



COASTAL BANK

Annual Report

2020



COASTAL BANK

GRACELINE

కోస్టల్ బ్యాంక్  **COASTAL BANK**



New CO Inauguration by Sri Subrata Das, RD, RBI



SHG borrowers showcasing their products



External Training @ SBILD, Gachibowli, Hyderabad



In-house Workshop/Training for BMs @ CO



In-house Training for Staff



Group Discussion in Progress



Micro loans disbursement by a branch on 20th Foundation Day



Campus Recruitment Test in progress



CONTENTS

1.	Corporate Information	-	2
2.	Notice of Annual General Meeting	-	5
3.	Directors' Report	-	9
4.	Corporate Governance	-	20
5.	Auditor's Report	-	26

Financial Statements

6.	Balance Sheet	-	29
7.	Profit and Loss Account	-	30
8.	Schedules to Balance Sheet and Profit and Loss Account	-	32
9.	Cash Flow Statement	-	52
10.	Financial Trend	-	58
11.	Area of operations	-	59



CORPORATE INFORMATION

Board of Directors

Mr. K Venkataraman	...	Chairman
Mr. B Venu Gopala Reddy	...	Managing Director & CEO (w.e.f. 25.01.2019)
Mr. B S Purshotham	...	Director (w.e.f. 25.03.2019)
Mr. A N Appaiah	...	Director (w.e.f. 18.05.2019)
Mr. Balaji Gopalakrishnan	...	Director (w.e.f. 12.06.2019)

Key Managerial Personnel

Mr. B Venu Gopala Reddy	...	Managing Director & CEO
Mr. Jagapathi Raju Datla	...	General Manager & Chief Financial Officer
Mr. Hirak Saha Kabiraj	...	Company Secretary (w.e.f. 29.01.2020)

Senior Management

Mr. KAV Raman	...	General Manager & COO
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STATUTORY AUDITORS

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

REGISTRARS & TRANSFER AGENTS

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

REGD. AND CORPORATE OFFICE

D.No.59-12-6, Ghantasalavari Veedhi, Grace Line,
Gayatri Nagar, Vijayawada – 520 008.
Phone: 0866-2494425/26; Fax: 0866-2494423
Web: www.coastalareabank.com
Email: coastalho@coastalareabank.com
CIN: U65993AP1999PLC031684



BOARD OF DIRECTORS



Mr. Krishnamoorthy Venkataraman
Chairman



Mr. B Venu Gopala Reddy
Managing Director & CEO



Mr. B Sai Purshotham
Non-Executive Director



Mr. A N Appaiah
Non-Executive Director



Mr. Balaji Gopalakrishnan
Non-Executive Director

EXECUTIVE TEAM



Mr. D Jagapathi Raju
General Manager & CFO



Mr. KAV Raman
General Manager & COO



DIRECTORS' PROFILE



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



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



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



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



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



ANNUAL GENERAL MEETING (VIRTUAL) NOTICE

NOTICE is hereby given that the 21st Annual General Meeting of the members of Bank will be held on Monday the 14th Day of September, 2020 at 1700 hrs IST at the Registered Office of the Bank, situated at D.No. 59-12-6, Graceline, Gantasalavari Veedhi, Gayatrinagar, Vijayawada-520008 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as on March 31, 2020 and the Profit and Loss Account for the year ended as on that date together with the Directors' Report and the Auditors' Report thereon.
2. To appoint a director in the place of Mr. Balaji Gopalakrishnan (DIN No: 03322607), who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint Statutory Auditors of the Bank to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting of the Bank and to fix remuneration subject to approval of Reserve Bank of India.

SPECIAL BUSINESS

4. To approve increase in Remuneration of Mr. Krishnamoorthy Venkataraman, Chairman of the Bank :

To consider and if thought fit to pass with or without modification, the following Resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee and pursuant to the provisions of Section 196,197,198,201 and other applicable provisions if any of the Companies Act,2013 and Companies (Appointment and remuneration of Managerial Personnel) Rules,2014 (including rules, notifications, any statutory modification, amendment or re-enactment thereof for the time being in force as may be enacted from time to time) and such other approvals, permissions and sanctions of RBI as may be required in this regard and subject to the Provisions of the Articles of Association of the Company, approval of the Members be and is hereby accorded to the revision in the remuneration of Mr.Krishnamoorthy Venkataraman, Chairman of the Company (DIN 02443410) from Rs 9 lakhs per annum to Rs 15 lakhs per annum."

"RESOLVED FURTHER THAT if in any financial year during his tenure the Company has no profits or inadequate profit, the aforesaid remuneration or remuneration as may be approved by the Board of Directors of the Company from time to time shall be paid as minimum remuneration."

5. **Increase in Authorized Capital of the Bank**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to Section 13, Section 61 and other relevant provisions of the Companies Act, 2013, as amended, read with Article 70 and other relevant clauses in the Articles of Association of the Bank, the present Authorized Capital of the Bank aggregating Rs. 30,00,00,000 (Rupees Thirty crores only), be increased to Rs. 45,00,00,000 (Rupees Forty Five crores only) by creation of 1,50,00,000 (one



crore fifty lakhs) new Equity shares of Rs. 10 (Rupees ten only) each for an amount of Rs. 15,00,00,000 (Rupees Fifteen crores only), and such new shares shall, subject to as provided in Article 73 of the Bank's Articles of Association, be considered to form part of the original capital.

"RESOLVED FURTHER THAT the Clause 5 being the Capital Clause in the Memorandum of Association of the bank, be and is hereby altered to read as under:

The Authorized Share Capital of the company is Rs 45,00,00,000 (Rupees forty Five crores only) divided into 4,50,00,000 (four crores fifty lakhs) Equity shares of Rs. 10 (Rupees ten only) each, with the power to increase or decrease the capital consistent with the rules and regulations of the Company and in accordance with the provisions of the Companies Act,2013."

