

BANK IN THE LOCAL DEVELOPMENT...



Hardware Dealer Financed by Tanuku Branch



Techno Tower Financed by Gudivada Branch



Palm oil cultivation financed by Eluru Branch



Poultry farm financed by Anakapalle Branch



Housing Project financed by Kanuru Branch



Lease Rentals Discounting by Mangalagiri Branch



Sugar Cane Tie-up loans by Jangareddygudem Branch



Brick Making Unit financed by Kolluru Branch



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CORPORATE INFORMATION

Board of Directors

Shri Venkataraman Krishnamoorthy	...	Non-Executive Independent (Part-Time) 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	...	Non-Executive Independent Director

Key Managerial Personnel

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

Senior Managerial Personnel

Shri Suresh Kumar Agrawal	...	General Manager & Chief Information Technology Officer
Shri MVSSN Srinivasa Prasad	...	Deputy General Manager & Chief Credit Officer

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
LEI: 335800ZTQ2LIXM5CYT82



BOARD OF DIRECTORS



Shri Venkataraman Krishnamoorthy
Non-Executive Independent (Part-Time) 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
Non-Executive
Independent Director

Key Managerial Personnel



Shri KAV Raman
Chief General Manger & Chief Financial Officer



Smt R Naga Lakshmi
Company Secretary & Chief Compliance Officer

Senior Managerial Personnel



Shri Suresh Kumar Agrawal
General Manager & Chief Information Technology Officer



Shri MVSSN Srinivasa Prasad
Deputy General Manager & Chief Credit Officer



CORPORATE PROFILE

Coastal Local Area Bank Limited is the first local area bank licensed by the Reserve Bank of India in 1999. It commenced its operations from 27th December, 1999 from Vijayawada. Ever since, it is carving a niche for itself in its existence for over two decades.

The Bank operates with 50 fully functional branches and 8 Customer Service Points located in the Coastal districts of Krishna, Guntur, West Godavari, East Godavari and Visakhapatnam. Coastal Local Area Bank has been engaged in mobilization of rural savings, deployment of funds thus mobilized for the economic development of the area of its operations and in creating employment opportunities, thus fulfilling the objectives of a Local Area Bank. The Bank shares the vision to metamorphose into a full-fledged Commercial Bank, expanding its reach and services in the next few years, subject to necessary approvals.

CORPORATE VISION :

1. To provide high-tech banking experience to the rural and semi urban clientele with a human touch & local flavor, at reasonable interest rates.
2. To maintain a long lasting and trustworthy relationship within the operating localities.
3. To contribute to the economic development of the area with varied new products.

CORPORATE MISSION :

1. To mobilize savings through effective customer service and relationship banking.
2. 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.
3. 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.

At the outset, Coastal Bank offers the local communities safe and secure savings and investment options, while providing institutional credit to small borrowers in agricultural, MSME and retail segments. The Bank is constantly endeavoring to leverage technology to provide the customers with seamless and personalized experiences in banking while simplifying the products , processes and delivery channels to enhance the ease of doing business and customer delight.

SPECIAL FEATURES OF THE BANK :

- Conveniently located customer touch points - branches, BC points and ATM network
- Less crowded branches and prompt services
- Doorstep banking services by the network of CSD agents added with instant credit to the account and issue of receipts, through online devices.
- Extended banking hours upto 6.00 p.m. suitable to transact in the late hours.
- Young and energetic workforce with average age of 36 years.
- Service with local flavor – close to the heart of the customers through personalized touch and relationship management.
- High Capital Adequacy at 28.46%.



DIRECTORS' PROFILE



Shri K Venkataraman, M.Sc. (Agriculture) and Fellow Member of IIB, is 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 about massive changes in the organizational structure, risk management, compliance and business processes thus changing its profile to be 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 also served as Chairman – FEDAI, Member – International Chamber of Commerce (Paris), Member – Indo Russia Banking Sub-Group and Group Head of India- Indo-Bangladesh Joint Commission.



Shri B Venu Gopala Reddy, B.Com, PGDM and CAIIB, is 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 Chairman – FIMMDA and as Independent Director in Capital Region Urban Transport, a SPV promoted by Govt. of Odisha.



Shri A N Appaiah, 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), retail and commercial banking. He has vast experience in foreign exchange in SBI as Treasury Head at Frankfurt, Chief Dealer of Foreign Dept. at Kolkatta and DGM (forex) at Global Markets, Mumbai. In the retail banking he functioned at various levels in different geographies as Regional Head at Raipur, AGM of Commercial Branch, General Manager of a Network of 500 branches at 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 and Secretary for an NGO in Tamil Nadu. He is currently a Director on the Board of Financial Benchmarks of India Limited and SBI Pension Funds Pvt. Ltd., He also held the positions as Chairman of FEDAI, Chairman of FAI and as Director on the Board of PDAI.



Shri Balaji Gopalakrishnan was a Managing Director at Credit Suisse, New York from 2004 to 2018. Before that he was in Goldman Sachs 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 is a graduate in Commerce and qualified as Chartered Accountant in 1988 and as Information Systems Auditor in 2002. He is a partner of M/s. B. 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.

He is associated with 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 also 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.



ANNUAL GENERAL MEETING (VIRTUAL) NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the Members of the Bank will be held Virtually on Friday, the 22nd day of July, 2022 at 16.30 hrs (IST) at the Registered Office of the Bank, situated at D.No. 59-12-6, Graceline, Gantasalavari Street, Gayatrinagar, Vijayawada – 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, 2022 as on that date together with the Directors' Report and the Auditors' Report thereon.

RESOLVED THAT the Audited Balance sheet as at 31st March, 2022 and the statement of P&L for the year ended along with the Auditor's Report thereon be & hereby received and adopted.

2. To declare a Final Dividend of Re.1.10 per Equity share for the financial year ended March 31, 2022.

RESOLVED THAT a final dividend of Re.1.10 per equity share on the paid up capital of the Company as recommended by the Board be and is hereby declared.

3. To appoint a Director in place of Shri Balaji Gopalakrishnan (DIN: 03322607), who retires by rotation and being eligible, offers himself for re-appointment.

RESOLVED THAT pursuant to the provisions of Section 152(6)(e) of the Companies Act, 2013 and all other applicable provisions, Shri Balaji Gopalakrishnan (DIN: 03322607) who retires by rotation at this Annual General Meeting be and hereby re-appointed as Director of the Company, liable to retire by rotation.

4. To re-appoint the Statutory Auditors of the Bank M/s. Ramamoorthy (N) & Co., Chartered Accountants. To consider and, if thought fit, to pass, with or without modifications, 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 re-appointed as Statutory Auditors of the Bank for third year in continuation, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Bank.

FURTHER RESOLVED 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

5. **Re-appointment of Shri B Venu Gopala Reddy (DIN: 02641467) as a Director of the Bank, not liable to retire by rotation.**

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 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 and based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Bank, Shri B Venu Gopala Reddy (DIN: 02641467) who holds office of Director till the conclusion of this Annual General Meeting , be and hereby re-appointed as Director of the Bank for a further period of 3 years, not liable to retire by rotation.



6. Re-appointment of Shri B Venu Gopala Reddy (DIN: 02641467) as Managing Director & CEO for a further period of 3 years w.e.f., 25.01.2022.

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 202 and 203 read with Schedule V of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to the provisions of Section 10B and 35B and any other applicable provision of the Banking Regulation Act, 1949 and based on the recommendations of the Board of Directors and approval of the Reserve Bank of India , approval of Members be and hereby accorded for re-appointment of Shri B Venu Gopala Reddy as Managing Director & CEO of the Bank for a further period of 3 years with effect from 25.01.2022.

FURTHER RESOLVED THAT the remuneration and terms and conditions as set out in the explanatory statement annexed herewith and as recommended by the Board of Directors be and hereby approved.

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

FURTHER RESOLVED THAT Shri KAV Raman, Chief Financial Officer and Smt R Nagalakshmi, Company Secretary be and hereby authorized to file all the statutory forms to the Registrar of Companies and to do all such acts and deeds as may be necessary to give effect to this resolution.

7. Re-appointment of Shri A N Appaiah (DIN: 03479896) as a Non-Executive Independent Director for a further period of 3 years not liable to retire by rotation

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 149, 152, 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 and based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Bank, Shri A N Appaiah (DIN: 03479896) who hold office as a Non-Executive Independent Director till the conclusion of this Annual General Meeting , be and hereby re-appointed as an Non-Executive Independent Director of the Bank for a further period of 3years, not liable to retire by rotation.

FURTHER RESOLVED THAT Shri B Venu Gopala Reddy, MD & CEO and Smt R Nagalakshmi, Company Secretary be and hereby authorized to file the statutory forms with the Registrar of Companies to give effect to the aforesaid resolution.

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

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

Place : Vijayawada

Date : 21-05-2022



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

ITEM NO. 5

Members may note that the Board of Directors in their 150th meeting held on 21.05.2022 has evaluated the performance of Shri B Venu Gopala Reddy and unanimously resolved to re-appoint him as a Director of the Bank for a further period of 3 years, not liable to retire by rotation, based on the recommendations of the Nomination & Remuneration Committee.

Shri B Venu Gopala Reddy who holds office till the conclusion of this AGM offers himself for re-appointment, as a Director for a further period of 3 years, not liable to retire by rotation, who is otherwise eligible.

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

ITEM NO. 6

Members may note that Shri B Venu Gopala Reddy has been appointed as the MD & CEO of the Bank w.e.f., 25.01.2019 with the approval of Reserve Bank of India and his tenure for a period of 3 years, which came to an end on 24.01.2022.

According to the RBI guidelines recommendation for appointment /re-appointment proposals should be submitted to RBI at least six months before the completion of the present term. In view of this, the Board of Directors based on the recommendations of the Nomination & Remuneration Committee in its 143rd Board meeting held on 25.06.2021 had reviewed the performance of MD & CEO and unanimously resolved to file an application with RBI for re-appointment of Shri B Venu Gopala Reddy as MD & CEO for a further period of three years along with the compensation package to be payable to him.

The RBI vide letter No. DOR.GOV.No.S1949/29.51.001/2021-22 dated 28th October, 2021 had approved the proposal of re-appointment of Shri B Venu Gopala Reddy as MD & CEO for a further period of 3 years w.e.f., 25.01.2022.

The Board after carrying out the evaluation felt that the performance of Shri B Venu Gopala Reddy at the helm of the Bank in the most trying circumstances and against odds of restrictions placed on the Bank's operations and expansion was extremely satisfactory and above the expected level. There had been all round development in the Bank's Risk Management, functional efficiency and improvement in systems and procedures. He has been able to provide strong and stable leadership during his tenure.

Being an eminent Banker, your Board feels that under the management of Shri B Venu Gopala Reddy as MD & CEO, your Bank will grow to further heights and therefore, recommend the Members to approve his re-appointment as MD & CEO for a further period of 3 years, not liable to retire by rotation.

Profile of Shri B Venu Gopala Reddy

Shri B Venu Gopala Reddy is a graduate in Commerce, holds a Post graduate diploma in Management and a Certified Associate of Indian Institute of Bankers. He joined SBI as a probationary officer in 1981 and retired as Chief General Manager in March, 2018. He had a rich and varied experience of 36 years in Banking which includes 18 years specialized experience in Treasury & Risk Management, ALM and Compliance, handling of asset classes like forex, fixed income money markets, derivatives, equities etc and the remaining 18 years in retail banking operations (Agriculture, SME, Personal Banking), Merchant Banking. In addition to this he headed the dealing room operations of offshore banking unit of SBI, Singapore. Having worked as a field officer, Branch Manager, AGM of large SME branch, DGM of a module and CGM of a circle (comprising of 900 branches and 9800 workforces and Rs. 1,10,000 crores of business) has developed a holistic view of Banking operations.

He also served as Chairman – FEDAI, Vice Chairman – FIMMDA and as Independent Director in Capital Region Urban Transport, a SPV promoted by Government of Odisha. Prior to joining Coastal Bank, he was a visiting faculty at National Institute of Bank Management, Pune.



