

Annex I
Form A
Form of Balance Sheet

Balance Sheet of Kerala State Co-operative Bank Ltd

Balance as on 31-Mar-2026

(Amount in ₹)

Particulars	Schedule No	As on 31-03-2026(Current Year)	As on 31-03-2025(Previous Year)
CAPITAL AND LIABILITIES			
Capital	1	20,42,48,77,738.00	20,40,16,60,728.00
Reserves and Surplus	2	11,69,80,24,167.88	12,26,77,75,358.54
Deposits	3	7,09,92,90,03,024.95	6,66,80,44,15,606.54
Borrowings	4	96,96,45,47,369.00	1,08,56,73,30,009.00
Other Liabilities and Provisions	5	35,94,31,60,167.05	41,91,89,08,925.10
Total		8,74,95,96,12,466.88	8,49,96,00,90,627.18
ASSETS			
Cash and balances with Reserve Bank of India	6	28,32,54,02,661.88	37,89,63,97,415.00
Balance with banks and money at call and short notice	7	69,76,70,05,712.73	35,66,23,29,119.30
Investments	8	2,53,93,75,25,882.86	2,74,75,07,23,822.49
Advances	9	4,91,89,20,47,711.01	4,72,62,45,32,778.51
Fixed Assets	10	8,10,86,13,009.99	7,98,80,40,136.45
Other Assets	11	22,92,90,17,488.41	21,03,80,67,355.43
Total		8,74,95,96,12,466.88	8,49,96,00,90,627.18
Contingent Liabilities	12	5,90,66,26,381.11	4,79,74,38,320.39
Bills for collection		20,43,83,686.30	3,09,02,579.07
Principle State Partnership Fund-As per Contra		29,24,39,276.95	29,24,39,276.95

For Anand and Ponnappan
Chartered Accountants
FRN000111S



CA C. Krishnan Menon
Partner
Membership No:074736

Place:Thiruvananthapuram
Date: 20/06/2026

For and on behalf of the Board of Directors of
The Kerala State Co-operative Bank Ltd


Mohanan Master P
President


Rajesh V
Vice President


Jorty M Chacko
Chief Executive Officer


P.Gagarin
Director



Annex I
Form B
Form of Profit and Loss Account for the year ended on 31-03-2026

(Amount in ₹)

Schedule		Year ended on 31-03-2026	Year ended on 31-03-2025
I	Income		
	Interest earned	13 65,38,53,99,625.07	67,02,50,02,255.31
	Other income	14 12,54,43,47,183.09	4,31,25,65,511.83
	Total	77,92,97,46,808.16	71,33,75,67,767.14
II	Expenditure		
	Interest expended	15 54,09,92,89,720.28	55,49,31,21,591.91
	Operating expenses	16 17,83,03,00,654.48	14,95,36,11,172.51
	Provisions and contingencies	7,17,09,16,601.69	63,35,79,477.57
	Total	79,10,05,06,976.45	71,08,03,12,241.99
III	Profit/Loss		
	Net profit/loss(-) for the year	(1,17,07,60,168.29)	25,72,55,525.15
	Profit/loss(-)brought forward	(4,43,44,94,090.16)	(4,43,44,94,090.16)
	Total	(5,60,52,54,258.45)	(4,17,72,38,565.01)
IV	Appropriations		
	Transfer to statutory reserves		5,14,51,105.03
	Transfer to other reserves (Investment fluctuation reserves)		20,58,04,420.12
	Transfer to Government/proposed dividend		
	Balance carried over to balance sheet	-5,60,52,54,258.45	-4,43,44,94,090.16

For Anand and Ponnappan
Chartered Accountants
FRN000111S



CA C. Krishnan Menon
Partner
Membership No:074736

Place:Thiruvananthapuram
Date: 20/06/2026



For and on behalf of the Board of Directors of
The Kerala State Co-operative Bank Ltd


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President


Rajesh T M
Vice President


Jerty M Chacko
Chief Executive Officer


P.Gagarin
Director

Kerala State Co-operative Bank Ltd	
Cash Flow Statement for the year ended 31st March 2026	
	(Amount in ₹)
Particulars	Year ended on 31.03.2026
CASH FLOW FROM OPERATING ACTIVITIES	
Net profit / (Loss) before taxes	(1,17,07,60,168)
Adjustment for:	
Depreciation on Fixed Assets	51,91,72,345
Loss/(Profit) on Sale of Fixed assets	(31,88,507)
Provisions & Contingencies	7,17,09,16,602
Reversal of excess provisions	(10,93,04,20,760)
Remittance towards ACS Fund	7,20,84,751
Asset written off including technical write off	8,39,91,40,132
Deffered tax asset	(52,61,63,898)
	3,53,07,80,497
Adjustments for:	
Increase/(Decrease) in Deposits	43,12,45,87,418
(Increase)/ Decrease in Investments	19,21,94,56,732
(Increase)/ Decrease in Advances	(26,29,92,79,807)
Increase/ (Decrease) in Other Liabilities(including provisions)	(2,55,34,02,135)
(Increase)/ Decrease in Other Assets	(30,36,67,611)
Increase/(Decrease) in borrowings	(11,60,27,82,640)
	25,11,56,92,454
Tax refund/ (Taxes paid)	(49,75,95,140)
NET CASH GENERATED FROM/ (USED IN) OPERATING ACTIVITIES	24,61,80,97,314
CASH FLOW FROM INVESTING ACTIVITIES:	
Purchase of Fixed Assets	(11,08,20,992)
Sale Proceeds from Fixed Assets	31,88,507
NET CASH GENERATED FROM/ (USED IN) INVESTING ACTIVITIES	(10,76,32,485)
CASH FLOW FROM FINANCING ACTIVITIES:	
Increase/(Decrease) in share capital	2,32,17,010
NET CASH GENERATED FROM/ (USED IN) FINANCING ACTIVITIES	2,32,17,010
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	24,53,36,81,839



CASH AND CASH EQUIVALENTS AS AT 1ST APRIL 2025	73,55,87,26,534
CASH AND CASH EQUIVALENTS AS AT 31ST MARCH 2026	98,09,24,08,374
Components of Cash & Cash Equivalents as at:	31.03.2026
Cash & Balance with RBI	28,32,54,02,662
Balances with Banks and money at call & short notice	69,76,70,05,713
	98,09,24,08,374
Cash flow from operating activities is reported by using indirect method.	

For Anand and Ponnappan
Chartered Accountants
FRN000111S



CA C. Krishnan Menon
Partner
Membership No:074736

Place:Thiruvananthapuram
Date: 20/06/2026



For and on behalf of the Board of Directors of
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Mohanan Master P
President



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Vice President



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Chief Executive Officer



P. Gaganin
Director

Schedule 1 - Capital

	As on 31-03-2026	As on 31-03-2025
1. For Nationalised Banks Capital (Fully owned by Central Government)		
II. <u>For Banks incorporated outside India</u> <u>Capital</u>		
(I) The amount brought in by banks by way of start-up capital as prescribed by RBI should be shown under this head		
(II) Amount of deposit kept with the RBI under Section 11(2) of the Banking Regulation Act 1949.		
Total		
III. For Other Banks		
Authorised Capital	80,00,00,00,000.00	80,00,00,00,000.00
(A Class 50000000 Shares of Rs.1000 each)	50,00,00,00,000.00	50,00,00,00,000.00
(B Class 20000000 Shares of Rs.1000 each)	20,00,00,00,000.00	20,00,00,00,000.00
(C Class 500000000 Shares of Rs.100 each)	5,00,00,00,000.00	5,00,00,00,000.00
(D Class 500000000 Shares of Rs.100 each)	5,00,00,00,000.00	5,00,00,00,000.00
Issued Capital	20,42,48,77,738.00	20,40,16,60,728.00
A Class	9,33,14,54,400.00	9,29,65,92,400.00
B Class	8,95,40,94,612.00	8,95,07,50,862.00
C Class	1,31,94,59,000.00	1,29,50,96,100.00
D Class	81,98,69,726.00	85,92,21,366.00
Subscribed Capital	20,42,48,77,738.00	20,40,16,60,728.00
A Class	9,33,14,54,400.00	9,29,65,92,400.00
B Class	8,95,40,94,612.00	8,95,07,50,862.00
C Class	1,31,94,59,000.00	1,29,50,96,100.00
D Class	81,98,69,726.00	85,92,21,366.00
Called-up Capital	20,42,48,77,738.00	20,40,16,60,728.00
A Class	9,33,14,54,400.00	9,29,65,92,400.00
B Class	8,95,40,94,612.00	8,95,07,50,862.00
C Class	1,31,94,59,000.00	1,29,50,96,100.00
D Class	81,98,69,726.00	85,92,21,366.00
Less: Calls unpaid		
Add: Forfeited shares		



Schedule 2 - Reserves and Surplus

	As on 31-03-2026	As on 31-03-2025
I. Statutory Reserves	4,39,06,95,656.31	4,39,06,95,656.31
Opening Balance	4,39,06,95,656.31	4,33,92,44,551.28
Additions during the year	-	5,14,51,105.03
Deductions during the year		-
II. Capital Reserves	21,11,76,147.97	21,11,76,147.97
Opening Balance	21,11,76,147.97	21,11,76,147.97
Additions during the year	-	-
Deductions during the year	-	-
III. Share Premium		
Opening Balance		
Additions during the year		
Deductions during the year		
IV. Revenue and Other Reserves	12,70,14,06,622.05	12,10,03,97,644.42
Opening Balance	12,10,03,97,644.42	11,81,48,99,982.09
Additions during the year	1,21,93,67,570.95	28,54,97,662.33
Deductions during the year	61,83,58,593.32	
V. Balance in Profit and Loss Account	(5,60,52,54,258.45)	(4,43,44,94,090.16)
Total (I,II,III,IV and V)	11,69,80,24,167.88	12,26,77,75,358.54