"RESOLVED FURTHER THAT Mr. B Venu Gopala Reddy, Managing Director & CEO of the Bank, Mr. KAV Raman, Chief Financial Officer and Mr. Hirak Saha Kabiraj, Company Secretary be and are hereby authorized severally to take all necessary steps for giving effect to the resolution".

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

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

Place : Vijayawada

Date : 7th August 2020

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

ITEM NO. 3

M/s Suresh & Babu, Chartered Accountants will retire at the conclusion of this Annual General Meeting and are eligible for re-appointment. However, as per the norms and policy of RBI it is required to rotate the Statutory Auditors for every 4 years and hence Board decided to place a panel of 3 (three) firms of Chartered Accountants before the Reserve Bank of India for their approval. The Board has authorized Mr. B Venugopala Reddy, Managing Director of the Bank to do all the acts and things necessary and incidental thereto. Your Directors expect permission from RBI well before the AGM and the same be placed before the Shareholders.

ITEM NO.4

To Approve increase in Remuneration of Mr. Krishnamoorthy Venkataraman, Chairman of the Bank

Mr. K Venkataraman was appointed as the Chairman of the Bank w.e.f. November 01, 2018 consequent to the approval of the RBI.

He is actively involved in various activities of the Bank and is determined to take the Bank to the next league by putting in place a robust risk management system, adoption of best corporate governance practices, code of ethics for the Directors and Senior Management personnel, etc.



Mr. K. Venkataraman being the Chairman of the Management Committee provides valuable inputs on the credit proposals for a healthy loan portfolio and effective NPA management.

In addition to the above the Chairman spends a couple of days more for the Board and Committee Meetings and has elaborate discussions on planning and strategy, examining existing systems and procedures, policy framework, strategies for improvements, etc.

The Nomination and Remuneration Committee at its meeting held on 20.12.2019 while discussing the said matter felt that the current remuneration paid to the Chairman was grossly disproportionate to the contributions made by him so far and deserved revision of the same and recommended to the Board for Approval. The Board at its Meeting held on 21.12.2019 approved the enhancement of Remuneration of Mr. Krishnamoorthy Venkataraman from Rs 9 lakhs per annum to Rs 15 lakhs subject to the approval of Reserve Bank of India and the Members. The Reserve Bank of India on 20th April,2020 has approved the enhancement of Remuneration from Rs 9 lakhs to Rs 15 lakhs per annum.

Pursuant to applicable provisions of Companies Act,2013 and the relevant rules made thereunder, consent of members is being sought by way of Ordinary Resolution.

Except for Mr.Krishnamoorthy Venkataraman, none of the promoters, key managerial personnel and their relatives are concerned or interested financially in the Resolution.

The Board of Directors recommend passing of the Ordinary Resolution at item No.4 of the notice.

Item No.5

Increase in Authorized Capital of the Bank.

The present authorized capital of the Bank is Rs 30 crore. In view of the forthcoming fund raising plan of the Bank to support its assets growth and to comply with the regulatory requirements on capital adequacy, the Bank has to issue shares to the potential investor/s and the present unissued shares will not be sufficient in such cases. Hence, it is proposed to enhance the authorized capital by altering the capital clause in the Memorandum of Association on the lines as proposed in the draft resolution. The Bank has sought 'no objection' from the Reserve Bank of India under Section 49C of the Banking Regulation Act, 1949, for increasing the authorized capital by altering the capital clause in the Memorandum of Association.

The Articles of Association of the Bank read with Section 13, section 61 of the Companies Act, 2013 authorizes and permits the Bank to increase its authorized capital by passing ordinary resolution of shareholders. Hence the resolution is proposed which is recommended for approval by the shareholders.

None of the Directors or Key Managerial Personnel of the Bank either directly or through their relatives is in any way concerned or interested in the Resolution set out at item No. 5.



NOTES

1. The Ministry of Corporate Affairs vide its General Circular Number No.14/2020 Dated 8th April,2020 dispensed with the requirement of appointing proxies for Meeting to be held through Video Conferencing or Other Audio Visual means. Therefore, no proxy forms will be received by the Bank for the Annual General Meeting. However, in pursuance of section 112 and section 113 of the Act, representatives of the members may be appointed for the purpose of Voting through remote e-voting or participating and voting in the Meeting held through Video Conferencing or Other Audio Visual Means.
2. The Register of Members and Share Transfer Books will remain closed from 4th September 2020 to 7th September 2020 both days inclusive.
3. In view of the Covid 19 pandemic breakdown, the shareholders are to participate in the Annual General Meeting of the Bank through Video Conferencing using TeamLink app by clicking on the link below:
<https://m.teamlink.co/8979606680>
4. In case of difficulty in login, please do not hesitate in reaching out to the following officials:
 - 1) Mr. HIRAK SAHA KABIRAJ (Company Secretary) - 8420375911
 - 2) Mr. Shiva (Senior Manager-IT) - 9866689637
 - 3) Mr. Manoj (Manager IT) - 7032237979

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

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

Place : Vijayawada

Date : 7th August,2020



DIRECTORS' REPORT

To

The Members,

The Management and the Board of Directors take the pleasure in presenting the 21st Annual Report of the Bank together with the Balance Sheet as on 31st March 2020 and Profit & Loss Account and other Financial Statements for the year ended 31st March 2020.

