

COASTAL LOCAL AREA BANK LIMITED



Annual Report 2021



*Coastal Bank encircles Andhra Pradesh
through Krishna, Guntur, East & West Godavari
and Visakhapatnam Districts*

BANK IN THE FOREFRONT OF CSR ACTIVITIES....



Contribution to National Flag Day 2020



Dedicating Dr. Abdul Kalam innovation hub for Secondary School Children at Ramakrishna Mission



Digital Class Room



3D printer job@ Innovation Hub



Distribution of free food during Covid-19 by our Tenali Branch



Distribution of Books to Poor Children by our Mandadam Branch



Serving the aged women by the staff of Corporate Office

The Events Were widely covered in the Media

The Events widely covered in the Media



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CORPORATE INFORMATION

Board of Directors

Shri K Venkataraman	...	Non-Executive Chairman
Shri B Venu Gopala Reddy	...	Managing Director & CEO
Shri A N Appaiah	...	Non-Executive Independent Director
Shri Balaji Gopalakrishnan	...	Non-Executive Director
Shri Thimmi Chetty Ravee	...	Additional Director (W.e.f., 26.12.2020)

Key Managerial Personnel

Shri B Venu Gopala Reddy	...	Managing Director & CEO
Shri KAV Raman	...	Chief Financial Officer
Smt R Nagalakshmi	...	Company Secretary & Chief Compliance Officer

Senior Management

Shri MVSSN Srinivas Prasad	...	Chief Credit Officer
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STATUTORY AUDITORS

M/s. Ramamoorthy (N) & Co
Chartered Accountants
D.No. 43-21-31, A1,
Sri Satya Residency, Dondaparthi,
Visakhapatnam – 530 016.

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.59-12-6, Ghantasalavari Veedhi, Grace Line,
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



Shri Krishnamoorthy Venkataraman
Non-Executive Chairman



Shri B Venu Gopala Reddy
Managing Director & CEO



Shri A N Appaiah
Non-Executive
Independent Director



Shri Balaji Gopalakrishnan
Non-Executive Director

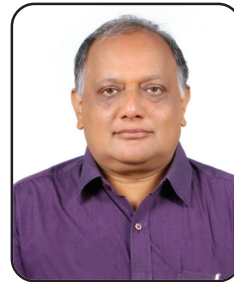


Shri Thimmi Chetty Ravee
Additional Director &
Proposed Independent Director

EXECUTIVE TEAM



Shri KAV Raman
Chief Financial Officer



Shri MVSSN Srinivas Prasad
Chief Credit Officer



Smt R Naga Lakshmi
Company Secretary & Chief Compliance Officer



DIRECTORS' PROFILE



Shri K Venkataraman (66), 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 upto 2017. During this period, he brought massive changes in the organizational 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.



Shri B Venu Gopala Reddy (62): 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 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 Chariman, FIMMDA and as Independent Director in Capital Region Urban Transport, a SPV promoted by Govt. of Odisha.



Shri A N Appaiah (63) : 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 Chief General Manager and held various important assignment in Treasury(Forex & Money Markets), retails and commercial banking. He has vast experience in foreign exchange as Treasury Head @ Frankfurt, Chief Dealer of Foreign Dept. @ Kolkatta 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 of 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.



Shri Balaji Gopalakrishnan (49) was a Managing Director at Credit Suisse, New York from 2004 to 2018. Before that he was in Goldman Sach for several years. Shri Balaji 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 Chartered Financial Analyst (CFA).



Shri Thimmi Chetty Ravee (57) is a graduate in Commerce and qualified as Chartered Account in 1988 and as Information Systems Auditor in 2002. He was qualified for Independent Director's Database – 2020. Currently he is a partner of M/s. Purushottam & Co., the Chartered Accountants firm from 1992 and in-charge of their Madurai Branch. His professional exposure includes wide experience to Direct and Indirect taxes, Company Law, FEMA, Accounting Standards & Auditing Practices of ICAI, Banking & allied Laws connected with the trade and commerce. He has handled various internal audit assignments and headed audit teams for Corporates under Government, Public and Private Sector.

He has experience in Bank Audits as Central Statutory Auditors having done the assignments in Oriental Bank of Commerce, Indian Bank, Vijaya Bank, Syndicate Bank, Corporation Bank and Lakshmi Vilas Bank. His other assignments in the Banks include Branch Statutory Audits, Concurrent Audit, Income & Expenditure Audits, Revenue Audits and Information Systems Audit of nationalized and scheduled commercial banks.



ANNUAL GENERAL MEETING (VIRTUAL) NOTICE

NOTICE is hereby given that the 22ND Annual General Meeting of the members of Bank will be held on Wednesday the 25th day of August 2021 at 16.30 hrs at the Registered Office of the Bank, situated at D.No.59-12-6, Graceline, Gantasalavari Street, Gayatrinagar, Vijaywada-520008 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet and the Profit and Loss Account for the year ended March 31, 2021 as on that date together with the Directors' Report and the Auditors' Report thereon.
2. To declare a Final Dividend of Re.1.00 per Equity share for the financial year ended March 31, 2021.

RESOLVED THAT a final dividend of Re.1.00 per equity share on the paid up capital of the Company as recommended by the Board be and is hereby declared.

3. To appoint Statutory Auditors of the Bank and in this 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 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 modifications or reenactments thereof for the time being in force), the Rules, Circulars and Guidelines issued by the Reserve Bank of India from time to time and subject to the approval of RBI, M/s. Ramamoorthy(N) & Co., Chartered Accounts (FRN 002899S) be and hereby appointed as Statutory Auditors of the Bank, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Bank, and that the Board of Directors of the Bank be and is hereby authorized to fix the remuneration of the Auditors, including out of pocket expenses for carrying out the audit, based on the recommendations of the Audit Committee of the Board

SPECIAL BUSINESS

4. **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 Section 149, 152, 160, Schedule IV and all other applicable provisions of the Companies Act, 2013 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 modifications or re-enactments thereof for the time being in force) and based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Bank, Shri Thimmi Chetty Ravee (DIN:08337679), who was appointed as an Additional Director w.e.f. 26.12.2020, pursuant to the provisions of Section 161 and other applicable provisions of the Act to hold office up to the date of this Annual General Meeting, be and hereby appointed as an Independent Director for a period of 3 years from the date of this meeting, not liable to retire by rotation.”

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 Section 149, 152, 160, Schedule IV and all other applicable provisions of the Companies Act, 2013 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 modifications or re-enactments thereof for



the time being in force) and based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Bank, Shri K Venkataraman (DIN:0244310), who was appointed as a Director of the Bank, liable to retire by rotation pursuant to the provisions of Section 152(6) and other applicable provisions of the Act, to hold office up to the date of this Annual General Meeting, be and hereby appointed as an Independent Director for a period of 3 years from the date of this meeting, not liable to retire by rotation.”

‘FURTHER RESOLVED THAT the Members has perused the proposal and the Undertaking submitted by Shri K Venkataraman, which is considered true and complete and recommends his re-appointment as a Non-Executive Independent (Part-Time) Chairman, to the Reserve Bank of India with the compensation package as recommended by Nomination & Remuneration Committee and approved by the Board.

FURTHER RESOLVED THAT Shri B Venu Gopala Reddy, MD & CEO and Shri KAV Raman, CFO be and hereby authorized to sign and execute all deeds, documents necessary to comply with RBI requirements.

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

**Sd/-
(R Naga Lakshmi)
Company Secretary
& Chief Compliance Officer**

Place : Vijayawada

Date : 27.07.2021

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT,2013

ITEM NO. 5

Members may note that the Board at its meeting held on 26.01.2021 has appointed Shri Thimmi Chetty Ravee as an Additional Director of the Bank on the basis of the recommendations of the Nomination and Remuneration Committee. Shri Thimmi Chetty Ravee holds the office of the Director till the conclusion of this AGM, who is otherwise eligible, offers himself for the appointment as Independent Director for a period of 3 years, not liable to retire by rotation.

Profile of Mr. Thimmi Chetty Ravee

Shri Thimmi Chetty Ravee (57) is a graduate in Commerce and qualified as Chartered Account in 1988 and as Information Systems Auditor in 2002. He was qualified for Independent Director’s Database – 2020. Currently he is a partner of M/s. Purushottam & Co., the Chartered Accountants firm from 1992 and in-charge of their Madurai Branch.

His professional exposure includes wide experience to Direct and Indirect taxes, Company Law, FEMA. Accounting Standards & Auditing Practices of ICAI, Banking & allied Laws connected with the trade and commerce. He has handled various internal audit assignments and headed audit teams for Corporates under Government, Public and Private Sector which includes:

- i. Mineral and Metals Trading Corporation of India Limited
- ii. Madras Refineries Limited



- iii. Tamil Nadu Newsprint & Papers Limited
- iv. Tamil Nadu Tourism Development Corporation
- v. KSP Sugars etc

He has experience in Bank Audits as Central Statutory Auditors having done the assignments in Oriental Bank of Commerce, Indian Bank, Vijaya Bank, Syndicate Bank, Corporation Bank and Lakshmi Vilas Bank. His other assignments in the Banks include Branch Statutory Audits, Concurrent Audit, Income & Expenditure Audits, Revenue Audits and Information Systems Audit of nationalized and scheduled commercial banks.

He is involved in providing consultation and representation services for Income Tax, Central Excise, Service Tax and in other tax matters. He was instrumental in conducting System Design, advisory, development of Accounting & MIS packages for a few clients.

He is involved in professional bodies such as Madurai Branch of Southern India Regional Council of Institute of Chartered Accountants of India, as its Committee Member (1993-94), Secretary (1994-95), Vice-Chairman (1995-97) and Chairman (1997). He held various positions from 1997 to 2000 in Madurai District Tiny & Small Scale Industries Association, including as its President. He was a member in Regional Advisory Board for Central Excise – GST.

None of the Directors of the Bank, Key Managerial Personnel along with their relatives except Shri Thimmi Chetty Ravee, is concerned or interested in the said resolution.

ITEM NO. 6

Members may note that the Board at its meeting held on 16.12.2017 has appointed Shri K Venkataraman as an Additional Director and Non-Executive (Part-Time) Chairman of the Bank, which has been ratified by the Members in the 19th Annual General Meeting held on 10.09.2018 and appointed as a Director of the Company, liable to retire by rotation.

The Board of Directors at their meeting held on 27.07.2021 approved the re-appointment of Shri K Venkataraman as an Independent Director for a period of 3 years, not liable to retire by rotation, based on the recommendations of the Nomination and Remuneration Committee.

Shri K Venkataraman (DIN:02443410), who retires at the conclusion of this AGM offers himself to be appointed as an Independent Director for a period of 3 years, not liable to retire by rotation, who is otherwise eligible.

It is further placed before the Members that the appointment of Shri K Venkataraman as a Non-Executive (Part-Time) Chairman has been approved by the Reserve Bank of India for a period of 3 years w.e.f.,01.11.2018 and is about to end by 31.10.2021.

The application in the prescribed format for re-appointment of Chairman is to be submitted to RBI at least four months before expiry of the term of office.

Hence, the Board of Directors based on the recommendations of the Nomination and Remuneration Committee decided to recommend the re-appointment of Shri K Venkataraman as a Non-Executive Independent (Part-Time) Chairman for a further period of 3 years, to the Reserve Bank of India.

None of the Directors of the Bank, Key Managerial Personnel along with their relatives except Shri K Venkataraman is concerned or interested in the said resolution.

NOTES

1. The Ministry of Corporate Affairs vide its General Circular No. 14/2021 dated 8th April, 2020 dispensed with the requirement of appointing proxies for meeting to be held through Video Conferencing or



other Audio Visual means. Therefore, no proxy forms will be received by the Bank for the Annual General Meeting. However, in pursuance of Section 113 of the Companies Act, 2013 representatives of the Corporate Shareholders may be appointed for the purpose of attending and voting in the meeting held through Video conference by an authorized Board resolution.

2. The Register of Members and Share Transfer Books will remain closed from 17th August, 2021 to 20th August, 2021 both days inclusive.
3. The Record Date for the purpose of payment of dividend is 16th August, 2021
4. In view of the Covid 19 breakdown, the shareholders are to participate in the Annual General Meeting of the Bank through Video Conferencing using the Zoom app by using the following login credentials:

Zoom ID : 81682504309

Passcode : 123456

5. In case of difficulty during login, please do reach out the following officials :

Smt R. Nagalakshmi, Company Secretary - 7995655591

Shri U.B. Manoj Kumar, Manager IT - 7032237979

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

**Sd/-
(R Naga Lakshmi)
Company Secretary
& Chief Compliance Officer**

Place : Vijayawada

Date : 27.07.2021



DIRECTORS' REPORT

To
The Members,

The Management and the Board of Directors take pleasure in presenting the 22nd Annual Report of the Bank together with the Balance Sheet as on 31st March 2021 and Profit & Loss Account and other Financial Statements for the year ended 31st March 2021.

The Year 2020-21 was very challenging as it started with COVID lockdowns and ended with rising cases as pre-cursor to a severe second wave; yet a fruitful year as the Bank notched up one of its significant performances under trying circumstances. GDP growth of the Country is estimated to have declined to an unprecedented -7.3% from 4.0% in previous year. The first two quarters were very difficult even to open the branches and to offer basic banking services, as many branches were either located in the Red Zones under curfew or impacted with staff testing positive for Corona virus.

With the outbreak of Covid-19, your Bank has taken utmost care and initiated various measures to protect the interest of all the stake holders. Covid-19 Business Continuity Plan was put in place to ensure uninterrupted services to clients at the Branches and at Corporate Office, by introducing Work-From-Home (WFH) to key personnel on rotation, scanning all visitors by branches with IR Scans, ensured that staff and others compulsorily wear masks, use sanitizers, and maintain social distancing. In consultation with medical experts, employees have been supplied with Immunity Kits comprising of medicines and steam inhalers. A special covid-19 sick leave at half pay for employees is introduced for preventive care and quarantine requirements. Fumigation of branches is arranged as and when warranted. In addition, all the staff and the outsourced personnel were covered under the Covid Kavach insurance package and were given interest free advance to cover exigencies. These measures have boosted the employee morale, helping them to serve the public, confidently in a safe and protected environment.

As the COVID pandemic peaked out in September, the Bank initiated a slew of measures and strategies aimed at rejuvenating the workforce, identifying the growth sectors and de-risking stress in the asset portfolio, which inter-alia include –

Re introduced the Performance Linked Group Incentive Scheme, covering the Corporate Office staff also, to promote healthy competition and productivity.

Launched Recurring Deposit Campaign for sustainable growth in deposits.

Launched Four Star Campaign to promote Housing Loans, Gold Loans, Agricultural finance and Doctor+/Kalyanamasthu.

Reorganized the Credit Department into Credit Appraisal Teams to improve Turn-Around-Time and Credit Monitoring Team for focusing on Stressed Assets Management.