Schedule 3 - Deposits

	As on 31-03-2026	As on 31-03-2025
A.I Demand deposits		
(i) From banks	13,18,90,36,394.33	13,10,50,09,022.40
(ii) From others	9,10,50,44,044.02	9,43,47,64,430.89
II. Savings Bank Deposits	69,59,56,51,162.29	63,96,70,69,661.16
III. Term Deposits		
(i) From banks	15,92,94,60,127.59	17,71,37,51,134.59
(ii) From others	6,02,10,98,11,296.72	5,62,58,38,21,357.50
Total (I,II and III)	7,09,92,90,03,024.95	6,66,80,44,15,606.54
B. (i) Deposits of branches in India	7,09,92,90,03,024.95	6,66,80,44,15,606.54
(ii) Deposits of branches outside India		
Total	7,09,92,90,03,024.95	6,66,80,44,15,606.54



Schedule 4 - Borrowings

	As on 31-03-2026	As on 31-03-2025
I. Borrowings in India		
(a) Reserve Bank of India		
(b) Other banks	90,84,64,79,519.00	1,02,15,27,50,833.00
(c) Other institutions and agencies	6,11,80,67,850.00	6,41,45,79,176.00
II. Borrowings outside India		
Total (I and II)	96,96,45,47,369.00	1,08,56,73,30,009.00
Secured borrowings included in I and II above -Rs	-	-



Schedule 5 - Other Liabilities and Provisions

	As on 31-03-2026	As on 31-03-2025
I. Bills payable	5,42,93,352.13	6,46,23,954.50
II. Inter office adjustments (net)	16.36	-
III. Interest accrued	9,28,49,51,098.93	8,93,74,62,977.87
IV. Others (including provisions)	26,60,39,15,699.63	32,91,68,21,992.73
Total	35,94,31,60,167.05	41,91,89,08,925.10



Schedule 6 - Cash and Balances with Reserve Bank of India

	As on 31-03-2026	As on 31-03-2025
I. Cash in hand (including foreign currency notes)	5,84,66,74,084.50	8,67,77,88,277.78
II. Balances with Reserve Bank of India		
(i) in Current Account	22,47,87,28,577.38	29,21,86,09,137.22
(ii) in Other Accounts	-	-
Total (I and II)	28,32,54,02,661.88	37,89,63,97,415.00



Schedule 7 - Balances with Banks and Money at Call and Short Notice

	As on 31-03-2026	As on 31-03-2025
I. In India		
(i) Balances with banks		
(a) in Current Accounts	4,84,27,43,284.73	7,24,90,97,422.20
(b) in Other Deposit Accounts	17,17,043.00	3,05,52,177.00
(ii) Money at call and short notice		
(a) with banks	64,92,25,45,385.00	28,38,26,79,520.10
(b) with other institutions		-
Total (i and ii)	69,76,70,05,712.73	35,66,23,29,119.30
II. Outside India		
(i) in Current Accounts		-
(ii) in Other Deposit Accounts		-
(iii) Money at call and short notice		-
Total (i,ii and iii)		-
Grand Total (I and II)	69,76,70,05,712.73	35,66,23,29,119.30



Schedule 8 - Investments

	As on 31-03-2026	As on 31-03-2025
I. Investments in India in		
(i) Government Securities	2,37,57,24,61,882.86	2,61,22,45,74,572.13
(ii) Other approved securities		
(iii) Shares	25,58,00,000.00	10,00,000.00
(iv) Debentures and Bonds	75,92,64,000.00	1,23,58,49,000.00
(v) Subsidiaries and/or joint ventures	-	-
(vi) Others	15,35,00,00,000.00	12,28,93,00,250.36
a) SDF investment with RBI	15,35,00,00,000.00	5,00,00,00,000.00
b) TREPS investment from CCIL	-	7,28,93,00,250.36
Total	2,53,93,75,25,882.86	2,74,75,07,23,822.49
II. Investments outside India in		
(i) Government Securities (including local authorities)		-
(ii) Subsidiaries and/or joint ventures abroad		-
(iii) Others investments (to be specified)		-
Total		-
Grand Total (I and II)	2,53,93,75,25,882.86	2,74,75,07,23,822.49



Schedule 9-Advance

	As on 31-03-2026	As on 31-03-2025
A. (i) Bills purchased and discounted	1,59,68,16,295.60	2,18,34,78,199.60
(ii) Cash credits, overdrafts and loans repayable on demand	1,97,62,33,08,988.37	2,12,91,78,81,496.61
(iii) Term loans	2,92,67,19,22,427.04	2,57,52,31,73,082.30
Total	4,91,89,20,47,711.01	4,72,62,45,32,778.51
B. (i) Secured by tangible assets	4,24,12,90,80,278.54	4,04,81,81,15,251.32
(ii) Covered by Bank/Government Guarantees	51,62,42,65,000.70	50,00,00,00,000.00
(iii) Unsecured	16,13,87,02,431.77	17,80,64,17,527.19
Total	4,91,89,20,47,711.01	4,72,62,45,32,778.51
C.I. Advances in India		
(i) Priority Sectors	1,71,95,13,93,635.24	1,91,59,00,80,296.99
(ii) Public Sector	52,87,54,57,841.70	51,32,74,27,970.00
(iii) Banks		
(iv) Others	2,67,06,51,96,234.07	2,29,70,70,24,511.52
Total	4,91,89,20,47,711.01	4,72,62,45,32,778.51
C.II. Advances outside India		
(i) Due from banks		
(ii) Due from others		
(a) Bills purchased and discounted		
(b) Syndicated loans		
(c) Others		
Total	-	-
Grand Total (C.I and II)	4,91,89,20,47,711.01	4,72,62,45,32,778.51



Schedule 10 - Fixed Assets

	As on 31-03-2026	As on 31-03-2025
I. Premises	7,39,53,36,883.68	6,88,65,58,034.35
At cost* as on 31 st March of the preceding year	6,88,65,58,034.35	7,05,81,30,192.06
Additions during the year	53,40,36,380.65	9,25,024.30
Deductions during the year	-	-
Depreciation to date	2,52,57,531.32	17,24,97,182.01
II. Other Fixed Assets (including furniture and fixtures)	71,32,76,126.31	1,10,14,82,102.10
At cost* as on 31 st March of the preceding year	1,10,14,82,102.10	1,45,61,87,127.15
Additions during the year	10,99,28,892.00	10,17,44,192.28
Deductions during the year	-	51,69,430.77
Depreciation to date	49,81,34,867.79	45,12,79,786.56
Total (I and II)	8,10,86,13,009.99	7,98,80,40,136.45

* accounted in WD Value method



Schedule 11 - Other Assets

	As on 31-03-2026	As on 31-03-2025
I. Inter office adjustments (net)	-	42,50,312.62
II. Interest accrued	14,00,95,89,702.86	12,37,81,32,426.75
III. Tax paid in advance/tax deducted at source	3,12,17,38,254.26	3,18,84,31,053.37
IV. Stationery and stamps		
V. Non-banking assets acquired in satisfaction of claims	40,73,88,221.00	40,91,88,621.00
VI. Others *		
a) Sundry Assets	3,61,05,92,359.43	2,53,85,94,147.05
b) Prepaid Expenses	46,40,28,644.54	3,58,01,957.12
c) Security Deposit	1,13,79,055.72	1,13,85,055.72
d) Subsidy due from Govt/Nabrd	69,00,404.51	2,37,84,019.33
e) Interest Subvention	1,29,74,00,846.09	2,35,02,86,761.28
f) RTGS/NEFT Inward Pool Account	-	9,82,13,001.19
Total	22,92,90,17,488.41	21,03,80,67,355.43

* In case is any unadjusted balance of loss the same may be shown under this item with appropriate foot note



Schedule 12 - Contingent Liabilities

	As on 31-03-2026	As on 31-03-2025
I. Claims against the bank not acknowledged as debts		
II. Liability for partly paid investments		
III. Liability on account of outstanding forward exchange contracts		
IV. Guarantees given on behalf of constituents		
(a) In India	1,69,81,78,648.00	1,60,67,61,774.00
(b) Outside India		
V. Acceptances, endorsements and other obligations		
VI. Other items for which bank is contingently liable		
a. DEAF	2,13,71,66,342.11	1,61,31,09,546.39
b. Income tax demand (Under Protest)	2,05,08,42,621.00	1,57,75,67,000.00
VII. Employee benefit /Gratuity	2,04,38,770.00	
Total	5,90,66,26,381.11	4,79,74,38,320.39



Schedule 13 - Interest Earned

	Year ended on 31-03-2026	Year ended on 31-03-2025
I. Interest/discount on advances/bills	46,14,15,64,130.60	47,48,82,39,022.61
II. Income on investments	19,24,38,35,494.47	19,53,67,63,232.70
III. Interest on balances with Reserve Bank of India and other inter-bank funds		
IV. Others		
Total	65,38,53,99,625.07	67,02,50,02,255.31



Schedule 14 - Other Income

	Year ended on 31- 03-2026	Year ended on 31- 03-2025
I. Commission, exchange and brokerage	58,93,56,350.50	62,59,50,284.98
II. Profit on sale of investments (net)	12,94,45,359.79	31,10,52,289.44
Less: Loss on sale of investments		
III. Profit on revaluation of investments		
Less: Loss on revaluation of investments		
IV. Profit on sale of land, building and other assets	31,88,507.00	81,09,687.97
Less : Loss on sale of land, building and other assets		
V. Profit on exchange transactions	-	-
Less: Loss on exchange transactions		
VI. Income earned by way of dividends, etc. from subsidiaries/companies and/or joint ventures abroad/in India	10,15,009.44	13,22,110.93
VII. Miscellaneous Income	11,82,13,41,956.36	3,36,61,31,138.51
Total	12,54,43,47,183.09	4,31,25,65,511.83

Note: Under items II to V loss figures shall be shown in brackets



Schedule 15 - Interest Expended

	Year ended on 31-03-2026	Year ended on 31-03-2025
I. Interest on deposits	48,82,06,96,920.38	48,03,45,86,412.00
II. Interest on Reserve Bank of India / inter-bank borrowings	5,27,85,92,799.90	7,45,85,35,179.91
III. Others	-	-
Total	54,09,92,89,720.28	55,49,31,21,591.91