Performance of Shri B Venu Gopala Reddy during his present tenure:

(Amount Rs in Cr)

Performance Particulars	Mar 2019	Mar 2020	Mar 2021
Business performance			
Total Deposits	513.60	551.23	631.22
%Growth over previous year	13.48	7.32	14.51
CASA	141.87	152.13	189.30
%Growth of CASA	12.12	7.23	24.43
CASA Percentage	27.62	27.60	29.98
Total Advances	380.18	456.84	523.00
%Growth over previous year	8.36	21.30	14.48
Priority Sector Loans (including PSLCs sold)	266.17	328.14	365.71
PSL as % of previous year Advances	75.87%	86.31%	80.05%
Of which, PSLCs sold during the year	0.00	55.00	115.00
Gross NPAs	9.71	14.97	13.80
Gross NPA %	2.55	3.28	2.64
Net NPAs	7.18	10.14	5.11
Net NPA %	1.90	2.25	0.97
Provision Coverage Ratio	26.00	32.23	62.96
Income and Expenses			
Interest Income	62.74	67.68	78.29
Interest Expenses	30.60	33.99	35.38
Net Interest Income	32.14	33.69	42.91
Other Income	14.96	19.21	14.70
Total Operating Income	47.10	52.90	57.61
Staff Expenses	9.05	10.05	10.50
Other Operating expenses	13.83	14.28	14.47
Total Operating Expenses	22.88	24.49	24.97
Operating Profit	24.22	28.41	32.64
Net Profit	16.13	19.43	19.50
Share Capital and Net worth			
Share capital	23.01	23.01	23.01
Reserves	58.13	77.62	97.11
Total Capital Funds	81.14	100.63	120.12
Book value of share	35.24	43.71	52.19
Performance Particulars	Mar 2019	Mar 2020	Mar 2021
Key Indicators			
Cost Of Deposits (%)	6.46	6.39	6.06
Yield on Advances (%)	14.30	13.61	13.90
Net Interest Margin (NIM %)	6.39	5.90	6.49
Cost to Income Ratio (%)	48.56	46.28	43.34
Return on Assets (RoA %)	2.85	3.05	2.70
Return on Equity (RoE %)	19.88	19.32	16.24
CRAR (%)	21.25	23.00	24.21
Business per Employee (Rs.lacs)	271.00	303.00	370.00
Profit per employee (Rs.lacs)	4.92	5.83	6.25
No. of Branches	50	50	50
No. of ATMs	40	44	45



Proposed Compensation Package to Shri B. Venu Gopala Reddy

(Rs. in Lacs)

Particulars (1)	Existing (2)	Proposed (3)
PART-A:Fixed Pay (including perquisites): w.e.f 25-01-2022 up to 24-01-2025		
1. Salary	27.00	36.00
2. Dearness allowance	4.80	6.00
3. Retiral/Superannuation benefits :		
(a) Provident Fund		
(b) Gratuity		
(c) Pension		
(d)		
4. Leave Fare Concession/ Allowance		
5. Other fixed allowances, if any (please specify)* Entertainment Allowance	1.20	2.58
*Consolidated allowance, if any, to be given with details of heads it subsumes.		
6. Perquisites :		
(i) Free Furnished House and its maintenance / House Rent Allowance	3.00	3.42
(ii) Conveyance Allowance/Free use of bank's car for a) Official purposes b) Private purposes		
(iii) Driver(s)' salary		
(iv) Club Membership(s)		
(v) Reimbursement of medical expenses		
(vi) Any other perquisites (please specify)		
Total Fixed pay (including perquisites)	36.00	48.00
Note: (a) If any of the benefits is of a non-monetary nature, e.g. free furnished house, its monetary equivalent as best as it is possible to determine, should invariably be given. In case the person to be appointed is already associated with the applicant bank, particulars of his existing compensation, etc. should be furnished. (b) The reasons for any proposed changes in the remuneration should be suitably indicated under column (4). (c) In case the bank proposes to give any sign-on/joining bonus (limited to the first year), which should be in the form of share-linked instruments, its details (such as number of shares, grant date and price, monetary value, vesting schedule) should be furnished separately. (d) Banks should exclude only such perquisites from fixed pay, which are reimbursables without any monetary ceilings, e.g. hospitalization expenses, etc. Details of such perquisites should be annexed separately and need not be added while computing total fixed pay. Such exclusions are provided solely for such benefits/perquisites which are not quantifiable in advance. These exclusions would be subject to supervisory review.		



Particulars	Existing	Proposed
(1)	(2)	(3)
PART-B :		
Variable Pay :		
For FY/Performance Period		
1. Cash component		
• Upfront payment (with %)	9.00	24.00
• Deferred payment (with %)		
Total cash component	9.00	24.00
Vesting period (in years)		
Deferral arrangement		
(iv) First Year		
(ii) Second Year		--
(iii) Third Year		
(iv)		
2. Non-cash Components (Share-linked instruments) :		--
(i) ESOP/ESOS		
(a) Number of share/ share-linked instruments		
(b) Monetary value		--
© Deferral (with %)		
(d) Vesting schedule details		
(ii) Any other share-linked instruments		
(a) Number of share/ share-linked instruments		
(b) Monetary value		--
© Deferral (with %)		
(d) Vesting schedule details		
(iii) Any other non-cash component (please specify) and mention its monetary value, deferral, vesting schedule, etc.		
Total monetary value of non-cash component(s)		--
Total monetary value of Variable Pay (Cash and non-cash components)	9.00	24.00
% of Cash Component in Total Variable Pay	100%	100%
% of Non-cash component in Total Variable Pay		--
% of Variable Pay to Fixed Pay and	24%	50%
% of Variable Pay in Total Compensation (for the same FY/Performance Period)	20%	33.33%
Total Compensation (Fixed Pay + Variable Pay)		
Note:		
(a) Both parts- A and B have to be filled and submitted at the time of appointment/ re-appointment or seeking approval for the remuneration/revision of remuneration. The target variable pay, along with various sub-components, deferral and vesting period, etc., should be submitted in PART-B.		
(b) Whenever the bank approaches RBI for approval of variable pay for a particular performance measurement period, after the end of the period, only part-B has to be suitably filled and submitted.		



Other Terms & Conditions :

- i. He shall not be entitled to any Sitting fees for attending the meeting of Board or Committee meeting thereof.
- ii. The Bank shall reimburse the expenses incurred by him for travelling and other expenses in connection with the business of the Company.
- iii. The appointee MD & CEO of the Bank shall be free to resign his office by giving 3 calendar months' notice in writing to the Bank and further the Bank can also remove him with a notice period of 3 months or salary in lieu thereof.
- iv. The appointee MD & CEO of the Bank shall be entitled to compensation for loss of office in accordance with the provisions of Section 202 of the Companies Act, 2013 if at any time his office is terminated before the expiry of his term of office.
- v. During his tenure of office, he shall not be liable to retire by rotation.

The remuneration as mentioned above is within the ceiling limit of Section 198 and schedule V of the Companies Act, 2013.

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

ITEM NO :7

Members may note that Shri A N Appaiah was appointed as a Non-Executive Independent Director for a period of 3 years, not liable to retire by rotation by the Members in their 20th Annual General Meeting held on 3rd August, 2019. The Board of Directors in their 150th meeting held on 21.05.2022 had evaluated the performance of Shri A N Appaiah and unanimously resolved to re-appoint him as a Non-Executive Independent Director of the Bank for a further period of 3 years, not liable to retire by rotation, based on the recommendations of the Nomination & Remuneration Committee

Shri A N Appaiah who holds office till the conclusion of this AGM offers himself for re-appointment as a Non-Executive Independent Director for a further period of 3 years, not liable to retire by rotation, who is otherwise eligible.

Profile of Shri A N Appaiah

Shri A N Appaiah is a B.Sc. graduate(Mathematics) and a CAIIB. He served as the Managing Director & CEO of SBI (DFHI) – a primary dealer. He joined SBI as a PO in 1978 and worked in various verticals like retail banking, treasury, corporate finance etc. He held many important assignments like Chief Dealer of SBI, Frankfurt, Regional Manager in Raipur of Chattisgarh, General Manager in Hyderabad Circle and Chief General Manager of Ahmedabad Circle before moving to SBI (DFHI) Limited. He also served as the Chairman, Foreign Exchange Dealer Association of India (FEDAI) and a Director, Primary Dealers Association of India.

Post retirement he is actively engaged in social work with focus on rural education & health, as a volunteer and Secretary of an NGO (SODEWS) in Tamil Nadu. Currently, he is an Independent Director in Financial Benchmarks India Private Limited, Mumbai and SBI Pension Funds Private Limited.



ANNUAL REPORT - 2022

Considering his rich experience, and his valuable contribution in the Board and Committee proceedings, your Board recommends his re-appointment as an Independent Director for a further period of 3 years, not liable to retire by rotation. The Board of Directors had thoroughly examined his fit and proper criteria and found his candidature as appropriate for re-appointment as Independent Director of the Bank.

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

NOTES

1. The Ministry of Corporate Affairs vide its General Circular No.2/2022 dated 05.05.2022 has extended the time line to Companies whose AGMs are due in the year 2022, to conduct their AGMs virtually on or before 31st December, 2022.

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 to 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 Conferencing, through an authorized Board Resolution.

2. The Register of Members and Share Transfer Books will remain closed from 16th July, 2022 to 20th July, 2022 both days inclusive.
3. The Record Date for the purpose of payment of dividend is 15th July, 2022.
4. The shareholders can participate the Annual General Meeting of the Bank either physically or through Video Conferencing using the Zoom App by using the following login credentials:

Zoom ID : 896 7439 4234

Passcode : 2207 2022

5. In case of any 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 : 21.05.2022



DIRECTOR'S REPORT

To
The Members,

The Management and the Board of Directors take pleasure in presenting the 23rd Annual Report of the Bank together with the Balance Sheet as on 31st March 2022 and Profit & Loss Account and other Financial Statements for the year ended 31st March 2022.

FY 2021-22 has been a tumultuous year for the Bank, testing its mettle in the areas of business, human resources and risk management. Delta variant of Covid during Wave 2 devastated the entire geographical area of operation of the Bank. Though economic activity continued, on a low key, the fear factor had a very demoralizing impact on the public as well as the staff. The Bank operates in a limited area of Andhra Pradesh which bore the burnt of COVID in the second wave. The results of the Bank reflect this concentration risk, vis-à-vis other Banks, who have larger area of or pan India operations.

The first casualty was rising NPAs as the regular IRAC norms set in after expiry of RBI Moratorium and vacation of Supreme court stay on declaration of NPAs. As the Bank has substantial exposure to the unsecured micro loan borrowers, who suffered the maximum during the second wave of Covid, the NPAs started rising as recoveries are effort elastic and the staff had no means of contacting the borrowers during the second wave. NPAs in the unsecured loans portfolio increased from 7.2% in previous year to 24.4%, compared to a rise from 0.8% to 3.8% in secured loans. However, the silver lining is that the Bank has prudently brought down the share of unsecured loans from 29.6% to 15.3% in two years of the pandemic. Though NPAs peaked in Q3 and started declining, the rapid spread of Omicron variant in Jan-Feb'22 again destabilized the recovery efforts and resolution momentum. Overall the NPAs rose from Rs.1380 lacs at the beginning of the year to Rs.3456 lacs in Q3 to close at Rs.3082 lacs at the end of the year.

The Bank engaged the services of SARFAESI recovery agents and resolved 53 secured NPAs aggregating to Rs.531 lacs. Some large NPAs could not be resolved due to bureaucratic hurdles / delays or legal intervention by the borrowers. The Credit Monitoring team however is very confident of resolving the secured NPAs during FY23.

Advances grew by 4.3% to Rs.54537 lacs, one of the lowest in the recent past as the focus had been on de-risking the loans portfolio and de-stressing the NPAs. CPL and JLG loans were reduced from Rs 11339 lacs in FY21 to Rs.8337 lacs in FY22. Another factor that contributed to the low growth was the reduction in LTV (Loan to value) ratio for gold loans from 90% in FY21 to 75% in FY22, causing the portfolio to shrink by Rs.1457 lacs. The Bank decision to increase its exposure in the more secure portfolio of Housing loans, Agriculture loans, WHR loans, education loans, personal & mortgage loans and MSME loans, has worked well and good growth has been recorded in these areas.

As the Bank was already having surplus liquidity and as the advances growth was low, deposit growth had to trail the advances growth. Though deposits grow at a modest 2.9%, CASA grew by 9% and the ratio increased by 191 basis points to 33.30%. Recurring deposits, stable and sustainable, grew by an impressive 39% as a result of campaigns run during the year.

Elevated level of NPAs and changes in product mix, viz. substitution of high interest bearing high risk micro loans with low interest bearing secured housing loans, caused a modest decline of 1.1% in net interest income. Other income grew by an impressive 14.9%, mainly from Commission from sale of PSLCS (Priority Sector Lending Certificates.)



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Staff expenses increased by 21% as the Bank revised the salary scales. Overheads increased by 15% mainly on account of recurring expenses on IT/software following direct membership to RTGS/NEFT and CTS clearing. PBT declined by 6% to Rs. 3060 lakhs. In order to maintain a healthy PCR of 60%, the Bank prudently increased the provisions for NPAs by Rs. 1052 lakhs, resulting in a net profit after tax of Rs.1457 lakhs.

The year witnessed high attrition rate of 12% (up from 8% in Previous Year). This resulted in exit of 52 employees contributing nearly one-fifth of the operating /frontline staff. Other Banks poached our staff with higher pay and perks. During the year, the Bank recruited 52 freshers through competitive test/campus placements. The new recruits were absorbed in the service after 6 months' probation and confirmation test. An additional increment was sanctioned to the successful candidates on confirmation to retain the talent. The higher attrition was a continuing factor for low growth in business and spike in NPAs.

In order to strengthen the control function and to improve communications with the branch operations, the Bank has created the position of Cluster Heads and appointed four Cluster Heads with a span of control of 12-14 branches. There is already perceptible improvement in customer calls, follow up and TAT of credit proposals and we are sanguine that their full impact would be visible in FY2023.

There is a significant improvement in the area of treasury and funds management. Most of the branches had been linked to currency chest branches of other Banks under RBI linkage scheme. The Bank worked out a cash management arrangement with the PSU Banks and got waiver of charges. These measures resulted in substantial saving of cash remittance charges. The Bank got direct access to NDS-OM and E-Kuber platform as a result of which, it could transact Government Securities and PSLC deals online directly. Overall the treasury has become a vibrant unit, managing the CRR optimally and deployment of funds efficiently.

During the year the Bank introduced 18 new products aimed at fulfilling the requirements of different strata of its clientele. The full impact will be felt in FY 2023.

The Bank migrated to DESS Digital Meetings platform for conduct of its Board and Committee meetings in the most transparent way, strengthening the Corporate Governance.

On the technology front, the Bank became a direct member of CTS clearing, improving its service to the current account clientele at all the 50 branches.

The Bank leveraged CSR activities to serve the public and create a special identity. 'Daan Utsav', a campaign in association with 'Goonj', a voluntary NGO of national repute was conducted in October 2021. Two truckloads of material were collected from general public for the benefit of Covid-19 affected families. The program was well received and appreciated. The Bank also organized a financial inclusion and Covid-19 awareness campaign through 'Kala Jatara', a local cultural troupe, who conducted more than 120 shows in August-Sept 2021.

Overall, the Bank could wade through the storm of difficult times during the year with a reasonable performance and could consolidate its activities. The digital initiatives commenced this year are likely to be in place by Q2 FY2023 and enable the Bank to offer services more efficiently, the results of which could start flowing from next year onwards. These initiatives coupled with improvements brought in corporate governance with effective and experienced board, internal controls, compliances and trained staff are expected to make a difference in shaping up the future of the Bank.