The measures yielded the desired results. Total business grew by 14.5%, Net Interest Income increased by 27.4%, NIM improved by 59 basis points, operating profit increased by 14.88% and NPAs declined from Rs 1498 lakhs or 3.28% to Rs.1380 lakhs or 2.64%. Share of Gold Loans in the Credit Portfolio increased from 18.4% as on 31-03-2020 to 25.7% on 31-03-2021; Housing Loans from 6.8% to 8.6%; Agriculture from 7.7% to 8.6% while the unsecured Micro Loans declined from 28.6% to 21.7%.



During the year the Bank restructured 8329 loans aggregating to Rs.4231.29 lakhs in Personal and MSME segments, complying with the Covid Resolution Framework guidelines issued by the Reserve Bank of India. Consequently, the provisioning requirements increased. In addition, the Bank decided to increase the Provision Coverage Ratio from 32.23% to 62.96%. Despite these additional provisions, the net profit was however, maintained at Rs. 1951 lakhs as against 1943 lakhs in the previous year. Tangible Net Worth increased to Rs.12013 lakhs from Rs.10063 lakhs and Capital Adequacy improved by 1.20% to 24.20%. EPS registered a modest increase of 0.09 to Rs.8.47.

A redeeming feature of the Restructuring was that only 14% of the accounts slipped in to NPAs in the following Quarter as on 30-06-2021 due to severity of the second wave, implying that 86% of the Restructured portfolio remained Standard, servicing their obligations.

The CSR allocation was spent fully, on diversified activities like food distribution to the daily wage earners, migrant labour; establishing digital class rooms for students at the primary & secondary levels at 3 centers, contributions to the Army Welfare, contributions to a Cancer Hospital, etc. thereby enhancing the image of the Bank.

Apart from the above quantifiable achievements, your Bank notched up several intangible and transformative initiatives, like –

Brand creation - Bank co-sponsored a webinar on 'Reboot AP' conducted by Times of India, getting a sizeable viewership. Partnered in 'Swami Vivekananda Memorial Lecture' (Virtual) organized by ASSOCHAM in Nov 2020.

Improvements in Primary and secondary connectivity of network at Branches for enhancing customer satisfaction.

Offering Internships for 3 teams of National Institute of Bank Management (NIBM), Pune.

Direct membership to Centralized Payment Systems such as RTGS & NEFT.

CKYC compliance – Clearing a backlog of more than 70,000 accounts which was commended by RBI

HR - Direct recruitment through competitive test.

Pilot run of Risk Based Internal Audit on eTHICS platform for introducing on-line audit of branches and compliance.

Concurrent Audit by ex-Bankers for quality improvement.

Launch of new product Coastal Salary Loan scheme.

Bank has been granted approval by RBI for implementing CTS.

The Year was quite tumultuous as the unprecedented COVID pandemic was all pervasive and continuing into the next year as well. Despite the odds, the Bank could post significant results in terms of growth and profitability.

Riding on the high morale and productivity of the employees following a long overdue salary revision, your Bank embarked upon an ambitious growth target of 21.5% for 2021-22. The Bank is in the process of rolling out CTS at all branches to offer clearing services, which is expected to boost customer acquisition, especially from the business fraternity. Though the second wave of COVID severely impacted the operations and business in Q1FY22, we are sanguine about achieving the targets, provided no further disruptions emerge. The Bank would continue its endeavors to improve on the 'ease of doing business' for enhancing customer (satisfaction) experience.



5. Financial Highlights of the Bank during the year 2020-21

* Total business of the Bank as on 31.03.2021 stood at Rs 115421 lakhs – recording a growth of 14.49% over the previous year.

* Total deposits of the Bank stood at Rs 63121 lakhs with a growth of 14.50%, while the total advances grew by 14.48% which stood at Rs 52300 lakhs.

(Rs in lakhs)

S.No.	Particulars	31.03.2021	31.03.2020
1.	Deposits	63,121	55123
2.	Advances	52,300	45684
3.	Borrowings	-	-
4.	Total Business	1,15,421	100807
5.	Non SLR investments	-	-
6.	Capital & Reserves	12,013	10063

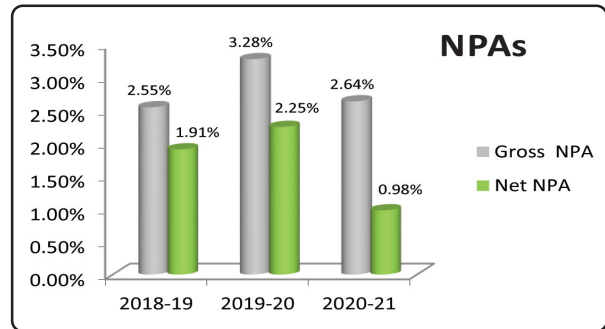
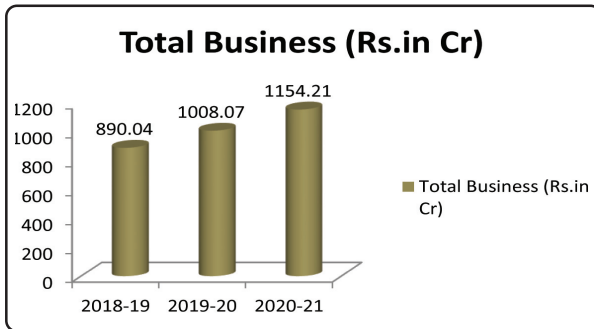
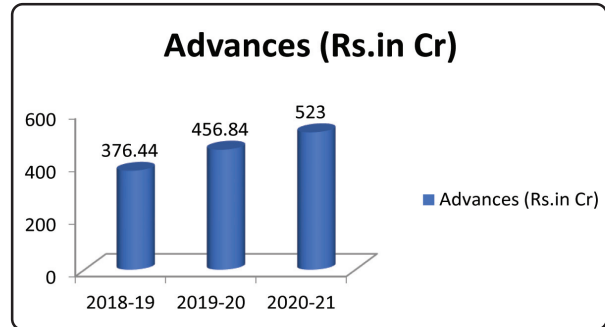
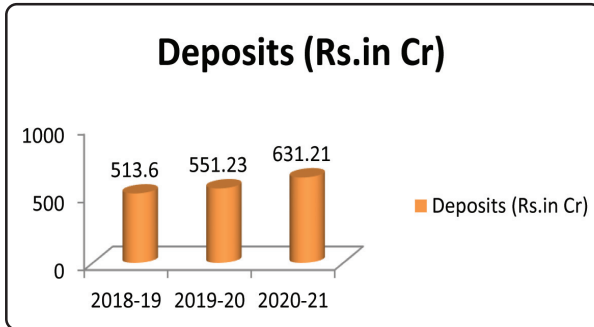
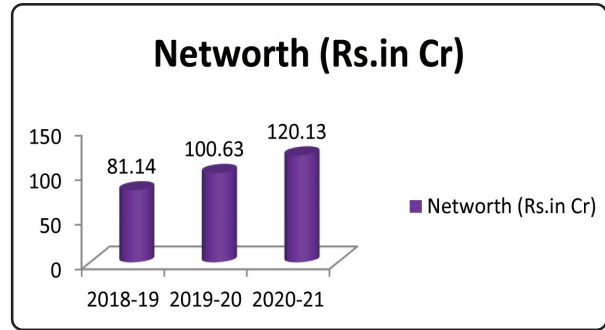
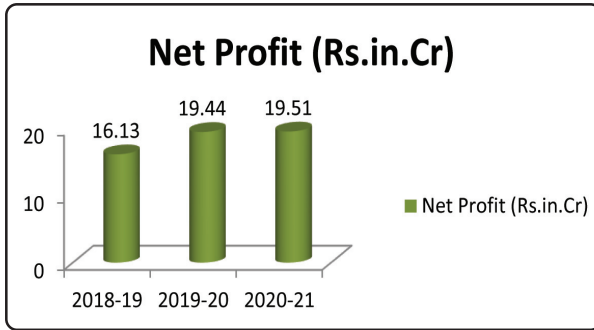
The Bank earned a Net Profit of Rs 1951 lakhs during the year 2020-21 as against Rs. 1943 during the previous year.

(Rs in lakhs)

Parameter	As on 31.03.2021	As on 31.03.2020
Interest Earned	7829	6769
Other Income	1470	1920
Total Income	9299	8689
Interest paid	3538	3400
Operating expenses	2497	2448
Provisions & Contingencies	1313	898
Total expenditure	6035	5848
Operating profit	3264	2841
Profit before tax	2661	2575
Provision for Income Tax	710	632
Net Profit	1951	1943

2. Dividend

The Board of Directors recommended to the share holders of the Bank to declare a Final Dividend of Re.1 per Equity share for the Financial Year 2020-21. The calculation of Final Dividend complies with the prudential requirements enunciated in the Reserve Bank of India Notification No. 2021-22/23 and the associated Circulars, which amounts to Rs. 2,30,19,173/-. The Income tax on dividend shall be borne by the Shareholders, hence TDS of 10% will be deducted while paying the Dividend.



3. Appropriations / Reserves

The Profit and Loss account shows a profit of (PAT) Rs. 1951 lakhs after write offs and provisions. The following are the appropriations:

(Rs in lakhs)

Parameter	2020-21	2019-20
To Statutory Reserve	387	583
To Capital Reserve	184	226
To General Reserve	176	3127
To Investment Fluctuation Reserve	-	-
To Dividend and Dividend Tax	-	-
Balance carried forward to balance sheet	2838	1635
Total	3585	5377

4. Earnings per share and Book value of the share

The Book value of the Share for the Financial Year 2020-21 is Rs. 52.20 (Rs. 43.75 for the FY 2019-20) and the Earning per share is Rs. 8.47 with a modest increase of 0.09% compared to the last Financial Year.



5. Key performance indicators of the Bank during the year:

(Rs. in lakhs)

S. No.	Particulars	31.03.2021	31.03.2020
1.	Deposits	63121	55123
2.	Advances	52300	45684
3.	Borrowings	-	-
4.	Total Business	115421	100807
5.	Non SLR Investments	-	-
6.	Capital & Reserves	12013	10063
7.	CRAR %	24.20%	23.00%
8.	CASA %	31.39%	29.15%
9.	Priority Sector Loans %	54.88%	71.84%
10.	Gross NPAs %	2.64%	3.28%
11.	Net NPAs %	0.98%	2.25%
12.	Other Income to Total Income	15.80%	22.10%
13.	Operating cost to Total Income	26.85%	28.17%
14.	Staff Cost to Total Income	11.30%	11.57%
15.	Cost of Deposits	6.06%	6.39%
16.	Yield on Advances	13.90%	13.61%
17.	Interest Spread	7.84%	7.22%
18.	C D Ratio	82.85%	82.88%
19.	Cost of funds	5.07%	5.57%
20.	Return on Assets	2.70%	3.05%
21.	Return on Equity	16.24%	19.32%
22.	Cost / Income Ratio	43.34%	46.28%
23.	Yield on Investments	6.54%	7.64%
24.	Number of Employees	312	333
25.	Average age of employee in years	37	36
26.	Business per Employee	370	303
27.	Profit per Employee	6.25	5.83
28.	Net Interest margin	6.49%	5.90%

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



6. Branch Network :

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

TECHNOLOGY UPGRADE AND IT INITIATIVES :

Core Banking Solutions (CBS): The Bank uses Core Banking Solution(CBS), networked all the 50 branches and offers single window services to the customers. To supplement CBS, several IT based initiatives such as Any Branch banking, Remittance facility through IMPS, UPI and NEFT, Transaction alerts and Alternate Delivery Channels (ADC) viz. Mobile Banking, ATM, POS and other digital banking facilities have been provided to the customers. To enable quick settlement and disposal of claims relating to digital transactions by our customers, the Bank has installed Electronic Journal pulling software.

Mobile Banking :

The Bank has been offering Mobile Banking facility since December, 2016 and the customers are able to access their accounts, view the transactions and do transfer of funds to accounts both within the Bank and with other Banks through RTGS ,NEFT, IMPS and UPI.

NEFT : The Number of transactions and the amount during the FY 2020-21 are as under :

Transaction Type	No.of Tran.	Amount (in Lakhs)
NEFT Incoming	66,334	43,969
NEFT Outgoing	58,134	62,862
Total :	1,24,468	1,06,831

IMPS :

Implemented in Mobile Banking and branch channels during February, 2018. Bank has become live on IMPS as direct member w.e.f. 13.07.2021 with own IFSC Code COAS0000001. The number of transactions and the amount during the FY 2020-21 are as under:

Transaction Type	No.of Tran.	Amount (in Lakhs)
IMPS inward	80,425	7,227
IMPS outward	56,770	17,242
Total	1,37,195	24,469

UPI :

Implemented Unified Interface payment system during February, 2019 and the same is online with effect from May, 2019. UPI is linked to BHIM and the customers are able to do transactions with most of the merchant establishments in the market. The number of transactions and the amount during the FY 2020-21 is as under:

Transaction Type	No.of Transactions	Amount (in Lakhs)
UPI Inward	8,17,274	24,406
UPI Outward	7,86,449	20,093
Total	16,03,723	44,502



ATMs:

The Bank has added 1 Cash Dispenser during the current fiscal year bringing the total number of own ATMs to 45. Bank has become live on ATMs as Direct member w.e.f. 13.07.2021

The number of transactions and the amount during the FY 2020-21 are as under:

No. of Tran.	Amount (in Lakhs)
13,64,806	50,115

The Bank has plans to open more Cash Dispensers and Recyclers in commercial locations to tap Current Account Deposits from traders/shopkeepers. The Recyclers will facilitate recycling of cash deposited for withdrawal.

Point of Sales(POS) machines:

Bank has successfully launched mobile POS services for convenience of our merchant customers and deployed 570 mobile POS and GPRS POS machines in various merchant establishments across the service area, to accommodate our merchant customers.

Bank Mithras:

The Bank has also ventured into technology based Business Correspondent services and transactions are done through online hand-held devices at field level. Customers are registered with Biometric authentication process and several personalized services (like deposits, withdrawal and fund transfers for our customers) relating to the accounts are being offered at field level itself through the machines.

Branch Connectivity:

The Bank has strengthened branch network through MPLS connectivity to provide faster services to our customers. To ensure uninterrupted connectivity to the branches, the Bank has set up Secondary network connectivity for all branches.

Liability Central Processing Centre (LCPC):

LCPC Hub was established on 30.12.2019 at CO for CKYC processing and uploading. The Centre is poised to take over all deposit accounts opening activities in due course.