Schedule 16 - Operating Expenses

	Year ended on 31- 03-2026	Year ended on 31- 03-2025
I. Payments to and provisions for employees	6,19,00,12,748.16	5,66,90,84,111.36
II. Rent, taxes and insurance	29,88,52,993.20	67,69,87,494.08
III. Printing and stationery	6,11,09,678.19	6,65,27,312.20
IV. Advertisement and publicity	7,45,38,751.27	4,32,79,393.76
V. Depreciation on Bank's property	51,91,72,345.08	62,37,76,968.58
VI. Directors' fees, allowances and expenses	45,69,162.05	39,57,453.70
VII. Auditors' fees and expenses (including branch auditors' fees and expenses)	6,51,52,864.59	9,42,34,162.51
VIII. Law charges	7,74,05,689.40	3,27,00,206.70
IX. Postage, Telegrams, Telephones etc	4,25,88,678.95	4,03,17,701.02
X. Repairs and maintenance	6,02,23,505.73	6,00,92,435.33
XI. Insurance	48,76,30,938.40	89,34,20,366.14
XII. Other expenditure	9,94,90,43,299.46	6,74,92,33,567.13
Total	17,83,03,00,654.48	14,95,36,11,172.51



THE KERALA STATE CO-OPERATIVE BANK LIMITED

Schedules forming part of the financial statements

SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation:

The Bank's financial statements are prepared under the historical cost convention, on the accrual basis of accounting on a going concern basis, unless otherwise stated, and conform in all material aspects to Generally Accepted Accounting Principles (GAAP) in India, which comprise applicable statutory provisions, regulatory norms/guidelines prescribed by the National Bank for Agriculture and Rural Development (NABARD) / Reserve Bank of India (RBI), Banking Regulation Act 1949, Kerala Co- operative Societies Act, 1969 and amendments thereto and Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), and the practices prevalent in the banking industry in India

B. Use of estimates:

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as on the date of financial statements and the reported income and expenses during the reporting period Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from to these estimates.

C. Significant Accounting Policies:

1. Revenue recognition:

- a. Income and expenditure are accounted on accrual basis, except otherwise stated
- b. Income on Non-Performing Advances (NPAs) is recognized to the extent realized as per prudential norms prescribed by the Reserve Bank of India. Income accounted for in the preceding year and the current year remaining unrealized is derecognized in respect of advances classified as NPA during the year unless and until the NPA accounts are updated to standard Asset.



The amounts realized in NPA accounts are first adjusted towards interest and thereafter with the principal amount.

2. Investments

- a. All investments are stated at cost except as otherwise stated.
- b. Cost of acquisition of investments excludes transaction charges and the same are treated as revenue expenditure.
- c. Banks investments comprises of SLR investments and Non SLR investments. SLR investments are mainly in government securities (Central and State Government & Treasury Bills), and other approved securities such as Bonds guaranteed by Central and State Governments, etc
- d. Non SLR investments comprise of investment in debt instruments such as Debentures, PSU bonds, Shares and debentures of corporates and units of mutual funds and central and State government securities not eligible for SLR.
- e. The entire investment portfolio of the bank comprising SLR securities and non SLR securities are classified under Two categories viz. 'Permanent Category and Current Category' in accordance with Reserve Bank of India guidelines.
Net depreciation is charged to profit and loss account 'investment depreciation reserve' and kept in GL 'Provision for investment reserve'.
The book value of the individual security has not been changed and the provision required to be made on account of depreciation under this category in any year has been appropriated from profit during the year.

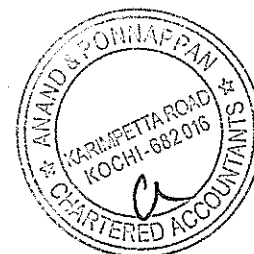
3. Deposits

The Bank accepts Current/Savings/Term Deposits etc from Individuals, Institutions, Co-operative Societies/Urban Banks.

4. Loans Advances and Provisions thereon:

Based on the guidelines/ directives issued by the RBI Loans and Advances are classified as performing and non-performing, as follows

- a. A term loan is classified as a non-performing asset if interest and/or instalment of principal remains overdue for a period of more than 90 days.
- b. An Overdraft or Cash Credit is classified as a non-performing asset, if the account remains
'out of order status' means a cash credit / overdraft (CC / OD) account shall be treated as 'out of order' if any of the following conditions are satisfied: (i) the outstanding balance remains continuously in excess of the sanctioned limit / drawing power for 90 days; (ii) the outstanding balance is less than the



sanctioned limit / drawing power but there are no credits continuously for 90 days; (iii) the outstanding balance is less than the sanctioned limit / drawing power but credits are not enough to cover the interest debited during the previous 90 days period.

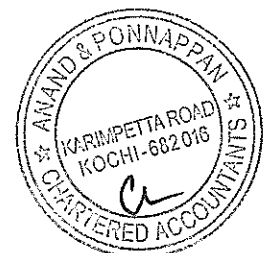
- c. The bills purchased/discounted are classified as Non-performing Asset, if the bill remains overdue for a period of more than 90 days.
- d. The agricultural advances are classified as a non-performing if (a) for short duration crops, where the instalment of principal or interest overdue for two crop seasons; and (b) for long duration crops, where the principal or interest remains overdue for one crop season.
- e. An account where the regular / ad hoc credit limits have not been reviewed / renewed within 180 days from the due date / date of ad hoc sanction.

NPAs are classified into Sub-Standard, Doubtful and Loss Assets, based on the following criteria stipulated by RBI:

- a. Sub-standard: A loan asset that has remained overdue for a period not exceeding 3 years.
- b. Doubtful: A loan asset that has remained overdue for a period exceeding 3 years.
- c. Loss: A loan asset where loss has been identified but the amount has not been fully written off

Provisions on Advances are made as under:

Asset Classification	Period	Rate of Provision
Standard		
Agricultural Advances & SME		0.25%
Others		0.4%
Substandard Asset	Overdue for more than 90 days but up to 3 years	10%
Doubtful I	Overdue above 3 to 4 years	
Secured		20%
Unsecured		100%
Doubtful 2	Overdue above 4 to 6 years	
Secured		30%
Unsecured		100%
Doubtful 3	Overdue above 6 years	100%
Loss Assets		100%



5. Fixed Assets, Depreciation and Amortisation

Fixed Assets are carried at historical cost less accumulated depreciation.

The fixed assets are depreciated under diminishing balance method except Computer and vehicle.

Fixed Asset	Rate of Depreciation
Building	2.5%
Civil Works	2.5%
Air Conditioning	10%
Elevator and Escalator	20%
Electrification	15%
Sanitary and Water Supply	10%
Aluminium Glazing	10%
Fire Alarm	15%
Wood furniture	10%
Perishable Items and Machines	20%
Software	40%
Electrical Items	15%
Vehicle	
First Year	30%
Second Year	25%
Third Year	20%
Fourth Year	15%
Fifth Year	10%
Library Items	10%
Computer Items	1 st year -34% 2 nd & 3 rd year - 33%

6. Employee Benefits

a. Short Term Employee Benefits:

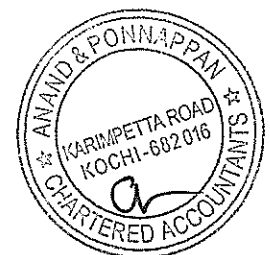
The undiscounted amount of short-term employee benefits, such as medical benefits etc, which are expected to be paid in exchange for the services rendered by employees, are recognized during the period when the employee renders the service

b. Long Term Employee Benefits:

Defined Benefit Plans:

a. Gratuity:

The Bank provides for Gratuity liability as per the provisions of Payment of Gratuity Act. The benefit is in the form of lump sum payments to vested employees on retirement, or on death while in employment, or on termination of employment, for an amount equivalent to 15 days basic



salary payable for each completed year of service, subject to the cap prescribed by the Statutory Authorities. Vesting occurs upon completion of five years of service. For Gratuity Liability, Bank has taken Group Gratuity Liability Policy from LIC of India.

b. Leave Encashment

The Bank provides for Leave Encashment liability. The benefit is in the form of lump sum payments to vested employees on retirement, or on death while in employment and vesting occurs at different stages as per rules.

7. Taxes on Income:

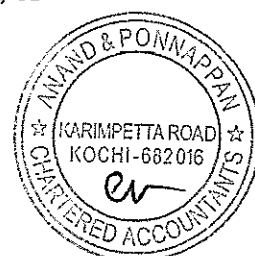
Income Tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Bank. Current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per the Accounting Standard 22 - "Accounting for Taxes on Income" respectively and which are based on the tax laws prevailing in India. Deferred tax adjustments comprise of changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised by considering the impact of the timing differences between taxable income and accounting income for the current year, and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the Profit and Loss Account. Deferred tax assets are recognised and reassessed at each reporting date, based on management's judgement as to whether their realisation is considered as reasonably certain. Deferred Tax Assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future profits.

8. Contingent Liabilities & provisions:

In conformity with AS-29, "Provisions, Contingent Liabilities and Contingent Assets", issued by the ICAI, the bank recognises provisions only when it has a present obligation as a result of a past event, and would result in a probable outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.

No provision is recognised for:

- a. Any possible obligation that arises from past events and existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the bank; or



b. Any present obligation that arises from past events but is not recognized because:

- i. It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- ii. A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed at regular intervals and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

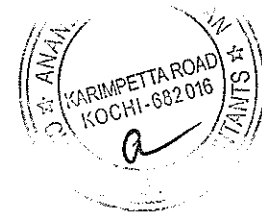
c. Contingent Assets are not recognised in the financial statements

9. The figures mentioned in Balance Sheet, Profit & Loss Account and Schedules 1 to 16 have been rounded off to the nearest Thousands rupees and the figures mentioned in schedule 18 have been rounded off to the nearest crores of rupees.
10. Previous Year's figures have been regrouped /reclassified/recast wherever necessary to confirm the current year classification.

11. Disclosure norms: -

The Reserve Bank of India, from time to time had issued several guidelines/directions to Banks on the presentation of Financial Statements, regulatory clarification on compliance with accounting standards, and disclosures in notes to accounts.

