



COASTAL BANK



REAL ESTATE



MSME Finance



**Annual Report
2019**



Late Dr. Jayaram Chigurupati promoter Director addressing the Staff



Late Dr. Jayaram Chigurupati along with executives presenting a bouquet to our Hon'ble Vice President Mr. Venkaiah Naidu at Swarna Bharat Trust



Rewards & Recognitions for outperformers



Chairman handing over a cheque to Sudheekshan Foundation as part of CSR



Mr. B.V.V. Rajeswara Rao handing over a Cheque to CRPF for the families of Pulwama Victims as part of CSR



Chalivendram being organized at Kommadi Branch



Enabling merchants for Digital Payments



Inauguration of 41st ATM at Tanuku Branch



CONTENTS

1. Corporate Information	-	2
2. Notice of Annual General Meeting	-	5
3. Directors' Report	-	13
4. Corporate Governance	-	24
5. Auditor's Report	-	29

Financial Statements

6. Balance Sheet	-	32
7. Profit and Loss Account	-	33
8. Schedules to Balance Sheet and Profit and Loss Account	-	35
9. Cash Flow Statement	-	55
10. Financial Trend	-	56
11. Area of operations	-	57
12. Proxy Form	-	59



Corporate Information

Board of Directors

Mr. K Venkataraman	...	Chairman
Mr. B Venu Gopala Reddy	...	Managing Director & CEO (w.e.f. 25.01.2019)
Mr. B S Purshotham	...	Director (w.e.f. 25.03.2019)
Mr. A N Appaiah	...	Director (w.e.f. 18.05.2019)
Mr. Balaji Gopalakrishnan	...	Director (w.e.f. 12.06.2019)
Dr. Jayaram Chigurupati	...	Director (upto 31.01.2019)
Mr. B V V Rajeswara Rao	...	Director (upto 25.03.2019)
Mr. Biplab Kumar Das	...	Director (up to 15.02.2019)
Mr. T Eswara Chandra Rao	...	Managing Director (upto 24.01.2019)

Key Managerial Personnel

Mr. B Venu Gopala Reddy	...	Managing Director & CEO
Mr. Jagapathi Raju Datla	...	General Manager & Chief Financial Officer
Mr. Ashish Kulkarni	...	Company Secretary (w.e.f. 10.12.2018)

Senior Management

Mr. N Sambasiva Rao	...	General Manager
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STATUTORY AUDITORS

M/s. Suresh and Babu,
Chartered Accountants,
29-4-54K, Upstairs of IOB,
CSI Complex,
Ramachandra Rao Road,
Governorpet,
Vijayawada 520 002.

REGISTRARS & TRANSFER AGENTS

M/s. Big Share Services Private Limited,
306, Right Wing, 3rd Floor, Amrutha Ville,
Opp. Yashoda Hospital, Rajbhavan Road,
Somajiguda, Hyderabad 500082, Telangana.
Land: 040-40144967 Cell : 9177401070
Email: bsshyd@bigshareonline.com

REGD. AND CORPORATE OFFICE

D.No.59-14-2A, 3rd Floor, Shanti Plaza, Ring Road,
Near Benz Circle, Gayatri Nagar, Vijayawada – 520 008.

Phone: 0866-2494425/26; Fax: 0866-2494423

Web: www.coastalareabank.com

Email: coastalho@coastalareabank.com

CIN: U65993AP1999PLC031684



BOARD OF DIRECTORS



Mr. Krishnamoorthy Venkataraman
Chairman



Mr. B Venu Gopala Reddy
Managing Director & CEO



Mr. B Sai Purshotham
Non-Executive Director



Mr. A N Appaiah
Non-Executive Director



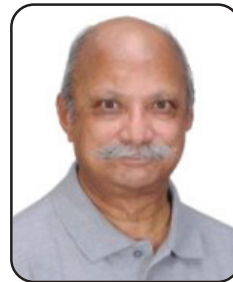
Mr. Balaji Gopalakrishnan
Non-Executive Director



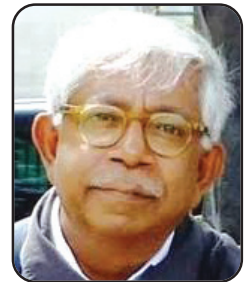
Dr. Jayaram Chigurupati
Director (upto 31.01.2019)



Mr. T Eswara Chandra Rao
Managing Director
(upto 24.01.2019)



Mr. B V V Rajeswara Rao
Non-Executive Director
(upto 25.03.2019)



Mr. Biplab K Das
Non-Executive Director
(upto 15.02.2019)

EXECUTIVE TEAM



Mr. D Jagapathi Raju
General Manager & CFO



Mr. N Sambasiva Rao
General Manager



DIRECTORS' PROFILE



Mr. K Venkataraman (64), M.Sc. (Agriculture) and Fellow Member of IIB, is currently the Chairman from November, 2018. Before joining Coastal Bank, he served as MD & CEO of Karur Vysya Bank for 6 years up to 2017. During this period, he brought massive changes in the organisational structure, risk management, compliance and business processes changing its outlook to that of a modern bank. Prior to KVB, he served in State Bank of India for 34 years in various capacities, before taking voluntary retirement as a Chief General Manager. He held various ex officio positions viz., Chairman - FEDAI, Member - ICC (Paris), Member - Indo-Russia Banking Sub-Group, Group Head of India - Indo - Bangladesh Joint Commission.



Mr. B Venu Gopala Reddy (60), B.Com, PGDM and CAIIB, is currently the **Managing Director & CEO** from January, 2019. He joined SBI as a Probationary Officer in 1981 and held various positions in different geographies including Singapore, before retiring as the Chief General Manager of Bhubaneswar Circle. He has a rich and varied experience of 36 years in banking viz., treasury, investment banking, corporate finance, MSME credit, Agriculture finance and retail operations. Prior to joining Coastal Bank, he was working as Visiting Faculty at National Inst. Of Bank Management, Pune. In addition, he served as Chairman - FEDAI, Vice Chairman - FIMMDA and as Independent Director in Capital Region Urban Transport, a SPV promoted by Govt. of Odisha.



Mr. B S Purshotham (55) B.Com., FCA, is appointed to the Board on 25th March 2019. He is a Chartered Accountant with over 32 years' standing and is Senior Partner of B. Purushottam & Co. His professional experience encompasses auditing & assurance and business/management advisory services to diverse mix of corporate clients including banking and Public sector enterprises. He is also active in the field of tax representation and appearance before Income Tax Appellate authorities. He is an active member of the global association of accounting firms, Integra International.



Mr. A N Appaiah (61): B.Sc.(Mathematics) and CAIIB. He has over 39 years of illustrious banking career. Joining as a PO in SBI in 1978, he rose to the rank of a Chief General Manager and held various important assignments in Treasury (Forex & money markets), retail and commercial banking. He has vast experience in foreign exchange as Treasury Head @ Frankfurt, Chief Dealer of Foreign Dept. @ Kolkata and DGM(forex) @ Global Markets, Mumbai. In the retail banking he functioned at various levels in different geographies as Regional Head @ Raipur, AGM of Commercial Branch, General Manager of a Network (of 500 branches) @ Hyderabad and Chief General Manager of Ahmedabad Circle controlling over 1200 branches. He was appointed in 2015 as MD&CEO of SBI DFHI Ltd, a Primary Dealer for the RBI, with operations in Govt. Securities, Bonds and Debt instruments. Post retirement in 2017, he is actively engaged in Social work with focus on rural education & health, as a volunteer for an NGO in Tamil Nadu. He is currently a Director on the Board of Financial Benchmarks of India. He also held the positions as Chairman of FEDAI, Chairman of FAI and as Director on the Board of PDAI. He is appointed as a Director on the Board on 18.05.2019.



Mr. Balaji Gopalakrishnan (47) was a Managing Director at Credit Suisse, New York from 2004 through 2018. Before that he was in Goldman Sachs for several years. Mr. Gopalakrishnan has a Masters in Electrical Engineering from Polytechnic University of New York (NYU) and a Bachelors in Engineering from Coimbatore Institute of Technology. He has extensive experience in modelling, trading and marketing of various financial products and complex securities. He is also a Chartered Financial Analyst (CFA). He is appointed as a Director on the Board w.e.f. 12.06.2019.



NOTICE

NOTICE is hereby given that the 20th Annual General Meeting of the members of Bank will be held on Saturday the 3rd August, 2019 at 11.00 a.m. at the Registered Office of the Bank, situated at D.No. 59-14-2A, 3rd Floor, Shanthi Plaza, Ring Road, Gayathrinagar, Near Benz Circle, Vijayawada - 520008, Andhra Pradesh to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as on March 31st, 2019 and the Profit and Loss Account for the year ended as on that date together with the Directors' Report and the Auditors' Report thereon.
2. To confirm the interim dividend of Rs.0.90 ps per share, already paid during the year, for the financial year ended March 31, 2019 as final dividend.
3. To appoint a director in the place of Mr. K Venkataraman (DIN No: 02443410), who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint Statutory Auditors of the Bank and in that connection to consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable rules, if any, the applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Rules, Circulars and Guidelines issued by the Reserve Bank of India ("RBI") from time to time, and subject to approval from the RBI, M/s. Suresh and Babu, Chartered Accountants, Vijayawada (FRN 004254S), be and are hereby appointed as Statutory Auditors of the Bank, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Bank, and that the Board of Directors of the Bank be and is hereby authorised to fix the remuneration of the Auditors, including out of pocket expenses for carrying out the audit, based on the recommendation of the Audit Committee of the Board"

SPECIAL BUSINESS

5. **To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution.**

"RESOLVED THAT pursuant to the provisions of Sections 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, Section 10A and other applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the rules, circulars and guidelines issued by the Reserve Bank of India or any other applicable laws, and based on the recommendation of Nomination Committee and the Board of Directors of the Bank, Mr. B Venu Gopala Reddy (DIN 02641467), who was appointed by the Board of Directors of the Bank as an Additional Director of the Bank, pursuant to provisions of Section 161 of the Companies Act, 2013 and Article 146 of the Articles of Association of the Bank and pursuant to the provisions of the Banking Regulation Act, 1949, on 25.01.2019 and who holds office as such up to the conclusion of this Annual General Meeting, be and is hereby appointed as a director of the Bank, not liable to retire by rotation."



6. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to Section 196, 197, 198, 202 and 203 read with Section I Part II of the Schedule V of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, and the Articles of Association of the Bank and subject to provisions of Sections 10B and 35B and any other applicable provisions of Banking Regulation Act, 1949 and based on the recommendations of the Board of Directors and subject to the approval of the Central Govt., if any, approval of the shareholders be and is hereby accorded for the appointment of Mr. B Venu Gopala Reddy as Managing Director & CEO of the Bank for a period of three years with effect from 25.01.2019.

RESOLVED FURTHER THAT the following remuneration be and is hereby approved to be paid to Mr. B Venu Gopala Reddy.

(a) **SALARY:** Rs.30,00,000/- per annum which is within the limits of 197 and other applicable provisions, if any, of the Companies Act, 2013 read with Part II of Schedule V prescribed under the Companies Act, 2013 as agreed both by the Board and the appointee Managing Director of the Bank of which 10% will be on variable basis, i.e., Rs.27 lacs fixed and Rs.3 lacs variable salary.

(b) **DEARNESS ALLOWANCE (Fixed):** Rs.4,80,000 per annum

(c) **PERSONAL ENTERTAINMENT ALLOWANCE(FIXED):** Rs.1,20,000 per annum

(d) **PERQUISITES AND AMENITIES:**

- i. Car and Telephone: Provision of Car and Telephone used for Company's business; however personal long distance calls and use of car for private purposes shall be billed by the Company.
- ii. Provision of furnished accommodation
- iii. Medical Insurance Premium for self and spouse for a cover amount of Rs.10 lakhs.

(e) **OTHER TERMS AND CONDITIONS:**

- (i) He shall not be entitled to any sitting fees for attending the meeting of the Board of Directors or any committee thereof.
- (ii) The Company will reimburse and the appointee Managing Director of the Bank expenses incurred by him for entertainment, travelling and other expense in connection with the business of the Company.
- (iii) The appointee Managing Director of the Bank shall be free to resign his office by giving three calendar months' notice in writing to the Bank; and further the Bank can also remove with a notice period of 3 months or Salary in lieu thereof.
- (iv) The appointee Managing Director of the Bank shall be entitled to compensation for loss of office in accordance with the provisions of Section 202 of the Act, if at any time his office is terminated before the expiry of his term of office.
- (v) During the tenure of his term of office he shall not be liable to retire by rotation.
- (vi) Free use of car on Company's business will not be considered as perquisites.

RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained, where in any financial year during the currency of his tenure, the company has no profits or its profits are inadequate, remuneration by way of salary, perquisites and other allowances or any combination thereof shall not exceed the aggregate of the annual remuneration as provided above or the maximum remuneration payable as per the limits set out in Section II of Part II of Schedule V of the Companies Act, 2013, whichever is lower, unless otherwise determined by the Board of Directors."



RESOLVED FURTHER THAT any one of the Directors or the Chief Financial Officer of the Bank be and are hereby severally authorized to intimate about the above appointment to the Registrar of Companies, Andhra Pradesh / Ministry of Corporate Affairs, the Reserve Bank of India or any other Regulatory Authorities as may be deemed necessary and to do all such things, deeds and acts as may be necessary to give effect to this resolution."

7. **To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution.**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160, Schedule IV and all other applicable provisions of the Companies Act, 2013 (the 'Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, Section 10A and other applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and based on the recommendation of Nomination Committee and the Board of Directors of the Bank, Mr. B S Purshotham (DIN: 08390291), who was appointed as an Additional Director pursuant to the provisions of Section 161 and other applicable provisions of the Act to hold Office upto the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Bank for a period of three (3) years from the date of this meeting, not liable to retire by rotation."

8. **To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution.**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160, Schedule IV and all other applicable provisions of the Companies Act, 2013 (the 'Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, Section 10A and other applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and based on the recommendation of Nomination Committee and the Board of Directors of the Bank, Mr. Adayapalam Natarajan Appaiah (DIN:03479896), who was appointed as an Additional Director pursuant to the provisions of Section 161 and other applicable provisions of the Act to hold Office upto the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Bank for a period of three (3) years from the date of this meeting, not liable to retire by rotation."

9. **To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution.**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and all other applicable provisions of the Companies Act, 2013 (the 'Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, Section 10A and other applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and based on the recommendation of Nomination Committee and the Board of Directors of the Bank, Mr. Balaji Gopalakrishnan (DIN:03322607), who was appointed as an Additional Director w.e.f. 12.06.2019 pursuant to the provisions of Section 161 and other applicable provisions of the Act to hold Office upto the date of this Annual General Meeting, be and is hereby appointed as a Non-Executive Director of the Bank from the date of this meeting and liable to retire by rotation."

**By order of the Board
For Coastal Local Area Bank Limited**

Sd/-

**(B Venu Gopala Reddy)
Managing Director & CEO**

Place : Vijayawada
Date : May 18, 2019



NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a member of the Bank.
2. In order to be valid, the proxy form duly filled and signed must be deposited at the registered office of the Bank at least 48 hours before the meeting.

[Pursuant to the provisions of the Companies Act, 2013 and the underlying rules viz. Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights.]

3. The Register of Members and Share Transfer Books will remain closed from July 24, 2019 to July 27, 2019 both days inclusive.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013.

ITEM No.4

The Members may note that the Board at its meeting held on 18.01.2019 had appointed Mr. B Venu Gopala Reddy as an Additional Director with effect from 25.01.2019 based on the recommendations of Nomination Committee. Mr. B Venu Gopala Reddy holds his office till the conclusion of this AGM. Considering his expertise in Banking sector, appointing him as the Director of the Bank would help in the growth of the Bank to further heights. Your Board therefore recommend his appointment as a Director of the Bank.