Updates during the FY 2020-21

RTGS:

Bank has become live on RTGS as direct member w.e.f. 01.10.2020 with its own IFSC Code COAS0000001/002. The number of transactions and the amount during the FY 2020-21 are as under:

Transaction Type	No.of Transactions	Amount (in Lakhs)
RTGS Inward	1996	1436
RTGS Outward	6682	41493
Total	8678	56029



Cheque Truncation System:

Bank has obtained RBI permission to become Direct Member of CTS Chennai Grid. The Bank has completed UAT and is expected to be live during August 2021, offering the clearing services through all the 50 branches.

Direct Membership in Centralised Payment Systems (CPS):

Bank has obtained permission from RBI to become Member of RTGS, NEFT, NFS(ATM), RuPay and IMPS. Bank is scheduled to go live as Direct Member for UPI and CTS shortly.

eTHIC:

Bank has procured eTHIC, an Audit & Compliance Management Solution and moving towards paper less on-line Audit Management. UAT has been completed and roll out is expected in August after customization.

7. Training:

The Management firmly believes that for ensuring customer satisfaction, containing operational risk and expansion of business, Bank staff need to be trained on continuous basis. To ensure that the skill sets of the staff are enhanced to meet the customer service needs, several internal and external trainings conducted during the year. in the areas of credit, business development and general banking.

8. Financial Inclusion:

In tune with National priorities, our Bank has contributed its part in financial inclusion by taking the following measures:

Extended credit facilities up to Rs. 60,000/- exclusively to Women entrepreneurs (small business) numbering 28,346. The amount outstanding is Rs. 4743 lakhs. It constitutes 9.07% of total advances of the Bank.

Bank has extended credit facilities to retail, small and micro enterprises borrowers for their business requirements. Bank has financed 9444 borrowers of loan amounts up to Rs. 100,000 each totaling Rs. 3370 lakhs which constitutes 6.44% of total advances.

Bank has introduced doorstep banking by offering cash collection facility at the door steps of business/ residence premises of clientele.

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

10. 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.

11. Details of Significant and Material orders passed by the Regulators, Courts and Tribunals impacting the going concern status and the Company's operations in the 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.

12. Details in respect of adequacy of Internal Financial Controls with reference to the Financial Settlements:

Not applicable being an Unlisted Company

13. Details of Subsidiary/Joint Ventures/ Associate Companies: NIL



14. **Performance and financial position of each of the Subsidiaries, Associates and Joint Venture Companies included in the Consolidated Financial Statement:** Not Applicable
15. **The details of an application made or any proceeding pending under the Insolvency & Bankruptcy Code, 2016 during the year along with their status as at the end of Financial Year 2020-2021 (according to the Companies (Accounts) Amendment Rules, 2021):** NIL
16. **The details of the difference between the amount of the valuation done at the time of one-time settlement & the valuation done while taking a loan from the Banks/Financial Institutions along with the reasons thereof (according to the Companies (Accounts) Amendment Rules, 2021):** NIL
17. **Deposits (as per the provisions of the Companies Act, 2013):** NIL

18. **Statutory Auditors:**

The Auditors M/s. Rammoorthy(N) & Co, Chartered Accountants (FRN 002899S), Visakhapatnam will retire at the conclusion of this Annual General Meeting and are eligible for re-appointment. Members are requested to consider and approve their re-appointment on remuneration as decided by the Audit Committee of the Board. The re-appointment of Auditors is subject to the approval of the Reserve Bank of India.

19. **Auditor's Report:**

The Auditor's Report is self-explanatory, and there were no qualifications / reservations/ adverse remarks/ disclaimers made by the Statutory Auditors in their report dated 28.06.2021.

20. **Share Capital:**

As on March 31 2021, the Authorized Share Capital of the Bank is Rs.45,00,00,000 (Rupees Forty-Five Crores), Issued Capital is Rs.23,45,10,570 (Twenty Three Crores Forty Five Lakhs Ten Thousand Five Hundred and Seventy Crores) and the Subscribed and Paid up share capital is Rs.23,01,91,730. There is no change in the Issued and paid up share capital of the Bank during the year. But the Authorized Capital of the Company has been increased from Rs. 30,00,00,000 to Rs 45,00,00,000 with the consent of the Shareholders of the Bank in the 21st Annual General Meeting held on 14.09.2020, keeping in view the forthcoming fund raising plan of the Bank.

Further, the Bank has not, during the year:

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

21. **Extract of Annual Return**

As per the Companies (Amendment) Act, 2017, the requirement of extract of an Annual Return to be annexed to the Director's 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 2020-21 for information.

[www.coastalareabank.com/investor relations](http://www.coastalareabank.com/investor%20relations)

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

- ✦ Conservation of Energy : Not Applicable
- ✦ Technology Absorption : Not Applicable
- ✦ Foreign Exchange Earnings and Outgo : NIL

23. Corporate Social Responsibility (CSR) : Enclosed as annexure**24. Directors and Key Managerial Personnel****A. Changes in Directors and Key Managerial Personnel****Appointment of Directors:**

Shri Thimmi Chetty Ravee (DIN: 08337679) was appointed as an Additional Director of the Bank by the Board of Directors at the meeting held on 26.12.2020. The Shareholders of the Bank at their 22nd Annual General Meeting to be held on 25.08.2021, will consider the appointment of Shri Thimmi Chetty Ravee as an Independent Director of the Bank for a period of 3 years, not liable to retire by rotation.

Cessation of Director:

Shri B S Purushottam (DIN: 08390291), has vacated the office of the Independent Director w.e.f., 25.08.2020 due to his personal reasons. The resignation of the same has been approved by the Board of Directors in the 135th Board Meeting held on 15.09.2020.

Appointment of Key Managerial Personnel

Shri D Jagapathi Raju has vacated the office of the Chief Financial Officer in the course of regular retirement w.e.f., 30.06.2020. Shri K A V Raman has been designated as the Chief Financial Officer w.e.f., 01.07.2020, by the Board of Directors in their 132nd Board Meeting held on 06.06.2020.

Shri HIRAK SAHA KABIRAJ (A21077), the Company Secretary & Compliance Officer of the Bank has resigned due to the personal reasons, w.e.f., 30.01.2021.

Declaration by an Independent Director 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 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. The respective Independent Directors had provided a statement of Declaration of Independence at the time of joining as well as every year as on March 31.

Formal Annual Evaluation: Not Applicable

(Applicable to Listed Company and every other Public Company having a paid share capital of twenty-five Crores and more calculated at the end of the preceding financial year.

25. Board Meetings

During the year ended 31st March, 2021, 11 meetings of the Board were held on 29.04.2020, 06.06.2020, 17.07.2020, 07.08.2020, 15.09.2020, 19.11.2020, 26.12.2020, 13.01.2021, 05.02.2021, 09.03.2021, 24.03.2021.



S. No.	Name of the Director	No. of meetings Attended
1.	Shri. K Venkataraman	11
2.	Shri. B Venu Gopala Reddy	11
3.	Shri. A N Appaiah	11
4.	Shri. Balaji Gopalakrishnan	11
5.	Shri. B S Purushottam	4
6.	Shri Thimmi Chetty Ravee	4

26. Committees of the Board

The Board has constituted Nine Committees to take the 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 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.

Constitution of Audit Committee:

Shri A N Appaiah	Chairman (Independent Director)
Shri K Venkataraman	Member (Director & Non-Executive Chairman)
Shri Balaji Gopalakrishnan	Member (Non-Executive Director)
Shri Thimmi Chetty Ravee (w.e.f. 19.02.2021)	Member (Additional Director)

The Audit Committee met 8 times in the year on 06.06.2020, 17.07.2020, 07.08.2020, 15.09.2020, 19.11.2020, 26.12.2020, 11.01.2021, 09.03.2021.

ii. Risk Management and Asset Liability Management Committee:

The Risk Management Committee is constituted to oversee the risk management policy of the Bank and to assist the Board in fulfilling its oversight responsibilities with regard to risk appetite of the Bank, the compliance framework and the governance structure that supports it. It evaluates the efficacy of the framework relating to risk identification and its mitigation. The legal risk, credit risk, market risk and operational risks are monitored and mitigated through regular review of changes in the regulatory framework.

Constitution of Risk Management Committee

Shri B Venu Gopala Reddy	Chairman (MD & CEO)
Shri K Venkataraman	Member (Director & Non-Executive Chairman)
Shri A N Appaiah	Member (Independent Director)
Shri Thimmi Chetty Ravee (w.e.f. 19.02.2021)	Member (Additional Director)

The Committee met four times in the year on 04.06.2020, 14.09.2020, 19.11.2020 & 04.02.2020



iii. Management Committee

The Management Committee was set up 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.

Constitution of Management Committee

Shri K Venkataraman	Chairman (Director & Non-Executive Chairman)
Shri B Venu Gopala Reddy	Member (MD & CEO)
Shri A N Appaiah	Member (Independent Director)

The Committee met 6 times in a year on 04.06.2020, 17.07.2020, 07.08.2020, 15.09.2020, 19.11.2020, 04.02.2021.

iv. Share Transfer and Investor Grievance Committee

The Committee is constituted to consider and resolve the grievances of stakeholders of the Company. It specifically looks into the redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc and the main function is to expedite the process of share transfers.

Constitution of Share Transfer Committee

Shri K Venkataraman	Chairman (Director & Non-Executive Chairman)
Shri B Venu Gopala Reddy	Member (MD & CEO)
Shri Balaji Gopalakrishnan	Member (Non-Executive Director)
Shri Thimmi Chetty Ravee (w.e.f. 19.02.2021)	Member (Additional Director)

The Committee met 3 times in the year on 17.07.2020, 14.09.2020, 18.11.2020.

v. Nomination and Remuneration Committee

The Committee formulates the policy for determining the qualifications, positive attributes and independence of Directors and Key Managerial Personnel. It also formulates the policy relating to the level and composition of remuneration which is reasonable and sufficient to attract, retain and motivate the Directors and the Key Managerial Personnel, in consonance with the requirements of the Banking Regulation Act, Reserve Bank of India Guidelines and the Companies Act, 2013.

Constitution of the Committee

Shri A N Appaiah	Chairman (Independent Director)
Shri K Venkataraman	Member (Director & Non-Executive Chairman)
Shri Balaji Gopalakrishnan	Member (Non-Executive Director)
Shri Thimmi Chetty Ravee (w.e.f. 19.02.2021)	Member (Additional Director)

The Committee met 3 times in the year on 29.04.2020, 05.06.2020, 18.11.2020.



vi. Human Resource Committee

The Committee was set up with the objective to evaluate service conditions, compensation and other benefits to the employees at different levels in the management.

Constitution of the Committee

Shri K Venkataraman	Chairman (Director & Non-Executive Chairman)
Shri B Venu Gopala Reddy	Member (MD & CEO)
Shri Balaji Gopalakrishnan	Member (Non-Executive Director)

The Committee met 6 times in the year on 05.06.2020, 07.08.2020, 14.09.2020, 18.11.2020, 04.02.2020, 08.03.2020.

vii. Customer Service and Stakeholders Relationship Committee

The Committee's function is to monitor the Customer services extended by the Bank and to review the feedback received from the Customers.

Constitution of the Committee

Shri Balaji Gopalakrishnan	Chairman (Non-Executive Director Director)
Shri A N Appaiah	Member (Independent Director)
Shri B Venu Gopala Reddy	Member (MD & CEO)
Shri Thimmi Chetty Ravee (w.e.f. 19.02.2021)	Member (Additional Director)

The Committee met 6 times in the year on 05.06.2020, 07.08.2020, 14.09.2020, 18.11.2020, 04.02.2020, 08.03.2020.

vii. Customer Service and Stakeholders Relationship Committee

The Committee's function is to monitor the Customer services extended by the Bank and to review the feedback received from the Customers.

Constitution of the Committee

Shri Balaji Gopalakrishnan	Chairman (Non-Executive Director Director)
Shri A N Appaiah	Member (Independent Director)
Shri B Venu Gopala Reddy	Member (MD & CEO)
Shri Thimmi Chetty Ravee (w.e.f. 19.02.2021)	Member (Additional Director)

The Committee met 4 times in the year on 04.06.2020, 14.09.2020, 18.11.2020 & 04.02.2020.

viii. Corporate Social Responsibility (CSR) Committee:

The Committee was constituted as required under the provisions of Section 135 of the Companies Act, 2013. It formulates and recommends to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII and review from time to time. It also recommends and reviews the amount of expenditure incurred on the varied activities.



Constitution of the Committee

Shri A N Appaiah	Chairman (Independent Director)
Shri B Venu Gopala Reddy	Member (MD & CEO)
Shri Balaji Gopalakrishnan	Member (Non-Executive Director)

The Committee met 3 times in the year on 05.06.2020, 18.11.2020, 04.02.2020.

ix. IT & 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.

Constitution of the Committee

Shri K Venkataraman	Chairman (Director & Non-Executive Chairman)
Shri B Venu Gopala Reddy	Member (MD & CEO)
Shri A N Appaiah	Member (Independent Director)
Shri Balaji Gopalakrishnan	Member (Non-Executive Director)

The Committee met 5 times in the year on 05.06.2020, 17.07.2020, 14.0.2020, 18.11.2020, 04.02.2020.

27. Details 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 the Banking Regulation Act, 1949. The Bank has not received any complaints under this policy as on the date of the report.

28. Particulars of Loans, Guarantees or Investments under Section 186: NIL

29. 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 the MD & CEO is approved by the RBI and the Board of Director of your Bank. Having regard to the above, attaching Form 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.

30. Remuneration of Directors and Key Managerial Personnel:

S.No.	Name	Designation	Annual Remuneration (Rs. in Lakhs)
1.	Shri K. Venkataraman	Director & Non-Executive Chairman	15.00
2.	Shri B. Venu Gopala Reddy	Managing Director & CEO	35.97
3.	Shri D Jagapathi Raju (till 30.06.2020)	Chief Financial Officer	3.81
4.	Shri K A V Raman (w.e.f., 01.07.2020)	Chief Financial Officer	14.55
5.	Shri HIRAK SAHA KABIRAJ (Till 30.01.2021)	Company Secretary	8.50



31. Secretarial Audit Report (Applicable to Listed Companies and every Public Companies having paid-up share capital of Fifty Crore rupees or more or every Public Company having turnover of two hundred fifty crore rupees or more): Not Applicable

32. Corporate Governance:

The Key elements of good corporate governance principles include honesty, trust & integrity, openness, performance orientation, responsibility & accountability, mutual respect and commitment to the organization. The Bank is committed in implementation of best corporate governance practices which protect the interest of all the stakeholders by inculcating transparent business operations and accountability. The Bank's philosophy on Corporate Governance ensures fullest commitment of the Board of Directors and the Management. The Bank envisages attainment of the highest level of transparency, accountability and equity in all facet of its activities and operations.