If Reserve Bank of India accedes to our request in the near future to increase our geographical spread and allow expansion of network of branches and ATMs, the Bank could move fast boosting the morale of the staff and make inroads into new territories, fully equipped with all resources, creating more shareholder value.

Looking forward to more vibrant opportunities and for setting up a value chain of activities.

With greetings and best wishes!!!



1. Financial Highlights of the Bank during the year 2021-22

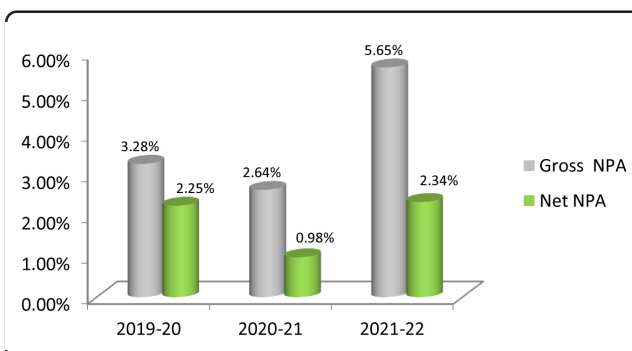
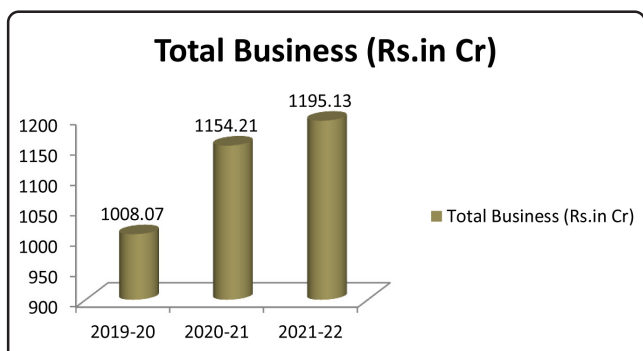
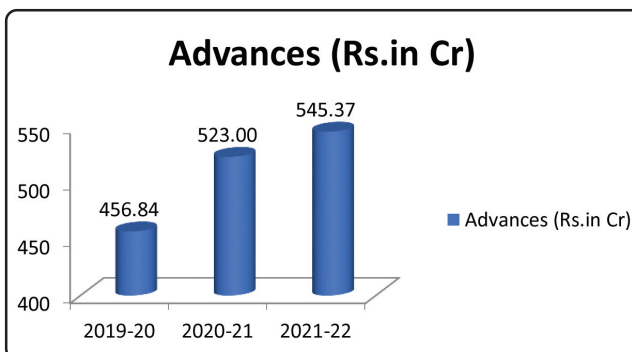
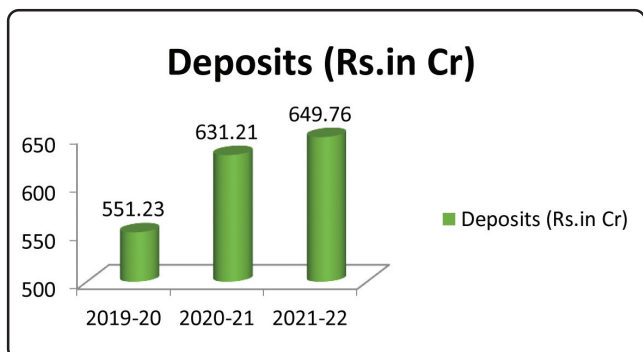
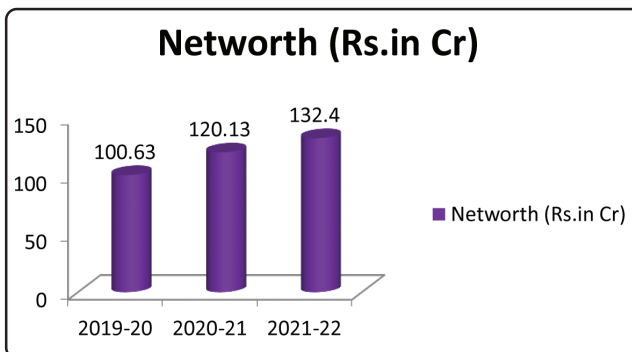
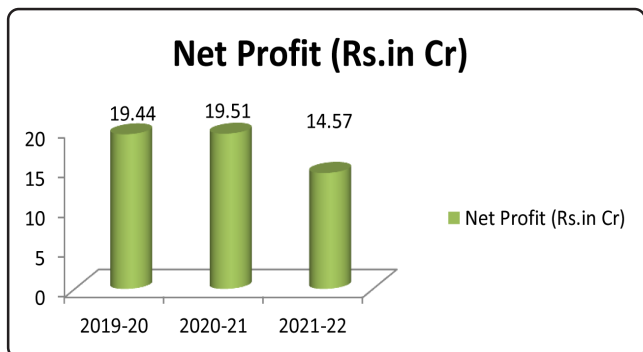
- * Total business of the Bank as on 31.03.2022 stood at Rs 119513 lakhs – recording a growth of 3.55% over the previous year.
- * Total deposits of the Bank stood at Rs 64976 lakhs with a growth of 2.94%, while the total advances grew by 4.28% which stood at Rs 54537 lakhs.

S.No.	Particulars	31.03.2022	31.03.2021
1.	Deposits	64,976	63,121
2.	Advances	54,537	52,300
3.	Borrowings	-	-
4.	Total Business	1,19,513	1,15,421
5.	Non SLR investments	-	-
6.	Capital & Reserves	13,240	12,013

The Bank earned a Net Profit of Rs 1457 lakhs during the year 2021-22 as against Rs. 1951 during the previous year.

(Rs in lakhs)

Parameter	As on 31.03.2022	As on 31.03.2021
Interest Earned	7696	7829
Other Income	3451	1470
Total Income	4246	9299
Interest paid	1689	3538
Operating expenses	5935	2497
Provisions & Contingencies	2875	1313
Total expenditure	3060	6035
Operating profit	1043	3264
Profit before tax	2017	2661
Provision for Income Tax	560	710
Net Profit	1457	1951



2. Appropriations / Reserves

The Profit and Loss account shows a profit of (PAT) Rs. 1457 lakhs after write offs and provisions. The following are the appropriations:

Parameter	2020-22	2020-21
To Statutory Reserve	289	387
To Capital Reserve	119	184
To General Reserve	215	176
To Investment Fluctuation Reserve	55	-
To Dividend and Dividend Tax	230	-
Balance carried forward to balance sheet	1487	2838
Total	4296	3585



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

(Rs. in lakhs)

S. No.	Particulars	31.03.2022	31.03.2021
1.	Deposits	64976	63121
2.	Advances	54537	52300
3.	Borrowings	-	-
4.	Total Business	119513	115421
5.	Non SLR Investments	-	-
6.	Capital & Reserves	13240	12013
7.	CRAR %	28.46%	24.20%
8.	CASA %	33.30	31.39%
9.	Priority Sector Loans %	42.43%	54.88%
10.	Gross NPAs %	5.65%	2.64%
11.	Net NPAs %	2.34%	0.98%
12.	Other Income to Total Income	18.00%	15.80%
13.	Operating cost to Total Income	30.62%	26.85%
14.	Staff Cost to Total Income	16.04%	11.30%
15.	Cost of Deposits	5.55%	6.06%
16.	Yield on Advances	12.35%	13.90%
17.	Interest Spread	6.80%	7.84%
18.	C D Ratio	83.93%	82.85%
19.	Cost of funds	4.57%	5.07%
20.	Return on Assets	1.85%	2.70%
21.	Return on Equity	12.14%	19.38%
22.	Cost / Income Ratio	48.43%	43.34%
23.	Yield on Investments	6.52%	6.54%
24.	Number of Employees	335	312
25.	Average age of employee in years	38	37
26.	Business per Employee	357	370
27.	Profit per Employee	4.34	6.25
28.	Net Interest margin	6.01%	6.49%



4. Earnings per share and Book value of the share

The Book value of the Share for the Financial Year 2021-22 is Rs.57.04 (Rs. 52.20 for the FY 2020-21) and the Earning per share is Rs.6.33.

5. Dividend

The Board of Directors recommended the Members of the Bank to declare a Final Dividend of Re.1.10 per Equity share for the Financial Year 2021-22. 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 and Section 123 of the Companies Act, 2013, which amounts to Rs.2,53,21,090/- . The Income tax on dividend shall be borne by the Shareholders, hence TDS will be deducted while paying the Dividend.

6. Share Capital:

As on 31st March, 2022, 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 Share capital of the Bank during the year.

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

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

8. 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.

9. 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.

10. Internal Financial Controls:

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.

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

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



13. 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 2021-22 (according to the Companies (Accounts) Amendment Rules, 2021): NIL

14. 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

15. Deposits (Rule 8(5) (V) of Companies (Accounts) Rules, 2014): Being a Banking company, this disclosure is not applicable.

16. 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 : Not Applicable

17. 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.

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

19. 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 Directors 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.

20. Staff Position & Industrial Relations:

As on March 31, 2022 the total staff strength was 335 which includes 56 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	5
2	Senior Management	8
3	Middle Management	56
4	Junior Management	210
	Total	279

During the year 2021-22, 52 officers ceased to be in the services of the Bank either on retirement/resignation and 75 officers joined the Bank in different cadres during the same period. The Bank initiated regular recruitment process by advertising in the newspaper and the selection was done through competitive test, group discussion and interview.



21. 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.

22. 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.

23. 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.

24. 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 and 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.

25. 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 21.05.2022.

26. Internal Audit:

The Bank's Internal Audit department functions and reports independently to the MD & CEO and the Audit Committee of the Board on the quality and effectiveness of the Bank's internal controls, risk management and compliance of internal and regulatory guidelines. The internal audit team is well equipped with the relevant expertise whose main function is to safeguard the assets and interest of the Bank and timely identification of risks.

The Department in compliance with the RBI guidelines on Risk Based Supervision had formulated an Internal Audit Policy on Risk Based Internal Audit and the Concurrent Audit of the branches. The Internal Audit and Concurrent Audit reports are being placed before the Audit Committee at quarterly intervals, for their review.

Bank has procured eTHIC, an Audit & Compliance Management Solution for effective paper less on-line Audit Management. Risk Based Internal Audit has been successfully completed at 29 Branches through eTHIC.



27. 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.

28. LEVERAGING INFORMATION TECHNOLOGY: DIGITAL TRANSFORMATION INITIATIVES

Digital Transformation Initiatives:

Bank has undertaken initiatives to bring the remaining critical processes on digital platform for faster deliveries and offering of tech-driven products and services. Software solutions for Human Resource Management (HRMS) and Loan Origination System (LOS) have been shortlisted by the Bank and are at various stages of configuration for implementation. HRMS will take care of the entire employee life-cycle in a seamless manner and facilitate quick delivery of employee related services along with heightened employee satisfaction. LOS will include digital on-boarding solution, with interfaces with various services / data sources and DMS for storage of documents, along with rule-based module for loan process management.

Dess Digitals:

To ease the conduct of Board & Committee meetings, your Bank has acquired Dess Digital Meetings which is a trusted Board software used by leading organizations for efficient and effective paperless Board meetings in a most transparent and auditable manner.

Core Banking Solutions (CBS):

The Bank offers Single Window Services to customers on Core Banking (CBD) platform, through its' fully networked 50 branches. Core Banking Services are also integrated with several other IT initiatives to provide Anywhere – Anytime Banking to customers through ATMs, Mobile Banking, POS and other digital banking facilities. Remittances / Funds transfers to any Bank / anywhere in the country are facilitated through implementation of RTGS / NEFT / UPI / IMPS facilities. Transaction Alert facilities are made available to customers and to ensure quick settlement of claims relating to ATM transactions, Bank has installed EJ Pulling software.

Mobile Banking:

The Bank has been offering Mobile Banking facility since December, 2016. With this digital product, customers are able to access their accounts, view balances / transactions, create time deposits & recurring deposits, make requests for Cheque books & Standing Instructions, manage their ATM Cards & PIN and do transfer of funds to accounts both within the Bank and with other Banks through RTGS, NEFT, IMPS and UPI.



RTGS:

Bank has become live on RTGS as direct member w.e.f. 01.10.2020 with own IFSC Code COAS0000001. The number of transactions and the amount handled recorded steady growth during the year.

IMPS:

Bank implemented IMPS through Mobile Banking and Branch channel during February, 2018. Further, Bank has become live on IMPS as direct member w.e.f. 13.07.2021 with own IFSC Code COAS0000001.

Unified Payment Interface (UPI):

Bank implemented Unified Payment Interface 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.

ATMs:

The Bank has a network of 45 ATMs. Bank has become live on ATMs as Direct member w.e.f. 13.07.2021.

Point of Sales(POS) Terminal:

Bank has successfully launched mobile POS services for convenience of our merchant customers and deployed 662 mobile POS and GPRS POS machines in various merchant establishments across the service area.

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 2 MBPS 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):

Bank has established LCPC Hub on 30.12.2019 at Corporate Office for CKYC processing and uploading. The Centre is poised to take over all deposit accounts opening related activities shortly, for which a suitable on-boarding solution is being implemented.

Cheque Truncation System (CTS):

Bank has obtained RBI permission to become Direct Member of CTS Chennai Grid. Bank has migrated to CTS as Direct Member on 18-08-2021. CTS has been implemented at all 50 branches and the Centralized Clearing Processing Centre. Cheque scanners have been provided to 10 branches and the remaining 40 branches are provided with Mobile Scanning Application for the purpose.

eTHIC:

Bank has procured eTHIC, an Audit & Compliance Management Solution and implemented it for paper less on-line Audit Management. Risk Based Internal Audit has been successfully completed at 29 Branches through eTHIC.