None of the Directors, Key Managerial Personnel along with their relatives except Mr. B Venu Gopala Reddy is interested in this Resolution.

ITEM No. 5

The Members may note that the Board at its meeting held on 18.01.2019 had appointed Mr. B Venu Gopala Reddy as the Managing Director & CEO based on the recommendations of Nomination Committee subject to approval of RBI. The RBI had vide its letter No.DBR.Appt.No.6074/29.51.001/2018-19 dated 23.01.2019 had approved appointment of Mr. B Venu Gopala Reddy as the Managing Director & CEO of the Bank with effect from 25.01.2019 for a term of three (3) years and the remuneration payable to him. The remuneration as mentioned above is within the ceiling limit of section 198 and Schedule V of the Companies Act, 2013.

Profile of Mr. B Venu Gopala Reddy

Mr. B Venu Gopala Reddy is a graduate in Commerce, holds a post graduate diploma in Management and a Certified Associate of Indian Institute of Bankers. He joined SBI as a Probationary Officer in 1981 and held various positions in different geographies including Singapore, before retiring as the Chief General Manager of Bhubaneswar Circle. He has a rich and varied experience of 36 years in banking viz., treasury, investment banking, corporate finance, MSME credit, Agriculture finance and retail operations. Prior to joining Coastal Bank, he was a Visiting Faculty at National Institute of Bank Management, Pune. In addition, he served as Chairman - FEDAI, Vice Chairman - FIMMDA and as Independent Director in Capital Region Urban Transport, a SPV promoted by Govt. of Odisha. Being an eminent banker, having him on the Board on a full time basis would help your bank to grow to further heights.

Your Directors, therefore, recommend the resolutions for your approval.

None of the Directors of the Bank, Key Managerial Personnel along with their relatives except Mr. B Venu Gopala Reddy is concerned or interested in the resolution.



COASTAL BANK - 2019

ITEM No. 6

Members may note that the Board at its meeting held on 25.03.2019 had appointed Mr. Batchu Sai Purshotham as an Additional Director of the Bank on the basis of recommendations of Nomination Committee. Mr. B S Purshotham holds the office of Director till the conclusion of this AGM.

Profile of Mr. B S Purshotham

Mr. B S Purshotham is a Chartered Accountant with over 32 years standing and is Senior Partner of M/s. B. Purshotham & Co. His professional experience encompasses auditing & assurance and business/management advisory services to diverse mix of corporate clients including banking and Public sector enterprises. He is also active in the field of tax representation and appearance before Income Tax Appellate Authorities. He is an active member of the global association of accounting firms, Integra International.

Considering his rich experience, your Board therefore recommends his appointment as an Independent Director for a term of three (3) years. The Board of Directors had thoroughly examined his fit and proper criteria and found his candidature as appropriate for the appointment of Independent Director of the Bank. The Board is of the opinion that Mr. B S Purshotham fulfils the conditions specified in the Act in connection with appointment as Independent Director.

None of the Directors of the Bank, Key Managerial Personnel along with their relatives except Mr. B S Purshotham is concerned or interested in the resolution.

ITEM No. 7

Members may note that the Board at its meeting held on 18.05.2019 had appointed Mr. A N Appaiah as an Additional Director of the Bank on the basis of recommendations of Nomination Committee. Mr. A N Appaiah holds the office of Director till the conclusion of this AGM.

Profile of Mr. A N Appaiah

Mr. A N Appaiah is a B.Sc. graduate (Mathematics) and a CAIIB. He served as the Managing Director & CEO of SBI Discount & Finance House of India Limited (SBI DFHI) - a Primary Dealer. He joined SBI as a PO in 1978 and worked in various verticals like retail banking, treasury, corporate finance, etc. He held many important assignments like Chief Dealer of SBI, Frankfurt, RM of Chattisgarh, General Manager in Hyderabad Circle and CGM of Ahmedabad Circle before moving on to DFHI. Post retirement he is actively engaged in social work with focus on rural education & health, as a volunteer for an NGO viz., SODEWS in Tamil Nadu. Currently, he is a Director in Financial Benchmarks India Private Limited, Mumbai. He was also the Chairman, Foreign Exchange Dealers Association of India (FEDAI) and a Director, Primary Dealers Association of India (PDAI).

Considering his rich experience, your Board therefore recommends his appointment as an Independent Director for a term of three (3) years. The Board of Directors had thoroughly examined his fit and proper criteria and found his candidature as appropriate for the appointment of Independent Director of the Bank. The Board is of the opinion that Mr. A N Appaiah fulfils the conditions specified in the Act in connection with appointment as Independent Director.

None of the Directors of the Bank, Key Managerial Personnel along with their relatives except Mr. A N Appaiah is concerned or interested in the resolution.

ITEM No. 8

Members may note that the Board at its meeting held on 18.05.2019 had appointed Mr. Balaji Gopalakrishnan as an Additional Director of the Bank on the basis of recommendations of Nomination Committee w.e.f. 12.06.2019. Mr. Balaji Gopalakrishnan holds the office of Director till the conclusion of this AGM.



Profile of Mr. Balaji Gopalakrishnan

Mr. Balaji Gopalakrishnan is a Chartered Financial Analyst and holds a Post Graduate Programme in Financial Engineering from the Polytechnic Institute, New York University. He holds Master's degree in Electrical Engineering. He is appointed on the Board of the Bank on 12.06.2019.

He was the Managing Director in Credit Suisse Capital LLC which dealt in derivatives. He was also the CEO and Board Member of Credit Suisse Prime Securities Services which dealt with Prime Services business. During his stint with Credit Suisse, he was instrumental in transforming a USD 250 Mn topline business that was making negative Pre Tax Income (PTI) to approximately \$2Bn topline business with significant PTI to the firm. He was also the Vice Chairman in Goldman Sachs & Co., and was a founding member of the Equity Finance team.

Considering his rich experience, your Board therefore recommends his appointment as a Non-Executive Director.

None of the Directors of the Bank, Key Managerial Personnel along with their relatives except Mr. Balaji Gopalakrishnan is concerned or interested in the resolution.

**By order of the Board
For Coastal Local Area Bank Limited**

**Sd/-
(B Venu Gopala Reddy)
Managing Director & CEO**

Place : Vijayawada
Date : May 18, 2019



Annexure to the Notice

Details of the Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting as per Secretarial Standard-2 on General Meetings

Name of the Director	Mr. Bommareddy Venu Gopala Reddy	Mr. Batchu Sai Purshotham	Mr. Adayapalam Natarajan Appaiah	Mr. Balaji Gopalakrishnan
Designation	Managing Director & CEO	Non-Executive Independent Director	Non-Executive Independent Director	Non-Executive Director
DIN	02641467	08390291	03479896	03322607
Date of Birth	09.03.1958	21.05.1963	06.10.1957	15.05.1972
Date of Appointment	25.01.2019	25.03.2019	18.05.2019	12.06.2019
Experience in specific functional areas	Mr. B Venu Gopala Reddy joined SBI as a Probationary Officer in 1981 and held various positions in different geographies including Singapore, before retiring as the Chief General Manager of Bhubaneswar Circle. He has a rich and varied experience of 36 years in banking viz., treasury, investment banking, corporate finance, MSME credit, Agriculture finance, retail operations and training / coaching.	Mr. B S Purshotham is a Chartered Accountant with over 32 years' standing and is Senior Partner of M/s. B. Purshotham & Co. His professional experience encompasses auditing & assurance and business/ management advisory services to diverse mix of corporate clients including banking and Public sector enterprises. He is also active in the field of tax representation and appearance before Income Tax Appellate Authorities. He is an active member of the global association of accounting firms, Integra International.	Mr. A N Appaiah served as the Managing Director & CEO of SBI Discount & Finance House of India Limited (SBI DFHI) - a Primary Dealer. He joined SBI as a PO in 1978 and worked in various verticals like retail banking, treasury, corporate finance, etc. He held many important assignments like Chief Dealer of SBI, Frankfurt, RM of Chattisgarh, General Manager in Hyderabad Circle and CGM of Ahmedabad Circle before moving on to DFHI.	Mr. Balaji Gopalakrishnan served as the Managing Director in Credit Suisse Capital LLC which dealt in derivatives. He was also the CEO and Board Member of Credit Suisse Prime Securities Services which dealt with Prime Services business. During his stint with Credit Suisse, he was instrumental in transforming a 250 Mn topline business that was making negative PTI to approximately \$2000 Mn topline business with significant PTI to the firm. He was also the Vice Chairman in Goldman Sachs & Co., and was a founding member of the Equity Finance team
Qualification	B.Com, PGDM and CAIIB	B.Com, FCA	B.Sc.(Mathematics), CAIIB	CFA, PG in Financial Engineering, MSEE, BE



Name of the Director	Mr. Bommareddy Venu Gopala Reddy	Mr. Batchu Sai Purshotham	Mr. Adayapalam Natarajan Appaiah	Mr. Balaji Gopalakrishnan
Number of Meetings of the Board attended during the year	2*	1#	NA^	NA^
List of other Companies in which directorship is held as on March 31, 2019	Nil	Nil	Financial Benchmarks India Private Limited	<ol style="list-style-type: none"> 1. RV Agro Holdings India Pvt. Ltd 2. R V Vegetables India Pvt. Ltd 3. VPB Homestay Private Limited 4. Balsar Holdings Private Limited 5. Shresar Holdings Pvt. Ltd 6. Tanvi Management Services Pvt. Ltd
Chairman / Member of the Committees of the Board of other Companies in which he / she is a Director as on March 31, 2019		Nil	Nil	Nil Nil
Equity shares held in the Bank	Nil	Nil	Nil	96700
Relationship between Directors inter-se	None	None	None	None

- * Mr. Bommareddy Venu Gopala Reddy was appointed as an Additional Director and Managing Director & CEO (subject to approval of shareholders) at the Board meeting held on 18.01.2019 w.e.f. 25.01.2019
- # Mr. Batchu Sai Purshotham was appointed as an Additional Director at the Board meeting held on 25.03.2019.
- ^ Mr. Adayapalam Natarajan Appaiah and Mr. Balaji Gopalakrishnan were appointed as Additional Directors w.e.f. 18.05.2019 and 12.06.2019 i.e., in the FY 2019-20



DIRECTORS' REPORT

To

The Members,

The Management and the Board of Directors take pleasure in presenting the 20th Annual Report of the Bank together with the Balance Sheet as on 31st March 2019 and Profit and Loss Account & other financial statements for the year ended 31st March 2019.

Industry Outlook

There was deceleration in global economy in 2018-19 and India was no exception to it. GDP growth has slipped from a high of 8.2% in FY 2017 to 7.0% in FY 2019 impacting the banking sector.

Banking sector witnessed mixed fortunes. While the profitability was under stress, the stressed assets started declining. Insolvency and Bankruptcy Code (IBC) facilitated resolution of nearly Rs.80,000 crore of stressed assets, bringing relief to the Banks. The fear of losing ownership is bringing discipline among the corporate borrowers, improving the corporate governance. The headline inflation fell sharply from mid-2018 onwards. Crude oil prices declined sharply due to clouded outlook for the global economy amidst uncertainties from escalating US-China trade tensions and no-deal Brexit. RBI has cut the repo rate thrice from 6.50% to 5.75% based on the assessment of the current and evolving macroeconomic situation. The yields have declined, thereby improving treasury profits and making Bank's balance sheets healthy.

The Current Financial Year is challenging and offers a mixed bag. The NBFC crisis, following defaults by IL&FS, DHFL, Essel Group and Sintex, aggravated the debt market, which spilled over to mutual fund sector in the form of junk bonds / CPs. NAVs of Debt Funds / Fixed Maturity Plans were adversely impacted, shaking the investor confidence. This may lead to flight of deposits to safety benefiting the strong and large banks.

The NBFCs, which were hitherto denting MSME portfolios of banks, will find it difficult to raise resources to sustain the growth. The PSU Banks, which are capital-starved are focusing on retail assets like home loans, car loans, and personal loans. Thus MSME sector offers the best opportunity to grow.

The return of a stable Govt. at the Center with increased majority is expected to ease the hardships to small enterprises from impact of demonetization and GST and improve ease of doing business through continuing policy reforms.

There has been a change in the Govt. at the State level, which is likely to create new districts. While the real estate prices in the capital region are subdued, they may inch up in new Districts' Head Quarters. The Trump administration's moves to impose restrictions on working spouse visas may adversely impact the NRI flows and further dent the allure for real estate assets. Therefore a very cautious, pick and choose approach is the need of the hour towards commercial real estate sector.

Monsoon is projected to be near normal due to weakening of El Nino, which may have positive impact on agriculture and rural economy. Moreover the Govt's initiative to double the farm income by FY 2022 is expected to have a positive and lasting impact on the rural economy, especially the area of operation for Coastal Bank.



1. Financial Highlights of the Bank during the year 2018-19

- ◆ Total business of the Bank as on 31.03.2019 was Rs 89,004 lakhs - recording 11.17% growth over the last year.
- ◆ Total deposits of the Bank grew by 13.49% to Rs 51,360 lakhs, while total advances grew by 8.17% to Rs 37,644 lakhs as on 31.03.2019.

(Rs in lakhs)

S.No.	Particulars	31.03.2019	31.03.2018
1.	Deposits	51,360	45,257
2.	Advances	37,644	34,801
3.	Borrowings	-	-
4.	Total Business	89,004	80,058
5.	Non SLR investments	200	100
6.	Capital & Reserves	8,114	6,751

- ◆ The Bank earned a net profit of Rs.1,613 lakhs during the year 2018-19 as against Rs.1,453 lakhs during the previous year-recording 10.60% growth.