Corporate Vision:

1. To provide high-tech banking experience to the rural and semi urban clientele with a human touch & local flavour, at a reasonable cost.
2. To mobilize savings through effective customer service and relationship banking.
3. To provide institutional credit to the rural and semi-urban segment by extending financial assistance to agriculture and MSME sectors and to eliminate heavy dependence on non-institutional credit.
4. To focus on financial inclusion at the bottom of the pyramid by extending timely and need based micro loans to Women entrepreneurs and Joint Liability Group borrowers at an affordable cost.

33. Corporate Governance Certificate (Applicable to Listed Companies): Not Applicable

34. Awards and Recognition:

The Company has not received any awards during the Financial Year 2020-21.

35. Risk Management Policy

The Bank has Risk Management policies as per the requirement of the Banking Regulation Act, 1949

36. Director's Responsibility Statement

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

- i. In the preparation of the Annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures
- ii. The Directors had selected such accounting policies and applied them consistently and made judgements 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
- iii. The Directors had taken proper 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
- iv. The directors prepared the annual accounts on a going concern basis; and
- v. The Directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**37. Staff Position & Industrial Relations:**

As on March 31, 2021 the total staff strength was 312 which includes 50 sub-staff. 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	3
2	Senior Management	28
3	Middle Management	19
4	Junior Management	18
5	Officer Grade	194
	Total	262

During the year 2020-21, 40 officers ceased to be in the services of the Bank either on retirement/resignation and 19 officers joined the Bank in different cadre during the same period. The Bank initiated regular recruitment process by advertising in the newspaper and the selection was done through a transparent interview.

38. Details of Employees:

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

39. Internal Control:

The Bank has a 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.

40. Growth Projections:

The Business Plan for the year has been finalized for the year 2021-22. The total deposits and advances subject to the pandemic situation easing up towards normalcy are projected to grow to Rs. 754.20 crores and Rs. 648.03 crores respectively, reflecting a growth of 19.49% in deposits and 23.90% in advances. The total business is expected to grow to Rs. 1402.23 crores.

41. Customer Relations:

The Bank is continuously striving hard to provide quality service to its customers with wide range of products and services. In its attempt to enhance the proximity, constant value additions were 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 meetings. The feedback from the operational units reveals that the customers continue to rate the customer service of the Bank as very high.

42. 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.



43. Weblink of Annual Return

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

[www.coastalareabank.com / investor relations](http://www.coastalareabank.com/investorrelations)

44. Acknowledgements

The Board of Directors 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 2020-21 from the customers, shareholders, employees, other Banks and institutions. The Board 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 Directors
COASTAL LOCAL AREA BANK LIMITED**

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

**Sd/-
Shri K Venkataraman
Non-Executive Chairman**

Place : Vijayawada

Date : 27.07.2021

* * *



Corporate Social Responsibility (CSR)

Pursuant to Clause (o) of Sub-section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014

1. The CSR policy of the Bank deals with the extant Government guidelines, planning and management of activities towards fulfilment of the social responsibility of the Bank.
2. Taking into consideration the unprecedented threat caused by pandemic COVID-19, the Ministry of Corporate Affairs vide General Circular 10/2020 dated 23rd March, 2020, to empower the corporates to fight against the pandemic, has clarified that spending CSR funds for COVID – 19 related activities shall qualify as CSR expenditure.
3. Accordingly, the list of approved activities has been revised by the CSR Committee at its meeting held on 18.11.2020, by incorporating the COVID 19 related expenditure in the current revised list.

4. A brief outline of the Company's CSR Policy

Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the work force and their families as well as of the local community and society at large. Our Bank has always been on the forefront in social banking contributing to progress of economically backward sections of society through its micro finance activities and lending to priority sectors.

Government of India has come out with a notification on 27-2-2014 in this respect, and framed certain directions which are called '**The Companies (Corporate Social Responsibility Policy) Rules 2014**'.

In compliance to the same and keeping in view all the provisions of the Act, the Policy on Corporate Social Responsibility is framed which will be the guiding document for the Bank in respect of its CSR activities.

I. Objectives & Organization:

- The Bank shall contribute to Corporate Social Responsibility activities as projects or programs or activities excluding the activities undertaken in pursuance of its normal course of business. The Bank shall make all efforts to spend at least 2% of the average profit before tax for the last 3 financial years.
- The Board shall appoint a CSR Committee with three members. The Committee shall monitor the progress of the Bank in undertaking CSR activities in tune with the policies of the Bank and to record its directions in this regard.
- The Committee shall meet once in six months.

II. CSR Activities:

- Bank may undertake CSR activities involving Water Conservation / Harvesting measures, Construction of Toilets in Schools, Financial Literacy Programs or any other socially benefitted activity done through Registered Trusts / Societies or through Contractors. The end use should be verified by the bank. The Bank may stipulate the modalities of utilisation of such funds on such programmes / projects.
- CSR activities shall be confined to the Bank's area of operations. However, in special events like floods, cyclones etc., it can be extended to other areas in India which may be decided by the Managing Director as and when required.



- Contributions to any political party shall not be considered under CSR activities.
- CSR expenditure shall be confined to the spending on activities prescribed under Schedule VII of The Companies (CSR) Act 2013, and any other activities that may be declared by the Government of India from time to time.
- The revised activities that may be taken up under CSR are listed below. The list is not exhaustive and the Bank is free to take up any other activity in line with the Government guidelines.

Description of activity	Relevant section of Schedule VII of the Act
a) Promotion of Education, educating the masses.	Sch. VII (ii) "Promoting Education"
b) Provision for aids and appliances to differently abled persons and conducting medical camps.	Sch. VII (i) "Promoting health care"
c) Providing hygienic food to the needy.	Sch. VII (i) "Eradicating hunger".
d) Plantation and promoting greenery	Sch. VII (iv) "Ensuing environmental sustainability"
e) Disaster Relief	Sch VII(xii) Disaster Managemnt
f) Development activities in rural areas	Sch. VII (x) "Rural Development Projects".
g) Contributions to established registered trusts / Associations / organizations for providing meals/ clothing to orphans.	Sch VII (i) Eradicating hunger, poverty and malnutrition
h) Slum development activities	Sch VII(xi) Slum Area Development
i) Water harvesting schemes	Sch VII(iv) Ensuring environmental sustainability.
j) Financial Literacy Programs	Government directions (part of PMJDY)
k) COVID 19 related activities	As per the directions of Ministry of Corporate Affairs vide General Circular 10/2020 dated 23 rd March, 2021

5. The Composition of the CSR Committee:

Shri A N Appaiah	Chairman (Independent Director)
Shri B Venu Gopala Reddy	Member (MD & CEO)
Shri Balaji Gopalakrishnan	Member (Non-Executive Director)

6. Average Gross profit of the Company for the last three financial years: Rs.2336.94 Lakhs

Computation of average profits and CSR budget for the FY 2020-21

S.No.	Financial Year	Gross Profit (amount in lakhs)
1.	2017-2018	2,072.82
2.	2018-2019	2,335.00
3.	2019-20	2,603.00
	TOTAL	7010.82
	Average Gross Profit	2336.94
	2% of Average Gross Profit	46.73



7. **Prescribed CSR expenditure:** 46.74 lakhs

8. **Details of CSR spent during the financial year:**

- Total amount to be spent for the financial year: 46.74 lakhs
- Amount unspent, if any: NIL
- **Manner in which the amount spent during the financial year is detailed below:**

(1)	(2)	(3)	(4)	(5)	(6)	(7)
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 were undertaken	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.	For Donation to Armed forces on Army Day (December 7th)	Promoting Education & Measures for the war widows & armed forces	National	3.25	3.25	Direct
2.	For food distribution among affected people and migrant labour during lock down due to pandemic COVID 19 through Hare Krishna Movement & Amrutha Hastam Charitable Trust (5.92+6.95+2.56)	Eradicating hunger & malnutrition	Local Area	15.43	15.43	Direct
3.	For purchasing health care equipment and medicines and Insurance for COVID-19	Covid-19	Local Area	9.41	9.41	Direct
4.	For setting up of Digital Class Rooms	Promoting Education	Local Area	18.65	18.65	Direct
TOTAL				46.74	46.74	

9. **In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.**

The Bank has fully spent the budgeted amount on CSR activities and there is no unspent amount for the FY 2020-21.

10. **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

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

Sd/-
(A.N. Appaiah)
Chairman CSR Committee



M/s. Ramamoorthy (N) & Co
Chartered Accountants

D.No. 43-21-31, A1, Sri Satya Residency,
Dondaparthi, Visakhapatnam – 530 016.

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Coastal Local Area Bank Limited

Report on the Audit of the Financial Statements

Opinion:

We have audited the standalone financial statements of **Coastal Local Area Bank Limited** (“the Bank”), which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 (‘the Act’) in the manner so required for banking Companies and are in conformity with accounting principles generally accepted in India and give a true and fair view of the state of affairs of the Bank as at 31st March 2021, and 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(SAs) 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 the Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act 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.

Emphasis of Matter:

We draw attention to Schedule 17 (C) 1 and 2 of the accompanying standalone financial statements regarding the impact which describes the uncertainties due to the outbreak of COVID-19 pandemic and the management’s evaluation of its impact on the business operations of the Bank.

Our opinion is not modified in respect of this matter.

Key Audit Matters :

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



S. No.	Kea Audit Matters	How our Audit addressed the Kea Audit Matter
1	<p>Classification of Advances, Income Recognition, Identification of and provisioning for non-performing Advances (Refer Note 3 of Schedule 17 and Note 5.1 of Schedule 18)</p> <p>Advances include Bills purchased and discounted, Cash credits, Overdrafts, Loans repayable on demand and Term loans. These are further categorized as secured by Tangible assets and Unsecured advances. They are, inter-alia, governed by income recognition, asset classification and provisioning (IRAC) norms and other circulars and directives issued by the Reserve Bank of India from time to time relating to classification of Advances into performing and non-performing Advances (NPA).</p> <p>Significant judgements and estimates for NPA identification and provisioning could give rise to material misstatements on:</p> <ul style="list-style-type: none"> - Completeness and timing of recognition of nonperforming assets in accordance with criteria as per IRAC norms; - Measurement of the provision for non-performing assets based on loan exposure, ageing and classification of the loan, realizable value of security; <p>Considering the nature of the transactions, regulatory requirements, existing business environment, estimation/ judgment involved in valuation of securities, and current situation arising out of COVID-19 Pandemic it is a matter of high importance for the intended users of the Financial Statements, we have determined this as a Key Audit Matter.</p>	<p>Our audit approach towards advances with reference to the IRAC norms and other related circulars/directives issued by the Reserve Bank of India and also internal policies and procedures of the Bank includes the following</p> <ol style="list-style-type: none"> 1. The accuracy of the data input in the system for income recognition, classification into performing and nonperforming Advances and provisioning in accordance with the IRAC Norms in respect of the branches covered under audit by us; 2. Existence and effectiveness of monitoring mechanisms such as Internal Inspection, Systems Audit, and Concurrent Audit as per the policies and procedures of the Bank; 3. Examination of advances including stressed and Irregular advances on a sample basis with respect to compliance with the RBI Master Circulars / Guidelines; 4. We have also relied on the reports with respect to parameters inbuilt in CBS for tracking, identification and stamping of NPAs and provisioning in respect thereof; 5. We have examined the efficacy of various internal controls over advances to determine the nature, timing and extent of the substantive procedures and compliance with the observations of the various audits conducted as per the monitoring mechanism of the Bank and annual review by Reserve Bank of India; 6. In carrying out substantive procedures at the branches under audit by us, we have examined all large advances/stressed advances while other advances have been examined on a sample basis including review of valuation reports of independent valuer's provided by the Bank's management; 7. Going through the sanctions including office notes to have an objective evaluation to assess the credit risk and its mitigation. Thus we assessed and evaluated the process of identification of NPAs and corresponding reversal of income and creation of provision.
2	<p>Information Technology (IT Systems) and Controls for financial reporting</p> <p>The IT environment of the Bank involves a large number of independent and interdependent IT systems used in the operations of the Bank for recording and processing a large volume of transactions. As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the Bank. The server and outsourced data processor is located in Mumbai.</p> <p>Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting.</p> <p>The accuracy and reliability of the financial reporting process depends on the IT systems and the related control environment such as database, operating system and application controls:</p> <p>Therefore, we have identified testing of such IT systems and related control environment as a key audit matter.</p>	<p>In assessing the integrity of the IT systems, we obtained an understanding of the IT infrastructure and IT systems relevant to the Bank's financial reporting process for evaluation and testing of relevant IT general controls and IT application controls.</p> <p>Access rights were tested over applications, operating systems and networks which are relied upon for financial reporting. We also assessed the operating effectiveness of controls over granting, removal and periodical review of access rights. We further tested segregation of duties, including preventive controls to ensure that access to change applications, the operating system were granted only to authorized personnel.</p> <p>We have also test checked the changes in IT process required consequent to grant of COVID-19 pandemic Reliefs such as reversal of difference of compound interest to charge only simple interest for the specified period, effect of moratorium granted up to six months and Restructure done in the eligible accounts. Where deficiencies were identified, we tested compensating controls or performed alternate procedures.</p> <p>Other areas that were assessed under the IT control environment, included password policies and business continuity.</p>



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

The Bank's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report 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 in the 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 Bank's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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 SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal 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 Bank 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 Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matter

we have visited branches to examine the books of account and other records maintained at the branch for the purpose of our audit. Since the key operations of the Bank are automated with the key applications integrated to the core banking system, the audit is carried out centrally as all the necessary records and data required for the purposes of our audit are available therein.

Report on Other Legal and Regulatory Requirements

The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Section 133 of the Companies Act, 2013.

As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, we report that:

- a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
- b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank;



With respect to the matter to be included in the auditor's report under section 197(16) of the Act, we report that since the Bank is a banking company, as defined under the Banking Regulation Act, 1949; the reporting under section 197(16) in relation to whether the remuneration paid by the Bank is in accordance with the provisions of section 197 of the Act and whether any excess remuneration has been paid in accordance with the aforesaid section is not applicable.

Further, 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 purpose of our audit;
- b) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books :
- c) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flows dealt with by this report are in agreement with the books of account
- d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, to the extent they are not inconsistent with the accounting policies prescribed by RBI;
- e) on the basis of written representations received from the directors as on 31 March 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on 31ST March 2021 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 Bank 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 Bank does not have any pending litigations which would impact its financial position.
 - ii. the Bank did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses and
 - iii. there are no pending amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank.
- h) 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 Bank. Hence, we have not annexed any statement on the matters specified in the paragraphs 3 and 4 of the Order.

For RAMAMOORTHY (N) & CO

Chartered Accountants

Firm Registration No. 02899S

Sd/-

(K. Ramachandra Rao)

PARTNER

Memb No.201334

UDIN No.