The Year 2019-20 is a watershed year for Coastal Bank. The Bank has completed 20 years of its existence on 27th December 2019, crossing several milestones, such as -

1. Rs. 1,000 Crores of business;
2. Rs. 100 Cr net worth;
3. 23% Capital Adequacy;
4. 83% Credit Deposit Ratio;

Apart from the above quantifiable achievements, your Bank notched up several intangible and transformational initiatives, such as:

1. All the staff were exposed to external training as part of an effort to enhance skills and job knowledge and to foster a better compliance culture. The Branch Heads, with their high morale and self-confidence are poised to handle more diversified roles.
2. A constant and continuous attempt has been made to instill a sense of confidence and create a challenging mind-set in the the Branch Heads so that they start thinking strategically and more aggressively while booking new business. This enabled the Bank to attract relatively bigger ticket advances and reduce reliance on low value advances. The year witnessed two sanctions of Rs.5 Cr advances besides many take-overs from other Banks, for the first time in the history of the Bank.
3. A performance linked Group Incentive Scheme, was introduced to promote healthy competition and productivity. About 28 branches qualified to earn varying amounts of incentive.
4. Staff welfare got a big boost with introduction of Scholarships for their siblings studying up to Degree level and enhancement in Health Insurance coverage.
5. The employee-related steps taken during the year apart from improving the performance of our employees have also increased their loyalty towards the Bank and created a sense of belonging towards the Bank.
6. Several unique innovative products were launched to capture the niche market segments, such as Doctor Plus (any easy and flexible loan for Doctors), Housing Loan (specially targeted to a segment not serviced by other banks - a loan for the aspirational few to realize their first dream to own a home), Kalyanamasthu (an unique loan scheme, launched by your esteemed Bank which no commercial bank did think of, for fulfilling dreams of parents to perform wedding of Children well and repay comfortably in future) and a Monthly Income Deposit Scheme (a deposit scheme for senior citizens and differently-abled, designed to deliver monthly interest at door-step).
7. Interest rates, especially on advances, were realigned with market to accelerate growth in advances, thereby deploying surplus liquidity gainfully. Agriculture, MSME and retail advances were given the thrust, reducing reliance on real estate sector. The strategy paid off with advances growing @ 20%, taking the CD Ratio to an all-time high of 83%. Share of bulk deposits was reduced through increased focus on retail deposits.
8. Priority Sector Lending got a big boost reaching 86.35% of ANBC. About 14.5% of it has been sold as Priority Sector Lending Certificates (PSLC) to earn a handsome commission during the year, encashing for the first time the strength of Priority Sector portfolio of the Bank.



9. Treasury income recorded healthy growth with profits from sale of a few investments, capitalizing on favorable movement of the yields.
10. Several CSR initiatives were launched involving the branches in conducting tree plantations, health camps, etc. fortifying their bonding with Customers and the Society and making Coastal Bank a household name in the area of our operation.
12. The Bank complied with External Benchmarking (EB) requirements by adopting the RBI Repo Rate as the EB from 1-10-2019. In other areas too, there has been vast improvement in compliance and reporting.

The Board of Directors was broad-based with induction of Shri A N Appaiah and Shri Balaji Gopalakrishnan. The current team endeavoured to achieve highest standards of Corporate Governance in terms of conduct, transparency and disclosures.

During the year, the Bank attained a new identity moving into a spacious and modern new premises for its Corporate Office, with facilities like Board Room, Conference Room, Training Room, Canteen, ample parking etc. The premises was inaugurated by Shri Subrata Das, Regional Director, Reserve Bank of India, Hyderabad.

The Bank entered into a MOU with Hitachi on an experimental basis, undertaking cash management of their White Labelled ATMs cum CDMs. Five such ATMs were installed at different locations.

Several HR initiatives were undertaken, the prominent among them being timely appraisals, promotions, Campus recruitment, job rotation, career path, etc.

The Year was quite an eventful and a tumultuous one with change of Government at the State level. Several policies of the earlier government were reviewed and reversed (like Sand Policy and proposed Trifurcation of Capital etc.). These steps adversely impacted the business climate in Krishna and Guntur Districts, which have been the engines of growth for the Bank traditionally. The year-end was severely impacted by the novel Corona Virus Lockdown. Despite these odds, the Bank has posted fairly satisfactory results in terms of growth and profitability.

With the onset of Covid-19, your Bank has taken utmost care and initiated various measures to protect the interest of all the stake holders. Covid-19 Business Continuity Plan has been put in place to ensure uninterrupted services to clients at the Branches and at Corporate Office, by introducing Work from Home (WFH) to key personnel on rotation. Branches scan all visitors with IR Scans, ensure that staff and others compulsorily wear masks, use sanitizers and maintain social distancing. In consultation with medical experts, employees have been supplied with Immunity Kits comprising of medicines and steam inhalers, to boost their immunity levels. A special Covid-19 sick leave at half pay for employees is introduced for preventive care and quarantine requirements. Fumigation of branches is arranged as and when warranted. These measures have helped the employees to serve the public and stay safe.

In the midst of uncertainties owing to COVID-19, your Bank embarked upon a growth target of 15% for 2020-21. The Bank is in the process of offering RTGS and NEFT remittance facilities for its customers on its own. The Bank proposes to offer Internet Banking solution to its clientele after obtaining the necessary approvals from the regulators. The Bank has been constantly making endeavors to bring in overall improvement in the culture of the Bank by emphasizing on IT, HR and Compliances and create a Bank known for its 'ease of doing business' with a focus on evolving needs of customers.



1. Financial Highlights of the Bank during the year 2019-20 :

- Total business of the Bank as on 31.03.2020 was Rs 1,00,807 lakhs - recording 12.79 % growth over the last year.
- Total deposits of the Bank grew by 7.33% to Rs 55,123 lakhs, while total advances grew by 20.16% to Rs 45,684 lakhs as on 31.03.2020.