(Rs in lakhs)

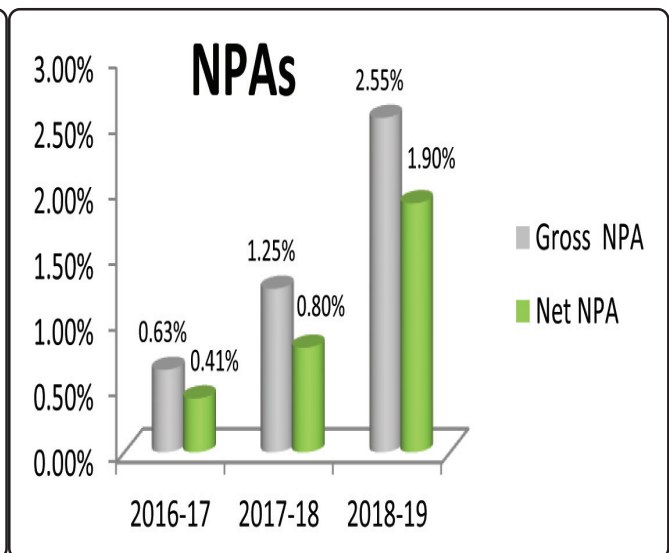
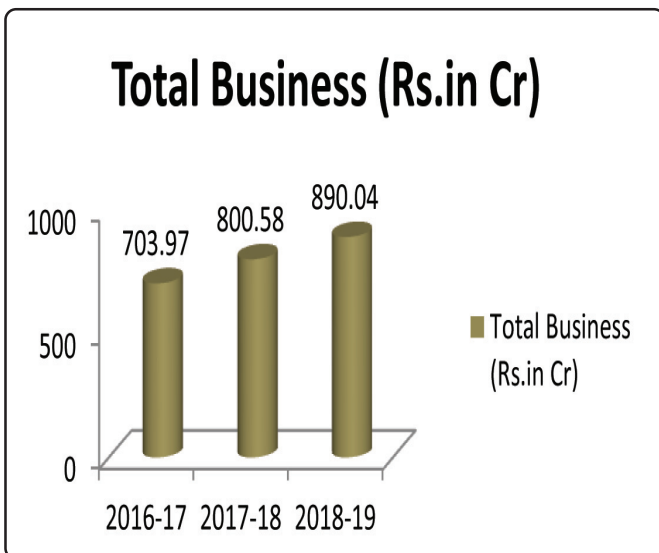
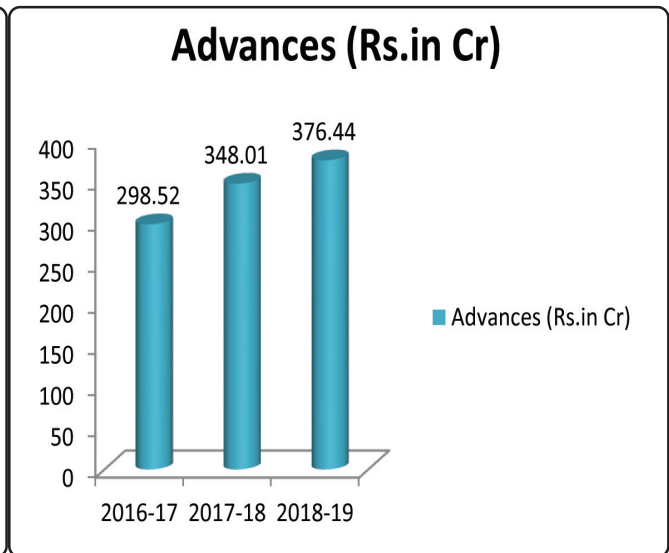
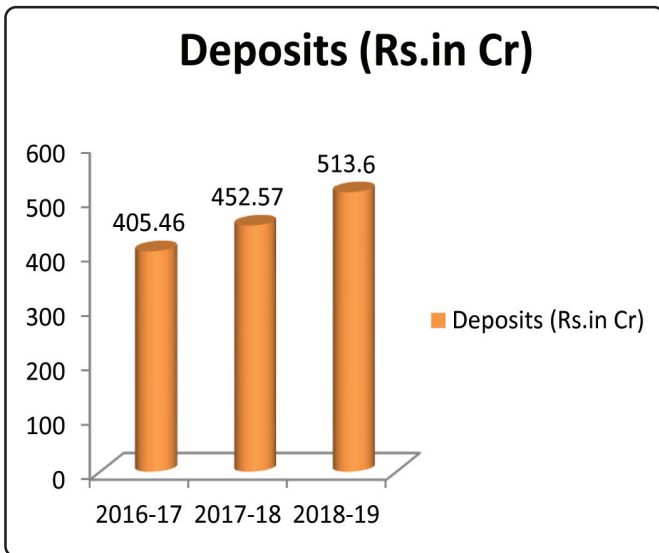
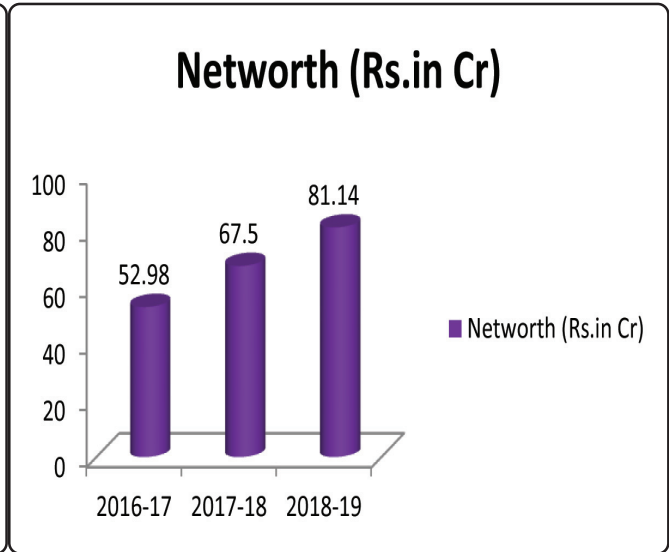
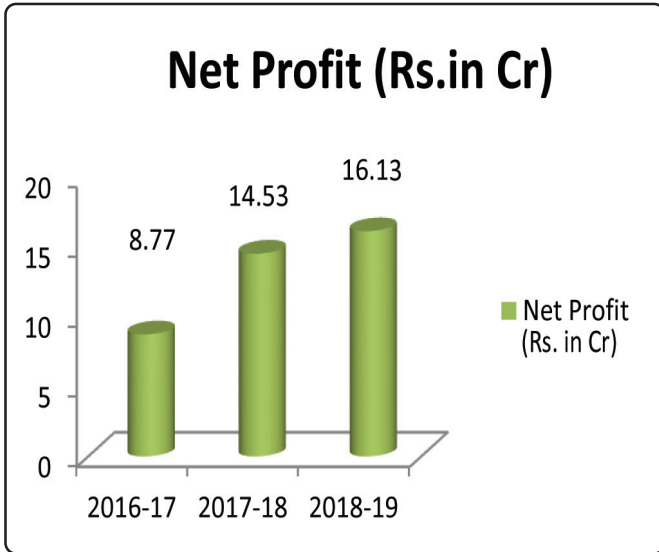
Parameter	As on 31.03.2019	As on 31.03.2018
Interest Earned	6,275	5,535
Other Income	1,497	1,339
Total Income	7,772	6,874
Interest Expended	3,060	2,717
Operating Expenses	2,288	1,994
Provisions & Contingencies	81	710
Total Expenditure	5,437	5,421
Operating Profit	2,424	2,163
Profit before Tax	2,335	2,073
Provision for Income Tax	722	620
Net Profit	1,613	1,453

2. Dividend

The Board of Directors has declared an interim dividend @ 9% i.e., Rs.0.90 per share during the year 2018-19. The same may be treated as Final Dividend. The Board recommends the shareholder to confirm the same.

3. Appropriations / Reserves

The profit and loss account shows a profit of (PAT) Rs.1,613 lakhs after write offs and provisions.





The following are the appropriations:

(Rs in lakhs)

Parameter	2018-19	2017-18
To Statutory Reserve	322	291
To Capital Reserve	0.00	0.00
To General Reserve	81	73
To Dividend and Dividend Tax	250	0.00
To Deferred tax liability	0.00	0.00
Balance carried forward to balance sheet	3,428	2,468
Total	4,081	2,832

4. Brief description of the Company's working during the Year / State of Company's affairs

(Rs in lakhs)

S.No.	Particulars	31.03.2019	31.03.2018
1.	Deposits	51,360	45,257
2.	Advances	37,644	34,801
3.	Borrowings	-	-
4.	Total Business	89,004	80,058
5.	Non SLR investments	200	100
6.	Capital & Reserves	8,114	6,751
7.	C R A R %	21	20
8.	Low cost and no cost Deposits to Total Deposits %	28	28
9.	Savings Deposits to Total Deposits %	23	23
10.	Current Deposits to Total Deposits %	5	5
11.	Priority Sector advances to Adjusted Net Bank Credit	75.87%	76.14%
12.	Gross N P A to Total Advances	2.55%	1.25%
13.	Net N P A to Total Advances	1.90%	0.80%
14.	Non-interest income to Total Income	19.26%	19.49%
15.	Operating cost to Total Income	29.44%	29.00%
16.	Staff cost to Total Income	11.64%	10.37%
17.	Cost of Deposits	6.46%	6.58%
18.	Yield on Advances	14.30%	14.62%
19.	Spread	7.84%	8.04%
20.	C D Ratio	74.02%	76.90%
21.	Cost of funds	5.69%	5.73%
22.	Return on asset	2.85%	2.96%
23.	Return on equity	19.88%	21.52%
24.	Cost/income ratio	48.56%	47.97%



S.No.	Particulars	31.03.2019	31.03.2018
25.	Yield on investments	7.44%	7.08%
26.	Number of employees	328	305
27.	Average age of employee in years	36	36
28.	Per employee business (Rs.lakhs)	271	262
29.	Per employee deposits (Rs.lakhs)	157	148
30.	Per employee advances (Rs.lakhs)	114	114
31.	Per employee net profit (Rs.lakhs)	5	5
32.	Operating cost per employee (Rs.lakhs)	7	7
33.	Operating income per employee (Rs.lakhs)	7	7
34.	Net interest margin	6%	6%

The bank has been mobilizing funds and advancing for the economic development of the area from where it is licensed to operate.

Branch Network

The bank operates with 50 fully functional branches and 10 Business Correspondent centers located in the Coastal districts of Krishna, Guntur, West Godavari, East Godavari and Vishakhapatnam. Subject to approval of the Reserve Bank of India, the Bank has plans to open more branches to tap the business potential.

NEW PRODUCTS / SCHEMES / INITIATIVES

In order to make Bank's Credit Portfolio dynamic, progressive and vibrant and more people centric, the Bank explores various opportunities in creating new products for the public at large or a section of the people. It always tries to fathom the pulse of the market and accordingly introduces tailor made products.

Coastal Doctor Plus:

The Bank has introduced a new credit product viz., Coastal Doctor Plus (CDP). This is a product meant for a particular section of people viz., Doctors' Community. The product has been tested by other banks and so far has seen a positive remark with no threat owing to unsecured exposures to this segment. This is expected to increase the Bank's clientele base, among the creamy layer of the society, besides boosting the credit portfolio.



Coastal Monthly Income Deposit:

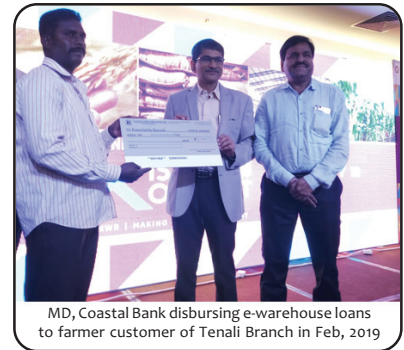
Coastal Monthly Income Scheme is a new deposit scheme meant for the Senior Citizens and those who cannot visit the Bank / ATM on a regular basis on account of various reasons. The Bank would like to leverage its unique strength of daily deposit collection agents to deliver the banking services at the doorstep of the Customer; be it withdrawal, deposits, monthly interest payments, etc. This scheme offers huge potential in the area in which the Bank operates with little competition. This Scheme is launched in April, 2019.





e-Warehouse Receipts:

In an attempt to move towards secured, easy and quick warehousing finance, the Bank has entered into a Memorandum of Understanding with National Electronics Repository Limited (NERL) on 7th February, 2019. NERL is an Institution, market intermediary and a repository that provides a regulated platform for issuing negotiable warehouse receipts for commodities in electronic form. NERL is promoted by NCDEX, SBI, ICICI, and NABARD. It is regulated by Warehouse Development Regulatory Authority (WHDR). Against the e-warehouse receipts submitted by the Customer, the Bank is in a position to process the loan quickly without spending time on verification which hitherto was



MD, Coastal Bank disbursing e-warehouse loans to farmer customer of Tenali Branch in Feb, 2019

the case. The Bank can create, release, break the lien on the stocks without any hassles as per the requirement of the Customer.

As the first bank to enter into an MOU and to operationalise the same within a short period, our bank was able to disburse four e-warehouse loans to farmers of our Tenali branch at glittering Kisaan Konnect function conducted at Tenali on 18th February, 2019 by the NHWRA, NeRL and local Government bodies.

TECHNOLOGY UPGRADE AND IT INITIATIVES:

CBS: The bank has been functioning under Core Banking Solution (CBS) platform and all the 50 branches are networked and are offering single window services. Several IT based delivery channels, such as Any Branch Banking, NEFT Remittances, Transaction Alerts via mobile, alternative banking channels, digital banking facilities, etc. have been provided successfully to the customers.

Mobile Banking: The Bank has successfully launched its Mobile Banking App in Dec 2016 and the customers are able to access their accounts, view the transactions and arrange transfer of funds to accounts within Bank and also with other Banks through NEFT.

IMPS: implemented in Mobile Banking and Branch Channels during February 2018.

UPI: Implemented Unified Payment Interface payment system during February 2019, and is currently under Pilot testing with staff members and some customers. UPI is most likely to get linked to BHIM this year and the customers will be able to do transactions with most of the merchant establishments in the market.

ATMs: The Bank has opened 14 more ATMs during the current fiscal bringing the total numbers of ATMs to 40. Your Bank has plans to open 30 more ATMs during the ensuing year. Daily transaction volumes crossed Rs.1.00cr with number of hits around 5000 per day. The ATMs have been net earning revenues of Rs.200.00 lakhs during current fiscal. Our ATM's enjoy good image and reputation for their 24x7 availability and service.

The Bank is installing two Recycler ATMs in commercial locations shortly to tap current account deposits from traders / shopkeepers. They will also facilitate recycling of cash deposited for ATM withdrawal.

Our ATM's installed at Vijayawada APSRTC Bus station or attracting good footfalls. The Bank is looking at expansion of such off-site ATMs.

EMV RuPay Cards: We have issued a total of 35,000 RuPay ATM debit cards converting all existing non-EMV cards to EMV Chip based cards which are acceptable at all ATMs on par with other Bank cards.

POS-Enabled: The bank's RuPay cards are now enabled for acceptance at all merchant POS terminals, and real time merchant transactions can be done on par with other banks.



COASTAL BANK - 2019

E-COM: Our bank's RuPay cards are now enabled for E-commerce transactions and real time online merchant transactions (web-based) can be done on par with other banks.

mPOS: Bank has also successfully launched mobile POS services for convenience of our merchant-customers and deployed 430 mobile POS and GPRS POS machines in various merchant establishments across the service area, to accommodate our merchant-customers. The total number of daily hits or transactions through our POS machines is expected to grow further in the ensuing year.

Bank Mithras: The Bank has also ventured into technology based Business Correspondent Centers and transactions are done through on-line POS machines at field level. Customers are registered with Bio-metric authentication process, and several personalized services (like deposits, withdrawal and fund transfers) relating to the accounts are being offered at field level itself through the machines.

In order to facilitate faster digital transactions by our customers we have strengthened branch network through MPLS leased line connectivity.

To enable quick settlement and disposal of claims relating to digital transactions by our customers, the bank has installed Electronic Journal pulling software.

Training:

The management firmly believes that for ensuring customer satisfaction and expansion in business, bank staff needs to be trained on continuous basis. To ensure that the skill sets of the staff is enhanced to meet these customer service needs, six internal trainings are proposed to be conducted during the year 2019-20 in the areas of Induction training, Credit and GST covering officers of the bank including branch managers. The Bank has embarked upon an ambitious initiative to train its entire staff in areas of credit, business development and general banking through external training programmes to improve their skill sets and to ensure better compliance.

Financial Inclusion

Government and Reserve Bank of India have been promoting the concept of Financial Inclusion with greater thrust and included it in their policy documents for inclusive growth. In tune with National priorities, our Bank has contributed its part in financial inclusion by taking the following measures:

The Bank has extended credit facilities up to Rs.50,000 exclusively to women entrepreneurs (small business) numbering 40,267. The amount outstanding is Rs.5,564 lakhs. It constitutes 15.11% of total advances of the Bank. About 58% of bank borrowers are women.

The Bank has extended credit facilities to retail, small and marginal borrowers for their business requirements. Branches have financed 10,949 borrowers of loan amounts up to Rs.25,000 each totaling Rs.66,17.00 lakhs which constitutes 17.41% of total advances.

The Bank has introduced door step banking by offering cash collection facility from the residence premises / business of clientele.

The Bank has forayed into Business Correspondent Model of business three years back and has made good progress by opening a total of 10 BC centers and has plans for opening few Business Correspondent Centers in several unbanked and under banked areas to give further thrust to Financial Inclusion efforts.

MSME Cell

The Micro, Small and Medium enterprises contribute significantly to employment generation, exports and overall development of the country's economy. The bank realizes that growth in economy is directly related to growth in MSME sector and accordingly formulated a scheme for hassle free finance to micro and small enterprises with name and style of CJLG (Coastal Joint Liability Group) loans. Under the scheme, Joint Liability Groups of micro/small enterprises are formed, trained and financed without insisting on any



security. The bank is pleased to inform that during the year 2018-19 a total of 9,710 new borrowers are benefited under the scheme with total disbursements of Rs.91.01 cr.