Place: Visakhapatnam

Date : 25/28-06-2021



Annexure A to the independent auditor’s report of even date on the financial statements of Coastal Local Area Bank Limited

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

1. We have audited the internal financial controls over financial reporting of Bank Coastal Local Area Bank Limited (“the Bank”) as at 31st March 2021 in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

Management’s Responsibility for Internal Financial Controls over Financial Reporting

2. The Bank’s Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“the Guidance Note”) issued by the Institute of Chartered Accountants of India (“the ICAI”).] These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Bank’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (“the Act”).

Auditor’s Responsibility

3. Our responsibility is to express an opinion on the Bank’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“the Guidance Note”) and the Standards on Auditing (“the Standards”), issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence, we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A bank’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A bank’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements



in accordance with generally accepted accounting principles, and that receipts and expenditures of the bank are being made only in accordance with authorizations of management and directors of the bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the bank's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the Internal Financial Controls over Financial Reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Bank has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the the ICAI.

For RAMAMOORTHY (N) & CO
Chartered Accountants
Firm Registration No. 02899S

Sd/-
(K. Ramachandra Rao)
PARTNER
Memb No.201334
UDIN No.

Place: Visakhapatnam
Date : 25/28-06-2021

* * *

**Balance Sheet as on 31st March, 2021**

(in Rupees)

	Schedule No.	As on 31-03-2021	As on 31-03-2020
CAPITAL & LIABILITIES			
Capital	1	23,01,91,730	23,01,91,730
Reserves & Surplus	2	97,11,79,025	77,61,16,329
Deposits	3	6,31,21,52,220	5,51,23,47,470
Borrowings	4	-	-
Other liabilities and provisions	5	23,89,61,442	15,01,81,651
TOTAL		7,75,24,84,417	6,66,88,37,180
ASSETS			
Cash and balances with Reserve Bank of India	6	20,15,95,928	12,19,30,284
Balance with banks and money at call and short notice	7	94,60,84,977	68,82,65,607
Investments	8	1,17,13,22,201	1,08,52,98,387
Advances	9	5,14,31,75,135	4,52,00,88,018
Fixed Assets	10	10,36,95,295	11,55,36,808
Other Assets	11	18,66,10,881	13,77,18,076
TOTAL		7,75,24,84,417	6,66,88,37,180
Contingent Liabilities	12	35,08,120	1,61,08,120
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.

For and on behalf of the Board**For RAMAMOORTHY (N) & CO****Chartered Accountants****Firm Registration No. 02899S**

Sd/-

(K. Ramachandra Rao)

PARTNER, Memb No.201334

UDIN No. 21201334AAAACJ5318

Sd/-

Krishnamoorthy Venkataraman

Non-Executive Chairman

Sd/-

B.Venu Gopala Reddy

Managing Director & C E O

Sd/-

R. Naga LakshmiCompany Secretary &
Compliance Officer

Sd/-

A.N. AppaiahNon-Executive Independent Director
& Chairman of Audit Committee

Sd/-

KAV Raman

Chief Financial Officer

Place : Vijayawada

Date : 25/28-06-2021



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2021

(in Rupees)

	Schedule No	Year ended 31-03-2021	Year ended 31-03-2020
I. INCOME			
Interest earned	13	78,29,11,235	67,68,94,589
Other Income	14	14,69,87,836	19,21,55,588
TOTAL		92,98,99,071	86,90,50,177
II. EXPENDITURE			
Interest Paid	15	35,37,97,451	33,99,99,899
Operating expenses	16	24,97,11,719	24,48,91,438
Provisions and contingencies		13,13,27,205	8,98,03,025
TOTAL		73,48,36,375	67,46,94,362
III. PROFIT			
Net profit/loss(-) for the year		19,50,62,696	19,43,55,815
Profit/Loss(-) brought forward		16,34,60,605	34,28,46,525
TOTAL		35,85,23,301	53,72,02,340
IV. APPROPRIATIONS			
Dividend paid		-	-
Tax on Dividend paid		-	-
Drawdown from Investment Fluctuation Reserve			-1,94,67,098
Transfer to Statutory Reserve		3,86,64,404	5,83,38,261
Transfer to General Reserve		1,75,74,729	31,27,77,781
Transfer to Capital reserve		1,84,12,987	2,26,26,084
Balance carried over to balance sheet		28,38,71,182	16,29,27,312
TOTAL		35,85,23,302	53,72,02,340
V. EARNINGS PER SHARE			
Weighted Average No.of Equity Shares		2,30,19,173	2,30,19,173
Basic (Rs)		8.47	8.44
Diluted (Rs)		8.47	8.44
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.



COASTAL BANK - 2021

For **RAMAMOORTHY (N) & CO**
Chartered Accountants
Firm Registration No. 02899S

Sd/-
(K. Ramachandra Rao)
PARTNER, Memb No.201334
UDIN No. 21201334AAAACJ5318

Sd/-
R. Naga Lakshmi
Company Secretary
& Chief Compliance Officer

Place : Vijayawada
Date : 25/28-06-2021

Sd/-
KAV Raman
Chief Financial Officer

For and on behalf of the Board

Sd/-
Krishnamoorthy Venkataraman
Non-Executive Chairman

Sd/-
B.Venu Gopala Reddy
Managing Director & C E O

Sd/-
A.N. Appaiah
Non-Executive Independent Director
& Chairman of Audit Committee

* * *



SCHEDULES TO BALANCE SHEET

Schedule 1 – Capital

(in Rupees)

Particulars	As on 31-03-2021	As on 31-03-2020
Authorized Capital 4,50,00,000 shares of Rs.10/- each	45,00,00,000	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

(in Rupees)

Particulars	As on 31-03-2021	As on 31-03-2020
I. Statutory Reserves		
Opening Balance	24,00,29,640	18,16,91,379
Additions during the year	3,86,64,404	5,83,38,261
Total	27,86,94,044	24,00,29,640
II. Capital Reserves		
Opening Balance	2,26,26,084	-
Additions during the year (profit from sale of investments from HTM category, net of taxes / transfer to Statutory Reserves)	1,84,12,987	2,26,26,084
Total	4,10,39,071	2,26,26,084
III. Share Premium		
Opening Balance	-	-
Additions during the year	-	-
Deduction during the year (issued Bonus shares)	-	-
Total	-	-
IV. Revenue and other Reserves		
a) General Reserve		
Opening Balance	35,00,00,000	3,72,22,219
Additions during the year	1,75,74,729	31,27,77,781
Less capitalized (issue of Bonus shares)	-	-
Total General Reserve	36,75,74,729	35,00,00,000
b) Investment Fluctuation Reserve		
Opening Balance		1,94,67,098
Additions during the year		-
Transfer to Statutory Reserve		1,94,67,098
Total Investment fluctuation reserve		0
V. Balance in Profit & Loss Account	16,34,60,605	16,29,27,312
Adjustment towards Depreciation		5,33,293
Additions during the year	12,04,10,577	
Total	28,38,71,182	16,34,60,605
Total (I,II,III,IV, and V)	97,11,79,026	77,61,16,329



Schedule 3 – Deposits

(in Rupees)

Particulars	As on 31-03-2021	As on 31-03-2020
A. 1. Demand Deposits		
(i) From Banks	-	-
(ii) From Others	28,94,81,202	21,94,11,770
II. Savings Bank Deposits	1,60,36,37,186	1,30,19,16,523
III. Term Deposits		
(i) From Banks		
(ii) From Others	4,41,90,33,832	3,99,10,19,177
Total (I,II and III)	6,31,21,52,220	5,51,23,47,470
B. (i) Deposits of branches in India	6,31,21,52,220	5,51,23,47,470
(ii) Deposits of branches outside India	-	-
Total	6,31,21,52,220	5,51,23,47,470

Schedule 4 - Borrowings : NIL

Schedule 5 - Other Liabilities and Provisions

(in Rupees)

Particulars	As on 31-03-2021	As on 31-03-2020
Bills Payable	1,11,15,212	1,18,19,085
Inter office adjustments (net)	6,75,65,428	84,49,664
Interest payable on deposits	40,22,617	28,66,596
Others (Including Provisions)	15,62,58,185	12,70,46,306
Total	23,89,61,442	15,01,81,651

Schedule 6 - Cash and Balances with Reserve Bank of India

(in Rupees)

Particulars	As on 31-03-2021	As on 31-03-2020
I. Cash in hand (including foreign currency notes)	11,35,76,080	11,84,75,344
II. Balances with Reserve Bank of India	-	
(a) in Current Account	8,80,19,848	34,54,940
(b) In other Accounts	-	-
Total (I and II)	20,15,95,928	12,19,30,284



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

(in Rupees)

Particulars	As on 31-03-2021	As on 31-03-2020
I. In India		
(i). Balances with Banks		
(a) in Current Accounts	19,57,09,954	24,31,65,607
(b) In other Accounts	75,03,75,023	44,51,00,000
(ii) Money at call and short notice		
(a) with Banks		
(b) with other institutions		
Total (i+ii)	94,60,84,977	68,82,65,607
II. Outside India		
(i) Government Securities		
(ii) Other approved Securities		
(iii) Shares		
(iv) Debentures and Bonds		
(v) Subsidiaries and / or Joint Ventures		
(vi) Other (to be specified)		
Total		
Grand Total (I & II)	94,60,84,977	68,82,65,607

Schedule 8 - Investments

(in Rupees)

Particulars	As on 31-03-2021	As on 31-03-2020
I. Investments in India in		
(i) Government securities	1,17,13,22,201	94,64,12,817
(ii) Other approved securities (Treasury Bills)		13,88,85,570
(iii) Shares		
(iv) Debentures and Bonds		
(v) Subsidiaries and/or Joint Ventures		
(vi) Others - Non SLR Mutual Funds	-	
Total	1,17,13,22,201	1,08,52,98,387
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)	1,17,13,22,201	1,08,52,98,387



Schedule 9 - Advances

(in Rupees)

Particulars	As on 31-03-2021	As on 31-03-2020
A. (i) Bills purchased and discounted	-	-
(ii) Cash Credits, Overdrafts and loans repayable on demand	2,52,21,01,167	1,97,00,06,990
(iii) Term loans	2,62,10,73,968	2,55,00,81,028
Total	5,14,31,75,135	4,52,00,88,018
B. (i) Secured by tangible assets	4,63,66,58,883	3,86,85,55,324
(ii) Covered by Bank/Govt. Guarantees	-	-
(iii) Unsecured	50,65,16,252	65,15,32,694
Total	5,14,31,75,135	4,52,00,88,018
C. I. Advances in India		
(i) Priority sectors	2,43,57,05,502	2,69,85,57,248
(ii) Public sector		
(iii) Banks		
(iv) Others	2,70,74,69,633	1,82,15,30,770
Total	5,14,31,75,135	4,52,00,88,018
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)	5,14,31,75,135	4,52,00,88,018



Schedule 10 - Fixed Assets

(in Rupees)

Particulars	As on 31-03-2021	As on 31-03-2020
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	19,31,98,188	15,93,33,647
Additions during the year	82,07,004	3,44,77,151
Deductions during the year	1,47,11,733	6,12,610
less : Depreciation to date	9,02,30,977	8,29,89,720
Add: Adjustment to Reserves & Surplus		5,33,293
Intangible Assets -Software	72,32,813	47,95,047
Total (I and II)	10,36,95,295	11,55,36,808

Schedule 11- Other Assets

(in Rupees)

Particulars	As on 31-03-2021	As on 31-03-2020
Interest accrued on investments	3,26,84,389	2,01,36,864
Tax paid in advance/tax deducted at source	7,60,00,000	5,69,45,000
Stationery and stamps	59,06,357	55,56,546
Other Assets	7,20,20,135	5,50,79,666
Total	18,66,10,881	13,77,18,076
* 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

(in Rupees)

Particulars	As on 31-03-2021	As on 31-03-2020
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	35,08,120	1,61,08,120
(b) Outside India	-	-
V. Acceptances, endorsements and other obligations	-	-
VI. Other items for which the bank is contingently liable	-	-
Total	35,08,120	1,61,08,120



Schedule 13- Interest Earned

(in Rupees)

Particulars	Year ended 31-03-2021	Year ended 31-03-2020
I. Interest/discount on advances/bills	66,12,64,419	54,91,79,058
II. Income on investments	7,57,60,920	7,71,30,470
III. Interest on balances with Reserve Bank of India and other inter-bank funds	4,58,85,896	5,05,85,061
Total	78,29,11,235	67,68,94,589

Schedule 14 - Other Income

(in Rupees)

Particulars	Year ended 31-03-2021	Year ended 31-03-2020
I. Commission, exchange and brokerage	2,39,05,018	2,52,52,135
II. Profit on sale of investments	2,16,62,337	3,31,79,964
III. Miscellaneous income	10,14,20,481	13,37,23,489
Total	14,69,87,836	19,21,55,588

Schedule 15 - Interest Expended

(in Rupees)

Particulars	Year ended 31-03-2021	Year ended 31-03-2020
I. Interest on Deposits	35,37,97,451	33,99,99,899
II. Interest on RBI/ inter-bank borrowings	-	-
Total	35,37,97,451	33,99,99,899

Schedule 16 - Operating Expenses

(in Rupees)

Particulars	Year ended 31-03-2021	Year ended 31-03-2020
Payments to and provisions for employees	10,50,96,557	10,05,37,666
Rent, taxes and lighting	4,45,13,542	4,46,77,065
Printing and stationery	31,14,540	34,06,501
Advertisement and publicity	9,13,363	22,75,202
Depreciation		
a. Depreciation on Fixed Assets	1,88,95,495	1,73,78,370
Director's fees, allowances and expenses	15,64,750	23,31,791
Auditors' fees and expenses (including branch auditors)	21,75,777	10,96,322
Postage, telegrams, telephones, etc	41,15,631	28,76,618
Repairs and maintenance	2,56,58,909	2,09,80,786
Insurance	76,67,683	59,43,833
Miscellaneous expenses	3,59,95,472	4,18,80,668
Total	24,97,11,719	24,33,84,822



Provisions and contingencies

(in Rupees)

Particulars	Year ended 31-03-2021	Year ended 31-03-2020
Provision for NPA	3,86,38,495	2,30,14,899
Provision for Income Tax	7,10,00,000	6,32,33,370
Provision for Deferred Tax	(9,02,420)	(21,32,725)
Contingent Provision against Standard Assets	32,98,367	26,59,704
Provision for Restructured Accounts	2,23,20,539	
Provision due to Covid-19	(30,27,776)	30,27,776
Total	13,13,27,205	8,98,03,025

For **RAMAMOORTHY (N) & CO**
Chartered Accountants
Firm Registration No. 02899S

Sd/-
(K. Ramachandra Rao)
PARTNER, Memb No.201334
UDIN No. 21201334AAAACJ5318

Sd/-
R. Naga Lakshmi
Company Secretary
& Chief Compliance Officer

Sd/-
KAV Raman
Chief Financial Officer

For and on behalf of the Board

Sd/-
Krishnamoorthy Venkataraman
Non-Executive Chairman

Sd/-
B.Venu Gopala Reddy
Managing Director & C E O

Sd/-
A.N. Appaiah
Non-Executive Independent Director
& Chairman of Audit Committee

* * *



SCHEDULE : 17 – SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation:

The Bank's financial statements are prepared under the historical cost convention, on the accrual basis of accounting on Going Concern basis, unless otherwise stated and conform in all material aspects to Generally Accepted Accounting Principles (GAAP) in India, which comprise applicable statutory provisions, regulatory norms/ guidelines prescribed by Reserve Bank of India (RBI), Banking Regulation Act, 1949, Accounting Standards issued by Institute of Chartered Accountants of India (ICAI), and the practices prevalent in the banking industry in India.