In this regard, the Bank need to adhere to all disclosure norms as stated in Master Direction on financial statement presentation and disclosures as per Circular No. RBI/DOR/2025-26/314 DOR.ACC.REC.No.233/21.04.018/2025-26 November 28, 2025 Reserve Bank of India (Rural Co-operative Banks – Financial Statements: Presentation and Disclosures) Directions, 2025 and guidelines issued by NABARD, ICAI and KCS Act in this regard as stipulated from time to time



Schedule 18: Notes forming parts of accounts
1) Composition of Regulatory Capital

Sr.No	Particulars	(Amount in Rs. Crore)	
		Current Year	Previous Year
i)	Common Equity Tier 1 capital(CET 1)*Paid up share capital and reserves@(net of deductions,if any)	2,512.55	2,620.10
ii)	Additional Tier 1 capital*/Other Tier 1 capital@		
iii)	Tier 1 capital(+ii)	2,512.55	2,620.10
iv)	Tier 2 capital	1,066.39	1,039.22
v)	Total capital (Tier 1+Tier 2)	3,578.95	3,659.32
vi)	Total Risk Weighted Assets(RWAs)	38,251.75	35,937.00
vii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	6.57	7.29
viii)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	2.79	2.89
ix)	Capital to Risk Weighted Assets Ratio (CRAR)(Total)	9.36	10.18
x)	Amount of paid-up equity capital raised during the year	6.33	11.00
	Amount of non-equity Tier 1 capital raised during the year,of which: Give list as per instrument type (perpetual non-cumulative preference shares,perpetual debt instruments,etc). Commercial banks (excluding RRBs)shall also specify if the instruments are Base I or Base III compliant		
xi)		NIL	NIL
	Amount of Tier 2 capital raised during the year, of which Give list as per instrument type (perpetual non-cumulative preference shares,perpetual debt instruments etc.)Commercial banks (excluding RRBs)shall also specify if the instruments are Base II or Base III compliant.		
xii)		NIL	NIL



2. Asset liability Management

a) Maturity pattern of certain items of assets and liabilities 31.03.2026

Rs. In crore

	Day 1	2 to 7 days	8 to 14 days	15 to 30 days	31 days to 2 months	Over 2 months and to 3 months	Over 3 months and upto 6 months	over 6 months and upto 1 year	over 1 year and upto 3 years	Over 3 years and up to 5 years	over 5 years	Total
Deposits	1,519.07	1,014.96	2,925.48	6,265.34	5,841.42	7,035.74	12,223.05	22,700.63	2,018.94	7,680.41	1,767.86	70,992.90
Advances	881.11	48.01	104.88	3,031.52	669.76	9,509.53	10,487.42	18,682.66	1,152.12	2,267.24	2,354.95	49,189.20
Investments	1,957.00	1,000.00	2,933.30	3,818.33	4,239.06	858.50	1,622.79	4,957.91	1,360.67	4,492.48	4,645.96	31,886.00
Borrowings	456.60	-	-	-	-	-	145.45	6,536.77	1,112.26	777.74	667.64	9,696.45
Foreign Currency assets												
Foreign Currency liabilities												



(3) Investment
(i). Composition of Investment Portfolio

	(Amount in Rs. Crore)											
	Investment in Current Year					Investment in Previous Year						
	Government Securities	Other Approved Securities	Shares	Bonds of PSUs	Others	Total Investments	Government Securities	Other Approved Securities	Shares	Bonds of PSUs	Others	Total Investments
Permanent												
Gross	3,077.43	0	25.58			3103.01	12460.89	0	0.10			12,461.14
Less: Provision for Non-Performing Investments (NPI)												
Net	3077.43	0	25.58	0	0	3103.01	12460.89	0	0.10	0	0	12,461.14
Current												
Gross	20679.81			75.93	8027.3	28783.00	13661.56			123.58	4067.2	17,852.20
Less: Provision for depreciation and NPI							0					
Net	20679.81	0	-	75.93	8027.3		13661.56	0	0	123.58	4067.2	
Total Investments												
	23757.24	0	25.58	75.93	8027.3	31886.01	26122.45	0	0.10	123.58	4067.2	30,313.34
Less: Provision for Non-Performing Investments												
Less: Provision for depreciation and NPI												
Net						434.54						274.79
						31,451.47						30,038.55

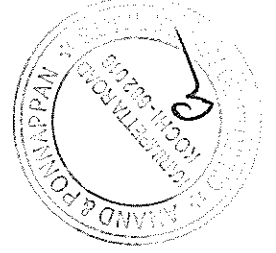


(ii) Movement of Provisions for Depreciation on investments, non performing investments (NPIs) and investment Fluctuation Reserve(IFR)			
(Amount in crore)			
Particulars	Current Year	Previous Year	
i) Movement of provisions held towards depreciation on investments			
a) Opening Balance	274.79	430.58	
b) Add: provisions made during the year	353.10	-	
c) Less: Write off /write back of excess provisions during the year	193.35	155.79	
d) Closing Balance	434.54	274.79	
ii) Movement of investment fluctuation Reserve			
a) Opening Balance	25.26	4.68	
b) Add: Amount transferred during the year		20.58	
c) Less: Drawdown	-	-	
d) Closing Balance	25.26	25.26	
iii) Closing Balance in IFR as a percentage of closing balance of investments [carrying value less net depreciation (ignoring net appreciation) i.e net amount reflected in the balance sheet] in Current category			



(iii) Sale and transfers to / from Permanent category

i) The one-time transfer of securities to/from HTM category with the approval of Board of Directors undertaken by banks at the beginning of the accounting year	Book Value:-9383.46 Face Value:-9502.67
ii) Direct sales from HTM for bringing down SLR holdings in HTM category consequent to a downward revision in SLR requirements by RBI.	NIL
iii) Sales to the Reserve Bank of India under liquidity management operations of RBI like Open Market Operations (OMO) and the Government Securities Acquisition Programme (GSAP)	NIL
iv) Repurchase of Government Securities by Government of India from banks under buyback / switch operations.	NIL
v) Repurchase of State Development Loans by respective state governments under buyback / switch operations.	NIL
vi) Additional shifting of securities explicitly permitted by the Reserve Bank of India.	NIL



(iv). Non - SLR investment portfolio
(a) Non Performing non-SLR investments

Particulars	(Amount in Rs. Crore)	
	Current year	Previous year
Opening Balance		
Additions during the year since 1st April	NIL	NIL
Reduction during the above period		
Closing Balance		
Total provisions held		

b) Issuer composition of non-SLR investments

Issuer	Amount	
	Current Year	Previous Year
PSUS	75.93	123.58
FIs		
Banks		
Private Corporates		
Subsidiaries/Joint Ventures		
Others	8,027.26	4,067.20
Provision held towards depreciation		
Total	8,103.19	4,190.78



(v) Repo Transactions (in face value terms)

(Amount in Rs. Crore)

	Minimum outstanding during the year	Maximum Outstanding during the year	Daily average outstanding during the year	Outstanding as on March 31
i) Securities sold under repo a) Government Securities b) Corporate debt Securities c) Any other Securities	NIL	0	0	NIL
ii) Securities purchased under reverse repo a) Government Securities b) Corporate debt securities c) Any other securities	NIL	NIL	NIL	NIL

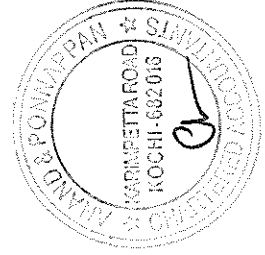


(4) Asset quality

(i) Classification of advances and provisions held						
	Standard	Non Performing	Doubtful	Loss	Total Non-performing Advances	Total
	Total Standard Advances	Sub Standard				
Gross Standard Advances and NPAs						
Opening Balance	41,778.47	2,996.80	2,405.57	81.62	5,483.98	47,262.45
Add: Additions during the year					1,042.46	
Less: Reductions during the year*					1,963.61	
Closing balance	44,626.37	2,475.31	2,087.52	0.00	4,562.83	49,189.20
*Reductions in Gross NPAs due to:						
i) Upgradation					1,123.70	
ii) Recoveries (excluding recoveries from upgraded accounts)					839.91	
iii) Technical/Prudential ¹ Write -Offs						
iv) Write-offs other than those under (ii) above						
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	145.30	299.68	1,762.81	81.62	2,144.11	2,144.11
Add: Fresh provisions made during the year					114.20	114.20
Less: Excess provision reversed/Write - off loans					843.68	843.68
Closing Balance of provisions held	153.99	247.53	1,167.10	0.00	1,414.63	1,414.63
Net NPAs^{3B}						
Opening Balance					3,339.88	
Add: Fresh addition during the year		2,697.12	642.76	0.00	928.26	
Less: Reductions during the year					1,119.93	
Closing balance		2,227.78	920.41	0.00	3,148.21	

	Standard	Non-Performing	Doubtful	Loss	Total Non-Performing Advances	Total
	Total Standard Advances	Sub- standard				
Floating Provisions						
Technical write-offs and the recoveries made thereon			NIL	NIL		

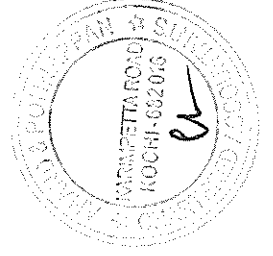
	Ratios (in percent)	
	Current Year	Previous Year
Gross NPA to Gross Advances	9.28	11.60
Net NPA to Net Advances	6.59	7.40
Provision coverage ratio	31.00	39.10



(ii) Sector Wise Advances and Gross NPAs

Sr. No	Sector*	Current year			Previous Year		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
i)	Priority Sector						
a)	Agriculture and allied activities	11,714.05	890.84	7.60	12,775.94	823.29	6.44
b)	Advances to industries sector eligible as priority sector lending	5,307.26	609.81	11.49	5,966.47	655.85	10.99
c)	Services	5,746.35	319.43	5.56	5,549.33	452.51	8.15
d)	Personal Loans						
	Subtotal (i)	22,767.67	1,820.08	7.99	24,291.75	1,931.66	7.95
ii)	Non-priority Sector						
a)	Agriculture and allied activities						
b)	Industry	724.11	74.03	10.22	765.31	148.13	19.35
c)	Services	25,018.21	2,603.04	10.40	21,484.43	3,334.91	15.52
d)	Personal Loans	679.22	65.67	9.67	720.96	69.29	9.61
	Sub total (ii)	26,421.54	2,742.75	10.38	22,970.70	3,552.32	15.46
	Total (i = ii)	49,189.20	4,562.83	9.28	47,262.45	5,483.98	11.60

*Bank shall also disclose in the format above. Sub sectors where the outstanding advances exceeds 10 percent of the outstanding total advances to that sector. For instance. If a bank's outstanding advances to 'industry' sector it shall disclose details of its outstanding advances to mining separately in the format above under the 'industry' sector.