29. NEW PRODUCTS

❖ Coastal Dealer Loan (CODEAL)

To extend quick, simple and composite loan to dealers of reputed brands like authorized dealers of construction materials/consumer goods/ Electronics with minimal papers.

❖ Coastal Easy Loan for Neighborhood Shops (CELONS)

To meet the financing needs of neighborhood shop-keepers, petty traders and small kiranas, who are GST exempt with minimal documentation and simple limit assessment with a facility of daily/ weekly collection of instalments.

❖ Coastal Farm Mechanization Loan (COFMEL)

To extend quick, simple and flexible loans for acquiring farm equipment, like tractors, tillers, trans planters, harvesters, pesticide sprayers, drones, drip irrigation, sprinklers in the face of growing labor shortage and increasing cost of labor with flexible repayment terms, margins and doorstep collection.

❖ Coastal Healthcare Plus (CHCP)

To provide need-based loans to healthcare ecosystem beyond medical practitioners with hassle-free processing/sanctions, flexible terms and door step collection.

❖ Loan Against Idle Liquid Assets (LAILA)

To provide liquidity against idle assets held as investments / savings, till maturity with hassle-free processing/sanctions, flexible terms and margins.

❖ Coastal Standby Line of Credit (COSBY)

Pre-approved loan to meet additional financial needs of Bank's existing MSME borrowers for festive seasons, seasonal goods or any other contingencies with part payment/pre - payment facility.

❖ Coastal Loan for Higher Education (CHEL)

To extend loans to meritorious and deserving students to pursue higher education or education abroad with flexible repayment terms and margins blending with interest rate concessions.

❖ Coastal Loan for Organic & Natural Products (CLONP)

To meet the financing needs of shops/outlets/producers of Organic & Natural Products and to encourage widespread production, availability and use of healthy products with hassle-free sanction, minimal documentation.

❖ Coastal Loan for Small & Marginal Farmer (CLOSMA)

To extend crop loans to small & marginal farmers as well as landless cultivators at affordable interest rates.



❖ **Coastal Loan Against Rent Receivables (CLARR)**

To enable owners of commercial properties to monetize their future rent receivables, to meet present financial needs and facilitates development of commercial property with much less initial investment from owners.

❖ **Coastal Rythu Bandhu (CRB)**

To extend direct farm loans to the member farmers of FPO as a risk mitigated product with post-harvest linkage with FPO for sale of produce and omnibus guarantee of FPO.

❖ **Coastal Santhamasthu(CSM)**

To finance IVF/Surrogacy expenses to aspiring couples, not able to conceive and to enable them to realize their third dream of their life- Home, Marriage and Children.

❖ **Coastal Land Development Loan (CLDL)**

To extend direct finance to farmers for land development to increase the land productivity and fertility of land, to prepare land for organic/natural farming/minor irrigation facilities.

❖ **Coastal Self Employment Vehicle Loan(COSEVL)**

To extend hassle-free vehicle loans to individuals engaged in vocations who need mobility and do not intend to travel by public transport following Covid pandemic.

❖ **Coastal Bhu-Yajamani Loan (CoBYL)**

To extend direct finance to small & marginal farmers for purchase of agricultural land which is already in cultivation.

❖ **Coastal Pragathi Vikas Loan(CPVL)**

To extend individual loans to CPL & JLG borrowers with satisfactory track record for pursuing accelerated development and next level of digitally enabled/cashless transactions with hassle free individual loans on satisfactory conduct of account and repayment record.

❖ **Coastal Rythu Sangham (CRYS)**

To extend quick, simple and flexible loans to FPOs as direct finance or for on-lending to farmers for short-term credit needs, with a view to capture the business opportunities arising out of the emergence of FPOs for rural credits with flexible approach.

❖ **Coastal Vidyalakshmi Recurring Deposit (CVLRD)**

Recurring deposit with forward linkage to Education Loan to inculcate savings habit among the bottom of the pyramid to fulfill the aspirations of their children.

❖ **Coastal Daily Deposits for Loans (CODDL)**

Daily recurring deposit with forward linkage to business loan to mobilize savings from petty vendors, shop keepers and traders through daily/weekly collections.



30. Corporate Governance:

The Key elements of good corporate governance principles include honesty, trust and integrity, openness, performance orientation, responsibility and accountability, mutual respect and commitment to the organization. The Bank is committed in implementation of best corporate governance practices which protects 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.

31. Directors and Key Managerial Personnel

Appointment of Independent Director

Shri Thimmi Chetty Ravee (DIN: 08337679) who was appointed as an Additional Director of the Bank by the Board of Directors at the meeting held on 26.12.2020, has been appointed as a Non-Executive Independent Director of the Bank for a period of 3 years, not liable to retire by rotation, by the Members in their 22nd Annual General Meeting held on 25.08.2021.

Appointment of Key Managerial Personnel

Smt R Nagalakshmi (A20765) has been designated as the Company Secretary & Chief Compliance Officer of the Bank w.e.f., 25.05.2021, by the Board of Directors in their 143rd meeting held on 25.06.2021.

Declaration by an Independent Director and re-appointment, if any

The composition of Board of Directors of the Bank is governed by the provisions of the Companies Act, 2013 and the Banking Regulation Act, 1949. The Board of the Bank consists of 5 Directors, out of which 3 are Independent Directors.

The Bank has obtained declaration of Independence from the Independent Directors and they all meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

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.

32. Remuneration of Directors and Key Managerial Personnel:

S. No.	Name	Designation	Annual Remuneration (Rs. in Lakhs)
1.	Shri K. Venkataraman	Non-Executive Independent (Part-Time) Chairman	15.00
2.	Shri B. Venu Gopala Reddy	Managing Director & CEO	44.99*
3.	Shri K A V Raman	Chief Financial Officer	24.00
4.	Smt R Nagalakshmi (w.e.f., 24.05.2021)	Company Secretary & Chief Compliance Officer	10.19

*The Variable Pay for the FY 2019-20 to MD & CEO amounting to Rs. 6.00 lakhs was paid in the FY 2021-22 as approved by RBI.



33. Policy on Directors Appointment and Remuneration:

Pursuant to the provisions of Section 134 and 178 of the Companies Act 2013, the Bank has formulated and adopted the policy on appointment and remuneration of Directors and Key Managerial Personnel, a copy of which is placed on the website of the Bank at www.coastalareabank.com

34. Risk Management Policy

The Bank understands its fiduciary responsibility of managing public money and holds itself accountable in maintaining public money and holds itself accountable in maintaining the highest levels of safety and liquidity. It undertakes calculated risks to earn risk adjusted returns as required and has adopted a robust risk management framework. The Board is responsible for framing, implementing and monitoring the said risk management framework, and the powers has been delegated to the Risk Management Committee for continuous monitoring and reviewing of the risk associated with the business of the Bank. The Risk management covers the stages of identifying, assessing, measuring, managing, controlling and reporting risk concerns across all risk classes like Credit, market, operational and liquidity risk.

35. Board Meetings

During the year ended 31st March, 2022, 7 Board meetings were held on 20.04.2021, 25.06.2021, 27.07.2021, 25.08.2021, 18.10.2021, 29.01.2022, 19.03.2022.

S. No.	Name	Designation	No.of meetings Attended
1.	Shri K. Venkataraman	Non-Executive Independent (Part-Time) Chairman	7
2.	Shri B. Venu Gopala Reddy	Managing Director & CEO	7
3.	Shri. A N Appaiah	Independent Director	7
4.	Shri K A V Raman	Chief Financial Officer	7
5.	Smt R Nagalakshmi	Company Secretary	7

36. Committees of the Board

The Board has constituted Nine Committee to take the decisions and monitor the activities falling within their terms of reference. All the 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 :

S. No.	Name	Designation	No.of meetings Attended
1.	Shri Thimmi Chetty Ravee	Chairman (Non-Executive Independent Director)	6
2.	Shri K Venkataraman	Member (Non-Executive Independent (Part-Time)Chairman	6
3.	Shri A N Appaiah	Member (Non-Executive Independent Director)	6
4.	Shri Balaji Gopalakrishnan	Member (Non-Executive Director)	6

The Audit Committee met 6 times on 25.06.2021, 27.07.2021, 25.08.2021, 18.10.2021, 29.01.2022, 19.03.2022.

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

S. No.	Name	Designation	No.of meetings Attended
1.	Shri Balaji Gopalakrishnan	Chairman (Non-Executive Director)	6
2.	Shri B Venu Gopala Reddy	Member (MD & CEO)	6
3.	Shri A N Appaiah	Member (Non-Executive Independent Director)	6
4.	Shri Thimmi Chetty Ravee	Member (Non-Executive Independent Director)	6

The Committee met 6 times on 25.06.2021, 27.07.2021, 25.08.2021, 18.10.2021, 29.01.2022, 19.03.2022

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 Credit Policies of the Bank and review the Advances portfolio.

Constitution of Management Committee

S. No.	Name	Designation	No.of meetings Attended
1.	Shri K Venkataraman	Chairman (Non-Executive Independent Part-Time Chairman)	9
2.	Shri B Venu Gopala Reddy	Member (MD & CEO)	8
3.	Shri A N Appaiah	Member (Non-Executive Independent Director)	9

The Committee met 9 times a year on 24.06.2021, 27.07.2021, 25.08.2021, 18.10.2021, 21.10.2021, 29.01.2022, 16.03.2022, 19.03.2022, 28.03.2022.



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

S. No.	Name	Designation	No.of meetings Attended
1.	Shri Thimmi Chetty Ravee	Chairman (Non-Executive Independent Director)	4
2.	Shri K Venkataraman	Member (Non-Executive Independent Part-Time Chairman)	4
3.	Shri B Venu Gopala Reddy	Member (MD & CEO)	4
4.	Shri Balaji Gopalakrishnan	Member (Non-Executive Director)	4

The Committee met 4 times in the year on 24.06.2021, 27.07.2021, 25.08.2021,18.10.2021.

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

S. No.	Name	Designation	No.of meetings Attended
1.	Shri A N Appaiah	Chairman (Non-Executive Independent Director)	4
2.	Shri K Venkataraman	Member(Non-Executive Independent Part-Time Chairman)	4
3.	Shri Balaji Gopalakrishnan	Member (Non-Executive Director)	4
4.	Shri Thimmi Chetty Ravee	Member (Non-Executive Independent Director)	4

The Committee met 5 times in the year on 24.06.2021, 27.07.2021, 25.08.2021, 28.01.2022, 19.03.2022.

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

S. No.	Name	Designation	No.of meetings Attended
1.	Shri K Venkataraman	Chairman(Non-Executive Independent Part-Time Chairman)	5
2.	Shri B Venu Gopala Reddy	Member (MD & CEO)	5
3.	Shri Balaji Gopalakrishnan	Member (Non-Executive Director)	5

The Committee met 5 times in the year on 24.06.2021, 27.07.2021, 25.08.2021, 28.01.2022, 19.03.2022.



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

S. No.	Name	Designation	No.of meetings Attended
1.	Shri B Venu Gopala Reddy	Chairman (MD & CEO)	4
2.	Shri A N Appaiah	Member (Non-Executive Independent Director)	4
3.	Shri Balaji Gopalakrishnan	Member (Non-Executive Director)	4
4.	Shri Thimmi Chetty Ravee	Member (Non-Executive Independent Director)	4

The Committee met 4 times in the year on 24.06.2021, 27.07.2021, 25.08.2021, 28.01.2022.

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

S. No.	Name	Designation	No.of meetings Attended
1.	Shri A N Appaiah	Member (Non-Executive Independent Director)	5
2.	Shri B Venu Gopala Reddy	Chairman (MD & CEO)	5
3.	Shri Thimmi Chetty Ravee	Member (Non-Executive Independent Director)	5

The Committee met 5 times in the year on 24.06.2021, 27.07.2021, 25.08.2021, 28.01.2022, 19.03.2022.

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

S. No.	Name	Designation	No.of meetings Attended
1.	Shri Balaji Gopalakrishnan	Chairman (Non-Executive Director)	5
2.	Shri K Venkataraman	Member (Non-Executive Independent (Part-Time Chairman)	5
3.	Shri B Venu Gopala Reddy	Member (MD & CEO)	5
4.	Shri A N Appaiah	Member (Non-Executive Independent Director)	5

The Committee met 5 times in the year on 24.06.2021, 27.07.2021, 25.08.2021, 28.01.2022, 19.03.2022.



37. 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

38. RBI Guidelines:

The Bank has complied with and is committed to comply with all the licensing and operating guidelines of RBI as amended from time to time and the provisions of the Banking Regulation Act, 1949

39. Compliance of Secretarial Standards:

The Bank has a dedicated Secretarial Department which ensures with the compliances of the Secretarial Standards issued by the Institute of Company Secretaries of India, along with the other requirements of the Companies Act, 2013 and all other applicable Acts.