B. Use of Estimates:

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

C. Significant Accounting Policies

1. Revenue Recognition

- 1.1 Income and expenditure are accounted on accrual basis except otherwise stated.
- 1.2 Interest/ Discount income is recognized in the Profit and Loss Account as it accrues except
 - (i) Income from Non-Performing Assets (NPAs), comprising of advances, leases and investments, which is recognized upon realization, as per the prudential norms prescribed by RBI
 - (ii) Overdue interest on investments and bills discounted, Commission, Exchange, Brokerage, Rent on Lockers which are accounted on cash basis.
 - (iii) Profit or Loss on sale of investments is recognized in the Profit and Loss Account. However, profit on sale of investments in the "Held to Maturity" category is appropriated (net of applicable taxes and amount required to be transferred to "Statutory Reserve Account") to "Capital Reserve Account".
 - (iv) Income (other than interest) on investments in "Held to Maturity (HTM)" category acquired at a discount to the face value, is recognized as follows:
 - a. on interest bearing securities, it is recognized only at the time of sale/ redemption.
 - b. on zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.
 - (v) Dividend income is recognized when the right to receive the dividend is established.
 - (vi) Commission on BG, ATM interchange fee & "Upfront fee on restructured account" are recognized on accrual basis proportionately for the period. All other commission and fee income are recognized on their realization.

Impact of COVID-19:

The Bank believes strongly that it has a rich portfolio of advances to its customers, the impact on future revenue streams could come from



- the inability of our customers to continue their businesses due to financial resource constraints or their services no-longer being availed by their customers.
- prolonged lock-down situation resulting in its inability to deploy resources at different locations due to restrictions in mobility.
- customers postponing their discretionary spend due to change in priorities.

The Bank has assessed that customers in Retail, Construction, Travel, Transportation and Hospitality & Manufacturing verticals are more prone to immediate impact due to disruption in supply chain and drop in demand while customers in Financial Services would re-prioritise their discretionary spend in immediate future to conserve resources and assess the impact that they would have due to dependence of revenues from the impacted verticals. The Bank has considered such impact to the extent known and available currently. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

The Assessment of Credit risk has been done considering the nature of verticals, impact immediately seen in the demand outlook of these verticals and the financial strength of the customers in respect of whom amounts are receivable. The Bank has specifically evaluated the potential impact with respect to customers in Retail, Construction, Travel, Transportation and Hospitality & Manufacturing verticals which could have an immediate impact and the rest which could have an impact with a lag. The Bank closely monitors its customers who are going through financial stress and rescheduled payments of Term Loans and Working Capital Facilities by allowing a moratorium of Six months from 1st March 2020 to 31st August 2020 in repayment interest and/or instalments in respect of all loans as per the Reserve Bank of India's directives vide circular No. DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 & May 23, 2020 as part of Covid-19 regulatory package announced by the Government of India.

2. Investments:

In accordance with the Reserve Bank of India guidelines, investments are to be classified into “Held to Maturity”, “Available for Sale” and “Held for Trading” categories. The Investment Portfolio of the Bank will have both SLR and NON SLR Investments.

The transactions in all securities are recorded on “Settlement Date”.

2.1 Classification: Investments are classified into three categories viz. Held to Maturity (HTM), Available for Sale (AFS) and Held for Trading (HFT) as per RBI Guidelines. However, the Bank doesn't hold any securities in HFT as it is not permitted to trade.

2.2 Basis of classification:

- a. Securities that are held principally for resale within 90 days from the date of purchase are classified as “Held for Trading”.
- b. Investments that the Bank intends to hold till maturity are classified as “Held to Maturity (HTM)”.
- c. Investments, which are not classified in above two categories, are classified as “Available for Sale (AFS)”.
- d. An investment is classified as HFT, HTM, or AFS at the time of its purchase and subsequent shifting amongst categories is done in conformity with regulatory guidelines.

2.3 Valuation:

- i. In determining the acquisition cost of an investment:
 - (a) Broken period interest paid/ received on debt instruments is treated as interest expense/ income and is excluded from cost/ sale consideration.
 - (b) Cost is determined on the weighted average cost method for investments under AFS category and on FIFO basis (first in first out) for investments under HTM category.



- ii. Transfer of securities from AFS category to HTM category is carried out at the lower of acquisition cost/ book value/ market value on the date of transfer. The depreciation, if any, on such transfer is fully provided for. However, transfer of securities from HTM category to AFS category is carried out on acquisition price/ book value. After transfer, these securities are immediately revalued and resultant depreciation, if any, is provided.
- iii. Treasury Bills and Commercial Papers are valued at carrying cost.
- iv. Held to Maturity category:
Investments under Held to Maturity category are carried at acquisition cost unless it is more than the face value, in which case the premium is amortized over the period of remaining maturity on constant yield basis. Such amortization of premium is adjusted against income under the head “interest on investments”.
- v. Available for Sale: Investments held under AFS category are individually revalued at market price or fair value determined as per the regulatory guidelines and only the net depreciation of each group for each category (viz.
 - (i) Government securities,
 - (ii) Other Approved Securities and
 - (iii) others is provided for and net appreciation is ignored.On provision for depreciation, the book value of the individual security remains unchanged after marking to market.
- vi. Investments are classified as performing and nonperforming, based on the guidelines issued by RBI in case of domestic offices. Investments of domestic offices become non-performing where interest/ installment (including maturity proceeds) is due and remains unpaid for more than 90 days.

Impact of COVID-19:

The financial assets comprising investments carried at Cost Price by the Bank are mainly investments in liquid debt securities and accordingly, any material volatility is not expected. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19.

3. Loans/ Advances and Provisions thereon:

- 3.1 Loans and Advances are classified as performing and non-performing, based on the guidelines/ directives issued by the RBI. Loan Assets become Non-Performing Assets (NPAs) where:
 - i. In respect of term loans, interest and/ or instalment of principal remains overdue for a period of more than 90 days;
 - ii. In respect of Overdraft or Cash Credit advances, the account remains “out of order”, i.e. if the outstanding balance exceeds the sanctioned limit/ drawing power continuously for a period of 90 days, or if there are no credits continuously for 90 days as on the date of balance sheet, or if the credits are not adequate to cover the interest debited during the same period;
 - iii. In respect of bills purchased/ discounted, the bill remains overdue for a period of more than 90 days;
 - iv. In respect of agricultural advances: (a) for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons; and (b) for long duration crops, where the principal or interest remains overdue for one crop season.
- 3.2 NPAs are classified into Sub-Standard, Doubtful and Loss Assets, based on the following criteria stipulated by RBI:



- i. Sub-standard: A loan asset that has remained non-performing for a period of less than or equal to 12 months.
 - ii. Doubtful: A loan asset that has remained in the sub-standard category for a period of 12 months.
 - iii. Loss: A loan asset where loss has been identified but the amount has not been fully written off.
- 3.3 Provisions are made for NPAs as per the extant guidelines prescribed by the regulatory authorities, subject to minimum provisions as prescribed below:

Substandard Assets:

- i. A general provision of 15% on the total outstanding;
- ii. Additional provision of 10% for exposures which are unsecured ab-initio (i.e. where realizable value of security is not more than 10 percent abinitio);

Doubtful Assets:

- Secured portion:
 - i. Upto one year – 25%
 - ii. One to three years – 40%
 - iii. More than three years – 100%
- Unsecured portion 100%
- Loss Assets: 100%

- 3.4 Advances are net of specific loan loss provisions, unrealized interest.
- 3.5 In the case of loan accounts classified as NPAs, an account may be reclassified as a performing asset if it conforms to the guidelines prescribed by the regulators.
- 3.6 Amounts recovered against debts written off in earlier years are recognized as revenue in the year of recovery.
- 3.7 In addition to the specific provision on NPAs, general provisions are also made for standard assets as per extant RBI Guidelines which are prescribed below:
- (a) Farm Credit to agricultural activities and Small and Micro Enterprises (SMEs) sectors at 0.25 per cent;
 - (b) advances to Commercial Real Estate (CRE) Sector at 1.00 per cent;
 - (c) advances to Commercial Real Estate – Residential Housing Sector (CRE - RH) at 0.75 per cent
 - (d) all other loans and advances not included in (a) (b) and (c) above at 0.40 per cent.

These provisions are reflected in Schedule 5 of the Balance Sheet under the head “Other Liabilities & Provisions – Others” and are not considered for arriving at the Net NPAs.

- 3.8 In addition to the above provisions, in terms of the circular DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020, in respect of accounts in default but standard where provisions of the above circular are applicable and asset classification benefit is extended, bank made a provision of 5% of such advances for the year ending 31st March 2020. The balance provision of 5% will be made for the quarter ending on 30th June 2020.
- 3.9 Appropriation of recoveries in NPAs (not out of fresh/ additional credit facilities sanctioned to the borrower concerned) towards principal or interest due as per the Bank’s extant instructions is done in accordance with the following priority:
- a. Charges



- b. Unrealized Interest / Interest
- c. Principal

4. Fixed Assets, Depreciation and Amortization:

- 4.1 Fixed Assets are carried at cost less accumulated depreciation/ **amortization**.
- 4.2 Cost includes cost of purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put to use. Subsequent expenditure(s) incurred on the assets put to use are capitalized only when it increases the future benefits from such assets or their functioning capability.
- 4.3 Bank shall calculate depreciation on assets 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.
- 4.4 In respect of assets acquired during the year (for domestic operations), depreciation is charged on proportionate basis for the number of days the assets have been put to use during the year.
- 4.5 Assets costing less than 1,000 each are charged off in the year of purchase.

5. Impairment of Assets:

Fixed Assets are reviewed for impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future Net Discounted Cash Flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

6. Employee Benefits:

6.1 Short Term Employee Benefits:

Employees are permitted to encash 15 days privilege leave once a year, subject to the sanction from management. This facility is not allowed to be carried over to subsequent years.

For the purpose of leave encashment, Basic pay and Dearness Allowance drawn in the previous month will be taken as the basis for arriving at the amount of leave encashment.

6.2 Long Term Employee Benefits:

i. Provident Fund:

- a. Every eligible employee shall become a member of the Provident Fund. The bank shall contribute to the provident fund in accordance with the rules governing the fund in terms of the Provident Fund Act, 1952
- b. Contract employees of 58 years and above are exempt from joining the scheme.

ii. Gratuity Fund:

- a. Retirement
- b. Death
- c. Disablement rendering the employee unfit for further service as certified by the board/ medical officer approved by the Bank
- d. Resignation after completing five years of continuous service
- e. Termination of service for any reason (other than fraud, dishonesty, moral turpitude) after completion of 5 years of service.

The amount of gratuity is payable as per Gratuity Act, 1972 in force, unless disqualified on account of certain types of disciplinary action resulting into termination or compulsory retirement.



7. Taxes on income:

Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Bank. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 – “Accounting for Taxes on Income” respectively. Deferred Tax adjustments comprises of changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognized by considering the impact of timing differences between taxable income and accounting income for the current year. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognized in the profit and loss account. Deferred tax assets are recognized and re-assessed at each reporting date, based upon management’s judgment as to whether their realization is considered as reasonably certain. Deferred Tax Assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future profits.

8. Earnings per Share:

8.1 The Bank reports basic and diluted earnings per share in accordance with AS 20 – “Earnings per Share” issued by the ICAI. Basic Earnings per Share are computed by dividing the Net Profit after Tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding for the year.

8.2 Diluted Earnings per Share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted Earnings per Share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at year end.

9. Provisions, Contingent Liabilities and Contingent Assets:

9.1 In conformity with AS 29, “Provisions, Contingent Liabilities and Contingent Assets”, issued by the Institute of Chartered Accountants of India, the Bank recognizes provisions only when it has a present obligation as a result of a past event, and would result in a probable outflow of resources embodying economic benefits will be required to settle the obligation, and when are liable estimate of the amount of the obligation can be made.

9.2 No provision is recognized for:

- i. any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or
- ii. any present obligation that arises from past events but is not recognized because:
 - a. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - b. a reliable estimate of the amount of obligation cannot be made. Such obligations are recorded as Contingent Liabilities. These are assessed at regular intervals and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

9.3 Provision for reward points in relation to the debit card holders of the Bank is being provided for on actuarial estimates.

9.4 Contingent Assets are not recognized in the financial statements.



10. Net Profit

The net profit shall be arrived at after:

- a) Providing for Current tax/Deferred tax
- b) Providing for standard assets.
- c) Providing for COVID-19.
- d) Providing for NPA.
- e) Adjustment to the value of investments as per RBI guidelines.
- f) Other usual and necessary provisions.

For RAMAMOORTHY (N) & CO
Chartered Accountants
Firm Registration No. 02899S

Sd/-
(K. Ramachandra Rao)
PARTNER, Memb No.201334
UDIN No. 21201334AAAACJ5318

Sd/-
R. Naga Lakshmi
Company Secretary
& Chief Compliance Officer

Sd/-
KAV Raman
Chief Financial Officer

For and on behalf of the Board

Sd/-
Krishnamoorthy Venkataraman
Non-Executive Chairman

Sd/-
B.Venu Gopala Reddy
Managing Director & C E O

Sd/-
A.N. Appaiah
Non-Executive Independent Director
& Chairman of Audit Committee

* * *



SCHEDULE 18: NOTES FORMING PART OF ACCOUNTS

3.1 Capital

Particulars	Current Year	Previous Year
i) CRAR (%)	24.21%	23.00%
ii)		
iii) CRAR - Tier I Capital (%)	23.42%	22.59%
iv) CRAR - Tier II Capital (%)	0.79%	0.40%
v) Percentage of the shareholding of the Government of India Nationalized Banks	NIL	NIL
vi) 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	11713.22	10852.98
(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	11637.56	10777.32
(a) In India		
(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

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(MutualFunds)					
(vii)	Provision held towards depreciation					
	Total*	0.00				

(ii) Non performing Non-SLR investments: NIL



3.2.3 Sale and Transfers to/ from HTM Category

(Rs.in Lakhs)

Particulars	Book Value	Market Value
Investments held under HTM at the beginning of the year	9464.13	9746.42
Purchases during the year	7405.92	7405.92
Sold/Matured during the year	5130.61	5130.61
Amortised during the year	26.22	
Investments held under HTM at the end of the year	11713.22	11825.48

Note : There were Rs. 4600.00 Lacs (Face Value) Lacs transfer from HTM Category during the year 24.04.2020 which is reported under Sold and Matured Category.

