCB, CCB	6	8,52,84,787	10,14,50,323
Balances with Banks and Money at call and			
Short notice	7	31,81,19,666	22,62,59,348
Investments	8	82,45,08,660	89,39,31,147
Advances	9	1,97,61,33,913	1,88,75,66,788
Fixed Assets	10	1,27,77,384	1,03,12,815
Other Assets	11	12,57,23,278	12,50,45,910
Total		3,34,25,47,688	3,24,45,66,330
Contingent Liabilities	12	90,43,885	88,56,923

Significant Accounting Policies and Notes to accounts- Schedule-A

In terms of our report of even date For **Muhammed & Associates LLP** Chartered Accountant, Firm Regn. No.015712S/S000064

For and on behalf of the Board of Directors

Sd/- Sd/- Sd/- Sd/- Sd/-

C E O Director Director Chairman **CA MUHAMMED FAISAL K P,**
FCA, DISA(ICAI) M.No:232338
Chartered Accountant
ICAI UDIN:26232338OIJJWF2581

PAYYANUR
Date: 20-06-2026

INDEPENDENT AUDITORS REPORT

To
The Members
The Payyanur Co-operative Town Bank Limited, No C 827 – Payyanur.
Report on Audit of the Financial Statements

Qualified Opinion

1. We have audited the accompanying financial statements of The Payyanur Co-operative Town Bank Limited, No C 827 – Payyanur (“the Bank”) as at 31st March 2026, which comprise the Balance Sheet as on that date, the Profit and Loss Account, the Statement of Cash Flows for the year then ended, and notes to financial statements including a summary of significant accounting policies and other explanatory information in which are included the trial balance/ financial information for the year ended on that date pertaining to 10 Branches of the bank duly audited by us located at places mentioned in Note No. 1(a) of Schedule - 19 attached to the accounts.

2. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the **Basis for Qualified** Opinion paragraph of our report, the aforesaid financial statements give the information required by the Banking Regulation Act,1949 (As applicable to Urban Co-operative Banks) and are in conformity with the accounting principle generally accepted in India give a true and fair view of the State of Affairs of the Bank as at 31st March 2026, Profit and its Cash Flows for the year ended on that date.

The Basis for our Qualified Opinion

1. Basis for Qualified Opinion

1. **The Basis for our Qualified Opinion, including the inadequacies of evidence, the impact of such qualification on the financial statements as at/for the year ended 31st March 2026 are mentioned in Annexure – A of our audit report of even date attached hereto.**

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” paragraph of our report. We are independent of the Bank in accordance with the Institute of Chartered Accountants of India (ICAI), together with the ethical requirements that are relevant to our audit of the Financial Statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAI’s code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion other than those specifically mentioned in Annexure - A.

Information Other than the Financial Statements and Auditors’ Report thereon

3. The Bank’s Board of Directors is responsible for the other information. The other information comprises the information furnished by the board in its report to members as an activity report but does not include the financial statements and our auditor’s report thereon.

4. Our opinion on the financial statements does not cover the other information, and we do not and will not express any form of assurance conclusion thereon.

5. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matters to those charged with governance and take appropriate actions necessitated by the circumstances. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

6. The Bank’s Board of Directors 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 accounting principles generally accepted in India, including the Accounting Standards issued by Institute of Chartered Accountants of India (ICAI) to the extent applicable, and provisions of Banking Regulation Act, 1949 (AAUCB) and Circulars and Guidelines issued by Reserve Bank of India (RBI), Circulars/Directions issued by Registrar of Co-operative Societies (RCS) - Government of Kerala, from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the above-mentioned Acts for the 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. 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.

8. The Bank’s Board of Directors is also responsible for overseeing the Bank’s financial reporting process.

Auditors’ Responsibility for the audit of financial statements

9. 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

10. 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 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. · 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 auditors’ report to the related disclosures in the 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 auditors’ 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

11. Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

12. 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.

13. 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.