40. Web link 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

41. Acknowledgements

The Board of Directors places 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 2021-22 from all the customers, shareholders, employees, other Banks, IT and other Service Providers 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 Independent
(Part-Time) Chairman

Place : Vijayawada

Date : 21.05.2022



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 taking all the provision in 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 of the Bank 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 utilization of such funds on such programs / 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 Management
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:

S. No.	Name	Designation
1.	Shri A N Appaiah	Member (Non-Executive Independent Director)
2.	Shri B Venu Gopala Reddy	Member (MD & CEO)
3.	Shri Shri Thimmi Chetty Ravee	Member (Non-Executive Independent Director)



6. Average Gross profit of the Company for the last three financial years: Rs.2524 lakhs

Computation of average profits and CSR budget for the FY 2021-22

S.No.	Financial Year	Gross Profit (amount in lakhs)
1.	2018-2019	2,335.00
2.	2019-20	2,576.00
3.	2020-21	2,661.00
	TOTAL	7,572.00
	Average Gross Profit	2524.00
	2% of Average Gross Profit	50.48

7. Prescribed CSR expenditure: 50.48 lakhs

8. Details of CSR spent during the financial year:

- Total amount spent for the financial year: 50.52 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.	<ul style="list-style-type: none"> ▪ Food Distribution, Swach Bharat Mission, ▪ Daan Utsav, ▪ Sri Venkateswara Pranadana Trust, TTD ▪ EECO 5star CNG van for charitable work involved in helping differently abled children ▪ RO water purifier system for school ▪ One month living expenses for the inmates of Amodini Girls home 	Eradicating hunger, poverty & malnutrition	Local Area	26.33	26.33	Direct
2.	<ul style="list-style-type: none"> ▪ Providing chairs to Degree college ▪ ACC roof to Govt school ▪ Hearing aids to children 	Promoting Education	Local Area	4.36	4.36	Direct



(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*
3.	Corridor flooring, installation of electric motor, water pipe line fitting at an old age home for women.	Promoting gender equality, empowering women and other facilities for senior citizens	Local Area	18.65	18.65	Direct
4.	Construction of park at ISKON temple for promoting flora & fauna	Ensuring environmental sustainability, ecological balance	Local Area	4.00	4.00	Direct
5.	<ul style="list-style-type: none"> ▪ Purchase of masks, sanitizers and gloves including distribution to senior citizens ▪ Covid preventive measures through Kalajata cultural troupe ▪ Preventive health care, medicines ▪ Student scholarship for 4 years to a child who lost his father due to Covid-19 ▪ Donation to Makineni Basava Punnaiah Vignan Kendra for running isolation centre for covid patients 	Covid – 19 related activities	Local Area	15.09	15.09	Direct
	TOTAL			50.52	50.52	

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 2021-22.

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/-
Shri B Venu Gopala Reddy
Managing Director & CEO

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



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The year 2021-22 was a turbulent year with COVID, Ukraine war and resultant supply chain disruptions, adversely impacting the economy.

Delta variant, at the beginning of the year, was devastating shacking the very morale and confidence of the employees. Though it started to recede in June, 2021, it held its sway over the minds with fear factor right up to September, 2021.

As all the districts covering the entire geographical area of operation of the Bank were badly impacted by the second wave of COVID, the banking activities shrunk substantially during the first half of the Financial Year 2021-22.

While we were limping back to normalcy in the third quarter, the sudden outbreak of Omicron, which spread wild and fast, again disrupted the recovery in January and February, 2022. Though Ukraine war started in February, 2022, its economic fallout was felt in the next Financial Year.

Reserve Bank of India continued with its accommodative policy throughout the year keeping the system liquidity in surplus mode. However, the yields started hardening in the last quarter on concerns about widening fiscal deficit. The Cash Reserve Ratio was raised to 4% in two tranches.

In the light of the above macro-economic environment, the Management presents its analysis for FY 22 and outlook for FY 23.

- A. Non-Performing Assets:** As the RBI moratorium ended and Supreme Court stay on declaration of fresh NPAs was vacated in March, the NPAs started rising. However, the recovery efforts were severely curtailed during the first half year due to Covid pandemic. This necessitated more time, energy and resources be devoted for Stressed Assets Management.
- B. Loan Sanctions:** Loan sanctions, especially below Rs. 5 lakhs at branch level, declined sharply. As the economic activity shrank drastically during Q1 due to the outbreak of Delta variant severely impacting the bottom of the pyramid, the existing borrowers of the CPL and JLG loans could not repay their loans to become eligible for next cycle of loan. Dearth of viable activities for financing in the small loans coupled with limitations on conducting pre-sanction and post-sanction inspections also led to lower sanctions of 33,000 loans during the year vis-à-vis pre-covid level of 63,000 loans in a year.
- C.** The above two factors led to sub-optimal growth in advances, which in turn influenced deposit growth. Interest rates on deposits were reduced during the year to avoid liquidity overhang. The Liquidity Coverage Ratio, however increased to 439.71% due to slow credit off-take.
- D.** Employee attrition witnessed a rising trend in the economy after Covid pandemic and our Bank was no exception to it. Attrition rate increased from 8.11% in the previous year to 12.18%. The main reason was poaching by the other bigger banks offering better pay and perks. Disruption in education system, absence of campus recruitment, low recruitment through regular channels were contributory factors for the poaching. The Bank could ward off the threat through direct recruitment of freshers through competitive selection process. However, nearly one-fifth of the employees were substituted by fresh recruits, impacting the customer service and business growth.



E. Profitability: Rising NPAs and the consequent reduction in interest earning loans led to flat Net Interest Income. Non-Interest Income recorded 14.9% increase, mainly on account of commission income of Rs. 3.74 crores from sale of Priority Sector Lending Certificates and Rs. 1.21 crores from sale of Investments. However, as a prudent measure provisions for NPAs was done at an enhanced level of Rs. 9.81 crores compared to Rs. 3.86 crores in the previous year, to maintain the Provision Coverage Ratio at 60%, consequently the Net Profit declined from Rs. 19.51 crores to Rs. 14.48 crores.

Outlook for 2022-23

Continuing war in Ukraine and the resultant spike in crude oil prices, food and commodity prices from supply chain disruptions have a profound impact on inflation and growth. Shrinkage of Balance Sheet by the Federal Reserve and withdrawal of excess liquidity by the RBI are impacting the asset prices, in housing and real estate sectors. Two quick rate hikes by the RBI totalling 90 Basis Points and prospects of further hikes would increase the EMIs on housing and retail loans. Asset quality of marginal borrowers is likely to be adversely impacted. Rising yields on Government Securities diminish any prospects of profit from sale of Investments in the year. Prices for Priority Sector Lending Certificates are lower compared to previous year.

The Bank started the year on a positive note recording growth in advances through continuous marketing campaign of new products introduced during the year and described in detail in this Annual Report. The Bank is sanguine of surpassing the 14.5% growth recorded in 2020-21.

- A. The credit monitoring team is focussed on resolution of large NPAs through SARFAESI action. The Bank is engaging the services of Deposit Collection Agents, who are in a position to touch the borrowers regularly either at the beginning or the end of the day, when the borrowers are in a position to spare some amount for repayment. Supplementing the recovery of efforts of the staff by engaging the agents for door-step collection is expected to result in resolution of a large number of small value NPAs.
- B. The Bank has recruited a fresh batch of Officers and inducted them in May. The Bank is planning to impart knowledge and skills through a tailor made training program covering all the staff. The Bank is preparing to address the attrition problem through attractive employee engagement and retention schemes, being formulated.
- C. Appointment of four Cluster Heads with a narrow span of control of 11-15 branches is expected to boost the monitoring and control functions. To tap the opportunities in growing Ware housing receipt financing, the Bank appointed a Business Development Manager.
- D. The Bank is acquiring suitable Human Resource Management Solution (HRMS) and Loan Origination System (LOS) in its digital push. On boarding of customers, approval, sanction and documentation will migrate to LOS reducing the paper work and improving the Turn Around Time, leading to customer delight. The Bank is further endeavouring to leverage direct membership of RTGS, NEFT, CTS clearing, issue of QR codes for boosting CASA deposits.

With the proactive measures as envisaged above, the management is confident of posting a vastly improved performance in business, asset management and profitability.

* * *



ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG):

The Bank recognize the significance of ESG as it impacts multiple aspects including environment, work and safety conditions, human rights, corporate governance and regulatory compliance. However, addressing all ESG risks and concerns can be challenging even for the most forward looking and well-intentioned organization. The key to success is materiality i.e., an understanding of which ESG risks are critical to the Bank on an overall operating context.

Coastal Local Area Bank is a socially responsible corporate citizen with strong values of ethics, trust and high standards of corporate governance, compliance oriented culture and sustainable relationships with customers. Being a value-driven organization, we strive to fulfil our basic objective of contributing to social and economic development and ensuring financial inclusion through our innovative operational framework which includes effective utilization of technology.

ESG FOCUS AREAS

Environment

- Waste Management
- Conservation of energy
- Occupational health and safety

SOCIAL

- Customer satisfaction
- Employee well being
- Financial inclusion

GOVERNANCE

- Strict adherence to Corporate Governance principles
- Effective structure and functioning of Board of Directors
- Compliance oriented culture
- Transparency and disclosure

1. **Waste Management:** The Bank strives to reduce the paper usage in its business operations to the great extent possible. IT initiatives like **DESS DIGITAL MEETING SOLUTIONS**, software for effective and paperless Board and Committee meetings and **eTHIC**, an Audit and Compliance Management Solution are efforts in this direction. The Bank with an aim to reduce further paper usage had initiated the process of adopting the Human Resource Management System (HRMS) and Loan Origination System (LOS).

2. **Occupational health and safety:** The Bank is committed to provide its workforce a safe and healthy place to work. During the year, the Bank took a lot of steps to ensure the employee safety amidst the COVID-19 pandemic. Some of the measures include:

- 14 days paid leave to infected staff
- Reimbursement of testing and vaccination costs
- Support with medicines and hospitalization of infected employees and their family members
- Special insurance policy (Corona Kavach) for staff and dependants



3. Customer Satisfaction: Our approach entails the use of technology at every possible step of the loan and deposit process. 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 conducts customer meets every year at the respective places apart from the quarterly customer service committee meetings at the Board level.

During the year the Bank initiated the process of adoption of Loan Origination System, an On boarding software which enables paperless and hassle-free experience to the customers. The Mobile Banking App was also updated during the year which heightened the range of services.

4. Financial Inclusion: The Bank is conscious of its responsibilities towards its customers whilst offering the wide range of products and services to the customers in an accountable manner. The Bank introduced wide range of new liability products during the year with a main focus on rural credit, micro and education loans. In tune with National priorities, the 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 18,379. The amount outstanding is Rs. 3185 lakhs which constitutes 5.84% of total advances of the Bank.

The Bank further extended credit facilities to retail, small and micro enterprises borrowers for their business requirements. Bank has financed 3970 borrowers of loan amounts up to Rs. 100,000 each totalling Rs. 1909 lakhs which constitutes 3.50% of total advances. Bank has introduced doorstep banking by offering cash collection facility at the door steps of business/residence premises of clientele.

5. Employee Satisfaction: The Bank recognizes that its employees are the key driving force for its growth and success. The Human Resources policies are developed on principles of equal opportunity and gender inequality, fairness and ethics in line with the applicable national regulatory requirements and industry best practices. The Bank during the year had introduced noted HR initiatives like faster career path, campus recruitment drives, training and empowerment programmes, encashment of leave and gratuity to sub staff, timely promotions and transfers etc.

6. Governance: The Bank's philosophy on Corporate Governance encompasses fullest commitment of the Board of Directors and Management to attain highest standards of transparency, accountability and equity in all facets of its activities and operations to all Stake holders, viz. Customers, Shareholders, Employees and Regulators. The Bank had put in place the Nomination and Remuneration Policy during the year which ensures appointment of Directors with varied experience in relevant fields with diversified background. The policy further lays down the principles for fixation of remuneration so as to attract and retain the best suitable talent on the Board and Management of the Bank. The Bank has a robust internal policy framework for effective functioning of the Board of Directors and Senior Management.



INDEPENDENT AUDITOR'S REPORT

To the Members of Coastal Local Area Bank Limited

Report on 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 2022**, 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 2022**, 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.



Sl. No.	Key audit matters	How our Audit addressed the Key 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. <p>Thus we assessed and evaluated the process of identification of NPAs and corresponding reversal of income and creation of provision.</p>
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 examined the application of restructured accounts in the IT Systems and correctness of the results. Last year restructured accounts performance has also been verified to ensure that system has given correct risk classification to the accounts.</p> <p>During the course of audit, we identified system omissions and reasons for the same has been analysed through substantial audit procedure to ensure that mistake is not recurred again. Systems have not stamped CIF based NPA's which was done manually including interest and provisions thereon.</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 scepticism 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.

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 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on 31ST March 2022 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. 002899S

(K. Ramachandra Rao)
PARTNER
Memb No.201334
UDIN No. 22201334AJIZGM7961

Place: Visakhapatnam
Date:21.05.2022



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 2022 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 Control 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 2022**, 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 ICAI.