(iii) Overseas asset, NPA and Revenue
NIL



(iv).Details of accounts subjected to restructuring
(Applicable to LABs, RRBs and Co-operative Banks)

	Agriculture and allied activities		Corporate (excluding MSME)		Micro, small and Medium Enterprises (MSME)		Retail (excluding agriculture and MSME)		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Standard										
	Number of borrowers									
	Gross Amount (Rs. Crore)									
	Provision held (Rs. Crore)									
Sub standard										
	Number of borrowers									
	Gross Amount (Rs. Crore)									
	Provision held (Rs. Crore)									
Doubtful										
	Number of borrowers									
	Gross Amount (Rs. Crore)									
	Provision held (Rs. Crore)									
Total										
	Number of borrowers									
	Gross Amount (Rs. Crore)									
	Provision held (Rs. Crore)									

NIL



(v) Disclosure of transfer of loans exposures	
a) Total amount of loans not in default/stressed loans transferred and acquired to / from other entities	NIL



(vi) Non -Fund Based Credit Facilities

	As at March 31 (Current year)		As at March 31 (Previous year)	
	Secured Portion	UnSecured Portion	Secured Portion	UnSecured Portion
I	Outstanding Guarantees (in crore)			
		169.82	160.68	
	I) In India			
	II) Outside India			
II	Acceptances, Endorsements and Other Obligations (in crore)			
III	Other NFB Credit facilities (in crore)			



(vii) Fraud accounts

Bank shall make disclose details on the number and amount of frauds as well as the provisioning thereon as per template given below.

	Current year	Previous year
Number of frauds reported	12	14
Amount involved in fraud (Rs.crore)	0.3	0.86
Amount of provision made for such frauds (Rs.crore)	0.17	0.86
Amount of Unamortised provision debited from other reserves as the end of the year (rs.crore)		



(viii) Disclosure under Resolution Framework for Covid 19 related stress

Format for disclosure to be made half yearly ending March 31, 2026

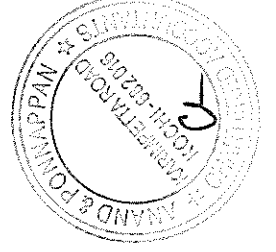
Type of Borrower	Exposure to accounts Classified as Standard consequent to implementation of resolution Plan Position as at the end of the previous half year (A)	Of (A) aggregate debt that slipped into NPA during the half year	Of(A) amount written off during the half year	Of(A) amount paid by the borrowers during the half year	Exposure to accounts classified as Standard consequent to implementation of resolution Plan-Position as at the end of this year
Personal Loans	128.05	3.11		80.80	44.14
Corporate Persons					-
Of which MSMEs					-
Other					-
Total	128.05	3.11	-	80.80	44.14



5.Exposures

(i) Exposure to real estate sector

(Amount in crore)		
Category	Current year	Previous year
i) Direct exposure	NIL	NIL
a) Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Individual housing loans eligible for inclusion in priority sector advances shall be shown separately. Exposures would also include non-fund based (NFB) limits.	4,933.44	5,028.68
b) Commercial Real Estate ~ Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits	NIL	NIL
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures - i. Residential ii. Commercial Real Estate	NIL	NIL
ii) Indirect Exposure Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	NIL	NIL
Total Exposure to Real Estate Sector	NIL	NIL



(ii) Exposure to capital market

(Amount in Crore)

Particulars	Current Year	Previous Year
Exposure to capital market	NIL	NIL

(iii) Risk Category- wise country exposure	NA
--	----



(iv) Unsecured advances

(Amount in crore)

Particulars	Current year	Previous year
Total unsecured advances of the Bank	1,613.87	1,780.64
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	NIL	NIL
Estimated value of such intangible securities	NIL	NIL

(v) Factoring exposures

	NIL
--	-----



(vi) Exposure of RCBs

(i) State Co-operative Banks

Sl. No	Exposure to	Current Year			Previous Year		
		Gross Exposure (Rs.Crore)	Advances (Rs. Crore)	Out of which gross non-performing advances (Rs. Crore)	Gross Exposure (Rs.Crore)	Advances (Rs. Crore)	Out of which gross non-performing advances (Rs. Crore)
1	Central Co-operative banks						
2	Apex Societies	-	-	-	184.04	184.04	-
3	Primary Agricultural Credit Societies (PACS)-on lending	9,128.06	9,128.06	1,214.40	9,488.11	9,113.17	959.56
4	PACS - other exposure	-	-	-	-	-	-
5	Other Credit societies	7.36	7.36	0.31	163.03	139.46	29.25
6	Other non -credit co-operative societies	2,393.71	2,393.71	449.53	3,250.96	2,541.68	411.35
7	Companies	162.43	162.43		132.74	132.74	
8	Public Sector Undertakings	5,000.00	5,000.00		5,000.00	5,000.00	



(vii) Loans against gold and silver collateral
(a) Details of loans extended against eligible gold and silver collateral

Particulars	Loan Outstanding		Average ticket size (amt in crore)	Average LTV ratio	Gross NPA(%)
	Amt in crore	As % of Total Loans			
1. Opening balance of the FY [(a)+(b)]	6246.30	100.00	0.01	59.60	0.81
(a) Consumption loans	2492.81	39.91	0.02	62.47	0.58
of which bullet repayment loans	262.49	10.53	0.02	60.55	4.58
(b) Income generating loans	3753.49	60.09	0.01	56.74	0.23
2. New loans sanctioned and disbursed during the FY [(c)+ (d)]	21680.20	100.00	0.02	62.91	0.03
(c) Consumption loans	16454.62	75.90	0.03	67.66	0.01
of which bullet repayment loans	346.40	2.11	0.02	55.74	0.02
(d) Income generating loans	5225.58	24.10	0.01	58.16	0.02
3. Renewals sanctioned and disbursed during the FY	7.08	0.07	0.12	61.03	0.00
4. Top-up loans sanctioned and disbursed during the FY					
5. Loans repaid during the FY [(e) +(f)]	16953.31	100.00	0.01	52.05	0.00
(e) Consumption loans	11295.99	66.63	0.03	57.53	
of which bullet repayment loans	456.16	4.04	0.02	46.92	
(f) Income generating loans	5657.32	33.37	0.01	46.57	
6. Non-performing Loans recovered during the FY [(g) +(h)]					
(g) Consumption loans					
of which bullet repayment loans					
(h) Income generating loans					
7. Loans written off during the FY [(i) +(j)]					
(i) Consumption loans					
of which bullet repayment loans					
(j) Income generating loans					
8. Closing balance at the end of FY [(k) + (i)]	10879.97	100.00	0.02	68.55	0.20
(k) Consumption loans	7627.72	70.11	0.03	74.05	7.79
of which bullet repayment loans	150.31	1.97	0.02	58.60	0.23
(i) Income generating loans	3252.25	29.89	0.01	63.05	0.02



(b) Details of gold and silver collateral and auctions

Sr.No	Particulars	
(a)	Unclaimed gold or silver collateral at the end of the financial year (in grams)	44.600 gm
(b)	Number of loan accounts in which auctions were conducted	3
(c)	Total outstanding in loan accounts mentioned in (b)	0.03
(d)	Gold or silver collateral acquired during the FY due to default of loans (in grams)	61.73 gm(Gold)
(e)	Gold or silver collateral auctioned during the FY (in grams)	61.73 gm
(f)	Recovery made through auctions during the FY (in crore)	0.038
(g)	Recovery percentage	100%
(h)	as % of value of gold or silver collateral	100%
(i)	as % of outstanding loan	Above 100%



(6) Concentration of deposits, advances, exposures and NPAs
(i) concentration of deposits

Particulars	(Amount in crore)	
	Current year	Previous Year
Total deposits of the twenty largest depositors	7,973.37	7,779.38
Percentage of deposits of twenty largest depositors to total deposits of the Bank	11.23	11.67

b) Concentration of advances*

Particulars	(Amount in crore)	
	Current year	Previous Year
Total Advances to the twenty largest borrowers	2,934.25	2889.06
Percentage of Advances to the twenty largest borrowers to total advances of the Bank	5.97	6.11

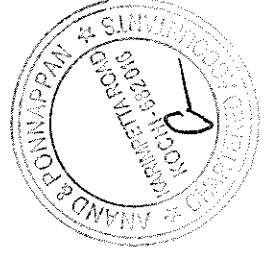
c) Concentration of exposures**

Particulars	(Amount in crore)	
	Current year	Previous Year
Total exposure to the twenty largest borrowers/customers	3,071.19	2,295.91
Percentage of exposures to the twenty largest borrowers/customers to the total exposure of the Bank on borrowers/customers	6.22	4.86

**Exposures shall be computed as per applicable RBI regulation.

d) Concentration of NPAs

Particulars	(Amount in crore)	
	Current year	Previous Year
Total exposure to the top twenty NPA Accounts	776.50	101.68
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	17.02	1.85



8. Derivatives	
a) Forward rate agreement/Interest rate swap	Disclose that we have not entered into any transaction in derivatives
b) Exchange traded Interest rate derivatives	Disclose that we have not entered into any transaction in derivatives

(8) Transfers to Depositor Education and Awareness Fund (DEA Fund)

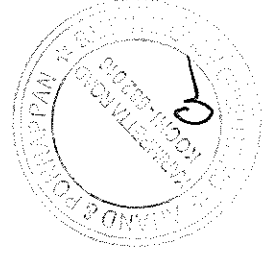
Particulars	(Amount in Rs. Crore)	
	Current Year	Previous Year
Opening balance of amounts transferred to DEA Fund	161.31	87.45
Add: Amounts transferred to DEA Fund during the year	56.98	76.19
Less: Amounts reimbursed by DEA Fund towards claims	4.57	2.33
Closing balance of amounts transferred to DEA Fund	213.72	161.31



(9) Disclosure of Compliants

i) Summary information on compliants received by the Bank from customers and from the Offices of Ombudsman