The bank has a dedicated MSME Cell at the Corporate Office to advise MSME clientele and ensure timely flow of credit. The finance to MSME Sector during the year has gone up by 64.79% from Rs.115.65 cr to Rs.190.57 cr. The flow of credit to MSME sector is steadily improving and is all set to increase further during the financial year 2019-20.

5. Change in the Nature of Business, if any: Nil

6. Material changes and commitment if any affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of the Report

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and on the date of this report.

7. Details of Significant and Material Orders Passed by the Regulators, Courts and tribunals impacting the going concern status and company's operations in future:

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

8. Details in respect of adequacy of Internal Financial Controls with Reference to the Financial Statements:

Not Applicable being an unlisted company.

9. Details of Subsidiary/ Joint Ventures/ Associate Companies: Nil

10. Performance and Financial Position of each of the Subsidiaries, Associates and Joint Venture Companies included in the Consolidated Financial Statement: Not Applicable

11. Deposits (as per the provisions of Companies Act, 2013): Nil

12. Statutory Auditors

The Auditors M/s. Suresh and Babu, Chartered Accountants, Vijayawada will retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. Members are requested to consider and approve their re-appointment and remuneration decided by the Audit Committee of Board. The re-appointment of Auditors is subject to the approval of the Reserve Bank of India.

13. Auditors' Report

The Auditors Report is self explanatory, and there were no qualifications / reservations / adverse remarks / disclaimers made by the Statutory Auditors in their report dated 18th May, 2019.

14. Share Capital

As at March 31, 2019, the Authorized Share Capital of the Bank is Rs.30,00,00,000; Issued Capital is Rs.23,45,10,570 and the subscribed and paid up share capital is Rs.23,01,91,730. There is no change in the Authorized, Issued and paid up share capital of the Bank during the year.

Further, the Bank has not, during the year:

- a) Issued Shares with differential rights
- b) Issued sweat equity shares
- c) Issued employee stock options
- d) Made provision of money by Bank for purchase of its own shares by employees or by trustees for the benefit of employees



COASTAL BANK - 2019

15. Extract of Annual Return

As per the Companies (Amendment) Act, 2017, the requirement of an extract of an Annual Return to be annexed to the Directors' Report has been done away with. Instead a copy of the Annual Return has to be placed on the website of the Bank and the web link of such annual return is required to be disclosed in the Board's Report. Accordingly, the Members may visit the following link to view/download the Annual Return for the FY 2018-19 for information.

www.coastalareabank.com/download.html

16. Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo:

- A) Conservation of energy: Not Applicable
- B) Technology absorption: Not Applicable
- C) Foreign exchange earnings and Outgo: Nil

17. Corporate Social Responsibility (CSR): Enclosed as Annexure

18. Directors and Key Managerial Personnel:

A) Changes in Directors and Key Managerial Personnel

Appointment of Directors:

- ♦ Mr. B Venu Gopala Reddy (DIN: 02641467) was appointed as an Additional Director and Managing Director & CEO of the Bank in the Board meeting held on 18.01.2019 subject to approval of the RBI. The RBI had vide its letter No.DBR.Appt.No.6074/29.51.001/2018-19 dated 23.01.2019 had approved appointment of Mr. B Venu Gopala Reddy as the Managing Director & CEO of the Bank with effect from 25.01.2019 for a term of three (3) years. The Board recommends his appointment as Director and Managing Director & CEO for the approval of shareholders.
- ♦ Mr. B S Purshotham (DIN: 08390291) was appointed as an Additional Director on 25.03.2019. The Board recommends his appointment as an Independent Director of the Bank and requires the approval of the Shareholders.

Change in designation of Director:

- ♦ The RBI vide its letter no.DBR.Appt.No.3874/29.51.001/2018-19 dated November 01, 2018 had approved the appointment of Mr K Venkataraman (DIN No: 02443410) as Non-executive Chairman of the Bank. Mr. K Venkataraman has assumed charge as the Non-Executive Chairman w.e.f. November 01, 2018.

Demitting of office / Cessation of Directors:

- ♦ Mr T. Eswara Chandra Rao, (DIN No. 06598669), demitted his office as the Managing Director of the Bank as his tenure expired on 24.01.2019.
- ♦ As per Section 10(2A)(i) of the Banking Regulation Act, 1949, no Director shall hold office continuously for a period exceeding eight (8) years. Accordingly, Mr. Biplab Das, Director (DIN No.03480910) who has completed his tenure of 8 years as a Director of the Bank on 15.02.2019 has therefore demitted his office as a Director w.e.f. 15.02.2019.
- ♦ Mr. B V V Rajeswara Rao demitted his office as a Director of the Bank with effect from 25.03.2019 due to his pre-occupations.
- ♦ Dr Jayaram Chigurupati (DIN No: 00015592), promoter director of the Bank passed away on 31.01.2019 and therefore ceased to be a Director of the Bank. The Directors express their sincere condolences on the demise of Dr. Jayaram Chigurupati and place on record their deep appreciation for his unmatched leadership in spearheading the growth of the Bank over the years. The Bank will strive hard on the legacy of Dr. Jayaram Chigurupati in achieving his dream of grooming Coastal Bank into a full fledged Scheduled Commercial Bank, making it the pride of Andhra Pradesh



Appointment of Key Managerial Personnel:

- ♦ The Board has appointed Mr. Ashish Kulkarni as the Whole Time Company Secretary of the Bank with effect from 10.12.2018 and designated him as the Key Managerial Personnel of the Bank.

B) Declaration by an Independent Director(s) and re-appointment, if any

The Board of the Bank has been constituted in accordance with Section 10A of the Banking Regulation Act, 1949 and is represented by persons with diversified professional experience and expertise in respective areas of their specialization for the development of the Bank. The present strength of the Board of Directors of the Bank is five out of which the requisite number of directors are appointed as Independent directors as required under Section 149 of the Companies Act, 2013 and the same is recommended to the shareholders for their approval.

C) Formal Annual Evaluation: Not Applicable

(Applicable to listed company and every other public company having a paid up share capital of twenty five crore rupees or more calculated at the end of the preceding financial year)

19. Board Meetings

During the year ended 31st March, 2019, 8 (Eight) meetings of the Board were held i.e., on 11.05.2018, 21.07.2018, 10.09.2018, 26.11.2018, 03.12.2018, 18.01.2019, 02.02.2019 and 25.03.2019.

Name of the Director	No. of meetings attended
1. Mr. Biplab Das (upto 15.02.2019)	7
2. Dr. Jayaram Chigurupati (upto 31.01.2019)	6
3. Mr. T Eswara Chandra Rao (upto 24.01.2019)	6
4. Mr. B V V Rajeswara Rao (upto 25.03.2019)	8
5. Mr. K Venkataraman	8
6. Mr. B Venu Gopala Reddy (w.e.f. 25.01.2019)	2
7. Mr. B S Purshotham (w.e.f. 25.03.2019)	1

20. Committees of the Board

The Board has constituted Nine Committees of Directors to take decisions and monitor the activities falling within their terms of reference. All decisions and recommendations of the committees are placed before the Board either for information or for approval. The Board's Committees are as follows:

i. Audit Committee:

The Audit Committee provides direction to the audit function and monitors the quality of internal and statutory audit. The responsibilities of the Audit Committee include overseeing the financial reporting process to ensure fairness, sufficiency and credibility of financial statements, recommendation of appointment and removal of statutory and internal auditors and fixation of their remuneration.

The Audit Committee met Seven times during the financial year 2018-19 on the following dates 11.05.2018, 21.07.2018, 10.09.2018, 26.11.2018, 18.01.2019, 11.03.2019 and 25.03.2019.

ii. Risk Management and Asset Liability Management Committee:

The Risk Management Committee was set up to address various risks faced by the Bank by formulating policies and guidelines for measurement, management and reporting of credit risk, market risk and operational risk. The Risk Management Committee met once on 26.11.2018. Earlier the Audit Committee used to look after the Risk Management of the Bank.



COASTAL BANK - 2019

iii. Management Committee:

The Management Committee was setup to review the operations of the Bank from time to time and also formulate and review corporate objectives and strategies. The Committee formulates the annual budgets / business plans of the Bank. The Management Committee met ten times during the financial year 2018-19 on the following dates 11.05.2018, 18.06.2018, 21.07.2018, 10.09.2018, 10.10.2018, 26.11.2018, 18.01.2019, 02.02.2019, 11.03.2019 & 25.03.2019.

iv. Share Transfer and Investor Grievance Committee

The functions and powers of the committee include approval and rejection of transfer and transmission of equity shares and other securities, issue of duplicate certificates, allotment of shares and securities issued from time to time including review and redressal of shareholders' grievances.

The Committee has met once on 27.09.2018 during the financial year 2018-2019 to approve share transfer request received from the shareholder.

v. Nomination and Remuneration Committee

The Committee conducts due diligence as to the credentials of any director before the appointment of director. It also considers the credentials of Key Managerial Personnel to be appointed in the Bank and makes appropriate recommendations to the Board, in consonance with the requirements of the Banking Regulation Act, Reserve Bank of India guidelines and the Companies Act, 2013. The Committee met Six times on 11.05.2018, 10.09.2018, 26.11.2018, 03.12.2018, 18.01.2019 & 25.03.2019 during the financial year 2018 - 2019.

vi. Human Resources Committee

The Committee was set up with the objective to evaluate compensation and other benefits to employees at different levels in the management. The Committee met six times on 11.05.2018, 21.07.2018, 10.09.2018, 26.11.2018, 18.01.2019 & 25.03.2019 during the financial year 2018-19.

vii. Customer Service and Stakeholders Relationship Committee

The Committee's function is to monitor the Customer services extended by the Bank and to attend to the need of the customers. The Committee met four times during the financial year 2018-19 on 11.05.2018, 21.07.2018, 26.11.2018 & 18.01.2019.

viii. Corporate Social Responsibility (CSR) Committee

The Committee was constituted as required under the provisions of section 135 of the Companies Act, 2013 in order to contribute to the items specified in Schedule VII of the Companies Act, 2013. The Committee met four times on 11.05.2018, 21.07.2018, 10.09.2018, & 18.01.2019.

ix. IT and IT Strategy Committee

The role of the Committee is to coordinate corporate security strategy, for reducing duplication in security spending, for taking control of complex infrastructures and ultimately, for reducing security risk and also for developmental activities in Information Technology. The Committee met six times on 11.05.2018, 21.07.2018, 10.09.2018, 26.11.2018, 18.01.2019, & 25.03.2019.

21. Details of establishment of Vigil Mechanism for directors and employees (Applicable to every listed company or such class or classes of companies, as may be prescribed)

The Board of the Bank in its meeting held on 9th May 2015, has adopted the 'Whistle Blower Mechanism' as required under Section 177 (9) of the Companies Act, 2013 and also under Banking Regulation Act, 1949. The Bank has not received any complaints under this policy as on the date of the report.



22. Particulars of loans, guarantees or investments under section 186: NIL

23. Particulars of contracts or arrangements with Related Parties: Except for the remuneration paid to the Key Managerial Personnel viz., the Managing Director & CEO, Chief Financial Officer and the Company Secretary who are considered to be related parties within the meaning of Section 2(76) of the Companies Act, 2013, there are no transactions with the related parties. Further, the remuneration payable to MD & CEO is approved by the RBI and the Board of Directors of your Bank. This also requires approval of shareholders and hence a separate resolution is being placed before the shareholders on the appointment and remuneration payable to the Managing Director & CEO in this AGM. Having regard to the above attaching Form No. AOC-2 (Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014) is not required.

24. Managerial Remuneration:

S No	Name	Designation	Annual Remuneration
1	Mr T Eswara Chandra Rao (upto 24.01.2019)	Managing Director	Rs. 14.01 lakhs
2	Mr. B Venu Gopala Reddy (w.e.f. 25.01.2019)	Managing Director & CEO	Rs. 6.12 lakhs
3	Mr D Jagapathi Raju	General Manager & CFO	Rs. 14.16 lakhs
4	Mr Ashish Kulkarni (w.e.f. 10.12.2018)	Company Secretary	Rs. 3.11 lakhs

25. Secretarial Audit Report (Applicable to Listed Company and every public company having a paid-up share capital of fifty crore rupees or more or every public company having a turnover of two hundred fifty crore rupees or more): **Not Applicable**

26. Corporate Governance

The Bank believes that the system of Corporate Governance protects interests of all stakeholders by inculcating transparent business operations and accountability. The Bank's philosophy on Corporate Governance ensures fullest commitment of the Board of Directors and Management. The Bank envisages attainment of the highest level of transparency, accountability and equity in all facets of its activities and operations.

Corporate Vision

- ◆ To provide high-tech banking experience to the rural and semi urban clientele with a human touch, at a reasonable cost.
- ◆ To mobilize savings through effective customer service and relationship banking.
- ◆ To provide institutional credit to rural and semi-urban segment by extending financial assistance to agriculture and priority sector and to eliminate heavy dependence on non institutional credit. To focus on financial inclusion at the bottom of the pyramid market in the operating area, apart from concentrating on credit expansion to MSME sector.
- ◆ To focus on quality credit expansion under Coastal Pragathi Loans to women groups and joint liability group.
- ◆ Corporate Governance Certificate (Applicable to Listed Companies) : Not Applicable

27. Awards and recognition

The Company has not received any awards during the financial year 2018-19.



COASTAL BANK - 2019

28. Risk Management Policy

The Bank is already having Risk Management policies as per the requirements of the Banking Regulation Act, 1949.

29. Directors' Responsibility Statement

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, states that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis; and
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

30. Staff Position & Industrial Relations:

As on March 31, 2019 the total staff strength was 275. The industrial relations continued to be cordial which has provided credibility to the organization.

The particulars of cadre wise officers are given below:

S No	Cadre	Number of Officers
1	Top Management	03
2	Senior Management	04
3	Middle Management	40
4	Junior Management	25
5	Officer Grade	203
	Total	275#

the total strength does not include sub-staff which is at 53 currently

During the year 2018-19, 18 officers ceased to be in the services of the bank either on retirement/resignation and 39 officers joined the bank in different cadres during the same period. The bank initiated regular recruitment process by advertising in the newspaper and the selection was through interview.

31. Particulars of Employees:

None of the employees of the Bank are drawing remuneration exceeding Rs.5.00 lakhs per month or Rs.60.00 Lakhs per annum or a proportionate amount for a part period thereof.

32. Internal Control:

The Bank is having sound internal control system as well as internal audit in order to safeguard the assets of the Bank against fraud or theft. The branches are being inspected by the Bank's internal inspectors



once in a year. The inspection and audit system put in place by the Bank is adequate to assess the quality, risk as well as the quantum of business handled at branches/Offices.

33. Growth Projections 2019 -2020:

The business plan for the bank has been finalized for the year 2019-20. The total deposits and advances are projected at Rs. 660.70 Cr and Rs.540.88 Cr respectively which reflects overall growth of 28.50% in deposits and 42.00% in advances. The total business by March 2020 is targeted at Rs.1201.58 cr targeting a growth rate of 34.26%.

34. Customer Relations

The Bank has always strived to provide quality service to its customers with wide range of products and services. In its attempt to enhance the proximity, constant value addition was made to various products and services to ensure a balance between relationship and convenience banking. Each branch is conducting customer meets every year at the respective places apart from the quarterly customer committee meeting. The feedback from the operational units reveal that the customers continue to rate the customer services in the bank as very high during the financial year 2019-20.

35. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Bank has in place a Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees are covered under the policy. During the Financial Year, the Bank has not received any complaint regarding sexual harassment.

36. Weblink of Annual Return

As per the Companies (Amendment) Act, 2017, a weblink of the annual return is provided hereunder. The members may click on the weblink as mentioned below to view and download the Annual Return for your information.

www.coastalareabank.com/download.html

37. Acknowledgements

Your Directors would like to place on record their gratitude and appreciation of the excellent support, cooperation and guidance which the Bank has received for its all round performance during the year 2018-19 from all the customers, shareholders, employees and other Banks. The Bank also acknowledges with gratitude the constant support and guidance received from Reserve Bank of India at its Regional Office, Hyderabad and their Central Office, Mumbai.