S.No.	Particulars	31.03.2020	31.03.2019
1.	Deposits	55,123	51,360
2.	Advances	45,684	37,644
3.	Borrowings	-	-
4.	Total Business	1,00,807	89,004
5.	Non SLR investments	-	200
6.	Capital & Reserves	10,063	8,114

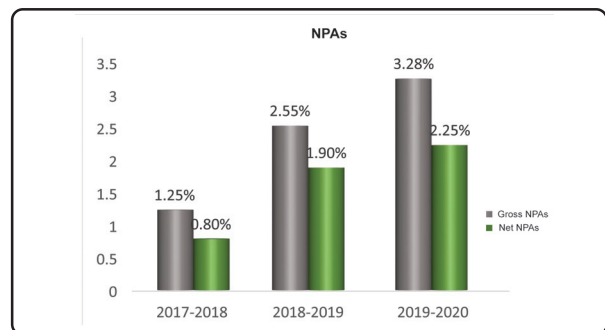
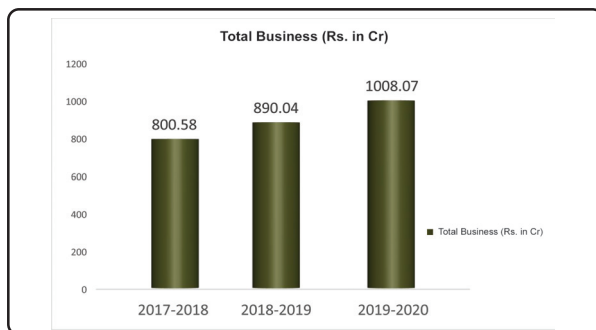
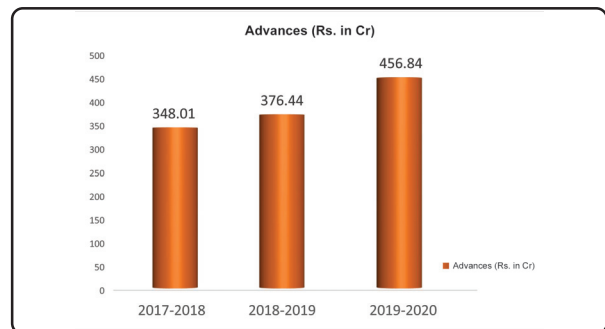
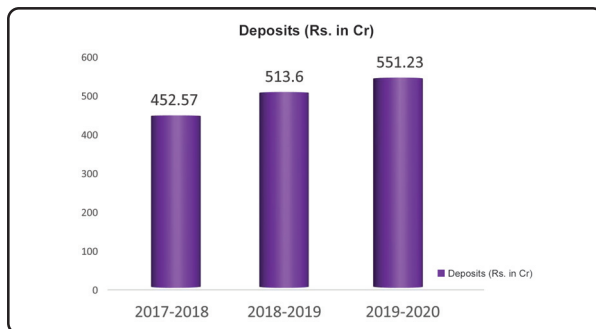
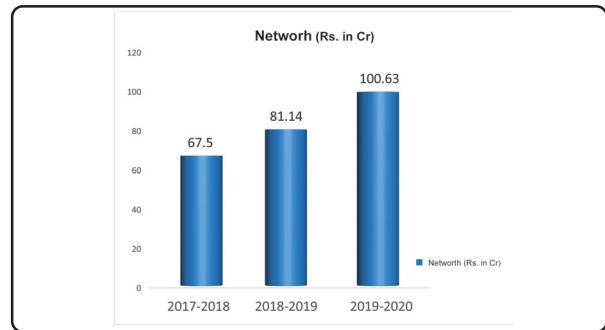
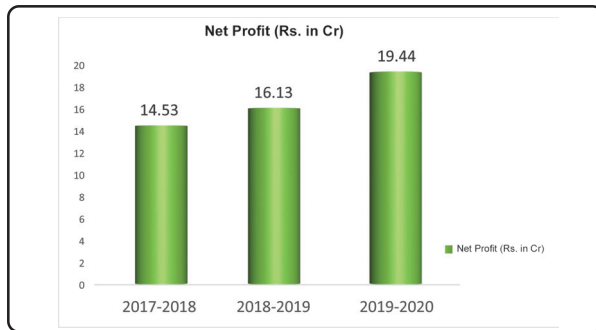
- The Bank earned a net profit of Rs 1,943 lakhs during the year 2019-20 as against Rs.1613 lakhs during the previous year-recording 24.18% growth.

(Rs in lakhs)

Parameter	As on 31.03.2020	As on 31.03.2019
Interest Earned	6,769	6,275
Other Income	1,920	1,497
Total Income	8,689	7,772
Interest Expended	3,400	3,060
Operating Expenses	2,448	2,288
Provisions & Contingencies	898	811
Total Expenditure	5,848	5,437
Operating Profit	2,841	2,424
Profit before Tax	2,575	2,335
Provision for Income Tax	632	722
Net Profit	1,943	1,613

2. Dividend :

The Reserve Bank of India in the wake of COVID-19 outbreak has vide a Notification No.RBI/2019-20/218 DOR.BP.BC.No.64/21.02.067/2019-20 Dated April 17, 2020 advised banks to conserve capital to retain their capacity to support the economy and absorb losses. Accordingly, it has been decided that all banks shall not make any further dividend payouts from the profits pertaining to the financial year ended March 31, 2020 until further instructions. Therefore, your Board has decided not to declare any Dividend in compliance with RBI Notification.