Sr. No	Particulars	Previous Year	Current Year
	Compliants received by the bank from its customers		
1	Number of compliants pending at beginning of the year	16	6
2	Number of compliants received during the year	107	158
3	Number of compliants disposed during the year	117	164
	3.1 of which, number of compliance rejected by the bank	0	0
4	Number of compliants pending at the end of the year	6	0
	Maintainable compliants received by the bank from Office of Ombudsman	NIL	NIL
	Number of Maintainable compliants received by the bank from Office of Ombudsman		
5		NIL	NIL
	5.1 Of 5, number of compliants resolved in favour of the bank by Office of Ombudsman	NIL	NIL
	5.2 Of 5, number of compliants resolved through conciliation/mediation/advisories issued by Office of Ombudsman	NIL	NIL
	5.3 Of 5, number of compliants resolved after passing of Awards by Office of Ombudsman against the Bank	NIL	NIL
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	NIL	NIL



(ii) Top five grounds of compliants received by the bank from customers

Grounds of compliants, (i.e.compliants relating to)	Number of compliants						% increase/decrease in the number of compliants received over the previous year	Number of compliants pending at the end of the year	Of 5, number of compliants pending beyond 30 days
	1	2	3	4	5	6			
	Current year								
1.Loans & Advances	5	103	32.05	0	0	0			
2.Internet/Mobile/Electronic Banking	0	8	166.67	0	0	0			
3.Cheques/drafts/bills	0	2		0	0	0			
4.ATM/Debit Cards	0	3		0	0	0			
5.Others-FD & RD	0	26	333.33	0	0	0			
Others	1	16	-20.00	0	0	0			
Total	6	158	47.66	0	0	0			
	Previous Year								
1.Loans & Advances	16	78	-32.76	5	0	0			
2.Internet/Mobile/Electronic Banking	0	3	-70.00	0	0	0			
3.Cheques/drafts/bills	0	0	-100.00	0	0	0			
4.ATM/Debit Cards	0	0	-100.00	0	0	0			
5.Others-FD & RD	0	6	-80.65	0	0	0			
Others	0	20	-68.25	1	0	0			
Total	16	107	-54.08	6	0	0			

(10) Disclosure of penalties imposed by RBI

NIL



(11) Other Disclosures

(i) Business ratios

Particular	Current Year	Previous year
i) Interest Income as a percentage to Working Funds	7.83	8.18
ii) Non-Interest Income as a percentage to Working Funds	1.50	0.53
iii) Cost of Deposits	7.23	7.61
iv) Net Interest Margin	1.46	1.53
v) Operating Profit as a percentage to Working Funds	-0.14	0.03
vi) Return Assets ⁴³	-0.14	0.03
vii) Business (deposits plus advances) per employee (in Rs. Crore)	25.29	24.29
viii) Profit per employee (in Rs. Crore)	-0.02	0.01
(ii) Bancassurance Business	NIL	

(iii) Marketing and distribution

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(v) Payment of DICGC Insurance Premium		
Particulars	Current Year	Previous Year
Payment of DICGC Insurance Premium	92.28	87.78
Arrears in Payment of DICGC Premium	NIL	NIL

(vi) Disclosure of facilities granted to directors and their relatives NIL

17. Disclosure of amortisation of expenditure on account of enhancement in family pension of employees of banks NIL



4. Accounting Standard 24- Discounting Operations:

The Bank during the financial year 2025-26, has not discontinued any of its business activities/operations which resulted in discharging of liabilities and realization of the assets.

5. Accounting Standard 26- Accounting for intangible Assets

Computer Software	
Software at the beginning of the year	26.24
Software acquired during the year	0.20
Depreciation	10.57
Balance	15.88

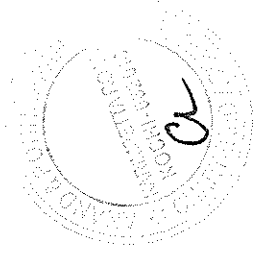
6. Accounting Standard 1- Disclosure of Accounting Policies

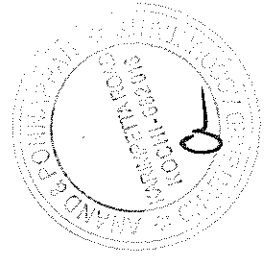
As per the Co-operative Audit Manual the rate of depreciation of building has been revised from 5% to 2.5%, as per this change the depreciation has been decreased by ₹23920865.58 /



	Actuarial Gain/(Loss) for the period (Plan Assets)	-	-
	Total Gain/(Loss) for the period	-	-
	Actuarial Gain/(Loss) recognized for the period	-	-
	Unrecognized Actuarial Gain/(Loss) at the end of the period	-	-
6.6	The Amounts to be recognized in the Balance Sheet		
	Present value of obligation as at the end of the year	60.14	53.41
	Present value of plan assets as at the end of the year	-	-
	Funded Status	-	-
	Net Asset/(Liability) in balance sheet	-60.14	-53.41
6.7	Expenses recognized in the statement of Profit and Loss		
	Current service cost	-	-
	Interest Cost	-	-
	Expected return on plan assets	-	-
	Net Actuarial(Gain)/Loss recognized in the year	-	-
	Expenses recognized in the statement of Profit and Loss	-	-
6.8	Movements in the Liability recognized in the Balance Sheet		
	Opening Net Liability	6.74	-16.26

Sl No.	Particulars	Gratuity	
		31.03.2026	31.03.2025
6.1	Principal Actuarial Assumptions as at the date of balance date:		
	Interest /Discount Rate	7.30%	6.65%
	Rate of increase in compensation	3%	5%
6.2	Changes in present value of obligation		
	Present value obligation at beginning of period	297.7	283.23
	Interest Cost	18.61	19.14
	Current service cost	14.70	14.99
	Benefit Paid/Payable	-35.60	-34.12
	Actuarial(Gain)/Loss on obligation	-2.36	14.47
	Present value obligation at end of period	293.08	297.7
6.3	Reconciliation of opening and closing balance of present value of plan assets		
	Fair value of plan assets at beginning of year	297.7	283.23





	Adjustment to Opening Fund	-	-
	Expected return on plan	18.97	20.18
	Contributions	10.68	29.12
	Benefits paid	-35.60	-34.12
	Actuarial Gain/(Loss) on plan assets	1.32	-0.70
	Fair value of plan assets at the end of the year.	293.08	297.7
6.4	Fair Value of Plan Assets		
	Fair value of plan assets at the beginning of the period	297.70	283.23
	Adjustment to Opening Fair Value of Plan Assets	-	-
	Actual Return on Plan Assets	20.29	19.48
	Contributions	10.68	29.12
	Benefits paid	-35.60	-34.12
	Fair Value of Plan Assets at the end of the period	293.08	297.71
	Funded Status	293.08	297.71
	Excess of Actual over estimated return on Plan Assets.	1.32	-0.70
6.5	Actuarial Gain/(Loss) Recognized		
	Actuarial Gain/(Loss) for the period (Obligation)	2.36	-14.47
	Actuarial Gain/(Loss) for the period (Plan Assets)	1.32	-0.70
	Total Gain/(Loss) for the period	3.68	-15.17
	Actuarial Gain/(Loss) recognized for the period	3.68	-15.17
	Unrecognized Actuarial Gain/(Loss) at the end of the period	-	-
6.6	The Amounts to be recognized in the Balance Sheet		
	Present value of obligation as at the end of the year	293.07	297.71
	Present value of plan assets as at the end of the year	293.08	297.70
	Funded Status	0.01	-0.00
	Net Asset/(Liability) in balance sheet	0.01	-0.00
6.7	Expenses recognized in the statement of Profit and Loss		
	Current service cost	14.7	14.99
	Interest Cost	18.61	19.13
	Expected return on plan assets	-18.97	-20.18
	Net Actuarial(Gain)/Loss recognized in the year	-3.68	15.17
	Expenses recognized in the statement of Profit and Loss	10.67	29.12
6.8	Movements in the Liability recognized in the Balance Sheet		
	Opening Net Liability	0.01	-0.00

Disclosure under AS - 18 on "Related Party Transactions":

Name of the related parties and their relationship with the Bank under Accounting Standard (AS-18)

- A. Subsidiaries : NIL
B. Associates : NIL
C. Key Management Personnel :

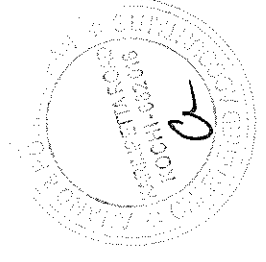
Name	Designation
Sri.Mohanan Master P	President
Sri. Jorty M Chacko	Chief Executive Officer

D. Disclosure of transactions with related parties as required by AS-18 are as under:

Sl.No	Name	Relationship	Nature of transaction	Transaction amount FY 2025-26	Outstanding as on 31-03-2026
1	Sri.Mohanan Master P	President	Honorarium	1,72,183.00	1,72,120.04
2	Sri.Jorty M Chacko	Chief Executive Officer	Salaries & allowance	40,41,242.00	2,14,027.94

AS-19 on Leases

The Bank does not have any lease transactions in the nature of finance lease as per AS-19 during the year. The bank has entered into lease agreements which are in the nature of operating lease. During the year the amount of Rs 28.81 (in cr) rental expenses has been charged to the Profit & loss on account.



AS-20 Earnings Per Share (EPS)

	Amount in ₹		
	31-03-2026	31-03-2025	
A	Net Profit/Loss	-1,17,07,60,168.29	25,72,55,525.15
B	No of Equity Shares	3,96,78,836	3,97,90,518
C	Earnings Per Share	-29.51	6.47



(iv) Provisions and contingencies

Provision debited to Profit and Loss Account	Current Year	Previous Year
i) Provision for NPI		0
ii) Provision towards NPA	110.43	
iii) Provision made towards Income Tax	-	10.00
iv) Other Provisions and Contingencies (with details)		
Provision for standard asset	8.73	4.02
Other Provisions(Employees related)	120.84	48.47
PROVISION FOR FRAUD	0.17	0.86
INVESTMENT DEPRECIATION	353.10	
Others	123.82	
iv) Other Provisions and Contingencies Total	606.66	53.36
Total	717.09	63.36



18.20 Other Matters

1. Pursuant to the order of the Registrar of Co-operative Societies, Kerala, Malappuram District Co-operative Bank Limited ("Malappuram DCCB") was merged with Kerala State Co-operative Bank Limited ("Kerala Bank") with effect from 12 January 2023. However, the Reserve Bank of India has not approved the merger and has directed Malappuram DCCB to prepare separate financial statements.