**For and on behalf of the Board of
COASTAL LOCAL AREA BANK LIMITED**

Mr. B Venu Gopala Reddy
Managing Director & CEO

Mr. K Venkataraman
Chairman

Place: Vijayawada
Date: May 18, 2019



Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
2. The Composition of the CSR Committee.
 - 1) Mr. B S Purshotham
 - 2) Mr. B Venu Gopala Reddy
3. Average gross profit of the company for last three financial years: 1233.14 lakhs
4. Prescribed CSR Expenditure (2 per cent of the amount as in item 3 above): Rs.31.39 lakhs
5. Details of CSR spent during the financial year.
 - (a) Total amount to be spent for the financial year: Rs.31.39 lakhs
 - (b) Amount unspent, if any: Nil
 - (c) Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads (in Lakhs)	Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing agency*
1.	Spreading of Financial Literacy in Villages near the Branches	Promoting Education	Local Area	-	7.99	-	Direct
2.	Water Harvesting & Conservation activities in Krishna & Guntur Districts	Rural Development	Local Area	-	7.20	15.19	Direct
3.	Financial Assistance to Charitable / Govt. Organizations	Promoting education & Measures for the War Widows and armed forces	Local Area / National	-	14.98	30.17	Indirect
4.	Construction of toilets	Rural Dev. Projects	Local Area	-	1.85	32.02	Direct
Total					32.02		



- 6. In case the Bank has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Bank shall provide the reasons for not spending the amount in its Board report.

The Bank spent in excess of the budgeted amount on CSR activities as referred above

- 7. Responsibility Statement: We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of CSR Projects and activities in compliance with our CSR objectives.

Managing Director

Chairman CSR Committee

Computation of CSR Amount / Budget for 2018-19

S No	Financial Year	Gross Profit
1.	2015-16	1267.96
2.	2016-17	1367.53
3.	2017-18	2073.00
	Total	4708.49
	Average Gross Profit	1569.50
	2% of Avg. Gross Profit	31.39



INDEPENDENT AUDITOR'S REPORT

To

The Members of

Coastal Local Area Bank Limited

Report on the Audit of the Financial Statements

We have audited the financial statements of Coastal Local Area Bank Limited ("the Company"), which comprise the balance Sheet as at 31st March 2019, the statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations to us, the aforesaid financial statements give the information required by Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, its profit/loss and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statement section of our report. We are independent of the Company in accordance with the Code of Ethics issued by Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board Report, Corporate Governance and Shareholder's Information, 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records



in accordance with the provisions of the Act for safeguarding of the assets of the Company 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, the Board of Directors is responsible for assessing the Company'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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the 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 SA's 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 Company 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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the Directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations, which would impact its financial position.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. Since it is a banking company, the provisions of the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Act are not applicable to the company. Hence, we have not annexed any statement on the matters specified in paragraphs 3 and 4 of the Order.

Place : Vijayawada
Date : 18th May, 2019

For Suresh And Babu
Chartered Accountants
FRN: 004254S

(S. Muralikrishna Rao)
Partner
ICAI M.No: 208435



Balance Sheet as on 31st March, 2019

(in Rupees)

	Schedule No	As on 31-03-2019	As on 31-03-2018
CAPITAL & LIABILITIES			
Capital	1	23,01,91,730	23,01,91,730
Reserves & Surplus	2	58,12,27,220	44,49,03,449
Deposits	3	5,13,60,09,652	4,52,57,03,849
Borrowings	4		
Other liabilities and provisions	5	12,45,87,503	13,11,75,362
TOTAL		6,07,20,16,105	5,33,19,74,390
ASSETS			
Cash and balances with Reserve Bank of India	6	12,14,82,632	16,05,00,680
Balance with banks and money at call and short notice	7	92,56,25,116	60,79,41,627
Investments	8	97,64,72,402	88,63,64,937
Advances	9	3,76,43,86,325	3,48,01,25,848
Fixed Assets	10	9,87,38,815	9,49,86,904
Other Assets	11	18,53,10,816	10,20,54,394
TOTAL		6,07,20,16,105	5,33,19,74,390
Contingent Liabilities	12	10,58,120	1,23,68,120
Bills for Collection			

Significant Accounting Policies and Notes to the Financial Statements. The schedules referred to above form an integral part of this Profit and Loss Account. As per our Report of even date

For **SURESH AND BABU**
Chartered Accountants
FRN : 004254S

(S.Muralikrishna Rao)
Partner, M.No.208435

B S Purshotham
Director

Ashish Kulkarni
Company Secretary

Place : Vijayawada
Date: 18-05-2019

For and on behalf of the board

K.Venkataraman
Director

B.Venu Gopala Reddy
Managing Director & CEO

D. Jagapathi Raju
General Manager & CFO

N. Sambasiva Rao
General Manager



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2019

(in Rupees)

	Schedule No	Year ended 31-03-2019	Year ended 31-03-2018
I. INCOME			
Interest earned	13	62,74,95,312	55,34,56,367
Other Income	14	14,96,90,454	13,39,09,164
TOTAL		77,71,85,766	68,73,65,531
II. EXPENDITURE			
Interest Paid	15	30,60,29,237	27,16,49,201
Operating expenses	16	22,88,06,256	19,94,14,716
Provisions and contingencies		8,10,49,777	7,10,19,304
TOTAL		61,58,85,270	54,20,83,221
III. PROFIT			
Net profit/loss(-) for the year		16,13,00,495	14,52,82,310
Profit/Loss(-) brought forward		24,68,47,877	13,78,86,144
TOTAL		40,81,48,372	28,31,68,455
IV. APPROPRIATIONS			
Interim Dividend paid		2,07,17,256	-
Tax on Interim Dividend paid		42,59,468	-
Transfer to Statutory Reserve		3,22,60,099	2,90,56,462
Transfer to General Reserve		80,65,025	72,64,116
Proposed Dividend			-
Tax on Proposed Dividend			-
Balance carried over to balance sheet		34,28,46,525	24,68,47,877
TOTAL		40,81,48,372	28,31,68,454



V. EARNINGS PER SHARE

(in Rupees)

	Schedule No	Year ended 31-03-2019	Year ended 31-03-2018
Weighted Average No.of Equity Shares		2,30,19,173.00	2,30,19,173 .00
Basic (Rs)		7.01	6.31
Diluted (Rs)		7.01	6.31
Face value per share (Rs)		10.00	10.00

Significant Accounting Policies and Notes to the Financial Statements

The schedules referred to above form an integral part of this Profit and Loss Account.

For **SURESH AND BABU**

Chartered Accountants

FRN : 004254S

(S.Muralikrishna Rao)

Partner, M.No.208435

B S Purshotham

Director

Ashish Kulkarni
Company Secretary

D. Jagapathi Raju
General Manager& CFO

For and on behalf of the board

K.Venkataraman
Director

B.Venu Gopala Reddy
Managing Director& CEO

N. Sambasiva Rao
General Manager

Place : Vijayawada

Date: 18-05-2019



Schedules to Balance Sheet

Schedule 1 – Capital

(in Rupees)

Particulars	As on 31-03-2019	As on 31-03-2018
Authorized Capital 30,000,000 shares of Rs.10/- each	30,00,00,000	30,00,00,000
Issued Capital 23,451,057 shares of Rs.10/- each	23,45,10,570	23,45,10,570
Subscribed Capital 23,019,173 shares of Rs 10/- each	23,01,91,730	23,01,91,730
Paid up capital 23,019,173 shares of Rs 10/- each	23,01,91,730	23,01,91,730
Total	23,01,91,730	23,01,91,730

Schedule 2 – Reserves and Surplus

Particulars	As on 31-03-2019	As on 31-03-2018
I. Statutory Reserves		
Opening Balance	14,94,31,280	12,03,74,818
Additions during the year	3,22,60,099	2,90,56,462
Total	18,16,91,379	14,94,31,280
II. Capital Reserves		
Opening Balance	1,94,67,098	1,94,67,098
Additions during the year	-	-
Total	1,94,67,098	1,94,67,098
III. Share Premium		
Opening Balance		-
Additions during the year		-
Deduction during the year (issued Bonus shares)		-
Total		-
IV. General and other Revenue Reserves		
Opening Balance	2,91,57,194	2,18,93,078
Additions during the year	80,65,025	72,64,116
Less capitalized (issue of Bonus shares)		-
Total	3,72,22,219	2,91,57,194
V. Balance in Profit & Loss Account	34,28,46,525	24,68,47,877
Total	34,28,46,525	24,68,47,877
Total (I,II,III,IV, and V)	58,12,27,220	44,49,03,449



Schedule 3 - Deposits

Particulars	As on 31-03-2019	As on 31-03-2018
A. 1. Demand Deposits		
(i) From Banks	-	-
(ii) From Others	22,57,50,549	20,50,55,563
II. Savings Bank Deposits	1,19,30,15,428	1,06,02,26,885
III. Term Deposits		
(i) From Banks	-	-
(ii) From Others	3,71,72,43,675	3,26,04,21,401
Total (I,II and III)	5,13,60,09,652	4,52,57,03,849
B.(i) Deposits of branches in India	5,13,60,09,652	4,52,57,03,849
(ii) Deposits of branches outside India	-	-
Total	5,13,60,09,652	4,52,57,03,849

Schedule 4 – Borrowings : NIL

Schedule 5 – Other Liabilities and Provisions

Particulars	As on 31-03-2019	As on 31-03-2018
Bills Payable	1,29,72,966	2,40,98,799
Inter office adjustments (net)	-	51,80,213
Sundry creditors	95,54,224	1,52,56,127
Depreciation on investments	75,65,667	75,65,667
Provision for investments in HTM		-
Interest suspense	24,15,676	15,12,320
Provision for taxation	7,22,00,000	6,20,22,880
Locker rent deposit	11,82,681	13,08,151
Provision for deferred tax liability	64,62,527	71,02,804
Provisions for Expenses	19,64,620	21,48,983
Interest payable on deposits	26,11,288	29,77,234
CSD security deposit a/c	11,55,936	13,03,217
Security deposit for CSD machine	92,438	2,15,905
Clearing adjustments		-
Unpaid Dividend Account		4,83,062
Provision for tax on dividend		-
GST payable	64,09,479	-
Total	12,45,87,503	13,11,75,362



Schedule 6 – Cash and Balances with Reserve Bank of India

Particulars	As on 31-03-2019	As on 31-03-2018
I. Cash in hand (including foreign currency notes)	11,80,27,692	15,70,45,740
II. Balances with Reserve Bank of India		
(a) in Current Account	34,54,940	34,54,940
(b) In other Accounts		-
Total (I and II)	12,14,82,632	16,05,00,680

Schedule 7 – Balances with Banks and Money at Call & Short Notice

Particulars	As on 31-03-2019	As on 31-03-2018
I. In India		
(i) Balances with Banks		
(a) in Current Accounts	34,91,25,116	32,65,41,627
(b) In other Accounts	57,65,00,000	28,14,00,000
(ii) Money at call and short notice		
(a) with Banks		
(b) with other institutions		
Total (i+ii)	92,56,25,116	60,79,41,627
II. Outside India		
(i) Government securities		
(ii) Other approved securities		
(iii) Shares		
(iv) Debentures and Bonds		
(v) Subsidiaries and/or Joint Ventures		
(vi) Others(to be specified)		
Total		
Grand Total (I & II)	92,56,25,116	60,79,41,627

Schedule 8 – Investments

Particulars	As on 31-03-2019	As on 31-03-2018
I. Investments in India in		
(i) Government securities	82,07,53,669	55,25,93,106
(ii) Other approved securities (Treasury Bills)	13,57,18,733	32,37,71,831
(iii) Shares		
(iv) Debentures and Bonds		
(v) Subsidiaries and/or Joint Ventures		
(vi) Others - Non SLR Mutual Funds	2,00,00,000	1,00,00,000
Total	97,64,72,402	88,63,64,937
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 & II)	97,64,72,402	88,63,64,937



Schedule 9 – Advances

Particulars	As on 31-03-2019	As on 31-03-2018
A. (i) Bills purchased and discounted	3,86,448	3,98,400
(ii) Cash Credits, Overdrafts and loans repayable on demand	1,46,18,40,832	1,46,22,29,145
(iii) Term loans	2,30,53,48,258	2,01,76,98,303
(iv) Additional Provision on Advances	(31,89,212)	(2,00,000)
Total	3,76,43,86,325	3,48,01,25,848
B. (i) Secured by tangible assets	3,16,89,33,878	2,99,66,27,400
(ii) Covered by Bank/Govt. Guarantees	-	-
(iii) Unsecured	59,86,41,659	48,36,98,449
(iv) Additional Provision on Advances	(31,89,212)	(2,00,000)
Total	3,76,43,86,325	3,48,01,25,849
C.I. Advances in India		
(i) Priority sectors	2,64,37,23,328	2,27,34,66,372
(ii) Public sector		
(iii) Banks		
(iv) Others	1,12,06,62,997	1,20,66,59,476
Total	3,76,43,86,325	3,48,01,25,848
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 & C.II)	3,76,43,86,325	3,48,01,25,848

Schedule 10 – Fixed Assets

Particulars	As on 31-03-2019	As on 31-03-2018
I. Premises		
At cost as on 31st March of the preceding year		
Additions during the year		
Deductions during the year		
Depreciation to date		
II. Other Fixed Assets(including furniture and fixtures)		
At cost as on 31st March of the preceding year	15,46,83,497	13,10,20,949
Additions during the year	2,18,05,685	2,73,88,396
Deductions during the year	1,71,55,535	37,25,848
less : Depreciation to date	6,59,89,531	6,44,21,328
Intangible Assets -Software	53,94,699	47,24,735
Total (I and II)	9,87,38,815	9,49,86,904



Schedule 11 – Other Assets

Particulars	As on 31-03-2019	As on 31-03-2018
Interest accrued on investments	2,36,70,322	2,06,05,616
Tax paid in advance/tax deducted at source	6,98,88,000	5,47,96,000
Stationery and stamps	44,95,533	29,39,506
Library	10,755	10,755
Sundry debtors	2,27,76,054	1,83,44,733
Deferred Revenue Expenditure (New branches)	4,47,761	4,47,761
Receivable from GOI under DW scheme	2,414	2,414
Clearing adjustments (10535272-6108975)	44,26,297	40,73,201
Inter office adjustments	5,47,06,693	
NEFT Suspense	48,86,987	8,34,408
Total	18,53,10,816	10,20,54,394
* In case there is any unadjusted balance of loss the same may be shown under this item with appropriate foot-note.		