3. Appropriations / Reserves :

The profit and loss account shows a profit of (PAT) Rs.1943 lakhs after write offs and provisions. The following are the appropriations :

Parameter	2019-20	2019-20
To Statutory Reserve	583	322
To Capital Reserve	226	0.00
To General Reserve	2,933	81
To Investment Fluctuation Reserve	0.00	0.00
To Dividend and Dividend Tax	0.00	250
Balance carried forward to balance sheet	1,635	3,428
Total	5,377	4,081



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

(Rs. in lakhs)

S. No.	Particulars	31.03.2020	31.03.2019
1.	Deposits	55,123	51,360
2.	Advances	45,684	37,644
3.	Borrowings	-	-
4.	Total Business	1,00,807	89,004
5.	Non SLR investments	-	200
6.	Capital & Reserves	10,063	8,114
7.	C R A R %	23.00	21.25
8.	Low cost and no cost Deposits to Total Deposits %	28	28
9.	Savings Deposits to Total Deposits %	24	23
10.	Current Deposits to Total Deposits %	4	5
11.	Priority Sector advances to Adjusted Net Bank Credit	71.85%	75.87%
12.	Gross N P A to Total Advances	3.28%	2.55%
13.	Net N P A to Total Advances	2.25%	1.90%
14.	Non-interest income to Total Income	22.10%	19.26%
15.	Operating cost to Total Income	28.17%	29.44%
16.	Staff cost to Total Income	11.57%	11.64%
17.	Cost of Deposits	6.39%	6.46%
18.	Yield on Advances	13.61%	14.30%
19.	Spread	7.22%	7.84%
20.	C D Ratio	82.88%	74.02%
21.	Cost of funds	5.57%	5.69%
22.	Return on asset	3.05%	2.85%
23.	Return on equity	19.32%	19.88%
24.	Cost/income ratio	46.28%	48.56%
25.	Yield on investments	7.64 %	7.44%
26.	Number of employees	333	328
27.	Average age of employee in years	36	36
28.	Per employee business (Rs.lakhs)	303	271
29.	Per employee deposits (Rs.lakhs)	166	157
30.	Per employee advances (Rs.lakhs)	137	114
31.	Per employee net profit (Rs.lakhs)	6	5
32.	Operating cost per employee (Rs.lakhs)	7	7
33.	Operating income per employee (Rs.lakhs)	8	7
34.	Net interest margin	5.90 %	6.39%

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



Branch Network:

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

TECHNOLOGY UPGRADE AND IT INITIATIVES :

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

Mobile Banking :

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

NEFT : The number of transactions and the amount during the FY 2019-20 are as under:

Transaction Type	No.of Tran.	Amount
NEFT Incoming	1,07,373	6,40,76,02,433
NEFT Outgoing	69,992	10,20,90,03,891
Total :	1,77,365	16,61,66,06,324

IMPS :

Implemented in Mobile Banking and Branch Channels during February 2018. The number of transactions and the amount during the FY 2019-20 are as under:

Transaction Type	No.of Tran.	Amount
IMPS Inward	45,301	1,09,51,92,461
IMPS outward	57,811	2,50,89,24,387
Total:	1,03,112	3,60,41,16,848

UPI :

Implemented Unified Payment Interface (UPI) payment system during February 2019 and the same is online with effect from May, 2019. UPI is most likely to get linked to BHIM this year and the customers will be able to do transactions with most of the merchant establishments in the market. The number of transactions and the amount during the FY 2019-20 are as under:

Transaction Type	No.of Tran.	Amount
UPI Outward	2,13,053	91,37,94,054
UPI Inward	2,27,829	1,45,59,58,528
Total	4,40,882	2,36,97,52,582



ATMs :

The Bank has added 3 more Cash Dispensers and 1 Recycler during the current fiscal bringing the total number of own ATMs to 44. Out of 44 ATMs, 36 are on-site and 8 ATMs are off-site. The daily transaction volume crossed Rs.1.20 Cr with number of hits around 5,000 per day. The ATM Channel has earned gross revenue of Rs.245.91 lakhs during the current fiscal. Our ATMs enjoy good image and reputation for their 24x7 availability and service.

The number of transactions and the amount during the FY 2019-20 are as under:

No. of Tran.	Amount
14,64,480	4,97,77,42,237

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

POS-Enabled :

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

The number of transactions and the amount during the FY 2019-20 are as under:

No. of Tran.	Amount
2,24,305	59,57,66,655

E-COM :

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

mPOS:

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, to accommodate our merchant based customers. The total number of daily hits or transactions through our POS machines is expected to grow further in the ensuing year.

Bank Mithras:

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

Branch Connectivity:

The Bank has strengthened branch network through MPLS connectivity to provide faster service to our customers. To ensure uninterrupted connectivity to the branches, the Bank is setting up Secondary network connectivity which is likely to be in place by December 2020.

Liability Central Processing Centre (LCPC):

We have established an LCPC Hub on 30-12-2019 with 8 officers at CO for CKYC processing and uploading. The Centre is poised to take over all deposit accounts opening activities in due course.



GST Module :

GST Module in CBS is implemented.

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 trainings are proposed to be conducted during the year 2020-21 in the areas of Induction, Credit and GST, covering officers of the bank including branch managers. The Bank has embarked upon an ambitious initiative to train its entire staff in the areas of credit, business development and general banking through external training programmes to improve their skill sets and to ensure better compliance

Financial Inclusion:

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

Extended credit facilities up to Rs. 50,000 exclusively to women entrepreneurs (small business) numbering 37,715. The amount outstanding is Rs. 6,039 lakhs. It constitutes 13.21% of total advances of the Bank.

Bank has extended credit facilities to retail, small and marginal borrowers for their business requirements. Branches have financed 6,928 borrowers of loan amounts up to Rs. 100,000 each totaling Rs. 5051.68 lakhs which constitutes 11.05% of total advances.

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

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

MSME Cell:

The Micro, Small and Medium enterprises contribute significantly to employment generation, exports and overall development of the country's economy. The Bank realizes that growth in economy is directly related to growth in MSME sector and accordingly formulated a scheme for hassle free finance to micro and small enterprises with name and style of CJLG (Coastal Joint Liability Group) loans. Under the scheme, Joint Liability Groups of micro/small enterprises are formed, trained and financed without insisting on any security. The Bank is pleased to inform that during the year 2019-20 a total of 8099 new borrowers have benefited under the scheme with total disbursements of Rs.86.63 cr.