The matter is currently pending before the Hon'ble Supreme Court of India, which, vide its order dated 17 May 2024, directed maintenance of status quo, including with respect to the banking licence of Malappuram DCCB. Accordingly, while Malappuram DCCB remains under the administrative control of Kerala Bank, separate financial statements continue to be prepared for both entities pending final adjudication.

2. Upon amalgamation of the erstwhile 13 District Co-operative Banks with the Bank, the carrying values adopted for certain land and building assets were treated as revalued amounts. The Bank has observed that depreciation attributable to the revalued component of such assets had been charged to the Profit and Loss Account in earlier years instead of being adjusted against the Revaluation Reserve.

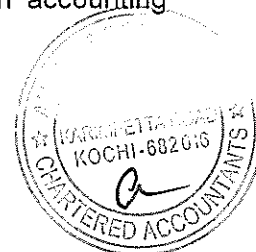
3. During the year, the Bank recognised a Deferred Tax Asset of ₹52.62 crore for the first time in accordance with Accounting Standard (AS) 22 – *Accounting for Taxes on Income*, on eligible timing differences, including unabsorbed depreciation carried forward from earlier years. The Bank also holds accumulated provisions for bad and doubtful debts created in accordance with regulatory requirements. Pending a detailed assessment of the tax admissibility of such provisions and the satisfaction of the recognition criteria prescribed under AS 22, no additional Deferred Tax Asset has been recognised in respect thereof. The position will be reviewed in future periods based on supporting evidence and applicable tax provisions.

4. The Bank participates in the State Co-operative Bank and District Co-operative Bank Employees Self Financing Pension Scheme, 2005, administered by the Pension Board. During the year ended 31 March 2026, the Bank contributed ₹64.88 (Previous Year: ₹69.75), which has been charged to the Profit and Loss Account under Employee Benefits Expense.

5. The Bank sponsors an exempted Provident Fund Trust, a substantial portion of whose corpus is invested in fixed deposits with the Bank. The Bank is in the process of initiating steps for the merger of the 13 Provident Fund Trusts functioning across various districts, in accordance with the applicable provisions of the relevant provident fund regulations and the Income-tax Act, 1961.

6. During the year, the Bank completed a review of certain fixed asset records and accounting treatments. Pursuant to such review, depreciation of ₹22.21 crore was charged on computer hardware assets capitalised during FY 2022-23 in accordance with the Bank's depreciation policy. The Bank also identified certain land assets that had been classified under the building category in earlier years. The classification was revised during the year and the cumulative depreciation impact of ₹11.50 crore arising from such classification was adjusted in the current year's depreciation charge. Further, the Bank reviewed the accounting treatment relating to depreciation on the revalued portion of fixed assets and adjusted ₹0.42 lakh against the Revaluation Reserve in accordance with applicable accounting principles.

Management is undertaking a comprehensive review of the Fixed Assets Register and related records to strengthen asset classification, record maintenance and depreciation accounting processes.



7. Based on the terms of the Scheme, the Bank considers its obligation towards pension benefits to be limited to the prescribed contributions payable to the Pension Fund. Accordingly, the Scheme has been accounted for as a contribution-based arrangement and no additional liability has been recognised in respect of future pension obligations, actuarial deficits or funding shortfalls, if any.

8. Upon amalgamation of the erstwhile District Co-operative Banks with the Bank, the carrying values adopted for certain land and building assets were treated as revalued amounts. The Bank has observed that depreciation attributable to the revalued component of such assets had been charged to the Profit and Loss Account in earlier years instead of being adjusted against the Revaluation Reserve.

The Bank is reviewing the accounting treatment adopted and, based on the outcome of such review, will consider the necessity of any consequential adjustments in future periods.

9. The Bank has incurred a loss during the year ended 31 March 2026. Accordingly, based on the taxable income computed in accordance with the provisions of the Income-tax Act, 1961, no current income tax liability arises for the year and, therefore, no provision for current tax has been recognised in the financial statements.

10. As at 31 March 2026, the Bank has recognised a net income tax receivable of ₹270.28 crore. The balance includes amounts pertaining to the Bank and erstwhile DCCBs merged with the Bank and is subject to ongoing assessments, appeals, reconciliations, refund claims, and settlement proceedings under the Vivad Se Vishwas Scheme. Management is in the process of reviewing and reconciling the related records and, based on the information presently available and legal advice obtained.

11. During the year, the Bank identified certain interest receivable balances that are under review and reconciliation. As a prudent measure, the Bank has created a provision of ₹70.00 crore during the year ended 31 March 2026 against such balances. Management is undertaking a detailed verification and reconciliation process and, based on the same, any adjustments arising from the completion of the review will be recognised in the period in which it is determined.

12. During the financial year 2025-26, the Bank has recognised an amount of ₹39.32 crore towards DICGC premium paid in advance for the financial year 2026-27 as a prepaid expense. This treatment is in accordance with the accrual principle of accounting and reflects the benefit relating to the subsequent financial year.

For Anand and Ponnappan
Chartered Accountants

FRN000111S



CA C. Krishnan Menon
Partner
Membership No:074736

For and on behalf of the Board of Directors of
The Kerala State Co-operative Bank Ltd



Mohanan Master P
President



Rajesh T V
Vice President

Thiruvananthapuram



Jorjy M Chacko

Chief Executive Officer



P. Gagarin

Director

Date: 20/06/2026



ANAND & PONNAPPAN

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To
The Members of the Kerala State Co-operative Bank Ltd
Thiruvanthapuram

Report on Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of **Kerala State Co-operative Bank Ltd** ("the Bank") as at March 31, 2026, which comprise the Balance Sheet as at March 31, 2026, the Profit and Loss Account and the Cash Flow Statement for the year then ended, and notes to financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements") in which are included returns for the year ended on that date of:

- (i) The Head Office and 244 Branches audited by us;

Due to limitation of the time and centralised core banking application as integrated, we have carried out the audit of the 102 branches through Head Office, based on the necessary records and data required for the purpose of audit being made available to us.

The branches audited by us have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India (RBI). Also included in the Balance sheet and the Profit and Loss Account 423 branches, which are not subjected to audit by us. These unaudited branches account for 33.97% of the total business, 27.50% of advances and 38.46% of deposits.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give information required by the Banking Regulation Act, 1949 as well as the Kerala State Co-operative Societies Act 1969 and the Kerala State Co-operative Societies Rules, 1969 (as amended from time to time), guidelines/circulars of Reserve Bank of India, National Bank for Agricultural and Rural Development (NABARD) and Registrar of Co-operative Societies issued from time to time, in the manner so required for bank and give a true and fair view in conformity with applicable accounting principles generally accepted in India and

- i. The Balance sheet, read with the significant accounting policies and the notes thereon is a full and fair Balance sheet containing all the necessary particulars, is

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properly drawn up so as to exhibit a true and fair view of state of affairs of the Bank as at March 31, 2026;

- ii. The Profit and Loss Account, read with the significant accounting policies and the notes thereon shows a true balance of loss for the year ended on that date; and
- iii. The Cash Flow statement gives a true and fair view of the cash flows for the year ended on that date;

Basis for Qualified Opinion

Classification of Paddy Receipt Sheets (PRS) Loan:

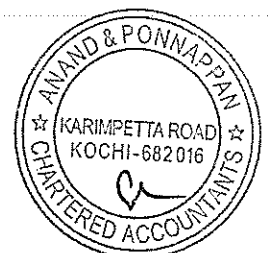
As stated in Schedule No.18.4B(i)(a) to the Financial Statements, includes the credit facilities extended by the Bank to Kerala State Civil Supplies Corporation Limited (SUPPLYCO) for procurement of paddy from farmers. The advances are held in the name of the farmers against the Paddy Receipt Sheets (PRS). The Bank has classified the exposure as a Short-Term Agricultural Advance and has recognized asset classification and provisioning in accordance with the IRAC norms applicable to agricultural advances.

The account has subsequently become an NPA and the Bank has classified the account as Sub-Standard/Doubtful under agricultural advance norms and has computed the provision based on the value of security available, including the corporate guarantee furnished by SUPPLYCO.

In our opinion, the said exposure does not meet the criteria for classification as a direct agricultural advance, as the borrower under the arrangement is SUPPLYCO and not the individual farmers. The disbursement of funds directly to farmers against Paddy Receipt Sheets (PRS) merely represents the mechanism for utilization of the credit facility and does not change the underlying borrower-lender relationship.

As the repayment obligation rests solely with SUPPLYCO and the farmers do not have any contractual liability to repay the Bank, the exposure is, in substance, a credit facility extended to SUPPLYCO rather than a direct agricultural advance to farmers.

Therefore, the asset classification, income recognition and provisioning requirements ought to have been determined with reference to the IRAC norms applicable to advances granted to entities such as procurement agencies/corporations and not under the special dispensation available for Short-Term Agricultural Loans.



As a result, Provision required for advances is understated by Rs.25,75,70,028/-, advances are overstated by Rs.25,75,70,028/-, and loss for the year is understated by Rs.25,75,70,028/-

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the 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 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 the code of ethics. We believe that the audit evidence we have obtained and the information and reports we relied are sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matters

1. Merger of Malappuram District Co-operative Bank

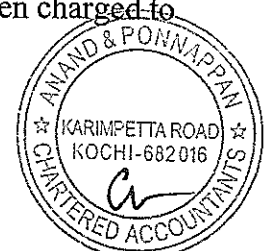
We draw attention to Schedule No.18.20.1 to the financial statements regarding the merger of Malappuram District Co-operative Bank ("Malappuram DCCB") with Kerala State Co-operative Bank Limited ("Kerala Bank"), pursuant to the order of the Registrar of Co-operative Societies, Kerala, effective from 12 January 2023.

As stated in the said note, the Reserve Bank of India has not accorded approval to the aforesaid merger and has directed Malappuram DCCB to prepare separate financial statements. The matter is presently sub judice before the Hon'ble Supreme Court of India, which, vide its order dated 17 May 2024, has directed maintenance of status quo in all respects, including with regard to the banking licence of Malappuram DCCB. Accordingly, while Malappuram DCCB remains under the administrative control of Kerala Bank, separate financial statements continue to be prepared for both entities pending final adjudication of the matter.