14. 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 which, if necessary, shall be communicated with those charged with Governance. We describe these matters in our auditors’ report, if necessary, 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 of 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 Requirements

15. The Balance Sheet and the Profit and Loss Account have been drawn up in Forms “A” and “B” respectively of the Third Schedule to the Banking Regulation Act, 1949 (AAUCB), and these give information as required to be given by virtue of the provisions of the said Act. Subject to the limitations of the audit indicated in paragraphs 8 to 16 above, our basis for qualified opinion in paragraph 3 and subject also to the limitations of disclosure required therein, 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 and have found them to be satisfactory other than those specifically mentioned in Annexure - A. b. The transactions of the Bank, which have come to our notice, have been within the powers of the Bank except for our specific disclosure in Annexure - A. c. The trial balances of the bank branches incorporated into the financial statements duly audited by us have been found adequate for the purpose of our audit.

16. We further report that: a. In our opinion, proper books of accounts as required by law have been kept by the bank so far as it appears from our examination of those books, and adequate information in the form of trial balance has been received from branches. b. The Balance Sheet, the Profit and Loss Account, and the Cash Flow Statement dealt with by this report are in agreement with the books of account subject to Paragraph 2 of Annexure - A.

In our opinion, the Balance Sheet, the Profit and Loss Account, and the Cash Flow Statement comply with the applicable accounting standards other than those mentioned in Paragraph 5 of Annexure - A.

CA Muhammed Faisal K P,
FCA, DISA(ICAI) M.No:232338
ICAI UDIN: 26232338OIJJWF2581

Place :Payyanur
Date : 20 June 2026

1. Disclosure in terms of Reserve Bank of India Circular No RBI/2013-14/531UBD CO BPD (PCB) Cir. No.52/12.05.001/2013-14 dated 25.03.2014		
a) Capital to Risk Weight Asset Ratio. (CRAR) as at 31.03.2026 is 12.50% (12.44%)		
b) Movement of CRAR (Rs. In Lakhs)		
Particulars	31.03.2026	31.3.2025
Capital base (a)	2279	2109
Risk Weighted Assets — (b)	18230	16954
CRAR - (a)/(b) x 100 (Percentage)	12.50%	12.44%
a) Investments: As at 31.03.2026, the Book value of the Investment is Rs.7445.48 lakhs (Rs.8242.41 lakhs) and the Face value being Rs.7498.00 lakhs (Rs.8296.50 Lakhs)		
b) The outstanding advances against housing (Including staff housing Loan) and construction business as at 31.03.2026 are Rs.2663.74 Lakhs (Rs.2404.20) and Rs.254.67lakhs (Rs.260.07 lakhs)respectively.		
c) No Loans / Advances were sanctioned / disbursed against security of shares and / or debentures.		
d) During the year, the bank has not sanctioned any advances / loans (Fund based / Non fund based) to any directors, their relatives, companies / firms in which they are interested other than fixed deposits loans as per the RBI guidelines.		
e) Cost of Deposits: Average cost of deposits is 7.01% (7.30 %) based on closing deposits.		
i) Gross NPA – 5.90 % (5.97%)		
ii) Net NPAs – 2.49% (2.37%)		
f) Non-Performing Assets –In terms of total advances in percentage:		
j. Movement in NPAs (Figures in Lakhs)		
	31.03.2026	31.03.2025
Gross NPA-	1166.19	1126.75
Less: Interest / Interest Suspense		
Less: Provisions Made	692.05	675.65
Net NPA	474.13	431.10
Total Advances as at the year end	19761.34	18875.67
Percentage of Gross NPA to Total Advances	5.90%	5.97%
Percentage of Net NPA to Net Advances	2.49%	2.37%
k. Profitability:		
	31.03.2026	31.03.2025
Interest income as a percentage of working funds*	8.23%	8.02%
Non-interest income as a percentage of working funds	0.28%	0.25%
Operating profit as a percentage of working funds	0.15%	0.23%
Return on Assets (Negative)**	0.03%	0.41%
Business (Deposits + Advances) per employee – In Rs lakhs	932.77Lakhs	978.92 Lakhs
Profit/(Loss) per employee	0.22 Lakhs	2.75 Lakhs