Schedule 12 – Contingent Liabilities

Particulars	As on 31-03-2019	As on 31-03-2018
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	10,58,120	1,23,68,120
(b) Outside India	-	-
V. Acceptances, endorsements and other obligations	-	-
VI. Other items for which the bank is contingently liable	-	-
Total	10,58,120	1,23,68,120

SCHEDULES TO PROFIT & LOSS ACCOUNT

Schedule 13 – Interest Earned

Particulars	Year ended 31-03-2019	Year ended 31-03-2018
I. Interest/discount on advances/bills	52,84,04,134	47,52,65,798
II. Income on investments	6,79,59,809	6,02,80,243
III. Interest on balances with Reserve Bank of India and other inter-bank funds	3,11,31,369	1,79,10,326
Total	62,74,95,312	55,34,56,367



Schedule 14 – Other Income

Particulars	Year ended 31-03-2019	Year ended 31-03-2018
I. Commission, exchange and brokerage	2,43,96,049	1,00,31,465
II. Profit on sale of investments		-
III. Processing charges	2,25,83,201	2,37,69,983
IV. Deferred tax asset		-
V. Minimum balance charges	45,84,420	50,16,695
VI. Consolidation operating charges	2,96,99,571	2,90,18,795
VII. Group formation training charges	2,81,76,519	2,85,30,330
VII. Rent on lockers	69,16,753	72,53,098
VII. Miscellaneous income	3,33,33,941	3,02,88,798
Total	14,96,90,454	13,39,09,164

Schedule 15 – Interest Expended

Particulars	Year ended 31-03-2019	Year ended 31-03-2018
I. Interest on Deposits	30,60,29,237	27,16,49,201
II. Interest on RBI/ inter-bank borrowings		-
III. Interest paid On H.O A/C		-
Total	30,60,29,237	27,16,49,201

Schedule 16 – Operating Expenses

Particulars	Year ended 31-03-2019	Year ended 31-03-2018
Payments to and provisions for employees	9,05,80,581	7,13,02,671
Rent, taxes and lighting	3,74,31,405	3,28,45,379
Printing and stationery	32,05,149	23,89,157
Advertisement and publicity	24,68,476	21,55,149
Depreciation on bank's property	1,55,73,029	1,29,94,216
Director's fees, allowances and expenses	44,48,644	25,68,785
Auditors' fees and expenses (including branch auditors)	14,63,190	12,57,750
Law charges	4,19,326	2,41,750
Postage, telegrams, telephones, etc	27,69,419	26,06,709
Repairs and maintenance	2,02,40,739	1,80,22,184
Insurance	55,01,921	44,48,638
ATM card, maintenance, comm, service tax	81,77,485	30,63,827
Cost of remittance of funds	60,827	96,276
TA & DA General	29,36,674	19,50,499
Refreshment of customers	10,09,037	9,75,017
Miscellaneous expenses	31,04,661	23,45,756
Newspaper & periodicals	1,23,412	1,04,052
Income Tax Paid	16,05,100	
Rent paid clearing house	1,16,512	-
Training expenses	51,388	59,633

COASTAL BANK - 2019



Particulars	Year ended 31-03-2019	Year ended 31-03-2018
Assets written off furniture	29,62,423	5,39,540
Subscriptions	1,69,280	1,76,005
Def. revenue expenditure written off for intangible assets	10,23,198	9,13,929
Def. revenue expenditure written off for new branches	-	-
Consultancy fee	25,02,605	27,22,295
Corporate Social Responsibility	32,01,636	21,31,600
Bad debts written off	8,30,828	22,10,071
Branch inauguration expenses	6,476	4,83,603
Conveyance to CSD agents	2,00,800	2,03,500
Commission paid to CSD agents	1,44,46,763	1,19,99,285
Recruitment Expenses	20,87,060	
Sundry Expenditure	-	10,630
Commission Paid On IMPS Transactions	88,211	420
GST Paid On IMPS Transactions	-	76
GST Output paid	-	1,67,39,479
Reimbursement of medical Expenses	-	18,53,500
TA & DA -Inspectors	-	3,336
Total	22,88,06,256	19,94,14,716

Provisions and contingencies

Particulars	Year ended 31-03-2019	Year ended 31-03-2018
Contingent Provision against Standard Assets	-	21,591
Provision for NPA	94,90,054	89,74,368
Provision for Income Tax	7,22,00,000	6,20,00,000
Provision for Deferred Tax	(6,40,277)	22,945
Provision for others		400
Total	8,10,49,777	7,10,19,304

For **SURESH AND BABU**

Chartered Accountants

FRN : 004254S

(S.Muralikrishna Rao)

Partner, M.No.208435

B S Purshotham

Director

Ashish Kulkarni
Company Secretary

D. Jagapathi Raju
General Manager & CFO

K.Venkataraman

Director

B.Venu Gopala Reddy
Managing Director & CEO

N. Sambasiva Rao
General Manager

Place : Vijayawada

Date: 18-05-2019



SCHEDULE: 17 : SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Conventions :

The financial statements have been prepared in accordance with statutory requirements prescribed under the Banking Regulation Act, 1949. The accounting and reporting policies of Coastal Local Area Bank used in the preparation of these financial statements is the accrual method of accounting and historical cost convention and it conforms with Generally Accepted Accounting Principles in India ("Indian GAAP"), the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 2013 in so far as they apply to banks and the guidelines issued by the Reserve Bank of India.

Use of estimates :

The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. The Bank's Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to the accounting estimates is recognized prospectively in the current and future periods.

2. Investments :

In accordance with the Reserve Bank of India guidelines, investments are classified into "Held to Maturity", "Available for Sale" categories. The Investment Portfolio of the Bank has both SLR and NON SLR Investments.

a. Basis of classification

- i. Securities that are held principally for resale within 90 days from the date of purchase are classified as "Held for Trading".
- ii. Investments that the Bank intends to hold up to maturity are classified as "Held to Maturity". These are carried at acquisition cost, unless acquired at a premium, which is amortized over the remaining maturity period.
- iii. Securities that cannot be classified in the above two categories are classified as "Available for Sale".
- iv. An investment is classified as Held for Trading, Available for Sale and Held to Maturity at the time of its purchase.

b. Valuation

The valuation of investments is done in accordance with the Reserve Bank of India guidelines.

i. Held for Trading:

There were no securities in "Held for Trading".

ii. Held to Maturity:

These are carried at their acquisition cost and not marked to market. Any premium paid on acquisition is amortized over the remaining maturity period.

iii. Available for Sale:

Individual scrips in this category are marked to market at quarterly intervals. While the net depreciation under each classification is fully provided for in Profit & Loss Account as per RBI guidelines, the net appreciation, if any, for each classification is ignored.



COASTAL BANK - 2019

c. Investment fluctuation reserve

As per Reserve Bank of India guidelines, Investment Fluctuation Reserve (IFR) of a minimum 5% of the investment portfolio comprising of investments held in "Available for Sale" categories should be created. The total amount held in the IFR as on March 31st, 2019 is Rs. 194.67 Lakhs.

d. Broken period interest

Broken period interest on debt instruments is treated as a revenue item.

e. Transfer of security between categories

Transfer of security between categories of investments is accounted for at lower of acquisition cost or book value or market value as on the date of transfer and the depreciation, if any, on such transfer is fully provided for.

3. Advances

In accordance with the Reserve Bank of India guidelines, advances are classified as performing or Non-Performing based on recovery of principal/interest. Provisions on advances have been made in accordance with the Reserve Bank of India's guidelines / directives, as under:

1. All advances have been classified under Four categories i.e., (a) Standard Assets, (b) Sub-Standard Assets, (c) Doubtful Assets and (d) Loss Assets.
2. Provisions on Non-Performing Assets (NPAs) amounting to Rs.252.50 lakhs as on the date of the balance sheet have been arrived on all outstanding net of interest not realized.
3. Provision on standard assets is made amounting to Rs.121.93 lakhs of the outstanding as per the guidelines of RBI and is adjusted under the head "Advances".
4. Unrealized interest of the previous year on advances, which became non-performing during the year, has been provided for

4. Fixed Assets :

Fixed Assets are stated at historical cost less accumulated depreciation. Historical cost is inclusive of freight, duties and installation expenses and expenditure during construction where applicable.

5. Depreciation :

Bank continues to provide Depreciation under straight line method at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956 for Assets existed as on 1st April 2015. However Depreciation is provided on newly purchased Assets on/after 1st April 2015 on Straight Line method so as to write off the depreciable amount of the asset over the useful lives as specified in Schedule II of the Companies Act, 2013.

6. Revenue recognition

Revenue and expenditure have been generally accounted for on accrual basis except the following items, which are accounted for on cash basis.

Income:

- a. Interest and other charges on non-performing assets as per the norms laid down by Reserve Bank of India on realization basis.
- b. Commission, exchange, brokerage and rent on lockers and interest on overdue bills have been recognized on cash basis.



Expenditure :

- a. Insurance charges accounted for on cash basis.
- b. Remaining expenditure are accounted for on accrual basis.

7. Provision for Taxation :

- a) Provision for current tax has been made as per the applicable provision under Income tax act, 1961 as amended from time to time.
- b) Provision for deferred tax has made on the basis of future tax liability in terms of Accounting Standard 22 issued by the Institute of Chartered Accountants of India.(Also see Point 4.8 of Schedule 18).

8. Net Profit

The net profit has been arrived at after:

- a) Provision for Current tax/Deferred tax
- b) Provision for standard assets.
- c) Provision for NPA
- d) Adjustment to the value of investments as per RBI guidelines.
- e) Other usual and necessary provisions.

For **SURESH AND BABU**

Chartered Accountants

FRN : 004254S

(S.Muralikrishna Rao)

Partner, M.No.208435

B S Purshotham

Director

Ashish Kulkarni

Company Secretary

Place : Vijayawada

Date: 18-05-2019

For and on behalf of the board

K.Venkataraman

Director

B.Venu Gopala Reddy

Managing Director& CEO

D. Jagapathi Raju

General Manager& CFO

N. Sambasiva Rao

General Manager



SCHEDULE 18: NOTES FORMING PART OF ACCOUNTS

3.1 Capital

(Rs. In Lakhs)

Particulars	Current Year	Previous Year
I) CRAR (%)	21.25%	19.86%
II) CRAR - Tier I Capital (%)	20.91%	19.47%
III) CRAR - Tier II Capital (%)	0.34%	0.39%
IV) Percentage of the shareholding of the Government of India Nationalized Banks	NIL	NIL
Amount raised by issue of Upper Tier II Instruments	NIL	NIL

3.2 Investments

(Rs. In Lakhs)

Particulars	Current Year	Previous Year
(1) Value of Investments		
(i) Gross Value of Investment		
(a) In India	9764.72	8863.65
(b) Outside India,	NIL	NIL
(ii) Provisions for Depreciation	NIL	NIL
(a) In India	75.66	75.66
(b) Outside India	NIL	NIL
(iii) Net Value of Investments		
(a) In India	9689.06	8787.99
(b) Outside India	NIL	NIL
(2) Movement of Provisions held towards depreciation on investments.		
(i) Opening Balance	75.66	75.66
(ii) Add: Provisions made during the year	NIL	NIL
(iii) Less: Write-off/write-back of excess provisions during the year	NIL	NIL
(iv) Closing Balance	75.66	75.66

3.2.1 Repo Transactions : NIL

3.2.2 Non-SLR Investment Portfolio

i) Issuer Composition of Non SLR Investments

(Rs. In Lakhs)

No.	Issuer	Amount	Extent of Private Placement	Extent of Below Investment Grade Securities	Extent of 'Unrated Securities'	Extent of 'Unlisted Securities'
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(i)	PSUs					
(ii)	FIs					
(iii)	Banks					
(iv)	Private Corporates					
(v)	Subsidiaries /Joint Ventures					
(vi)	Others(Mutual Funds)	200.00				
(vii)	Provision held towards depreciation					
	Total*	200.00				



- (ii) Non performing Non-SLR investments : Nil
- 3.3 Derivatives : Nil
- 3.3.1 Forward Rate Agreement/Interest Rate Swap : Nil
- 3.3.2 Exchange Traded Interest Rate Derivatives : Nil
- 3.3.3 Disclosures on risk exposure in derivatives : Nil
- 3.4 Asset Quality

3.4.1 Non-Performing Assets

(Rs. In Lakhs)

Particulars	Current Year	Previous Year
(i) Net NPAs to Net Advances (%)	1.91%	0.80%
(ii) Movement of NPAs (Gross)		
(a) Opening Balance	437.75	189.66
(b) Additions during the year	4690.19	3352.07
(c) Reductions during the year	4156.76	3103.98
(d) Closing Balance	971.18	437.75
(iii) Movement of Net NPAs		
(a) Opening Balance	280.15	121.80
(b) Additions during the year	4595.29	3262.33
(c) Reductions during the year	4156.76	3103.98
(d) Closing Balance	718.68	280.15
(iv) Movement of Provisions for NPAs		
(a) Opening Balance	157.60	67.86
(b) Provisions made during the year	94.90	89.74
(c) Write-off/ Write-back of excess provisions	0	0
(d) Closing Balance	252.50	157.60

Provision coverage ratio is 26.00% against 36.00%previous year.

3.4.2 Particulars of Accounts Restructured : Nil

3.4.3. Details of financial assets sold to securitization/Reconstruction Company for Asset Reconstruction : Nil

3.4.4 Provisions on Standard Assets

(Rs. In Lakhs)

Particulars	Current Year	Previous Year
Provisions towards Standard Assets	121.93	122.67



COASTAL BANK - 2019

3.5 Business Ratios

Particulars	Current Year	Previous Year
(i) Interest income as a percentage to working Funds	12.24%	11.69%
(ii) Non-interest income as a percentage to working Funds	2.92%	2.83%
(iii) Operating Profit as a percentage to Working Funds	4.55%	4.38%
(iv) Return on Assets @	2.85%	2.96%
(v) Business (Deposits plus advances) per employee (Rs. In Lakhs)	272.49	316.30
(vi) Profit per employee (Rs.in Lakhs)	4.92	5.72

Note: In Business per employee & profit per employee calculation Sub staffs were not considered during the previous year.

3.6 Asset Liability Management

Maturity Pattern of certain items of assets and liabilities

(Rs. In Crores)

	Day1	2 To 7 Days	8 to 14 Days	15 to 28 days	29 days to 3 months	Over 3 month & Upto 6 months	Over 6 month & Upto 1 year	Over 1 Year & Upto 3 years	Over 3 Years & Upto 5 years	Over 5 years	Total
Deposits	4.99	7.46	7.26	4.54	13.89	26.23	84.62	287.06	60.95	16.60	513.60
Advances	3.37	6.62	7.21	17.87	29.89	53.06	67.30	159.21	24.62	11.02	380.18
SLR Investments	0.00	2.95	5.02	0.99	4.61	6.00	2.81	5.93	10.50	56.84	95.65
Borrowings	Nil										
Foreign Currency Assets	Nil										
Foreign Currency Liabilities	Nil										

3.7 Exposures

3.7.1 Exposure to Real Estate Sector

(Rs. In Lakhs)

Category	Current Year	Previous Year
a) Direct Exposure		
(i) 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 may be shown separately)	1454.40	894.67
(ii) Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family 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;	3342.99	4410.31
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures - a. Residential, b. Commercial Real Estate	Nil	Nil
b) Indirect Exposure Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	Nil	Nil
Total Exposure to Real Estate Sector	4797.39	5304.98



3.7.2 Exposure to Capital Market : Nil

3.7.3 Risk Category Wise Country Exposure : Nil

3.7.4 Details of Single Borrower Limit (SGL)/ Group Borrower Limit (GBL) exceeded by the bank.

Bank does not exceed the limits fixed for Single borrower and Group borrower.

3.8

3.8.1 Amount of Provisions made for Income-tax during the year :

(Rs. in Lakhs)

Particulars	Current Year	Previous Year
Provision for Income Tax	722.00	620.00

3.8.2 Disclosure of Penalties imposed by RBI

RBI did not impose any penalty on the Bank during the year under review.

4. Disclosure Requirements as per Accounting Standards where RBI has issued guidelines in respect of disclosure items for notes to Accounts:

4.1 Accounting Standard 5 - Net Profit or Loss for the period, prior period items and changes in accounting policies.

As per our Observations, none of the accounting policies were changed and no prior period items debited to Profit and Loss Account when it is read with Accounting Standard-9 stated below.

4.2 Accounting Standard 9 - Revenue Recognition

Revenue and Expenditure have been generally accounted for on Accrual Basis except the following items which are accounted for on Cash Basis.

Income :

- a) Interest and other charges on Non Performing Assets as per the norms laid down by Reserve Bank of India.
- b) Commission, Exchange, Brokerage and locker rents and interest on overdue bills.

Expenditure:

- a) Insurance charges.

4.3 Accounting Standard 15 - Employee Benefits

Defined Contribution Plan - Provident Fund:

Bank is contributing the Provident fund dues with the appropriate authorities and it is generally regular in depositing the dues.