For RAMAMOORTHY (N) & CO

Chartered Accountants

Firm Registration No. 002899S

(K.Ramachandra Rao)

PARTNER

Memb No.201334

UDIN No. 22201334AJIZGM7961

Place: Visakhapatnam

Date: 21.05.2022



Balance Sheet as on 31st March, 2022

(in Rupees)

	Schedule No.	As on 31-03-2022	As on 31-03-2021
CAPITAL & LIABILITIES			
Capital	1	23,01,91,730	23,01,91,730
Reserves & Surplus	2	1,09,39,07,024	97,11,79,025
Deposits	3	6,49,76,12,483	6,31,21,52,220
Borrowings	4	-	-
Other liabilities and provisions	5	29,94,24,044	23,89,61,442
TOTAL		8,12,11,35,281	7,75,24,84,417
ASSETS			
Cash and balances with Reserve Bank of India	6	20,22,80,629	20,15,95,928
Balance with banks and money at call and short notice	7	64,77,09,787	94,60,84,977
Investments	8	1,65,72,13,203	1,17,13,22,201
Advances	9	5,26,87,03,667	5,14,31,75,135
Fixed Assets	10	9,89,22,169	10,36,95,295
Other Assets	11	24,63,05,826	18,66,10,881
TOTAL		8,12,11,35,281	7,75,24,84,417
Contingent Liabilities	12	40,58,120	35,08,120
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 RAMAMOORTHY (N) & CO
Chartered Accounts
Firm Registration No. 02899S

Krishnamoorthy Venkataraman
Non-Executive Independent (Part-Time) Chairman

(K. Ramachandra Rao)
PARTNER, Memb. No. 201334
UDIN No. 22201334AJIZGM7961

B. Venu Gopala Reddy
Managing Director & CEO

T. Ravee
Non-Executive Independent Director
& Chairman of Audit Committee

KAV Raman
Chief General Manager & CFO

R. Naga Lakshmi
Company Secretary & Compliance Officer

Place: Vijayawada

Date: 21-05-2022



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2022

(in Rupees)

	Schedule No	Year ended 31-03-2022	Year ended 31-03-2021
I. INCOME			
Interest earned	13	76,96,64,717	78,29,11,235
Other Income	14	16,89,20,507	14,69,87,836
TOTAL		93,85,85,224	92,98,99,071
II. EXPENDITURE			
Interest Paid	15	34,51,23,304	35,37,97,451
Operating expenses	16	28,74,93,989	24,97,11,719
Provisions and contingencies		16,02,20,759	13,13,27,205
TOTAL		79,28,38,052	73,48,36,375
III. PROFIT			
Net profit/loss(-) for the year		14,57,47,171	19,50,62,696
Profit/Loss(-) brought forward		28,38,71,182	16,34,60,605
TOTAL		42,96,18,353	35,85,23,301
IV. APPROPRIATIONS			
Interim Dividend paid		-	-
Tax on Interim Dividend paid		-	-
Drawdown from Investment Fluctuation Reserve		-	-
Transfer to Statutory Reserve		2,89,58,108	3,86,64,404
Transfer to General Reserve		21,14,57,477	1,75,74,729
Transfer to Capital reserve		1,19,00,244	1,84,12,987
Transfer to Investment fluctuation reverse		54,87,545	-
Dividend Paid		2,30,19,173	-
Balance carried over to balance sheet		14,87,95,806	28,38,71,182
TOTAL		42,96,18,353	35,85,23,302
V. EARNINGS PER SHARE			
Weighted Average No.of Equity Shares		2,30,19,173	2,30,19,173
Basic (Rs)		6.33	8.47
Diluted (Rs)		6.33	8.47
Face value per share (Rs)		10.00	10.00

Significant Accounting Policies and Notes to the Financial Statements

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

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

Krishnamoorthy Venkataraman
Non-Executive Independent (Part-Time) Chairman

(K. Ramachandra Rao)
PARTNER, Memb. No. 201334
UDIN No. 22201334AJIZGM7961

B. Venu Gopala Reddy
Managing Director & CEO

T. Ravee
Non-Executive Independent Director
& Chairman of Audit Committee

KAV Raman
Chief General Manager & CFO

R. Naga Lakshmi
Company Secretary & Compliance Officer

Place: Vijayawada

Date: 21-05-2022



SCHEDULES TO BALANCE SHEET

Schedule 1 – Capital

(in Rupees)

Particulars	As on 31-03-2022	As on 31-03-2021
Authorized Capital 45,000,000 shares of Rs.10/- each	45,00,00,000	45,00,00,000
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 31-03-2022	As on 31-03-2020
I. Statutory Reserves		
Opening Balance	27,86,94,044	24,00,29,640
Additions during the year	2,89,58,108	3,86,64,404
Total	30,76,52,152	27,86,94,044
II. Capital Reserve		
Opening Balance	4,10,39,071	2,26,26,084.00
Additions during the year (profit from sale of investments from HTM category, net of taxes/transfer to Statutory Reserves)	1,19,00,244	1,84,12,987
Total	5,29,39,315	4,10,39,071
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	36,75,74,729	35,00,00,000
Additions during the year	72,39,527	1,75,74,729
Addition towards Investment Reserve	42,17,950	-
Transfer from Balance in profit & Loss Account	20,00,00,000	-
Less capitalized (issue of Bonus shares)	-	-
Total General Reserve	57,90,32,206	36,75,74,729
b) Investment Fluctuation Reserve		
Opening Balance	-	-
Additions during the year	54,87,545	-
Transfer to Statutory Reserve	-	-
Total Investment fluctuation reserve	54,87,545	-
V. Balance in Profit & Loss Account	28,38,71,182	16,34,60,605
Additions during the Year	8,69,87,168	12,04,10,577
Deferred Tax	9,56,628	-
Dividend paid	(2,30,19,173)	-
Transfer to General Reserve	(20,00,00,000)	-
Total	14,87,95,806	28,38,71,182
Total (I,II,III,IV, and V)	1,09,39,07,024	97,11,79,026



Schedule 3 – Deposits

(in Rupees)

Particulars	As on 31-03-2022	As on 31-03-2021
A. 1. Demand Deposits		
(i) From Banks	-	-
(ii) From Others	34,80,45,136	28,94,81,202
II. Savings Bank Deposits	1,72,61,67,974	1,60,36,37,186
III. Term Deposits		
(i) From Banks	-	-
(ii) From Others	4,42,33,99,373	4,41,90,33,832
Total (I,II and III)	6,49,76,12,483	6,31,21,52,220
B. (i) Deposits of branches in India	6,49,76,12,483	6,31,21,52,220
(ii) Deposits of branches outside India	-	-
Total	6,49,76,12,483	6,31,21,52,220

Schedule 4 - Borrowings : NIL

Schedule 5 - Other Liabilities and Provisions

(in Rupees)

Particulars	As on 31-03-2022	As on 31-03-2021
Bills Payable	1,77,40,489	1,11,15,212
Inter office adjustments (net)	8,00,05,087	6,75,65,428
Interest payable on deposits	46,03,858	40,22,617
Others (Including Provisions)	19,70,74,610	15,62,58,185
Total	29,94,24,044	23,89,61,442

Schedule 6 - Cash and Balances with Reserve Bank of India

(in Rupees)

Particulars	As on 31-03-2022	As on 31-03-2021
I. Cash in hand (including foreign currency notes)	12,56,60,755	11,35,76,080
II. Balances with Reserve Bank of India		-
(a) in Current Account	7,66,19,874	8,80,19,848
(b) In other Accounts	-	-
Total (I and II)	20,22,80,629	20,15,95,928



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

(in Rupees)

Particulars	As on 31-03-2022	As on 31-03-2021
I. In India		
(i) Balances with Banks	-	-
(a) in Current Accounts	10,35,62,128	19,57,09,954
(b) In other Accounts	54,41,47,659	75,03,75,023
(ii) Money at call and short notice	-	-
(a) with Banks	-	-
(b) with other institutions	-	-
Total (i+ii)	64,77,09,787	94,60,84,977
II. Outside India	-	-
(i) Government Securities	-	-
Total	-	-
Grand Total (I & II)	64,77,09,787	94,60,84,977

Schedule 8 - Investments

(in Rupees)

Particulars	As on 31-03-2022	As on 31-03-2021
I. Investments in India in		
(i) Government securities	1,65,72,13,203	1,17,13,22,201
(ii) Other approved securities (Treasury Bills)	-	-
(iii) Shares	-	-
(iv) Debentures and Bonds	-	-
(v) Subsidiaries and/or Joint Ventures	-	-
(vi) Others - Non SLR Mutual Funds	-	-
Total	1,65,72,13,203	1,17,13,22,201
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)	1,65,72,13,203	1,17,13,22,201



Schedule 9 - Advances

(in Rupees)

Particulars	As on 31-03-2022	As on 31-03-2021
A. (i) Bills purchased and discounted	-	-
(ii) Cash Credits, Overdrafts and loans repayable on demand	2,46,54,09,260	2,52,21,01,167
(iii) Term loans	2,80,32,94,406	2,62,10,73,968
Total	5,26,87,03,667	5,14,31,75,135
B. (i) Secured by tangible assets	4,92,52,96,842	4,63,66,58,883
(ii) Covered by Bank/Govt. Guarantees	-	-
(iii) Unsecured	34,34,06,825	50,65,16,252
Total	5,26,87,03,667	5,14,31,75,135
C. I. Advances in India		-
(i) Priority sectors	2,13,74,09,560	2,43,57,05,502
(ii) Public sector	-	-
(iii) Banks	-	-
(iv) Others	3,13,12,94,107	2,70,74,69,633
Total	5,26,87,03,667	5,14,31,75,135
C. II. Advances Outside India		-
(i) Due from banks	-	-
(ii) Due from others	-	-
Total	-	-
Grand Total (C.I & C.II)	5,26,87,03,667	5,14,31,75,135

Schedule 10 - Fixed Assets

(in Rupees)

Particulars	As on 31-03-2022	As on 31-03-2021
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	18,66,93,459	19,31,98,188
Additions during the year	1,07,00,656	82,07,004
Deductions during the year	41,77,142	1,47,11,733
less : Depreciation to date	10,54,04,937	9,02,30,977
Add: Adjustment to Reserves & Surplus		
Intangible Assets -Software	1,11,10,132	72,32,813
Total (I and II)	9,89,22,169	10,36,95,295



Schedule 11- Other Assets

(in Rupees)

Particulars	As on 31-03-2022	As on 31-03-2021
Interest accrued on investments	3,45,66,503	3,26,84,389
Tax paid in advance/tax deducted at source	5,60,00,000	7,60,00,000
Stationery and stamps	55,63,484	59,06,357
Other Assets	15,01,75,839	7,20,20,135
Total	24,63,05,826	18,66,10,881

Schedule 12 - Contingent Liabilities

(in Rupees)

Particulars	As on 31-03-2022	As on 31-03-2021
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	40,58,120	35,08,120
(b) Outside India	-	-
V. Acceptances, endorsements and other obligations	-	-
VI. Other items for which the bank is contingently liable	-	-
Total	40,58,120	35,08,120

Schedule 13- Interest Earned

(in Rupees)

Particulars	Year ended 31-03-2022	Year ended 31-03-2021
I. Interest/discount on advances/bills	63,44,91,650	66,12,64,419
II. Income on investments	9,30,22,251	7,57,60,920
III. Interest on balances with Reserve Bank of India and other inter-bank funds	4,21,50,816	4,58,85,896
Total	76,96,64,717	78,29,11,235

Schedule 14 - Other Income

(in Rupees)

Particulars	Year ended 31-03-2022	Year ended 31-03-2021
I. Commission, exchange and brokerage	2,36,22,361	2,39,05,018
II. Profit on sale of investments	1,21,11,016	2,16,62,337
III. Miscellaneous income	13,31,87,129	10,14,20,481
Total	16,89,20,507	14,69,87,836

Schedule 15 - Interest Expended

(in Rupees)

Particulars	Year ended 31-03-2022	Year ended 31-03-2021
I. Interest on Deposits	34,51,23,304	35,37,97,451
II. Interest on RBI/ inter-bank borrowings	-	-
Total	34,51,23,304	35,37,97,451



Schedule 16 - Operating Expenses

(in Rupees)

Particulars	Year ended 31-03-2022	Year ended 31-03-2021
Payments to and provisions for employees	12,72,05,010	10,50,96,557
Rent, taxes and lighting	4,41,24,231	4,45,13,542
Printing and stationery	32,02,957	31,14,540
Advertisement and publicity	8,73,330	9,13,363
Depreciation		
a. Depreciation on Fixed Assets	1,80,91,507	1,88,95,495
Director's fees, allowances and expenses	14,90,700	15,64,750
Auditors' fees and expenses (including branch auditors)	31,94,176	21,75,777
Postage, telegrams, telephones, etc	36,90,249	41,15,631
Repairs and maintenance	3,75,68,500	2,56,58,909
Insurance	87,01,652	76,67,683
Miscellaneous expenses	3,93,51,677	3,59,95,472
Total	28,74,93,989	24,97,11,719

Provisions and contingencies

(in Rupees)

Particulars	Year ended 31-03-2022	Year ended 31-03-2021
Provision for NPA	9,81,21,681	3,86,38,495
Provision for Income Tax	5,60,00,000	7,10,00,000
Provision for Deferred Tax	(9,56,628)	(9,02,420)
Contingent Provision against Standard Assets	11,25,634	32,98,367
Provision for Restructured Accounts	59,30,072	2,23,20,539
Provision due to Covid-19	-	(30,27,776)
Total	16,02,20,759	13,13,27,205

For and on behalf of the Board

For RAMAMOORTHY (N) & CO
Chartered Accountants
Firm Registration No. 002899S

Krishnamoorthy Venkataraman
Non-Executive Independent (Part-Time) Chairman

(K. Ramachandra Rao)
PARTNER, Memb No.201334
UDIN No. 22201334AJIZGM7961

B.Venu Gopala Reddy
Managing Director & C E O

T. Ravee
Non-Executive Independent Director
& Chairman of Audit Committee

KAV Raman
Chief General Manager & CFO

R. Naga Lakshmi
Company Secretary & Compliance Officer

Place : Vijayawada

Date : 21-05-2022



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. Further during F.Y 2021-22 bank has restructured the eligible accounts under Resolution Plan – II.

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.
- 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
 - (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 ab-initio);

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. In terms of Circular No. DOR.STR.REC.11/21.04.048/2021-22 dated May 5th 2021, Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses , the bank has restructured the eligible accounts during 2021-22 and made a provision at 10% on such accounts.

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- Restructure.
- d) Providing for NPA.
- e) Adjustment to the value of investments as per RBI guidelines.
- f) Other usual and necessary provisions.