The Bank has a dedicated MSME Cell at the Corporate Office to advise MSME clientele and ensure timely flow of credit. The finance to MSME Sector during the year has gone up by 20.24% from Rs.190.57 cr to Rs.229.15 cr. The flow of credit to M S M E sector is steadily improving and is all set to further increase during the financial year 2020-21.

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

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



Report :

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

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

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

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

Not Applicable being an unlisted company.

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

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

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

12. Statutory Auditors:

The Auditors M/s. Suresh and Babu, Chartered Accountants, Vijayawada will retire at the conclusion of the ensuing Annual General Meeting. As per the norms and policy of RBI, it is required to rotate the Statutory auditors for every 4 years and hence Board decided to place a panel of profiles of 3 (three) firms of Chartered Accountants before RBI for their approval. Your Directors expect permission from RBI well before the date of Annual General Meeting and the same be placed before the shareholders

13. Auditors' Report:

The Auditors Report is self-explanatory, and there were no qualifications / reservations / adverse remarks / disclaimers made by the Statutory Auditors in their report dated June 6th, 2020.

14. Share Capital:

As at March 31, 2020, the Authorized Share Capital of the Bank is Rs.30,00,00,000; Issued Capital is Rs.23,45,10,570 and the subscribed and paid up share capital is Rs.23,01,91,730. There is no change in the Authorized, Issued and paid up share capital of the Bank during the year.

Further, the Bank has not, during the year:

1. Issued Shares with differential rights
2. Issued sweat equity shares
3. Issued employee stock options
4. Made provision of money by Bank for purchase of its own shares by employees or by trustees for the benefit of employees

15. Extract of Annual Return:

As per the Companies (Amendment) Act, 2017, the requirement of an extract of an Annual Return to be annexed to the Directors' Report has been done away with. Instead a copy of the Annual Return has to be placed on the website of the Bank and the web link of such annual return is required to be disclosed in the Board's Report. Accordingly, the Members may visit the following link to view/download the Annual Return for the FY 2019-20 for information.

www.coastalareabank.com



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

- 1. **Conservation of energy:** Not Applicable
- 2. **Technology absorption:** Not Applicable
- 3. **Foreign exchange earnings and Outgo:** Nil

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

18. Directors and Key Managerial Personnel:

A) Changes in Directors and Key Managerial Personnel

Appointment of Directors:

- * Mr. Appaiah Natarajan Adayapalam (DIN: 03479896) was appointed as an Additional Director of the Bank in the Board meeting held on 18.05.2019 The shareholders of the Bank at their 20th Annual General Meeting held on 03.08.2019 have regularized the appointment of Mr. Appaiah Natarajan Adayapalam as Director of the Bank.
- * Mr. Balaji GopalaKrishnan (DIN: 03322607) was appointed as an Additional Director of the Bank wef 12.06.2019 The shareholders of the Bank at their 20th Annual General Meeting held on 03.08.2019 have regularized the appointment of Balaji GopalKrishnan as Director of the Bank.

Appointment of Key Managerial Personnel:

- 1. The Board has appointed Mr. Hirak Saha Kabiraj as the Whole Time Company Secretary & Compliance Officer of the Bank with effect from 29.01.2020 and designated him as the Key Managerial Personnel of the Bank.

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

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

3. Formal Annual Evaluation: Not Applicable

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

19. Board Meetings

During the year ended 31st March, 2020, 7 (Seven) meetings of the Board were held i.e., on 18.05.2019, 02.08.2019, 27.09.2019, 15.10.2019, 21.12.2019, 19.02.2020 & 31.03.2020

Name of the Director	No. of meetings Attended
1. Mr. K Venkataraman	7
2. Mr. B Venu Gopala Reddy	7
3. Mr. B S Purshotham	7
4. Mr. Appaiah Natarajan Adayapalam (wef 18/05/2019)	7
5. Mr. Balaji GopalaKrishnan (wef. 12/06/2019)	6



20. Committees of the Board

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

1. Audit Committee:

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

The Audit Committee met 5 times during the financial year 2019-20 on the following dates: 17.05.2019, 02.08.2019, 14.10.2019, 20.12.2019 & 18.02.2019.

2. Risk Management and Asset Liability Management Committee:

The Risk Management Committee was set up to address various risks faced by the Bank by formulating policies and guidelines for measurement, management and reporting of credit risk, market risk and operational risk. The Risk Management Committee met twice on 17.05.2019 & 18.02.2019. Earlier the Audit Committee used to look after the Risk Management of the Bank.

3. Management Committee:

The Management Committee was setup to review the operations of the Bank from time to time and also formulate and review corporate objectives and strategies. The Committee formulates the annual budgets / business plans of the Bank. The Management Committee met 6 times during the financial year 2019-20 on the following dates: 17.05.2019, 02.08.2019, 26.09.2019, 14.10.2019, 20.12.2019 & 18.02.2019.

4. Share Transfer and Investor Grievance Committee

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

The Committee met 2 times during the financial year 2019-2020 on the following dates: 15.10.2019 & 31.03.2020.

5. Nomination and Remuneration Committee

The Committee conducts due diligence as to the credentials of any director before the appointment of director. It also considers the credentials of Key Managerial Personnel to be appointed in the Bank and makes appropriate recommendations to the Board, in consonance with the requirements of the Banking Regulation Act, Reserve Bank of India guidelines and the Companies Act, 2013. The Committee met four times on 17.05.2019, 02.08.2019, 20.12.2019 & 18.02.2019 during the financial year 2019 - 2020.

6. Human Resources Committee

The Committee was set up with the objective to evaluate compensation and other benefits to employees at different levels in the management. The Committee met five times on 17.05.2019, 02.08.2019, 14.10.2019, 20.12.2019 & 18.02.2019 during the financial year 2019-20.

7. Customer Service and Stakeholders Relationship Committee

The Committee's function is to monitor the Customer services extended by the Bank and to attend to the need of the customers. The Committee met 4 times during the financial year 2019-20 on 17.05.2019, 02.08.2019, 14.10.2019 & 18.02.2019.