3.3 Derivatives : NOT APPLICABLE

3.3.1 Forward Rate Agreement/Interest Rate Swap : NOT APPLICABLE

3.3.2 Exchange Traded Interest Rate Derivatives : NOT APPLICABLE

3.3.3 Disclosures on risk exposure in derivatives : NOT APPLICABLE

3.4 Asset Quality

3.4.1 Non-Performing Assets

(Rs.in Lakhs)

Particulars	Current Year	Previous Year
(i) Net NPAs to Net Advances (%)	0.99%	2.25%
(ii) Movement of NPAs (Gross)		
(a) Opening Balance	1497.56	971.18
(b) Additions during the year	588.28	4405.56
(c) Reductions during the year	705.53	3879.18
(d) Closing Balance	1380.31	1497.56
(iii) Movement of Net NPAs		
(a) Opening Balance	1014.91	718.67
(b) Additions during the year	201.90	4175.42
(c) Reductions during the year	705.53	3879.18
(d) Closing Balance	511.28	1014.91
(iv) Movement of Provisions for NPAs		
(a) Opening Balance	482.65	252.50
(b) Provisions made during the year	386.39	230.15
(c) Write-off/ Write-back of excess provisions	0.00	0
(d) Closing Balance	869.04	482.65

Provisioning coverage ratio is 62.96% against 32.23% Last year % previous year.



3.4.1 Particulars of Accounts Restructured :

Rs.in Lakhs

Sl No	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism				Others					Total					
	Asset Classification Details		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 1 of the FY (opening figures)*	No. of borrowers	-	-	-	-	95					95					95					95
		Amount outstanding	-	-	-	-	64.72					64.72					64.72					64.72
		Provision thereon	-	-	-	-	2.65					2.65					2.65					2.65
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	8830					8830	46				46					8876
		Amount outstanding	-	-	-	-	4616.73					4616.73	384.76				384.76					5001.49
3	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	58					58					58					58
		Amount outstanding	-	-	-	-	38.43					38.43					38.43					38.43
		Provision thereon	-	-	-	-	1.34					1.34					1.34					1.34
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-					-				-						-
		Amount outstanding	-	-	-	-	-					-				-						-
		Provision thereon	-	-	-	-	-					-				-						-
5	Down gradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-					-				-						-
		Amount outstanding	-	-	-	-	-					-				-						-
		Provision thereon	-	-	-	-	-					-				-						-
6	Write offs of restructured accounts during the FY	No. of borrowers	-	-	-	-	-					-				-						-
		Amount outstanding	-	-	-	-	-					-				-						-
		Provision thereon	-	-	-	-	-					-				-						-
7	Restructured Accounts as on March 31 of the FY (closing figures*)	No. of borrowers	-	-	-	-	8867					8867	46			46	8913					8913
		Amount outstanding	-	-	-	-	4643.02					4643.02	384.76			384.76	5027.78					5027.78
		Provision thereon	-	-	-	-	202.53					202.53	20.68			20.68						223.21

*Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable)



Note: As per RBI regulations, Banks must disclose the total amount outstanding in all the accounts / facilities of borrowers whose accounts have been restructured along with the restructured part or facility. This means even if only one of the facilities / accounts of a borrower has been restructured, the bank should also disclose the entire outstanding amount pertaining to all the facilities / accounts of that particular borrower.

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

3.4.4 Details of Non Performing Financial Assets Purchased / Sold : Nil

3.4.5 Provisions on Standard Assets (Rs. in Lakhs)

Particulars	Current Year	Previous Year
Provisions towards Standard Assets	181.51	145.87
Provision on Restructured accounts Rs in lacs	223.21	2.65

3.4.6 Provision as per Covid-19 regulatory Package (Rs. In Lakhs)

Particulars	Current Year	Previous Year
Amount of advances in SMA/ Overdue categories, where moratorium/ deferment was extended.	—	605.56
Amount of advances where asset classification benefit is extended.	—	605.56
Provision as per Covid-19 Regulatory Package.	—	30.28
Provision adjusted against slippages	—	

3.5 Business Ratios

Particulars	Current Year	Previous Year
(i) Interest income as a percentage to working Funds	10.85%	10.62%
(ii) Non-interest income as a percentage to working Funds	2.03%	3.01%
(iii) Operating Profit as a percentage to Working Funds	3.67 %	2.22%
(iv) Return on Assets	2.70 %	3.05%
(v) Business (Deposits plus advances) per employee (Rs. In Lakhs)	369.93	302.72
(vi) Profit per employee (Rs.in Lakhs)	6.25	5.84

3.6 Asset Liability Management

Maturity Pattern of certain items of assets and liabilities (Rs. in Lakhs)

	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	6.27	6.50	5.95	5.04	16.59	35.20	81.46	373.59	77.34	23.28	631.20
Advances	12.41	3.83	4.28	5.64	27.66	62.24	134.88	189.78	40.15	42.14	523.01
SLR Investments	-		—		-	-	-	10.45	15.38	91.30	117.13
Borrowings						Nil					
Foreign Currency Assets						Nil					
Foreign Currency Liabilities						Nil					



COASTAL BANK - 2021

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)	4236.89	2998.53
(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;	1788.09	1571.69
(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	6024.98	4570.22

3.7.2 Exposure to Capital Market : NOT APPLICABLE

3.7.3 Risk Category Wise Country Exposure : NOT APPLICABLE

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

Bank did not exceed the limits fixed for Single borrower/Group borrower.

3.7.5 Unsecured Advances – Not Applicable

3.8 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:

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

Expenditure:

- 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	1216.46	1608.95	-	-	6612.64	5491.79	1469.89	1589.76	9299	8690.50
Result										
Unallocated expenses									5937.39	6114.61
Operating profit									3361.60	2575.89
Income taxes									710.00	632.33
Extra-ordinary Profit/Loss										
Net Profit									1950.62	1943.56
Other information										
Segment Assets	11713.22	10852.98	-	-	52300.78	45200.88	-	-	63144.97	56053.86
Unallocated Assets									14379.87	10634.51
Total Assets									77524.84	66688.37
Segment Liabilities	-	-	-	-	63121.52	55123.47	-	-	63121.52	55123.47
Unallocated Liabilities									14400.32	11564.90
Total Liabilities									77524.84	66688.37

Part B: Geographic segments

(Rs. in Lakhs)

	Domestic		International		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue	9298.99	8690.50	-	-	9298.99	8690.50
Assets	77524.84	66688.37	-	-	77524.84	66688.37

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
Remuneration to Directors				50.97		50.97
Sitting Fees to Directors				15.64		15.64



Note: Except for the remuneration paid to the key Managerial Persons, i.e. MD&CEO, CFO and 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.

Key managerial personnel:

1. Mr. B. Venu Gopala Reddy, Managing Director
2. Mr. K A V Raman, CFO.
3. Mr. Hirak Saha Kabi Raj, Company secretary (up To 30.1.2021)

Remuneration and other emoluments to Directors:

Particulars	Current Year (Rs. in Lakhs)	Previous Year (Rs. in Lakhs)
Remuneration to Managing Director	35.97	35.97
Remuneration to Chairman	15.00	9.00
Sitting fee to Directors	15.64	6.25

4.6 Accounting Standard 21 – Consolidated Financial Statements (CFS)

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

4.7 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 2021 is detailed below: -

Particulars	Current Year			Previous Year		
	(Liabilities)/ Assets as on 01/04/2020	(Charges)/ Credit during the Year	(Liabilities)/ Assets as on 31/03/2021	(Liabilities)/ Assets as on 01/04/2019	(Charges)/ Credit during the Year	(Liabilities)/ Assets as on 31/03/2020
Timing difference on account of (a) Depreciation on Assets	(43,29,802)	9,02,420.00	(34,27,382)	(64,62,527)	21,32,725	(43,29,802)

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

(Rs. in Lakhs)

Particulars	Current Year	Previous Year
Provision for Income Tax	710.00	632.33

4.7 Accounting Standard 23 – Accounting for Investments in Associates in consolidated Financial Statements

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

4.8 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.

4.9 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.



5 Additional Disclosures

5.1 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
Provision towards NPA	386.38	230.15
Provision towards Standard Asset	32.98	26.60
Provision towards COVID-19	—	30.28
Provision made towards Income Tax	710.00	632.33
Provision for Deferred Tax (Net)	(9.02)	(21.33)
Provision for Restructured Accounts	223.20	-

5.2 Floating Provisions : NIL

5.3 Draw Down from Reserves

5.4 Disclosure of Complaints

A. Customer Complaints :

		Current Year	Previous Year
(a)	No. of complaints pending at the beginning of the year	Nil	Nil
(b)	No. of complaints received during the year	92	176
(c)	No. of complaints redressed during the year	92	176
(d)	No. of complaints pending at the end of the year	Nil	Nil

B. Awards passed by the Banking Ombudsman : Nil

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

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

5.6 Provisioning Coverage Ratio (PCR)

The PCR (ratio of provisioning to gross non-performing assets) should be disclosed in the Notes to Accounts to the Balance Sheet.

Particulars	Current Year	Previous Year
Gross NPA (Rs.in Lakhs)	1380.31	1497.56
Provision for NPA (Rs.in Lakhs)	869.04	482.65
Provisioning Coverage Ratio (%)	62.96	32.23

5.7 Insurance Business – NOT APPLICABLE

5.8 Concentration of Deposits, Advances, Exposures and NPAs

5.8.1 Concentration of Deposits

Particulars	31-03-2021	31-03-2020
Total Deposits of twenty largest depositors (Rs. in lakhs)	3245.25	2985.02
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	5.14%	5.42%



5.8.2 Concentration of Advances

Particulars	31-03-2021	31-03-2020
Total Advances of twenty largest borrowers (Rs. in lakhs)	6137.98	4179.00
Percentage of Advances to twenty largest borrowers to Total Advances of the bank	11.74%	9.25%

5.8.3 Concentration of Exposures

Particulars	31-03-2021	31-03-2020
Total Exposures to twenty largest borrowers/customers (Rs. in lakhs)	5816.89	4476.53
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	11.12%	9.50%

5.8.4 Concentration of NPAs

Particulars	31-03-2021	31-03-2020
Top Four NPA Accounts (Rs. in lakhs)	413.18	500.19
Percentage of Total Exposure to top four NPA Accounts	0.79%	1.06%

5.9 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	11813.01	152.08	1.29	1561.78	45.71	2.93
2	Advances to industries sector eligible as priority sector lending	106.51	0.00	0.00	1671.23	9.74	0.58
3	Services	13151.56	434.85	3.31	24081.47	855.38	3.55
4	Personal loans	0.00	0.00	0.00	0.00	0.00	0.00
	Sub total (A)	25071.08	586.93	2.34	27314.48	910.83	3.33
B	Non Priority Sector						
1	Agriculture and allied activities	6500.00	90.22	1.39	5500.00	0.00	0.00
2	Industry	0.00	0.00	0.00	0.00	0.00	0.00
3	Services	19193.03	634.51	3.31	11366.24	523.64	4.61
4	Personal loans	1536.68	68.65	4.47	1502.81	63.09	4.20
	Sub-total (B)	27229.71	793.38	2.91	18369.05	586.73	3.19
	Total (A+B)	52300.79	1380.31	2.64	45683.53	1497.56	3.28

Note : * Bank has sold PSLC to the tune of Rs.11500 lakhs during the year 2020-21, and the same has been reduced from priority (Agricultural and allied activities) & included in non-priority sector advances.



Category wise details of sale of Priority Sector Lending Certificates:

(Rs. in lakhs)

Particulars	Current Year	Previous Year
Agriculture and allied activities-		
From Small and Marginal Farmers-	500.00	500.00
From other Agricultural Loans	6000.00	5000.00
Advances to industries sector eligible as priority sector lending	5000.00	Nil
Advances to Micro Enterprises	Nil	Nil
Advances to other General Borrowers	Nil	Nil
Total	11500.00	5500.00

5.10 Movement of NPAs

(Rs. in Lakhs)

Particulars	Current Year	Previous Year
Gross NPAs as on 1 st April of particular year(Opening Balance)	1497.56	971.18
Additions (Fresh NPAs) during the year	588.28	4405.56
Sub-Total (A)	2085.84	5376.74
Less:		
(i) Up gradations	121.00	2045.25
(ii) Recoveries (excluding recoveries made from upgraded accounts)	573.00	1809.67
(iii) Write-offs	11.53	24.26
Sub-total (B)	705.53	3879.18
Gross NPAs as on 31 st March of following year (closing balance) (A-B)	1380.31	1497.56

Stock of technical write offs and the recoveries made thereon:

Particulars	Current Year	Previous Year
Opening balance of Technical / Prudential written off accounts as at April 1	-	-
Add : Technical / Prudential write offs during the year	-	-
Sub total (A)	-	-
Less : Recoveries made from previously technical / prudential written off accounts during the year (B)	-	-
Closing balance as at March 31 (A-B)	-	-

5.11 Overseas Assets, NPAs and Revenue

(Rs. in Lakhs)

Particulars	Current Year	Previous Year
Total Assets	NIL	Nil
Total NPAs	NIL	Nil
Total Revenue	NIL	Nil



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

Name of the SPV sponsored	
Domestic	Overseas
NIL	NIL

5.13 Unamortised Pension and Gratuity Liabilities : NOT APPLICABLE

5.14 Disclosures on Remuneration

Nomination & Remuneration Committee

The Nomination and Remuneration Committee restructured during the year with Four Directors to review the remuneration payable to Chairman and other Directors. The Committee conducts due diligence of any director before the appointment. It also considers the credentials of the key managerial personnel to be appointed in the bank and makes appropriate recommendation to the board in consonance with the requirements of the Banking Regulation Act, Reserve Bank of India guidelines and the Companies Act, 2013.

Composition

The Remuneration committee comprises of the following directors:

Sl.No.	Name of Director	Designation
1	Mr. A N Appaiah	Chairman
2.	Mr. B S Purshotham(Reliquished on 25.8.2020)	Member
3.	Mr.K. Venkataraman	Member
4.	Mr.Balaji Gopalakrishnan	Member
5	Mr.Thimmi Chetty Ravee (wef 26.12.2020)	

Member

Attendance

Details of the meetings held during the year

Sl.No.	Date	Committee Strength	No.of Members Present
1	29.4.2020	3	3
2	05.06.2020	3	3
3	18.11.2020	3	3

1. The Bank does not have any stock option scheme.
2. Details of the remuneration to Directors & other Key Managerial Personnel.