For and behalf of the Board

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

Krishnamoorthy Venkataraman
Non-Executive Independent (Part-Time) Chairman

(K. Ramachandra Rao)
PARTNER, Memb. No. 201334
UDIN No. 22201334AJIZGM7961

B. Venu Gopala Reddy
Managing Director & CEO

T. Ravee
Non-Executive Independent Director
& Chairman of Audit Committee

KAV Raman
Chief General Manager & CFO

R. Naga Lakshmi
Company Secretary & Compliance Officer



SCHEDULE 18: NOTES FORMING PART OF ACCOUNTS

3.1 Capital

Particulars	F.Y. 2021-2022	F.Y.2020-2021
i) CRAR (%)	28.46%	24.21%
ii) CRAR – Tier I Capital (%)	27.35%	23.42%
iii) CRAR – Tier II Capital (%)	1.11%	0.79%
iv) Percentage of the shareholding of the Government of India Nationalized Banks	NIL	NIL
v) Amount raised by issue of Upper Tier II Instruments	NIL	NIL

3.2 Investments

(Rs. In Lakhs)

Particulars	F.Y. 2021-2022	F.Y.2020-2021
(1) Value of Investments		
(i) Gross Value of Investment		
(a) In India	16572.13	11713.22
(b) Outside India	NIL	NIL
(ii) Provisions for Depreciation		NIL
(a) In India	0.50	75.66
(b) Outside India	NIL	NIL
(iii) Net Value of Investments		11637.56
(a) In India	16571.63	
(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	0.50	NIL
(iii) Less: Write-off/write-back of excess provisions during the year	75.66	NIL
(iv) Closing Balance	0.50	75.66

NOTES:

- During the year, the excess provision held has been written back to Profit and Loss Account while continuing the same as investment reserve(net of taxes) amounting to Rs. 42.17 Lakhs. The Investment Reserve can be utilized for adjusting the depreciation on securities under AFS category in future.
- As per RBI Guidelines, the Bank has provided 2% of AFS category securities amounting to Rs. 54.87 lakhs during the year.



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(Mutual Funds)	-	-	-	-	-
(vii)	Provision held towards depreciation	-	-	-	-	-
	Total*	-	-	-	-	-

(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	11713.22	11825.48
Purchases during the year	7782.45	7782.45
Sold/Matured during the year	2900.02	2900.02
Amortised during the year	23.52	-
Investments held under HTM at the end of the year	13828.36	16337.15

3.2.3(i) Purchase and Transfers to/ from AFS Category

(Rs.in Lakhs)

Particulars	Book Value	Market Value
Investments held under AFS at the beginning of the year	-	-
Transfer from HTM Category during the year	3200.94	-
Purchases during the year	2442.86	2435.06
Sold during the year	2900.02	2900.02
Investments held under AFS at the end of the year	2743.77	2743.27

3.2.3(ii) Investments at the end of the year (HTM & AFS) : 16572.13 (Rs.in Lakhs)

Note: The securities amounting to Rs. 3170 Lakhs (Face Value) transferred from HTM category to AFS Category during the year on 30.04.2021.



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	FY 2021-2022	FY 2020-2021
(i) Net NPAs to Net Advances (%)	2.34%	0.99%
(ii) Movement of NPAs (Gross)		
(a) Opening Balance	1380.31	1497.56
(b) Additions during the year	8707.63	588.28
(c) Reductions during the year	7006.36	705.53
(d) Closing Balance	3081.58	1380.31
(iii) Movement of Net NPAs		
(a) Opening Balance	511.28	1014.91
(b) Additions during the year	7726.40	201.90
(c) Reductions during the year	7006.36	705.53
(d) Closing Balance	1231.32	511.28
(iv) Movement of Provisions for NPAs		
(a) Opening Balance	869.04	482.65
(b) Provisions made during the year	981.21	386.39
(c) Write-off/ Write-back of excess provisions	0.00	0.00
(d) Closing Balance	1850.25	869.04

NOTES:

During the year, the bank has sold the collateral security in the case of M/s Mahalaxmi Auto Ventures, under SARFAESI ACT 2002 for Rs. 291.75 lakhs and collected an amount of Rs.145.88 lakhs as on 31.03.2022. The balance amount of Rs. 145.88 lakhs is realised on 04.04.2022. The provision for the same has not been made as the security was sold and proceeds are collected as on the date of audit. The property was registered on 28/04/2022.



Rs.in Lakhs

3-4.2 Particulars of Accounts Restructured :

Sl. No.	Type of Restructuring	Under CDR Mechanism			Under SME Debt Restructuring Mechanism			Others			Total						
		Standard	Sub-Standard	Doubtful	Lo ss	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 Amount outstanding Provision thereon				8867.00 4643.02 202.53				46.00 384.76 20.68				8913.00 5027.78 223.21		8913.00 5027.78 223.21
2	Fresh restructuring during the year		No. of borrowers Amount outstanding Provision thereon				1810.00 1453.42 125.92				35.00 754.60 67.98				1845.00 2208.02 19.90		1845.00 2208.02 19.90
3	Upgradations to restructured standard category during the FY		No. of borrowers Amount outstanding Provision thereon														
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				7044.00 2784.15 125.61				18.00 250.28 8.99				7062.00 3034.43 134.60		7062.00 3034.43 134.60
5	Downgradations 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 Amount outstanding Provision thereon				3633.00 3312.29 202.84				63.00 889.08 79.67				3696.00 4201.37 282.51		3696.00 4201.37 282.51

* 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	F.Y. 2021-2022	F.Y. 2020-2021
Provisions towards Standard Assets	192.76	181.51
Provision on Restructured accounts Rs in lacs	282.50	223.21

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

Particulars	F.Y. 2021-2022	F.Y. 2020-2021
Amount of advances in SMA/ Overdue categories, where moratorium/ deferment was extended.	—	—
Amount of advances where asset classification benefit is extended.	—	—
Provision as per Covid-19 Regulatory Package.	—	—
Provision adjusted against slippages	—	—

3.5 Business Ratios

Particulars	F.Y. 2021-2022	F.Y. 2020-2021
(i) Interest income as a percentage to working Funds	10.20%	10.85%
(ii) Non-interest income as a percentage to working Funds	2.24%	2.03%
(iii) Operating Profit as a percentage to Working Funds	4.06%	3.67 %
(iv) Return on Assets	2.38%	2.70 %
(v) Business (Deposits plus advances) per employee (Rs. In Lakhs)	357	369.93
(vi) Profit per employee (Rs.in Lakhs)	4.32	6.25

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	6.66	6.74	6.38	4.97	14.89	27.35	75.88	401.22	79.10	26.56	649.76
Advances	22.31	3.88	4.31	5.06	30.15	45.42	106.14	189.47	68.19	70.34	545.37
SLR Investments	--	—	—	0.92	6.00	--	--	—	16.50	142.30	165.72
Borrowings						Nil					
Foreign Currency Assets						Nil					
Foreign Currency Liabilities						Nil					



3.7 Exposures

3.7.1 Exposure to Real Estate Sector

(Rs.in Lakhs)

Category	Current Year	Previous Year
a) Direct Exposure		
(i) Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans eligible for inclusion in priority sector advances may be shown separately)	7213.59	4236.89
(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;	1854.34	1788.09
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures – a. Residential, b. Commercial Real Estate	0.00	Nil
b) Indirect Exposure Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	0.00	Nil
Total Exposure to Real Estate Sector	9067.93	6024.98

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:

a) Insurance charges.

**4.3 Accounting Standard 15 – Employee Benefits
Defined Contribution Plan – Provident Fund:**

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

Defined Benefit Plan – Gratuity:

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

Defined Benefit Plan – Leave Encashment:

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

4.4 Accounting Standard 17 – Segment Reporting

(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	1351.73	1216.46	-	-	6344.92	6612.64	1689.21	1469.89	9385.86	9298.99
Result										
Unallocated expenses									6325.86	5937.39
Operating profit									3060.00	3361.60
Income taxes									560.00	710.00
Extra-ordinary Profit/Loss										
Net Profit									1457.47	1950.62
Other information										
Segment Assets	16572.13	11713.22	-	-	54537.29	52300.78	-	-	71109.42	64014.09
Unallocated Assets									10101.93	14379.87
Total Assets									81211.35	77524.84
Segment Liabilities	-	-	-	-	64976.12	63121.52	-	-	64976.12	63121.52
Unallocated Liabilities									16235.23	14400.32
Total Liabilities									81211.35	77524.84

**Part B: Geographic segments**

(Rs. in Lakhs)

	Domestic		International		Total	
	F.Y. 2021-2022	F.Y. 2020-2021	F.Y. 2021-2022	F.Y. 2020-2021	F.Y. 2021-2022	F.Y. 2020-2021
Revenue	9385.85	9298.99	—	—	9385.85	9298.99
Assets	81211.35	77524.84	—	—	81211.35	77524.84

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				59.99		59.99
Sitting Fees to Directors				14.91		14.91

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. R Naga Lakshmi, Company Secretary.

Remuneration and other emoluments to Directors:

Particulars	F.Y 2021-2022 (Rs. in Lakhs)	F.Y 2020-2021 (Rs. in Lakhs)
Remuneration to Managing Director	44.99	35.97
Remuneration to Chairman	15.00	15.00
Sitting fee to Directors	14.91	15.64

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 2022 is detailed below: -

Particulars	Current Year			Previous Year		
	(Liabilities)/ Assets as on 01/04/2021	(Charges)/ Credit during the Year	(Liabilities)/ Assets as on 31/03/2022	(Liabilities)/ Assets as on 01/04/2020	(Charges)/ Credit during the Year	(Liabilities)/ Assets as on 31/03/2021
Timing difference on account of (a) Depreciation on Assets	(3427382.07)	956628.02	2470754.05	(43,29,802)	9,02,420	(34,27,382)



Amount of Provisions made for Income-tax during the year: (Rs. in Lakhs)

Particulars	F.Y 2021-2022	F.Y 2020-2021
Provision for Income Tax	560.00	710.00

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

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

4.9 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.

4.10 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	F.Y 2021-2022	F.Y 2020-2021
Provision towards NPA	981.22	386.38
Provision towards Standard Asset	11.26	32.98
Provision towards COVID-19	—	(30.27)
Provision made towards Income Tax	560.00	710.00
Provision for Deferred Tax (Net)	(9.56)	(9.02)
Provision for Restructured Accounts	59.30	223.20

5.2 Floating Provisions : NIL

5.3 Draw Down from Reserves

5.4 Disclosure of Complaints

A. Customer Complaints :

		F.Y 2021-2022	F.Y 2020-2021
(a)	No. of complaints pending at the beginning of the year	Nil	Nil
(b)	No. of complaints received during the year	141	92
(c)	No. of complaints redressed during the year	141	92
(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	F.Y 2021-2022	F.Y 2020-2021
Gross NPA (Rs.in Lakhs)	3081.58	1380.31
Provision for NPA (Rs.in Lakhs)	1850.25	869.04
Provisioning Coverage Ratio (%)	60.04%	62.96%

5.7 Insurance Business – NOT APPLICABLE

5.8 Concentration of Deposits, Advances, Exposures and NPAs

5.8.1 Concentration of Deposits

(Rs. in lakhs)

Particulars	F.Y 2021-2022	F.Y 2020-2021
Total Deposits of twenty largest depositors	3604.20	3245.25
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	5.55%	5.14%

5.8.2 Concentration of Advances

(Rs. in lakhs)

Particulars	F.Y 2021-2022	F.Y 2020-2021
Total Advances of twenty largest borrowers	6448.87	6137.98
Percentage of Advances to twenty largest borrowers to Total Advances of the bank	11.82%	11.74%

5.8.3 Concentration of Exposures

(Rs. in lakhs)

Particulars	F.Y 2021-2022	F.Y 2020-2021
Total Exposures to twenty largest borrowers/customers	5910.10	5816.89
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	10.84%	11.12%

5.8.4 Concentration of NPAs

(Rs. in lakhs)

Particulars	F.Y 2021-2022	F.Y 2020-2021
Top Four NPA Accounts	604.14	413.18
Percentage of Total Exposure to top four NPA Accounts	1.11%	0.79%



5.9 Sector wise Advances

(Rs. in Lakhs)

S. No.	Sector*	F.Y. 2021-2022			F.Y. 2020-2021		
		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	9621.36	452.19	4.70	11813.01	152.08	1.29
2	Advances to industries sector eligible as priority sector lending	2.83	-	-	106.51	-	-
3	Services	12409.55	490.38	3.95	13151.56	434.85	3.31
4	Personal loans	-	-	-			
	Sub total (A)	22033.74	942.57	4.28	25071.08	586.93	2.34
B	Non Priority Sector						
1	Agriculture and allied activities	7240.65	406.91	5.62	6500.00	90.22	1.39
2	Industry	-	-	-			
3	Services	23199.05	1665.30	7.18	19193.03	634.51	3.31
4	Personal loans	2063.85	66.80	3.24	1536.68	68.65	4.47
	Sub-total (B)	32503.555	2139.01	6.58	27229.71	793.38	2.91
	Total (A+B)	54537.29	3081.58	5.65	52300.79	1380.31	2.64

Note :* Bank has sold PSLC to the tune of Rs.17000 lakhs during the year 2021-22, and the same as been reduced from priority (Agricultural and allied activities) & included in non-priority fetching an amount of Rs. 373.51 lakhs.

Category wise details of sale of Priority Sector Lending Certificates:

(Rs. in Lakhs)

Particulars	F.Y 2021-2022	F.Y 2020-2021
Agriculture and allied activities-		
From Small and Marginal Farmers-	0.00	500.00
From other Agricultural Loans	7200.00	6000.00
Advances to industries sector eligible as priority sector lending		
Advances to Micro Enterprises	9800.00	5000.00
Advances to other General Borrowers	0.00	0.00
Total	17000.00	11500.00

**5.10 Movement of NPAs**

(Rs. in Lakhs)

Particulars	F.Y 2021-2022	F.Y 2020-2021
Gross NPAs as on 1 st April of particular year (Opening Balance)	1380.31	1497.56
Additions (Fresh NPAs) during the year	8707.63	588.28
Sub-Total (A)	10087.94	2085.84
Less:		
(i) Up gradations	4207.23	121.00
(ii) Recoveries (excluding recoveries made from upgraded accounts)	2785.86	573.00
(iii) Write-offs	13.27	11.53
Sub-total (B)	7006.36	705.53
Gross NPAs as on 31 st March of following year (closing balance) (A-B)	3081.58	1380.31

Stock of technical write offs and the recoveries made thereon:

Particulars	F.Y 2021-2022	F.Y 2020-2021
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	F.Y 2021-2022	F.Y 2020-2021
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:

(Rs. in Lakhs)

Sl.No.	Name of Director	Designation
1	Mr. A N Appaiah	Chairman
2.	Mr.K. Venkataraman	Member
3.	Mr.BalajiGopalakrishnan	Member
4.	Mr.ThimmiChetty Ravee	Member

Attendance

Details of the meetings held during the year

Sl.No.	Date	Committee Strength	No.of Members Present
1	24-06-2021	4	4
2	27-07-2021	4	4
3	25-08-2021	4	4
4	28-01-2022	4	4
5	19-03-2022	4	4

1. The Bank does not have any stock option scheme.
2. The Bank currently does not pay any remuneration to its Non – Executive Directors.
3. Details of the remuneration to Directors & other Key Managerial Personnel.