8. Corporate Social Responsibility (CSR) Committee

The Committee was constituted as required under the provisions of section 135 of the Companies Act, 2013 in order to contribute to the items specified in Schedule VII of the Companies Act, 2013. The Committee met four times on 17.05.2019, 02.08.2019, 14.10.2019 & 18.02.2019.

9. IT and IT Strategy Committee

The role of the Committee is to coordinate corporate security strategy, for reducing duplication in security spending, for taking control of complex infrastructures and ultimately, for reducing security risk and also for developmental activities in Information Technology. The Committee met five times on 17.05.2019, 02.08.2019, 14.10.2019, 20.12.2019 & 18.02.2019.

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

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

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

23. Particulars of contracts or arrangements with Related Parties:

Except for the remuneration paid to the Key Managerial Personnel viz., the Managing Director & CEO, Chief Financial Officer and the Company Secretary who are considered to be related parties within the meaning of Section 2(76) of the Companies Act, 2013, there are no transactions with the related parties. Further, the remuneration payable to MD & CEO is approved by the RBI and the Board of Directors of your Bank. Having regard to the above attaching Form No. AOC-2 (Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014) is not required.

24. Remuneration of Directors and Key Managerial Persons:

S.No.	Name	Designation	Annual Remuneration
	Director		
1	K. Venkataraman	Chairman	9,60,000
	Managing Director & Key Managerial Persons		
1.	B. Venu Gopala Reddy	Managing Director & CEO	33,00,000
2.	D. Jagapathi Raju	General Manager & Chief Financial Officer	15,10,000
3.	Ashish Kulkarni (Till 27-12-2019)	Company Secretary	7,56,000
4.	Hirak Saha Kabiraj (w.e.f. 29.01.2020)	Company Secretary	1,78,225

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

26. Corporate Governance

The Bank believes that the system of Corporate Governance protects interests of all stakeholders by inculcating transparent business operations and accountability. The Bank’s philosophy on Corporate Governance ensures fullest commitment of the Board of Directors and Management. The Bank envisages



attainment of the highest level of transparency, accountability and equity in all facets of its activities and operations.

Corporate Vision

1. To provide high-tech banking experience to the rural and semi urban clientele with a human touch, at a reasonable cost.
2. To mobilize savings through effective customer service and relationship banking.
3. To provide institutional credit to rural and semi-urban segment by extending financial assistance to agriculture and MSME sectors and to eliminate heavy dependence on non-institutional credit. To focus on financial inclusion at the bottom of the pyramid market in the operating area, apart from concentrating on credit expansion to MSME and Retail sector.
4. To focus on quality credit expansion under Coastal Pragathi Loans to women groups and joint liability group.

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

28. Awards and recognition

The Company has not received any awards during the financial year 2019-20.

29. Risk Management Policy

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

30. Directors' Responsibility Statement

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

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

31. Staff Position & Industrial Relations:

As on March 31, 2020 the total staff strength was 333. 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	4
2	Senior Management	32
3	Middle Management	22
4	Junior Management	19
5	Officer Grade	206
	Total	283

the total strength does not include sub-staff which is at 283 currently.

During the year 2019-20, 26 officers ceased to be in the services of the Bank either on retirement/resignation and 44 officers joined the Bank in different cadres during the same period. The Bank initiated regular recruitment process by advertising in the newspaper and the selection was through interview.

32. Particulars of Employees:

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

33. Internal Control:

The Bank is having sound internal control system as well as internal audit in order to safeguard the assets of the Bank against fraud or theft. The branches are being inspected by the Bank’s internal inspectors once in a year. The inspection and audit system put in place by the Bank is adequate to assess the quality, risk as well as the quantum of business handled at branches/Offices.

34. Growth Projections 2020-2021:

The business plan for the bank has been finalised for the year 2020-2021. The total deposits and advances are projected at Rs. 627.17 Cr and Rs. 533.48 Cr respectively which reflects a growth of 13.77% in deposits and 16.77% in advances . The total business by March 2021 expected to be Rs.1160.65 cr with growth rate of 15.13%.

35. Customer Relations:

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

36. 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.



37. Weblink of Annual Return

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

www.coastalareabank.com

38. Acknowledgements

Your Directors would like to place on record their gratitude and appreciation of the excellent support, cooperation and guidance which the Bank has received for its all-round performance during the year 2019-20 from all the customers, shareholders, employees and other Banks. The Bank also acknowledges with gratitude the constant support and guidance received from Reserve Bank of India at its Regional Office, Hyderabad and their Central Office, Mumbai.

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

Sd/-

Mr. B Venu Gopala Reddy
Managing Director & CEO

Sd/-

Mr. K Venkataraman
Chairman

Place : Vijayawada

Date : 06-06-2020



Corporate Social Responsibility (CSR)

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

1. A brief outline of the Company’s CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
2. The Composition of the CSR Committee.
 - i. Mr. A N Appaiah ... Chairman
 - ii. Mr. Balaji Gopalakrishnan ... Member
 - iii. Mr. B Venu Gopala Reddy ... Managing Director & CEO
3. Average gross profit of the company for last three financial years: 1925.11 lakhs
4. Prescribed CSR Expenditure (2 per cent of the amount as in item 3 above): **Rs.38.50 lakhs**
5. Details of CSR spent during the financial year.
 - (a) Total amount to be spent for the financial year: Rs.38.50 lakhs
 - (b) Amount unspent, if any: Nil
 - (c) Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount of outlay (budget) project or programmes wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) overheads (in Lakhs)	Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing agency*
1.	Spreading of Financial Literacy in Villages near the Branches.	Promoting Education	Local Area	-	1.81	1.81	Direct
2.	Conducting medical camp	Promoting healthcare	Local Area	-	8.00	8.00	Direct
3.	Conducting plantation program	Conservation of environment	Local Area / National	-	1.88	1.88	Indirect
4.	Financial Assistance to Charitable / Govt. Organizations	Promoting education & hunger mitigation	Local Area	-	25.69	25.69	Indirect
5.	For preventive health care and food distribution during lock down due to COVID	COVID 19	Local Area	-	0.91	0.91	Direct
6.	Promoting education	Promoting Education	Local Area	-	0.26	0.26	Direct
	TOTAL				38.55	38.55	



6. In case the Company has failed to spend the two per cent 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 spent in excess of the budgeted amount on CSR activities as referred above.