* Gross advances are treated as working funds.		
** Return is assumed to be Net profit and Assets being balance sheet total of asset side.		
a) Provision made towards NPAs as at 31.03.2026 is Rs.672.05lakhs (Rs.675.65 lakhs) and Provision made for Standard assets for the said date is Rs. 71.40 lakhs (Rs.69.18lakhs) and there is no depreciation in investments (See Note 6 above).		
b. Movement in various provisions: (Figures in Lakhs)		
Closing Balances as on	31.03.2026	31.03.2025
Towards NPA's	672.05	675.65
Towards Depreciation on investments	NIL	NIL
Towards Standard Assets	71.40	69.18
c) There are no foreign currency assets & liabilities as at 31.03.2026.		
d) All payments towards DICGC Insurance Premium are fully settled. There are no arrears to DICGC either on the opening or at the close of the financial year.		
e) No Penalty has been imposed by RBI during the year 2025-26.		
f) No advances / loans have been restructured during the year.		
g) No Fixed Assets have been – Valued / Revalued.		
2. Disclosure in terms of Reserve Bank of India (RBI) Circular DBOD NO DEAF Cell.BC.114/30.01.002/2013-14 dated May 27, 2014 for the amount transferred to Depositor Education and Awareness Fund (DEAF)		
(Amount in Rs)		
	Current Year	Previous Year
Opening balance of amounts transferred to DEAF	35,27,854	31,10,948
Add : Amount transferred to DEAF during the year	1,89,331	4,22,146
Less : Amounts reimbursed by DEAF towards claims	2,369	5,240
Closing balance of amounts transferred to DEAF	37,14,816	35,27,854
3.Other disclosures- a.Segment Reporting		
The bank being an Urban Co-operative bank and the business of the Bank is exclusively in Retail Banking sector operating in and around Payyanur Community Development block, which constitute a single business / Geographic segment and hence there are no separate segmental information to be disclosed as per the requirement of Accounting Standard-17 (AS-17 Segment Reporting) issued by the Institute of Chartered Accountants of India.		
b.Related party disclosure - The particulars that are required to be disclosed in terms of Accounting Standard 18 (AS-18 Related Party Transactions) issued by the Institute of Chartered Accountants of India are furnished below. Professional directors are Non-executive directors hence no disclosure is required as per AS-18.		

(Amount in Rs)		
Particulars	Key Management Personnel	Relative of Key Management Personnel
Sitting Fees & Traveling allowances	3,07,578 (3,04,646)	-
Honorarium	2,70,000(2,15,000)	-
Interest paid / accrued on Deposits	6,00,332 (9,24,160)	10,35,340 (8,94,514)
Key Management Personnel : V Krishnan, M K Rajan , P Prabhakaran, K M Komalavally, Thampam P, Narayanan V C, Sadanandhan T M, Abdul Rahiman N, Sudhakaran C, Pushpavally T V, Joisy Shaji, Adv. Anil Mathew, Ganeshan K V, Rajan C, Vijayan K , Unnikrishnan M K , Nithin Krishnan		
Relatives of Key management Personnel : Wife, Father, Mother, Son(s) & Daughter(s) of Key Management Personnel.		
a. Description of contingent liabilities:		
i) Claims against the Bank are not acknowledged as debt is Nil.		
ii) Bills for collection pending realization is Rs. Nil		
iii) Other contingent liability may include the claim filed against the bank in the normal course of business relating to various legal cases currently in progress for which the liabilities are not crystallized.		
iv) Contingent liability also includes amount due to depositors whose funds are lying under inoperative account which has been transferred to Depositor Education and Awareness Fund (DEAF) for which bank is contingently liable as per RBI notification and demands raised by Income Tax and other statutory authorities, which are disputed by the Bank.		
1. The bank has not received any information memorandum from any creditors including amount dues lying under the head Suspende liabilities regarding their status as Micro Small or Medium Enterprises as mentioned in Micro Small and Medium Enterprises Development Act, 2006 (MSMEDA). Accordingly, as understood by the management, there are no dues to any Micro Small or Medium enterprises for the period exceeding the time limit mentioned under MSMEDA.		
2. The figures in brackets, unless otherwise stated, represent figures of the previous year and those figures have been regrouped, rearranged and/or reclassified, where ever found necessary to conform to the current year's presentation. Further, figures in the financial statements are rounded off to the nearest rupee in accordance with the accounting Policy generally followed by the bank.		
For and on behalf of the Board of Directors		
Sd/- CEO	Sd/- Director	Sd/- Director
Chairman		Sd/-
Place : Payyanur, Date : 20-06-2026		
In terms of our audit report of even date		
Sd/- CA Muhammed Faisal K P, FCA, DISA(ICAI) M.No:232338		