The ultimate outcome of the legal and regulatory proceedings and the consequential impact, if any, on the governance, operations and financial reporting of the concerned entities is presently not ascertainable.

2. Revaluation Accounting

We draw attention to Schedule No.18.20.2 to the financial statements relating to fixed assets acquired pursuant to the merger of the erstwhile District Co-operative Banks with the Bank. The carrying values adopted for land and building assets (ie., premises) upon amalgamation were have been regarded as revalued amounts. Consequently, depreciation relating to the revalued component had been charged to



the Statement of Profit and Loss in earlier years instead of being adjusted against the Revaluation Reserve. The Bank has to revisit its accounting treatment adopted to carry out the consequential adjustments, if considered necessary.

3. Recognition of Deferred Tax Asset

We draw attention to Schedule No.18.20.3 to the financial statements regarding the recognition of Deferred Tax Asset amounting to Rs.52.62 crore (ie.,Rs.52,61,63,898/-) during the year in accordance with Accounting Standard (AS) 22, "Accounting for Taxes on Income". The Deferred Tax Asset has been recognised on timing differences arising from depreciation, expenses allowable for tax purposes on payment basis, provision for bad and doubtful debts, and carried forward unabsorbed depreciation.

We further draw attention to the fact that the Bank has not recognised Deferred Tax Asset in respect of such accumulated provisions, pending a comprehensive assessment of the extent of tax deductibility available under the Income-tax Act, 1961 and the satisfaction of the recognition criteria relating to certainty of future realisation as prescribed under AS 22.

The recognition of Deferred Tax Asset involves significant management judgment regarding the availability of future taxable income and the recoverability of the underlying timing differences.

Our opinion is not modified in respect of these matters.

Information Other than the Financial Statements and Auditor's Report Thereon:

The Bank's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report and Management Discussion and Analysis, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

We could not read the Annual Report to conclude whether there is a material misstatement therein, so as to communicate the matter to those charged with governance.



Responsibility of the Management for the Financial Statements

The Bank's Board of Directors is responsible for preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by Institute of Chartered Accountants of India (ICAI) and provisions of Kerala State Co-operative Societies Act 1969, Section 29 read with Section 56 of the Banking Regulations Act, 1949, applicable circular and guidelines issued by Reserve Bank of India (RBI) and/or NABARD/ Registrar of Co-operative Societies from time to time. This responsibility also 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

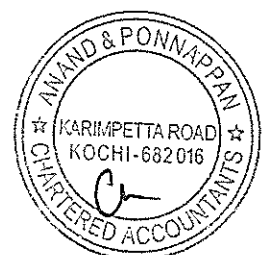
In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Bank's Financial reporting process.

Auditor's Responsibility for audit of 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 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 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.
- 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Other Matters:

1. We did not audit the financial statements of 423 branches included in the financial statements of the Bank, whose financial statements/information reflect total business of Rs. 4,08,29,30,42,973.80/- as at March 31, 2026 and total interest income of Rs.15,68,33,72,823.92/- for the year ended on that date, as considered in the financial statements. As the key applications largely integrated to the Core Banking Systems, it



does not require the branches to submit any financial returns. Based on the necessary records and data required for the purpose of audit being made available to us, we have carried out the audit of these branches, wherever necessitate.

2. The comparative financial information of the Bank for the year ended March 31,2025 included in these financial statements, are audited by predecessor auditors of the Bank, wherein he has expressed a modified opinion vide their report dated 27th June,2025 for the year ended March 31,2025.

Further, we would like to draw the inference on the qualification made by the predecessor auditor on the financial statements for the year ended March 31,2025, that was on account on having multiple GST registrations during the financial year 2024-25, which was enabled the non-reconciliation of the GST payable and receivables balances in the books of the accounts with the figures reported in the monthly GST returns (ie., GSTR-1 & 3B).

In view of the said qualification, the management had initiated the detailed reconciliation with the books of accounts and GST returns, wherein there were no material misstatements were observed by us. Hence, we have not considered to continue the said matter in forming the qualified opinion on the financial statements of the Bank for the year.

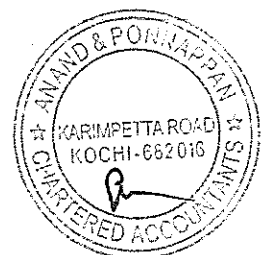
3. Maintenance of Fixed Asset Records:

We draw attention to the fact that detailed descriptive particulars of land and building assets are not presently available in the fixed asset register maintained through the Bank's asset management system. While this matter does not affect the ownership of the assets recorded in the books, the process of compilation and strengthening of asset-level records remains ongoing.

4. Investments of Exempted Provident Fund Trust

We draw attention to the fact that the exempted Provident Fund Trust/s sponsored by the Bank has invested a substantial portion of its corpus in fixed deposits with the Bank. The auditors of the Provident Fund Trust have reported non-compliance with the prescribed investment pattern applicable to exempted provident fund trusts. The concentration of investments with the sponsoring employer may also expose the Trust to concentration and governance risks.

The Trustees of the Provident Fund Trust and the Management of the Bank may consider reviewing the investment strategy and compliance with the applicable regulatory framework.



5. Pension fund obligation:

The Bank contributes to the State Co-operative Bank and District Co-operative Bank Employees Self Financing Pension Scheme and has accounted for the scheme as if its obligation is limited solely to the periodic contributions remitted to the Pension Fund. Accordingly, no actuarial valuation has been obtained and no liability has been recognised or disclosed in respect of any potential future funding obligations under the scheme.

However, our review of the governing scheme documents indicates that the scheme contains provisions whereby any funding deficiency may be met through alternative funding arrangements. Such provisions may create an obligation on participating institutions to ensure the continued payment of pension benefits and may give rise to either a legal, constructive or defined benefit obligation beyond the monthly contributions remitted to the Pension Fund.

The Bank is of the view that it has only defined contribution plan, since there has been no claim towards shortfall from the Pension Board. Further, the details of the beneficiaries (incl. retired employees) of the Bank and erstwhile 13 DCCBs are available with the Pension Board.

6. The accompanying financial statements include a Cash Flow Statement for the year ended 31 March 2026, which has been presented by the Bank for the first time. Accordingly, comparative figures in respect of the Cash Flow Statement for the previous year have not been presented.

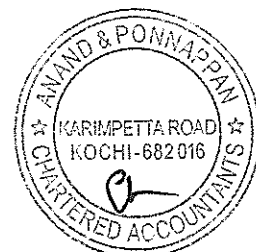
Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements:

1. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with provisions of Section 29 read with clause (zl) of Section 56 nearing thereunder to the Form "A" and "B" respectively of the Third Schedule to the Banking Regulation Act, 1949 and RBI/NABARD guidelines.

Subject to the limitations of the audit indicated in the above paragraphs and as required by Kerala State Co-operative Societies Act 1969 and subject also to the limitations of disclosure required therein and as required by Section 30(3) of the Banking Regulation Act, 1949 and Rule 64B (2) & (4) of the Kerala State Co-operative Societies Rules, 1969, 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 *except as stated in 'Basis of Qualified Opinion'*;

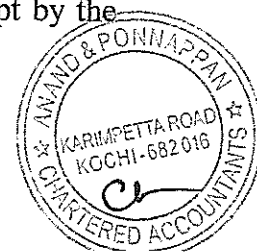
- b. The transactions of the Bank, which have come to our notice, have been within the powers the Bank;
- c. The returns received from the offices and branches of the bank have been found adequate for the purposes of our audit;
- d. The profit and loss account shows the true balance of loss for the year ended 31.3.2026.
- e. During the course of our audit, we have generally not come across transactions which appear to contrary to the provisions of the Act, the Rules or the Bye-Laws of the Bank.
- f. In our opinion and according to the information and explanations given to us, there are no sums which ought to have been, but not have been brought into account, by the Society.
- g. In our opinion and according to the information and explanations given to us, we have not noticed any material impropriety or irregularity in the expenditure or in the realisation of money due to the bank.
- h. Based on our examination of the books of accounts and other records and as per the information and explanations given to us, the money belonging to the Bank which appears to be bad or doubtful of recovery are as follows:

Category	Amount (Rs)
Sub-Standard Assets	24,75,31,28,099.51/-
Doubtful Assets	20,87,51,85,181.37/-
Other Receivables	72,14,87,112.67/-

- i. To the best of our knowledge, no other matters and no instructions towards audit classification, have been specified/issued by the Registrar of Co-operative Societies, which requires reporting under the rule 64B (4) (v) &(vi) of Kerala State Co-operative Societies Rules,1969.

We further report that, in our opinion:

- a. *Except for the effects of the Matters described in 'Basis of Qualified Opinion' above*, 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 and adequate reports for the purpose of our audit have been received from branches/offices;

- b. The Balance sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the books of account and the reports received from the branches/offices; As noted in the 'Emphasis of Matter' paragraph above, these books of accounts strictly reflect the independent operations of Kerala Bank and do not incorporate any financial data of Malappuram District Co-operative Bank.
- c. The Balance sheet, Profit and Loss Account and Cash Flow Statement comply with the applicable accounting standards/ policies as prescribed by RBI/NABARD and ICAI *except for the Matter No.5 as prescribed in 'Other Matters' Paragraph above.*

2. Non-Compliance with Sec.9 of the Banking Regulation Act,1949:

As on 31.03.2026, the bank holds 32 no's non-banking assets acquired in satisfaction of claims amounting to Rs.40,73,88,221/- out of which 21 no's of properties are fall within the range of 7-12 years & 11 no's properties are above 12 years.

The Bank has requested RBI vide letter dated 14.05.2026 sought an extension of time for further period of 1 year, for the assets under category of 7-12 years. For the assets above 12 years, the bank has assured to dispose it at the earliest possible time in adherence to the provisions of the Banking Regulation Act.

**For Anand & Ponnappan
Chartered Accountants
FRN000111S**



**C. Krishnan Menon
Partner**

Membership No: 074736

Place: Thiruvananthapuram

Date: 20.06.2026

UDIN: 26074736ZTRROG2318