(Rs. in Lakhs)

Name	Designation	Salary	Variable Pay	Prerequisites	Total
Krishnamurthy Venkataraman	Chairman	15.00	0.00	0.00	15.00
B Venu Gopal Reddy	Managing Director	33.00	9.00	2.99	44.99
KAV Raman	CFO	21.00	3.00	0.00	24.00
R Naga Lakshmi	Company Secretary	10.19	0.00	0.00	10.19
TOTAL		79.19	12.00	2.99	94.18

* In addition to the amount, an amount of Rs. 6.00 Lakhs was paid to MD&CEO towards variable pay for 2019-20 after obtaining RBI approval.

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	F.Y 2021-2022	F.Y 2020-2021
Opening balance of amounts transferred to DEAF	56.86	47.95
Add : Amounts transferred to DEAF during the year	5.36	8.91
Less : Amounts reimbursed by DEAF towards claims	-	-
Closing balance of amounts transferred to DEAF	62.22	56.86

5.19 Unhedged Foreign Currency Exposure : NOT APPLICABLE

5.20 Fraud by employee in Gold loan accounts at Akkayyapalem Branch:

There are 34 Gold loan accounts at Akkayyapalem branch, Visakhapatnam identified as fraudulent, and 7 accounts are closed and adjusted. The remaining 27 accounts amounting Rs.171.82 lakhs (After reversal of un-realised interest as per NPA norms, the O/s remaining in advances is Rs.158.40 lakhs is the net outstanding). The issue is discussed by Risk Management Committee and ALM committee and Board has taken note of the same. The fraud has been reported to the RBI by the Bank on 20th January, 2022. The matter has been entrusted to CBCID to investigate into the matter. FIR has been registered under 7/22 at CID office, Mangalagiri. The insurance claim has been invoked on 5th February 2022.

6. Liquidity Coverage Ratio (LCR) – Not Applicable

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

For and behalf of the Board

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

Krishnamoorthy Venkataraman
Non-Executive Independent (Part-Time) Chairman

(K. Ramachandra Rao)
PARTNER, Memb. No. 201334
UDIN No. 22201334AJIZGM7961

B. Venu Gopala Reddy
Managing Director & CEO

T. Ravee
Non-Executive Independent Director
& Chairman of Audit Committee

KAV Raman
Chief General Manager & CFO

R. Naga Lakshmi
Company Secretary & Compliance Officer

Place : Vijayawada

Date : 21-05-2022



CASH FLOW STATEMENTS FOR THE YEAR ENDED 31-03-2022 (in Rupees)

PARTICULARS	As on 31-03-2022	As on 31-03-2021
CASH FLOW FROM OPERATING ACTIVITIES		
CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT AFTER TAX	14,57,47,171	19,50,62,696
ADD: Provisions Made in P&L Account	16,02,20,759	13,13,27,204
Assets Written Off- Furniture	9,40,104	27,56,484
Deferred Revenue Expenditure Written off	17,68,800	13,41,373
Income Tax Paid	50,00,000	19,280
Bad Debts Written Off	13,27,445	11,53,444
Depreciation on Bank's Property	1,80,91,507	1,88,95,495
Amortisation on Investments	23,52,091	
LESS: Income From Investments	(9,53,74,342)	(7,57,60,919)
Profit on Sale of Investments	(1,21,11,016)	(2,16,62,338)
Profit on Sale of Asset	(18,400)	(11,031)
Provision written back	(79,18,944)	-
Provision written back	(1,50,000)	-
	21,98,75,175	25,31,21,687
LESS: DIRECT TAXES PAID	(5,60,00,000)	(8,22,88,370)
CASH FLOW BEFORE WORKING CAPITAL CHANGES	16,38,75,175	17,08,33,317
CHANGE IN ADVANCES	(22,49,77,657)	(66,24,47,664)
CHANGE IN DEPOSITS	18,54,60,263	79,98,04,750
CHANGES IN OTHER LIABILITIES & PROVISIONS	6,57,81,045	6,00,46,502
CHANGES IN OTHER ASSETS	(7,78,12,831)	(1,84,43,724)
CASH FLOW FROM OPERATING ACTIVITIES	11,23,25,995	34,97,93,181
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investments	(77,82,45,500)	(74,05,92,114)
Income from Investments	9,34,92,228	6,58,35,461
Sale of Investments	30,21,13,423	67,36,08,571
Receipts from Sale of Fixed Assets	3,37,890	8,26,057
Purchase of Intangible Assets	(53,73,620)	(37,79,139)
Purchase of Fixed Assets	(1,07,00,656)	(82,07,004)
CASH FLOW FROM INVESTING ACTIVITIES	(39,83,76,236)	(1,23,08,167)
CASH FLOW FROM FINANCING ACTIVITIES		
DIVIDENDS PAID	(1,16,40,249)	
DIVIDEND TAX PAID		
INCREASE/(DECREASE) IN BORROWINGS		
CASH FLOW FROM FINANCING ACTIVITIES	(1,16,40,249)	
CASH FLOW DURING THE YEAR	(29,76,90,489)	33,74,85,014
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,14,76,80,905	81,01,95,891
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	84,99,90,416	1,14,76,80,905

For and on behalf of the Board

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

Krishnamoorthy Venkataraman
Non-Executive Independent (Part-Time) Chairman

(K. Ramachandra Rao)
PARTNER, Memb. No. 201334
UDIN No. 22201334AJIZGM7961

B. Venu Gopala Reddy
Managing Director & CEO

T. Ravee
Non-Executive Independent Director
& Chairman of Audit Committee

KAV Raman
Chief General Manager & CFO

R. Naga Lakshmi
Company Secretary & Compliance Officer

Place : Vijayawada
Date : 21-05-2022



FINANCIAL TRENDS 2016-22

(Rs in lakhs)

Particulars	31.03.2016	31.03.2017	31.03.2018	31.03.2019	31.03.2020	31.03.2021	31.03.2022
	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	2223.79	2996.21	4449.03	5812.27	7761.16	9711.79	10939.07
Deposits	32439.56	40545.66	45257.04	51360.10	55123.47	63121.52	64976.12
Advances	23998.00	30042.05	35081.53	38018.29	45683.53	52300.00	54537.29
Total Business	56437.56	70587.71	80058.30	89378.39	100807.00	115421.52	119513.41
Net Profit(Loss)	825.88	876.53	1452.82	1613.00	1943.56	1950.63	1457.47
Net NPAs(%)	57.31 (0.24)	121.79 (0.41)	280.15 (0.80)	718.67 (1.90)	1014.91 (2.25)	511.00 (0.98)	1231.32 (2.26)
Prioritysector advances (%)	13471.97 (56.14)	17118.75 (56.98)	22874.64 (65.20)	26617.72 (70.01)	27314.49 (59.79)	25071.08 (54.88)	22033.74 (40.40)
Advances to agriculture (%)	4470.56 (18.63)	4720.07 (15.71)	5617.61 (16.01)	5763.98 (15.16)	1561.78 (3.42)	11813.01 (25.86)	9621.36 (17.64)
Advances to Weaker sections (%)	4657.23 (19.41)	5365.39 (17.86)	6747.33 (19.23)	7665.62 (20.16)	7764.93 (17.00)	8307.93 (18.19)	8442.69 (16.14)
Return on Equity (%)	18.25	19.25	21.52	19.88	19.32	16.24	12.14
Return on Assets	2.37	1.99	2.90	2.86	3.05	2.70	1.85
Net Interest Margin (%)	5.91	5.28	6.40	6.39	5.90	6.49	6.01
CD ratio in %	73.98	74.00	76.90	73.29	82.88	82.85	83.93
CRAR in %	19.81	18.00	19.86	21.25	23.00	24.20	28.46
Cost of deposits in %	7.57	7.19	6.58	6.46	6.39	6.06	5.55
Yield on adv-ances in%	15.06	14.91	14.62	14.30	13.61	13.9	12.35
No.of employees	256	282	305	328	333	312	335
Per employee business	220.46	250.31	262.48	272.50	301.82	370.00	357.00.00
No. of branches	39	44	50	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, College Road, Amalapuram - 533 201, Phone No.0884-2356363, Cell No.7093906176
5. **RAMACHANDRAPURAM** : D.No.19-1-51, Sumathi Plaza, Main Road, Ramachandrapuram - 566255, Phone No. 08857-244699, Mob No.7331143304
6. **TUNI** : D.No.8-9-19, Pedda Veedhi, Tuni Town - 533401, Phone No. 08854-251455, Mob. No. 7995574832

VISAKHAPATNAM DISTRICT

1. **VISAKHAPATNAM** : D.No:45-40-43/1, Main Road, 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 Municipal 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



COASTAL BANK MITRA (CBM) BUSINESS CORRESPONDENTS

S.No.	Br.Code	Br Name	BC Agent Name	Mobile Number
1	1	Vijayawada	Burra Prakasa Rao	9247771019
2	2	Guntur	Y.Srinivasa Rao	9966511746
3	2	Guntur	S L Venkata Guptha	9290570449
4	3	Eluru	Ch Ranga Santharam	9949291926
5	4	Nuzvid	V.Ramesh	9290570440
6	4	Nuzvid	Shaik Ahmadvali	6303853156
7	5	Jangareddygudem	Y Raja Ramesh	9290570440
8	6	Narasaraopeta	Aravapalli Srinivasarao	9703729919
9	6	Narasaraopeta	A Saidarao	9989961626
10	7	Repalle	Bolisetty Kasi Viswanath Gupta	9290171850
11	8	Tanuku	K Somireddy	9398343273
12	8	Tanuku	Nalluri Lokesh	7013250018
13	9	Thulluru	Shaik Khasim Saheb	9849994729
14	11	Kanuru	Anumolu Bala Hari Krishna Prasad	9700434345
15	12	Gudivada	Thodabandi Naga Prasad	9298458777
16	12	Gudivada	M Hari Rama Krishna	9848415161
17	13	Tenali	N.V.R.Kishor	9396722125
18	13	Tenali	A.Srinivasa Rao	9290894668
19	14	Tadepalligudem	Goluguri Lakshmi Narasimham	9490537551
20	14	Tadepalligudem	Thummalapalli Naga Venkata Sri Rama Murthy	9866199566
21	15	Bhimavaram	D.V.S.Pavan Kamalakar	9959166068
22	16	Palakol	I N V P Vamsi Krishna	9849539422
23	16	Palakol	A.Manikanta Kumar	9550002109
24	17	Gannavaram	Singanapalli Durga Rao	9297006626
25	18	Gollapudi	P.Subba Rao	8523084444
26	18	Gollapudi	Ch Naga Raju	6302923007
27	19	Devarapalli	K.Ratnaji	8247579797
28	20	Chilakaluripet	A.Vijay kumar	9346526315
29	21	Kothapet	K Prabhakara Rao	9440835104
30	23	Nizampatnam	N Mastan Rao	9347614491
31	24	Gampalagudem	Vanama Krishna Balaji	9703636871
32	25	Mopidevi	Vissamsetty Bhavana Rajesh	9949977149
33	26	Chintalapudi	A Nagaraju	9440989301
34	27	Gorantla	S ANANDA RAO	7396168289
35	28	Vinukonda	P.Gousiya Begum	8639478774
36	28	Vinukonda	K.Hari Babu	9440152880
37	31	Rajahmundry	M Srinivasa Rao	9603731189
38	32	Ravulapalem	Vetcha Veera Venkata Satya Krishna	9492666828
39	33	Sarpavaram	Kodamanthili Durga Prasad	9154478814
40	34	Vuyyuru	Marri Satya Durga Naga Swamy	9014828278
41	35	Kolluru	B Sudhakar	9346801561
42	36	Enikepadu	Merugumala Tirumalaiah	9848899881
43	37	Amalapuram	M.Srinivasa Rao	8328516707
44	37	Amalapuram	P.Krishna prasad	9491255517
45	39	Kommadi	Vinnakota Durga Prasad	9441006008
46	42	Ramachandrapuram	G Satish Vara Prasad	9032028967
47	43	Prajasakthinagar	Karumuri Aruna Bhaskar	9490916619
48	44	Mangalagiri	G.Susruthudu	9700808300
49	49	Tuni	Pappu Nanaji	9951038736

BANK IN THE FOREFRONT OF CSR ACTIVITIES...



Distributing essentials at an old age home



Extending a helping hand to a Covid-19 orphaned child for his educational expenses



Providing a 4 wheeler to Sudheekhan Foundation for the use of differently abled children



Providing a shed for school children at a primary school



Helping SEDMH School, Eluru to set-up Digital Class Rooms



Sponsoring Inter District Badminton Championships



Honouring the Senior citizens of the Walker Club, Gannavaram



In the service of Society.....



Donating water pump to Women Rehabilitation Home at Vijayawada



Setting up Public Park at ISKCON Temple Campus at Vijayawada.



Providing R.O. Water Purifier system to Oxford Public School, Guntur



Helping Sarada Vidyalayam, Kakinada to set up Digital Class Rooms



Bank has conducted 'Daan Utsav' in October 2021 in association with 'Goonj', a NGO and collected clothes, books, stationery etc from general public for distribution among Covid affected families



Corporate Office :

COASTAL LOCAL AREA BANK LTD

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Gayathri Nagar, Vijayawada - 520008, A.P.,
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e-mail : coastalho@coastalareabank.com
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