(Rs. in Lakhs)

Name	Designation	Salary	Prerequisites	Total
Krishnamurthy Venkataraman	Chairman	15.00	0.00	15.00
B Venu Gopal Reddy	Managing Director	33.00	2.97	35.97
D Jagapathi Raju (up to 30.06.2020)	CFO	3.81	0.00	3.81
K A V Raman (wef 01.07.2020)	CFO	14.55	0.00	14.55
Hirak Saha Kabi Raj (up to 30.1.2021)	Company Secretary	8.50	0.00	8.50
TOTAL		74.86	2.97	77.83



- 5.15 Disclosures relating to Securitisation : NOT APPLICABLE
5.16 Credit Default Swaps : NOT APPLICABLE
5.17 Intra Group Exposures : NOT APPLICABLE
5.18 Transfers to Depositor Education and Awareness Fund (DEAF)

Particulars	Current Year	Previous Year
Opening balance of amounts transferred to DEAF	47.95	39.38
Add : Amounts transferred to DEAF during the year	8.91	8.57
Less : Amounts reimbursed by DEAF towards claims	-	-
Closing balance of amounts transferred to DEAF	56.86	47.95

5.19 Unhedged Foreign Currency Exposure : NOT APPLICABLE

6. Liquidity Coverage Ratio (LCR) – Not Applicable

Note: Previous year's figures have been regrouped, reclassified and rearranged wherever necessary

For **RAMAMOORTHY (N) & CO**
Chartered Accountants
Firm Registration No. 02899S

Sd/-
(K. Ramachandra Rao)
PARTNER, Memb No.201334
UDIN No. 21201334AAAACJ5318

Sd/-
R. Naga Lakshmi
Company Secretary
& Chief Compliance Officer

Sd/-
KAV Raman
Chief Financial Officer

For and on behalf of the Board

Sd/-
Krishnamoorthy Venkataraman
Non-Executive Chairman

Sd/-
B.Venu Gopala Reddy
Managing Director & C E O

Sd/-
A.N. Appaiah
Non-Executive Independent Director
& Chairman of Audit Committee

Place : Vijayawada

Date : 25/28-06-2021

* * *



CASH FLOW STATEMENTS FOR THE YEAR ENDED 31-03-2021 (in Rupees)

PARTICULARS	As on 31-03-2021		As on 31-03-2020	
CASH FLOW FROM OPERATING ACTIVITIES				
Profit After Tax	19,50,62,696		19,43,55,815	
Add: Provisions Made In P&L Account	13,13,27,204		8,98,03,025	
Assets Written Off- Furniture	27,56,484		27,856	
Deferred Revenue Expenditure Written Off	13,41,373		19,54,377	
Income Tax Paid	19,280		2,47,978	
Bad Debts Written Off	11,53,444		24,26,462	
Depreciation On Bank's Property	1,88,95,495		1,73,78,370	
Less: Income From Investments	(7,57,60,919)		(8,12,85,672)	
Profit On Sale Of Investments	(2,16,62,338)		(3,31,67,964)	
Profit On Sale Of Asset	(11,031)		(362)	
Excess Gst Provision Written Back	-		-	
Provision For Standard Advances	-		-	
	25,31,21,687		19,17,39,885	
Less: Direct Taxes Paid	(8,22,88,370)		(5,95,04,979)	
Cash Flow Before Working Capital Changes	17,08,33,317		13,22,34,906	
Change In Advances	(66,24,47,664)		(76,09,04,895)	
Change In Deposits	79,98,04,750		37,63,37,818	
Changes In Other Liabilities & Provisions	6,00,46,502		1,31,94,325	
Changes In Other Assets	(1,84,43,724)		2,82,42,059	
Cash Flow From Operating Activities		34,97,93,181		(21,08,95,787)
Cash Flow From Investing Activities				
Purchase Of Investments	(74,05,92,114)		(1,33,73,49,403)	
Income From Investments	6,58,35,461		8,58,49,822	
Sale Of Investments	67,36,08,571		1,26,06,60,690	
Receipts From Sale Of Fixed Assets	8,26,057		2,06,935	
Purchase Of Intangible Assets	(37,79,139)		(9,06,964)	
Purchase Of Fixed Assets	(82,07,004)		(3,44,77,151)	
Cash Flow From Investing Activities		(1,23,08,167)		(2,60,16,071)
Cash Flow From Financing Activities				
Dividends Paid	-		-	
Dividend Tax Paid	-		-	
Increase/(Decrease) In Borrowings	-		-	
Cash Flow From Financing Activities		-		-
Cash Flow During The Year		33,74,85,014		(23,69,11,858)
Cash & Cash Equivalents At The Beginning Of The Year		81,01,95,891		1,04,71,07,748
Cash & Cash Equivalents at the end Of the Year		1,14,76,80,905		81,01,95,891

For **RAMAMOORTHY (N) & CO**
Chartered Accountants
Firm Registration No. 02899S

Sd/-
(K. Ramachandra Rao)
PARTNER, Memb No.201334
UDIN No. 21201334AAAACJ5318

Sd/-
R. Naga Lakshmi
Company Secretary &
Chief Compliance Officer

Place : Vijayawada, Date : 25/28-06-2021

For and on behalf of the Board

Sd/-
Krishnamoorthy Venkataraman
Non-Executive Chairman

Sd/-
B.Venu Gopala Reddy
Managing Director & C E O

Sd/-
A.N. Appiah
Non-Executive Independent Director
& Chairman of Audit Committee

Sd/-
KAV Raman
Chief Financial Officer



FINANCIAL TRENDS 2015-21

(Rs in lakhs)

Particulars	31.03.2015	31.03.2016	31.03.2017	31.03.2018	31.03.2019	31.03.2020	31.03.2021
	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	1739.04	2223.79	2996.21	4449.03	5812.27	7761.16	9711.79
Deposits	28962.06	32439.56	40545.66	45257.04	51360.10	55123.47	63121.52
Advances	20508.01	23998.00	30042.05	35081.53	38018.29	45683.53	52300.00
Total Business	49470.07	56437.56	70587.71	80058.30	89378.39	100807.00	115421.52
Net Profit(Loss)	693.40	825.88	876.53	1452.82	1613.00	1943.56	1950.63
Net NPAs(%)	104.18 (0.51)	57.31 (0.24)	121.79 (0.41)	280.15 (0.80)	718.67 (1.90)	1014.91 (2.25)	511.00 (0.98)
Prioritysector advances (%)	10410.71 (50.76)	13471.97 (56.14)	17118.75 (56.98)	22874.64 (65.20)	26617.72 (70.01)	27314.49 (59.79)	25071.08 (54.88)
Advances to agriculture (%)	4591.20 (22.39)	4470.56 (18.63)	4720.07 (15.71)	5617.61 (16.01)	5763.98 (15.16)	1561.78 (3.42)	11813.01 (25.86)
Advances to Weaker sections (%)	3667.07 (17.88)	4657.23 (19.41)	5365.39 (17.86)	6747.33 (19.23)	7665.62 (20.16)	7764.93 (17.00)	8307.93 (18.19)
Return on Equity (%)	16.58	18.25	19.25	21.52	19.88	19.32	16.24
Return on Assets	2.78	2.37	1.99	2.90	2.86	3.05	2.70
Net Interest Margin (%)	6.15	5.91	5.28	6.40	6.39	5.90	6.49
CD ratio in %	70.81	73.98	74.00	76.90	73.29	82.88	82.85
CRAR in %	19.79	19.81	18.00	19.86	21.25	23.00	24.20
Cost of deposits in %	7.38	7.57	7.19	6.58	6.46	6.39	6.06
Yield on adv-ances in%	15.09	15.06	14.91	14.62	14.30	13.61	13.90
No.of employees	240	256	282	305	328	333	312
Per employee business	206.13	220.46	250.31	262.48	272.50	301.82	370
No. of branches	39	39	44	50	50	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. 1-77, opp. RTC Bus Stand, Saibaba Temple 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, K B 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- 522001, Ph. No. : 0863-2235032, Mob.: 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.26-3-9, 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, Mob.: 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, Colledge 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, Akkayyapalem, 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 : 9963478202
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 CORRESPONDENTS

1. **VISSANNAPET** : Business Correspondent Name - Shaik Ahmed Vali, D.No. 5-94, Main Road, Vissannapet, Krishna Dist., Cell No.6303853156
2. **MYLAVARAM** : Business Correspondent Name - P. Subba Rao, Plot No.102, SVS Manor, Union Bank Back Side, Mylavaram, Krishna Dist., Cell No. 8523084444
3. **MUDINEPALLI** : Business Correspondent Name —T. Siva Kumari, D.No. 4-102-1, Main Road, Mudinepalli, Krishna Dist., Cell.No.9652361099
4. **JAGANAICKPUR** : Business Correspondent Name — V. Samuel, D.No.45-125, Main Road, Jaganaickpur, Opp. Andhra Bank ATM, Kakinada, East Godavari Dist., Cell No. 9346323797
5. **TADIKONDA** : Business Correspondent Name — S. Umamaheswara rao, Dr.No 13-35, Tadikonda Village, Guntur Dist., Cell No. 9912810779
6. **TUNI** : Business Correspondent Name — K. Naniji, Dr.No 1-47-30/3, Chandka Vari Veedhi, Sitaramuram, Tuni, East Godavari Dist., Cell No.9951038736
7. **AKIVIDU** : Business Correspondent Name — V. Dhana Subramanyam, Dr.No 4-33, Kakarala vari street, Akividu, W.G.Dt., Cell No. 9908666831
8. **KANKIPADU** : Business Correspondent Name — M. Pavan Kumar, Dr. No. 1-58, Gosala, Somi Temple Street, Kankipadu, Krishna Dist., Cell No. 6300169502
9. **MANGALAGIRI** : Business Correspondent Name — G. Susruthudu, Dr.No. 8-71/9, Near Ushain catta, Old Mangalagiri, Guntur Dist., Cell No. 9700808300
10. **AMALAPURAM** : Business Correspondent Name — P. Krishna Prasad, Dr.No. 1-35, Chindada Garuvu Village, Amalapuram, East Godavari Dist., Cell No. 9491255517
11. **GUDIVADA** : Business Correspondent Name — M. Hari Rama Krishna, Dr.No. 16/399-3, Chowdarypel Paddkalava center, Gudivada, Krishna Dist., Cell No 9848415161
12. **BHIMAVARAM** : Business Correspondent Name — D.V.s. Pavan Kamala Kumar, Dr.No 21-16-2, Opp Muncipal Office, Bhimavaram, W.G.Dt., Cell No. 9959166068
13. **VINUKONDA** : Business Correspondent Name — P. Gousiya Begum, Dr.No. 23-3-11, Near Vetanary Hospital, Vinukonda, Cell No. 8639478774
14. **AMALAPURAM** : Business Correspondent Name — M. Srinivasa Rao, Dr.No.5-4-104A, Vaddigudem Street, Suryanagar, Amalapuram, Cell No. 8328516707
15. **KOTHAPETA** : Business Correspondent Name — M. Kesava Raju, Flat. No. 104 Laxmiraghavendra towers, Lancherster Road, Guntur, Guntur Dist., Cell No.9963638580

CONSTANT ENDEAVOURS TO MEET THE EMERGING CHALLENGES...



Candidates writing a written test following Covid-19 protocols for recruitment at entry level



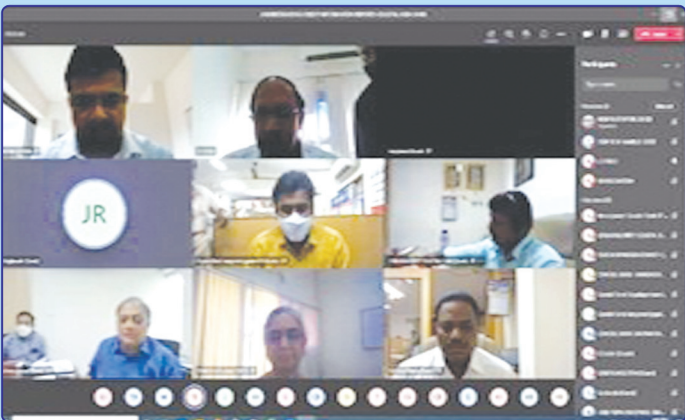
Internal promotion test for selection of Branch Heads



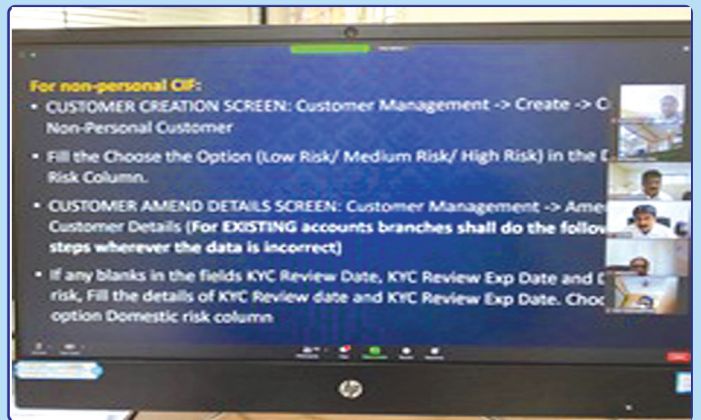
Shortlisting of applicants through Group Discussion and interactions



Shortlisting of applicants through Group Discussion and interactions



CIBIL Session taken by Faculty of State Bank Institute of Consumer Banking, Hyderabad.



A session on KYC

CELEBRATING THE 21ST FOUNDATION DAY OF THE BANK



Distribution of blankets in an orphanage home by MD & CEO and CFO

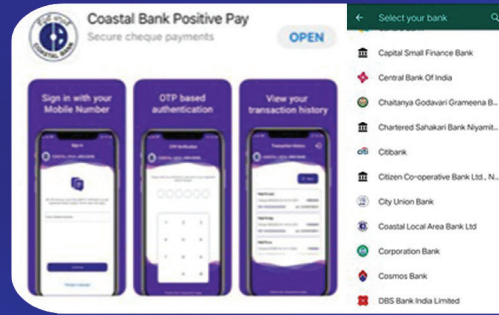


Celebrations among Senior Citizen in the presence of CFO and CCO

CREATING BRAND VALUE...



Title sponsor in 'Reboot AP' of TOI (virtual) in 2020



Making inroads with technological initiatives



Financing a van to farmer's producing Society by Ravulapalem Branch



Eluru Branch financing Coconut and Banana



Tanuku Branch Head with 'Kalyanamasthu' Beneficiaries



Our Bhimavaram Branch distributing Clothes



Distribution of blankets by our Kankipadu Branch



COASTAL LOCAL AREA BANK LTD

D.No. 59-12-6, Grace Line, Ghantasalavari Veedhi,
 Gayathri Nagar, Vijayawada - 520008, A.P.,
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 e-mail : coastalho@coastalareabank.com
 website : www.coastalareabank.com
 CIN : U65993AP1999PLC031684