Defined Benefit Plan – Gratuity :

The Bank is contributing to LIC Group Gratuity Scheme of LIC of India vide - Policy number : NGGCA-505000179

Defined Benefit Plan – Leave Encashment :

The Bank is contributing to LIC Leave Encashment Scheme of LIC of India vide Policy number: NGLES-505000428



4.4 Accounting Standard 17 – Segment Reporting

Part A: Business segments (Rs. in Lakhs)

Business Segments	Treasury		Corporate/Whole sale Banking		Retail Banking		Other Banking Operations		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue	990.91	706.89	-	-	5284.04	4752.66	1496.91	1340.50	7771.86	6873.65
Result										
Unallocated expenses									5443.25	4800.83
Operating profit									2328.61	2072.82
Income taxes									722.00	620.00
Deferred tax liability/asset									(6.40)	
Net Profit									1613.01	1452.82
Other information										
Segment Assets	9764.72	8863.65	-	-	37643.86	34801.26	-	-	47408.58	43664.91
Unallocated Assets									13311.57	9654.84
Total Assets									60720.15	53319.74
Segment Liabilities	-	-	-	-	51360.10	45257.04	-	-	51360.10	45257.04
Unallocated Liabilities									9360.05	8062.71
Total Liabilities									60720.16	53319.74

Part B: Geographic segments (Rs. in Lakhs)

	Domestic		International		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue	7771.86	6873.65	-	-	7771.86	6873.65
Assets	60720.16	53319.74	-	-	60720.16	53319.74

4.5 Accounting Standard 18 – Related party Disclosures

(Rs. in Lakhs)

Items / Related Party	Parent (as per ownership or control)	Subsidiaries	Associates/ Joint Ventures	Key Management Personnel @	Relatives of Key Management Personnel	Total
Receiving of services				37.40		



Key managerial personnel :

1. Mr. B. Venugopala Reddy, Managing Director (from 18th January, 2019)
2. Mr.T.Eswara Chandra Rao, Managing Director (Retired w.e.f 24th January, 2019)
3. Mr. D. Jagapathi Raju, General Manager & CFO (from 7th May, 2012)
4. Mr. N. Sambasiva Rao, General Manager (from 10th June, 2013)
5. Mr.Ashish Kulkarni, Company Secretary (from 10th December, 2018)

4.6 Remuneration and other emoluments to Directors:

Particulars	Current Year (Rs.in Lakhs)	Previous Year (Rs.in Lakhs)
Remuneration to Managing Director	20.13	16.00
Sitting Fee to Directors	10.80	7.20

4.7 Accounting Standard 21 - Consolidated Financial Statements (CFS)

This standard is not applicable as the bank has no subsidiaries.

4.8 Accounting Standard 22 - Accounting for Taxes on Income

Deferred tax liability arising on account of timing differences between financial statements and taxation statements have been recognized as per the procedure prescribed in Accounting Standard-22 issued by ICAI.

The movement of Deferred Taxes for the Year Ending 31st March 2019 is detailed below: -

Particulars	(Liabilities)/Assets as on 01/04/2018	(Charges)/Credit during the Year	(Liabilities)/Assets as on 31/03/2019
Timing difference on account of (a) Depreciation on Assests	(71,02,804)	6,40,277	(64,62,527)

4.9 Accounting Standard 23 - Accounting for Investments in Associates in consolidated Financial Statements

This Accounting Standard is not applicable since the bank has no Associates.

4.10 Accounting Standard 24 - Discontinuing Operations

This Accounting Standard is not applicable since the bank did not close any of its branches/activities during the year under review.

4.11 Accounting Standard 25 - Interim Financial Reporting

Bank is preparing and presenting half yearly financial statement as per the guidelines prescribed by Reserve Bank of India.



COASTAL BANK - 2019

4.12 Additional Disclosures

4.12.1 Provisions and Contingencies

(Rs. in Lakhs)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	Current Year	Previous Year
Provisions for depreciation on investment	-	-
Provision towards NPA	94.90	89.74
Provision towards Standard Asset	(0.75)	0.22
Provision made towards Income Tax	722.00	620.00
Other Provision and Contingencies (with details)	-	-

4.12.2 Floating Provisions : Nil

4.12.3 Draw Down from Reserves

No Draw Down from Reserves.

4.12.4 Disclosure of Complaints

A. Customer Complaints : Bank has received 153 complaints during the year under review and all the complaints were addressed.

B. Awards passed by the Banking Ombudsman : Nil

4.12.5 Disclosure of Letter of Comfort (LoCs) issued by banks

Banks did not issue any Letters of Comfort (LoCs) during the year.

4.12.6 Sector wise Advances

(Rs. in Lakhs)

S.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 (%)
A	Priority Sector						
1	Agriculture and allied activities	5763.98	65.26	1.13	5617.61	12.29	0.22
2	Advances to industries sector eligible as priority sector lending	0.00	0.00	0.00	0.00	0.00	0.00
3	Services	20853.74	230.37	1.10	17257.03	218.70	1.27
4	Personal loans	0.00	0.00	0.00	0.00	0.00	0.00
	Sub total (A)	26617.72	295.63	1.11	22874.64	230.99	1.01
B	Non Priority Sector						
1	Agriculture and allied activities	0.00	0.00	0.00	0.00	0.00	
2	Industry	0.00	0.00	0.00	0.00	0.00	
3	Services	10305.52	643.45	6.24	11170.72	206.45	1.85
4	Personal loans	1095.05	32.10	2.93	1036.17	0.31	0.03
	Sub-total (B)	11400.57	675.55	1.69	12206.89	206.76	1.69
	Total (A+B)	38018.29	971.18	2.55	35081.53	437.75	1.25



4.12.7 Transfers to Depositor Education and Awareness Fund (DEAF)

(Rs. in Lakhs)

Particulars	Current Year	Previous Year
Opening balance of amounts transferred to DEAF	29.98	8.29
Add : Amounts transferred to DEAF during the year	9.40	21.69
Less : Amounts reimbursed by DEAF towards claims	-----	-----
Closing balance of amounts transferred to DEAF	39.38	29.98

4.13. Earnings per Share (EPS) as per Accounting Standard-20

Particulars	2018-19 (Rs)	2017-18 (Rs)
Profit attributable to Equity Shareholders (A)	16,13,00,495	14,52,82,310
Basic/Weighted average number of equity shares outstanding during the year (Nos) (B)	2,30,19,173	2,30,19,173
Nominal Value of Equity Share	10/-	10/-
Earnings Per Share (Basic & Diluted)	7.01	6.31

4.14. Previous year's figures have been regrouped, reclassified and rearranged wherever necessary

For **SURESH AND BABU**

Chartered Accountants

FRN : 004254S

(S.Muralikrishna Rao)

Partner, M.No.208435

B S Purshotham

Director

Ashish Kulkarni

Company Secretary

D. Jagapathi Raju

General Manager & CFO

For and on behalf of the board

K.Venkataraman

Director

B.Venu Gopala Reddy

Managing Director & CEO

N. Sambasiva Rao

General Manager

Place : Vijayawada

Date : 18-05-2019



**ADDITIONAL DISCLOSURE BY BANKS IN NOTES TO ACCOUNTS AS PER RBI CIRCULAR NO.
RBI/2009-10/347 DBOD.BC.No.79/21.04.018/2009-10 dated 15.03.2010**

I. Concentration of Deposits, Advances, Exposures and NPAs

Concentration of Deposits (Rs. in lakhs)

	31-03-2019
Total Deposits of twenty largest depositors	3133.46
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	6.45%

Concentration of Advances (Rs. in lakhs)

	31-03-2019
Total Advances of twenty largest borrowers	4884.00
Percentage of Advances to twenty largest borrowers to Total Advances of the bank	12.85%

Concentration of Exposures (Rs. in lakhs)

	31-03-2019
Total Exposures to twenty largest borrowers/customers	2631.52
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	6.92%

Concentration of NPAs

Total Exposure to top four NPA Accounts Rs.560.67 lakhs (As on 31.03.2019)

II. Sector-wise NPAs

S.No.	Sector	Percentage of NPAs to Total Advances in that Sector
PRIORITY SECTOR		
1	Agriculture & allied activities	1.13%
2	Industry (Micro & small , Medium and Large)	0.00%
3	Services	1.10%
4	Personal loans	0.00%
NON PRIORITY SECTOR		
1	Agriculture & allied activities	0.00%
2	Industry (Micro & small , Medium and Large)	0.00%
3	Services	6.24%
4	Personal loans	2.93%



III. Movement of NPAs

(Rs. in lakhs)

Particulars	Amount
Gross NPAs as on 1 st April of particular year (Opening Balance)	437.75
Additions (Fresh NPAs) during the year	4690.19
Sub-Total (A)	5127.94
Less :	
(i) Up gradations	NIL
(ii) Recoveries (excluding recoveries made from upgraded accounts)	4148.45
(iii) Write-offs	8.31
Sub-Total (B)	4156.76
Gross NPAs as on 31 st March of following year (closing balance) (A-B)	971.18

IV. Overseas Assets, NPAs and Revenue

(Rs. in lakhs)

Particulars	Amount
Total Assets	NIL
Total NPAs	NIL
Total Revenue	NIL

V. Off-Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Name of the SPV sponsored	
Domestic	Overseas
Nil	Nil

VI. Bank Assurance Business

Nature of Income	March, 2019
Nil	Nil

For **SURESH AND BABU**

Chartered Accountants
FRN : 004254S

(S.Muralikrishna Rao)
Partner, M.No.208435

B S Purshotham
Director

Ashish Kulkarni
Company Secretary

D. Jagapathi Raju
General Manager & CFO

For and on behalf of the board

K.Venkataraman
Director

B.Venu Gopala Reddy
Managing Director & CEO

N. Sambasiva Rao
General Manager

Place : Vijayawada
Date : 18-05-2019



CASH FLOW STATEMENTS FOR THE YEAR ENDED 31-03-2019 (in Rupees)

PARTICULARS	As on 31-03-2019	As on 31-03-2018
CASH FLOW FROM OPERATING ACTIVITIES		
Profit after Tax	16,13,00,495	14,52,82,310
Add: Provisions made in P & L Account	8,10,49,777	7,10,19,304
Assets written off - furniture	29,62,423	5,39,540
Deferred revenue expenditure Written off	10,23,198	9,13,929
Income Tax Paid	16,05,100	-
Bad Debts Written off	8,30,828	22,10,071
Depreciation on Bank's property	1,55,73,029	1,29,94,216
Less: Income from investments	(6,79,59,809)	(6,02,80,243)
Excess GST provision written back	(9,72,000)	-
Provision for Standard Advances	(74,627)	-
Deferred Tax Asset	-	-
	19,53,38,416	17,26,79,127
Less : Direct Taxes Paid	(7,87,19,982)	(5,76,87,333)
Cash flow before working capital changes	11,66,18,434	11,49,91,794
	(29,27,72,547)	(50,39,48,102)
Change in advances	61,03,05,803	47,11,37,649
Change in deposits	(1,60,56,058)	(1,03,98,041)
Change in other Liabilities & Provisions	(6,59,30,544)	1,83,03,265
Change in Other Assets		
Cash flow from operating activities	35,21,65,087	9,00,86,565
Cash flow from investing activities		
Change in investments	(9,01,07,465)	(3,27,31,580)
Income from Investments	6,48,95,103	5,57,76,666
Receipts from sale of fixed assets	1,88,286	63,900
Purchase of fixed assets	(2,34,98,847)	(2,86,28,196)
Cash flow from investing activities	(4,85,22,923)	(55,19,210)
Cash flow from financing activities		
Dividend Paid	(2,07,17,256)	-
Dividend Tax Paid	(42,59,468)	-
Increase/Decrease in borrowings	-	-
Cash flow from financing activities	(2,49,76,724)	-
Cash Flow during the Year	27,86,65,440	8,45,67,355
Cash & Cash equivalents at the beginning of the Year	76,84,42,308	63,38,74,953
Cash & Cash equivalents at the end of the Year	1,04,71,07,748	76,84,42,308

For **SURESH AND BABU**

Chartered Accountants

FRN : 004254S

(S.Muralikrishna Rao)

Partner, M.No.208435

B S Purshotham

Director

Ashish Kulkarni

Company Secretary

Place : Vijayawada, Date: 18-05-2019

For and on behalf of the board

K.Venkataraman

Director

B.Venu Gopala Reddy

Managing Director & CEO

N. Sambasiva Rao

General Manager

D. Jagapathi Raju

General Manager & CFO



FINANCIAL TREND 2013-19

(Rs in lakhs)

Particulars	31.03.2013	31.03.2014	31.03.2015	31.03.2016	31.03.2017	31.03.2018	31.03.2019
	Audited	Audited	Audited	Audited	Audited	Audited	Audited
Share Capital	2301.92	2301.92	2301.92	2301.92	2301.92	2301.92	2301.92
Reserves & Surplus	1029.16	1321.87	1739.04	2223.79	2996.21	4449.03	5812.27
Deposits	17360.21	18629.36	28962.06	32439.56	40545.66	45257.04	51360.10
Advances	15623.62	15152.16	20508.01	23998.00	30042.05	34801.26	37643.86
Total Business	32983.83	33781.52	49470.07	56437.56	70587.71	80058.30	89003.96
Net Profit(Loss)	740.32	562.02	693.40	825.88	876.53	1452.82	1613.00
Net NPAs(%)	5.80 (0.04)	35.27 (0.23)	104.18 (0.51)	57.31 (0.24)	121.79 (0.41)	280.15 (0.80)	718.68 (1.91)
Prioritysector advances (%)	7418.51 (47.48)	7731.21 (51.02)	10410.71 (50.76)	13471.97 (56.14)	17118.75 (56.98)	22874.64 (65.20)	26617.72 (70.01)
Advances to agriculture (%)	4580.50 (29.32)	4149.02 (27.38)	4591.20 (22.39)	4470.56 (18.63)	4720.07 (15.71)	5617.61 (16.01)	5763.98 (15.16)
Advances to Weaker sections (%)	985.00 (6.30)	2063.17 (13.62)	3667.07 (17.88)	4657.23 (19.41)	5365.39 (17.86)	6747.33 (19.39)	7665.62 (19.90)
Return on Equity (%)	22.21	16.87	16.58	18.25	19.25	21.52	19.88
Return on Assets	4.09	2.97	2.78	2.37	1.99	2.90	2.86
Net Interest Margin (%)	6.93	6.79	6.15	5.91	5.28	6.40	6.39
CD ratio in %	90.00	81.34	70.81	73.98	74.00	76.90	73.29
CRAR in %	25.65	24.55	19.79	19.81	18.00	19.86	21.25
Cost of deposits in %	7.64	7.67	7.38	7.57	7.19	6.58	6.46
Yield on adv-ances in%	15.23	15.26	15.09	15.06	14.91	14.62	14.30
No.of employees	165	203	240	256	282	305	328
Per employee business	199.90	166.41	206.13	220.46	250.31	262.48	271.35
No. of branches	28	33	39	39	44	50	50



AREA OF OPERATIONS

KRISHNA DISTRICT

1. **VIJAYAWADA** : Opp. Swaraj Maidan, MG Road, Vijayawada - 520002, Krishna District, Phone No. 0866-2579141, Mobile No. 9866625031
2. **NUZVID** : 7/64, Near Municipal Office, Bus Stand Road, Nuzvid -521201, Phone No.: 08656-234933, Mobile No. : 9866625034
3. **KANURU** : D.No.11-191, Near Time Hospital, Ashok Nagar, M.G. Road, Kanuru-520007, Phone No.:0866-2550200, Mobile No : 9866625041
4. **GUDIVADA** : 9/10, Main Road, Opp. Vinayaka Temple, Gudivada-521301, Phone No.: 08674-241124, Mobile No. : 9177091091
5. **GANNAVARAM** : D.No.2-109, SBI Road, Srinagar Colony, Gannavaram-521101, Phone No. : 08676-254866, Mobile No. : 9701465970
6. **GOLLAPUDI** : D.No.6-41, Ravuri Satyanarayana Street, Gollapudi- 521225, Phone No.: 0866-2410279, Mobile No. : 9701465972
7. **JAGGAIAHPET** : D.No.6-1192, Hyderabad Road, Jaggaiahpet-521175, Phone No. : 08654-226111, Mobile No.: 9701465966
8. **GAMPALAGUDEM** : D.No.3-62-2, Main Road, Gampalagudem-521403, Phone No. : 08673-274733, Mobile No.: 8008779922
9. **MOPIDEVI** : D.No.1-81-1, Opp. Panchayat Office, Peda Kallepalli Road, Mopidevi-521125, Phone No.08671-257117, Mobile No.: 7893632100
10. **VUYURU** : D.No.1-393/1 & 1-394/1, Main Road, Vuyuru-521165, Phone No.08676-236624, Mobile No. : 7680993071
11. **ENIKEPADU** : Flat No.102, K V C Towers, K Venkaiah Nagar Street, Enikepadu, Phone No.08676-236624, Mobile No. : 7093099305
12. **PRAJASAKTHI NAGAR** : D.No.32-6-10, Prajasakthi Nagar, Visalandhra Road, Vijayawada-520010, Phone No. 0866-2438499, Mob No.7331143302
13. **KANKIPADU** : D.No.9-172, RS No. 45/3B, opp. Chinnaramalayam, Kankipadu-521151, Phone No. 0866-2821333, Mob. : 7093906186
14. **SEETHARAMPURAM** : D.No.33-1-1, Nr Traffic Signal, Eluru Road, Seetharamapuram, Vijayawada, Phone No. 0866-2434372, Mob : 7995574833

GUNTUR DISTRICT

1. **GUNTUR** : Saibaba Towers, Opp. Oxford School, Brundavan Gardens, Guntur-522 007, Ph. No.: 0863-2237785, Mob.: 9866625032
2. **NARASARAOPET** : 6-1-211, Main Rd, Mallamma Centre, Narasaraopet-522 601, Ph. No.: 08647-227415, Mobile No.: 9866625036
3. **REPALLE** : D.No.10/14, R.N. Road, Near Bus Depot, Repalle-522265, Phone No. : 08648-224404, Mobile No.: 9866625037
4. **THULLURU** : D.No.4/51, Kakumani Rajeswari Building, Thulluru - 522 237, Phone No.: 08645-244990, Mobile No.: 9866625039
5. **TAKKELLAPADU** : D.No.6-11, Takkellapadu, Guntur-522509, Phone No.: 0863-2292965, Mobile No.: 9866625040
6. **TENALI** : D.No.16-2-49 to 52, Besides Kanyaka Parameswari Temple, Bose Rd, Tenali-522201, Ph.No.08644-234181, Mob. 9866625043
7. **CHILAKALURIPET** : D.No.32-638, Block No.32, Besides Viswanath Theatre, KB Road, Chilakaluripet- 522 616, Ph.No.:08647-257388, Mobile No.: 8008779933
8. **KOTHAPET** : D. No.12-25-131, Kothapet Main Road, Bhagath Singh Centre, Guntur- 522 001, Phone No.: 0863-2235032, Mobile No.: 9701465965
9. **NIZAMPATNAM** : D.No.8/116, Bus Stand Road, Nizampatnam-522 314, Phone No.: 08648-257085, Mobile No.: 8008779911,
10. **GORANTLA** : Plot No.94, 3rd Lane, Annapurna Nagar, Gorantla Village, Guntur-522 034, Phone No.:0863-2333323, Mobile No.: 7893632103
11. **VINUKONDA** : D.No.27/170,171, Lawyer street, Kothapeta, Vinukonda - 522 647, Phone No.08646-272019, Mobile No.: 7893632102
12. **KOLLURU** : D.No.7-85, Andhra Bank Road, Kolluru Mandal, Kolluru - 522324, Ph,one No.08644-242924, Mobile No.: 7893632104
13. **MANDADAM** : D.No.2-7, Nutakki Vari St, Mandadam - 522503, Thulluru Mdl, Guntur Dt, Phone No. 08645-243114, Mobile No.7093906187
14. **MANGALAGIRI** : D.No.5-432, Ground Floor, Rajeev Center, Tenali Road, 12th Ward, Mangalagiri - 522503, Phone No. 08645-233177, Mob No.7331143305
15. **UNDAVALLI** : D.No.2-1, Main Rd, Near Panchayat Office, Undavalli Village, Tadepalli Mandal, Phone No. 08645-273200, Cell : 7995574830

WEST GODAVARI DISTRICT

1. **ELURU** : 23A/5/3/1, MRC Residency, Behind Park, R.R. Pet, Eluru - 534 002, Phone No.: 08812-222519, Mobile No.: 9866625033,
2. **JANGAREDDYGUDEM** : 14-144, First Floor, Aswaraopet Road, Jangareddygudem - 534 447, Phone No.: 08821-226100, Mobile No.: 9866625035
3. **TANUKU** : D.No.23-3-7, Alamurivari Street, Tanuku - 534 211, Phone No.: 08819-229601, Mobile No.: 9866625038
4. **TADEPALLIGUDEM** : 2-1-37, Ground Floor, Opp. Z.P.High School, Main Road, Tadepalligudem, Phone No.: 08818-220592, Mobile No.: 9866625030
5. **BHIMAVARAM** : D.No. 23-3-19, Taluka Office Center, Bhimavaram - 534 201, Phone No.: 08816-238889, Mobile No.: 9866625027,
6. **PALAKOL** : D.No.16-4-44 to 46, LVR Complex, Main Road, Palakol - 534260, Phone No.: 08814-225222, Mobile No.: 9000720720
7. **DEVARAPALLI** : D.NO.9-112, Main Road, Devarapalli - 534 313, Phone No.: 08813-273411, Mobile No.: 9701465975
8. **CHINTHALAPUDI** : D.NO.15, Main Road, Chinthalapudi - 533 460, Phone No.:08823-223565, Mobile No.: 7893632101,
9. **AKIVIDU** : D.No. 15-1/B, Main Road, Akividu-534235, Akividu Madal, Phone No. 08816-253889, Mobile No. : 7995574831



EAST GODAVARI DISTRICT

1. **RAJAHMUNDRY** : # 80-1-16, A.V. Apparao Road, Opp. Kodandaramalayam, Rajahmundry-533101, Ph No. 0883-2474425, Cell : 9963478203
2. **RAVULAPALEM** : D.No.8-390/1, 1st Floor, City Plaza, Main Road, Ravulapalem-533238, Phone No.08855-257755, Cell No.9963478204
3. **SARPAVARAM**:D.No.9-186, Ground Floor, Opp. MRO Office, Sarpavaram Junction, Kakinada-533 005, Ph. 0884-2356363, Cell : 9963478205
4. **AMALAPURAM** : D No:4-2-32, College Road, Amalapuram - 533 201, Phone No.0884-2356363, Cell No.7093906176
5. **RAMACHANDRAPURAM**: D.No.19-1-51, Sumathi Plaza, Main Road, Ramachandrapuram - 566255, Phone No. 08857-244699, Mob No.7331143304
6. **TUNI** : D.No.8-9-19, Pedda Veedhi, Tuni Town - 533401, Phone No. 08854-251455, Mob. No. 7995574832

VISAKHAPATNAM DISTRICT

1. **VISAKHAPATNAM**:D.No:45-40-43/1, Main Road, Akkayapalem, Vishakapatnam - 530016, Phone No.: 0891-2544660, Mobile No.: 9963478201
2. **GOPALAPATNAM** : DNo.58-1-303, V.S.R.TOWERS, 1st Floor, BRTS Road, Gopalapatnam - 530027, Ph. 0891-2597888, Cell : 9963478204
3. **GAJUWAKA** : D.No.7-16-36-1/3, R.K.Square, Old Gajuwaka Junction, Gajuwaka, Visakhapatnam - 530026, Mobile No.: 7093906178
4. **KOMMADI** : D No.9-49/3, 120 Feet Road, Kommadi, Visakhapatnam - 530048, Mobile No.: 7093906180,
5. **ANAKAPALLI**:D No: 14-8-15, Main Rd, Opp. Satyanarayana Theater, Anakapalli-531001, Visakha Dt, Phone No. 08924-223498, Mob. No.7331143301
6. **DUVVADA**:D.No.: 31-29-26/2, Santha Mamidi Thota St, Duvvada-530046, Kurmannapalem Post, Phone No. 0891-2701811, Mob. No. 7995574834

BUSINESS CORRESPONDENT CENTERS

1. **VISSANNAPET** : D.No.5-94, Main Road, Vissannapet, Krishna District, Cell No.7680993072
2. **MYLAVARAM** : Plot No.102, SVS Manor, Union Bank Back Side, Mylavaram, Krishna District, Cell No.7680993074
3. **DENDULURU** : D.No.2-68/2, MDO Office Road, Library Centre, Denduluru, W.G.Dist, Cell No.7680993073
4. **MUDINEPALLI** : D.No.4-102-1, Main Road, Mudinepalli - 521 325, Krishna District, Cell No.7680993075
5. **JAGANAICKPUR**: D.No.45-1-25, Main Road jaganaickpur, Opp. Andhra Bank ATM, Jaganickpur, Kakinada - 533005, Cell No.7093099306
6. **AJITH SINGH NAGAR (SATYANARAYANA PURAM)** : D.No.23-2-35, opp. Nadar's Function Hall, opp. Bhagatsingh Road, Satyanarayana Puram, Vijayawada - 520 011, Cell No.7093099307
7. **DANVAIPET** : D.No.20-29-6, Near Kambala Cheruvu, Danvaipet, Rajahmundry, Cell No.7093906183
8. **ELURU - BC** : D.No.5-2-16, PRR complex, Old Venkateswara Takies, Eluru, Cell No.7093906182
9. **CHUTTUGUNTA** : D.No.25-16-14/C, Raja complex, GT Road, Beside canara bank ATM, Chuttugunta, Guntur, Cell No.7093906184
10. **TADIKONDA** : D.No.:13-35, Tadikonda Village, Guntur, Cell No.7093906185



Coastal Local Area Bank Limited

**Regd. & Corporate Office: D. No. 59-14-2A, 3rd floor,
Santhi Plaza, Ring Road, Near Benz Circle, Vijayawada -520 008.**

Form No. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Company: Coastal Local Area Bank Limited (CIN: U65993AP1999PLC031684)

Registered office: : D. No. 59-14-2A, 3rd floor, Santhi Plaza, Ring Road, Near Benz Circle, Vijayawada -520 008

Name of the Member(s) :		
Registered address :		
E-mail Id :	Folio No/ Clint Id :	DP ID :

I/ We being the member of, holding.....shares, hereby appoint

1. Name:

Address:

E-mail Id: Signature: or failing him

2. Name:

Address:

E-mail Id: Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20th Annual General Meeting of members of the Company, to be held on Saturday 3rd August, 2019 at 11.00 a.m. at the registered office of the Bank situated at D. No.59-14-2A, Santhi Plaza, 3rd floor, Gayathri Nagar, Vijayawada -520008, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

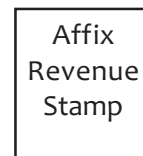
1 5

2 6

3 7

4 8

Signed this day of 2019



Signature of Shareholder

Signature of Proxy holder(s)

Notes:

1. This form in order to be effective should be duly completed and deposited at the Registered Office of the company, not less than 48 hours before the commencement of the meeting.
2. It is optional to indicate your preference. If you leave the for or against column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.



Coastal Local Area Bank Limited

Regd. & Corporate Office: D. No. 59-14-2A, 3rd floor,
Santhi Plaza, Ring Road, Near Benz Circle, Vijayawada -520 008.

ATTENDANCE SLIP

Name of the member/Proxy in Block Letters:

Registered Folio No/ Client ID:

No. of Shares Held:

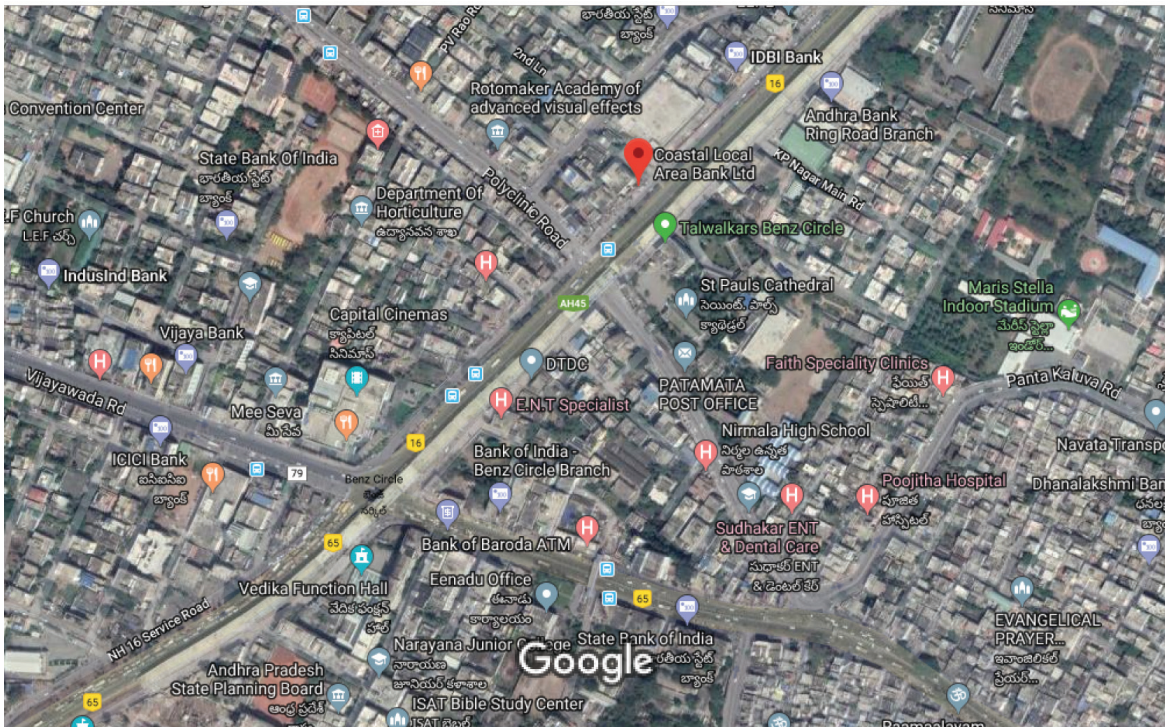
I certify that I am a member/proxy for the member of the company. I hereby record my presence at the 20th Annual General Meeting of the Bank to be held on Saturday 3rd August, 2019 at 11.00 a.m. at the Regd. Office of the Bank situated at D. No.59-14-2A, Santhi Plaza, 3rd floor, Gayathri Nagar, Vijayawada - 520 008.

Signature of the Shareholder / Proxy : _____

Notes:

- Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over to the Bank Officials at the entrance of the meeting hall.

GOOGLE MAP FOR AGM VENUE





Launching of Coastal Doctor Plus & Kalyanamasthu at Visakhapatnam



Shifting of Tanuku Branch to new ground floor premises



MD addressing media on BPLR Reduction



Customer Meet at Guntur



Payment at Doorstep under Monthly Income Deposit Scheme



Health Camp organized by Takkellapadu Branch



Launching of Coastal Doctor Plus at Vijayawada



School Benches donated to Z.P.High School, Penamaluru through Sudheekshan Foundation



COASTAL LOCAL AREA BANK LTD

D.No. 59-14-2A, 3rd Floor, Santhi Plaza, Ring Road, Gayathri Nagar,

Vijayawada - 520008, A.P.,

Ph. : 08662494425, 2494426, Fax : 2494423, Cell : 9959 588 688

e-mail : coastalho@coastalareabank.com

website : www.coastalareabank.com

CIN : U65993AP1999PLC031684

మన కోసం..

మన ప్రాంతీయ అభివృద్ధి కోసం...

మన ప్రాంతీయ బ్యాంక్....