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

Sd/-
Managing Director & CEO

Sd/-
Chairman CSR Committee

Computation of average profits and CSR budget for FY 2019-20

S.No.	Financial Year	Gross Profit (Rs.in lakhs)
01	2016-17	1367.53
02	2017-18	2072.82
03	2018-19	2335.00
	Total	5775.35
	Average Gross Profit	1925.11
	2% of Avg. Gross Profit	38.50

* * *



INDEPENDENT AUDITOR'S REPORT

To
The Members of
Coastal Local Area Bank Limited

Report on the Audit of the Financial Statements

We have audited the financial statements of **Coastal Local Area Bank Limited** (“the Company”), which comprise the balance Sheet as at 31st March 2020, the statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations to us, the aforesaid financial statements give the information required by Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, its profit/loss and its cash flows for the year ended on that date.

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified



under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SA's we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ✦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ✦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- ✦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ✦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ✦ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the Directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.
 - (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations, which would impact its financial position.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. Since it is a banking company, the provisions of the Companies (Auditor’s Report) Order, 2016 (‘the Order’) issued by the Central Government in terms of Section 143(11) of the Act are not applicable to the company. Hence, we have not annexed any statement on the matters specified in paragraphs 3 and 4 of the Order.

For SURESH AND BABU
Chartered Accountants
FRN: 004254S

Sd/-
(S.Muralikrishna Rao)
Partner, M.No.208435

Place : Vijayawada

Date : 06-06-2020



Balance Sheet as on 31st March, 2020

(in Rupees)

	Schedule No.	As on 31-03-2020	As on 31-03-2019
CAPITAL & LIABILITIES			
Capital	1	23,01,91,730	23,01,91,730
Reserves & Surplus	2	77,61,16,329	58,12,27,220
Deposits	3	5,51,23,47,470	5,13,60,09,652
Borrowings	4	-	-
Other liabilities and provisions	5	15,01,81,651	13,67,80,229
TOTAL		6,66,88,37,180	6,08,42,08,831
ASSETS			
Cash and balances with Reserve Bank of India	6	12,19,30,284	12,14,82,632
Balance with banks and money at call and short notice	7	68,82,65,607	92,56,25,116
Investments	8	1,08,52,98,387	97,64,72,402
Advances	9	4,52,00,88,018	3,77,65,79,051
Fixed Assets	10	11,55,36,808	9,87,38,815
Other Assets	11	13,77,18,076	18,53,10,816
TOTAL		6,66,88,37,180	6,08,42,08,831
Contingent Liabilities	12	1,61,08,120	10,58,120
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 SURESH AND BABU

Chartered Accountants

FRN: 004254S

Sd/-

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

Sd/-

B S Purshotham
Director

Sd/-

Hirak Saha Kabiraj
Company Secretary

Sd/-

D.Jagapathi Raju
General Manager & C F O

For and on behalf of the Board

Sd/-

Krishnamoorthy Venkataraman
Director

Sd/-

B.Venu Gopala Reddy
Managing Director & C E O

Sd/-

KAV Raman
General Manager & C O O

Place: Vijayawada

Date: 06-06-2020



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2020

(in Rupees)

	Schedule No	Year ended 31-03-2020	Year ended 31-03-2019
I. INCOME			
Interest earned	13	67,68,94,589	62,74,95,312
Other Income	14	19,21,55,588	14,96,90,454
TOTAL		86,90,50,177	77,71,85,766
II. EXPENDITURE			
Interest Paid	15	33,99,99,899	30,60,29,237
Operating expenses	16	24,48,91,438	22,88,06,256
Provisions and contingencies		8,98,03,025	8,10,49,777
TOTAL		67,46,94,362	61,58,85,270
III. PROFIT			
Net profit/loss(-) for the year		19,43,55,815	16,13,00,496
Profit/Loss(-) brought forward		34,28,46,525	24,68,47,877
Total		53,72,02,340	40,81,48,373
IV. APPROPRIATIONS			
Dividend paid		*	2,07,17,256
Tax on Dividend paid		-	42,59,468
Drawdown from Investment Fluctuation Reserve		(1,94,67,098)	
Transfer to Statutory Reserve		5,83,38,261	3,22,60,099
Transfer to General Reserve		31,27,77,781	80,65,025
Transfer to Capital reserve		2,26,26,084	-
Balance carried over to balance sheet		16,29,27,312	34,28,46,525
TOTAL		53,72,02,340	40,81,48,373

*No dividend is proposed/ paid for the FY 2019-2020 in terms of directions of RBI vide DOR.BP. BC. No. 64/ 21.02.067/2019-20 dated 17-04-2020.

**V. EARNINGS PER SHARE**

(in Rupees)

	Schedule No	Year ended 31-03-2020	Year ended 31-03-2019
Weighted Average No.of Equity Shares		2,30,19,173	2,30,19,173
Basic (Rs)		8.44	7.01
Diluted (Rs)		8.44	7.01
Face value per share (Rs)		10.00	10.00

Significant Accounting Policies and Notes to the Financial Statements.

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

For SURESH AND BABU

Chartered Accountants

FRN: 004254S

Sd/-

(S.Muralikrishna Rao)

Partner, M.No.208435

Sd/-

B S Purshotham

Director

Sd/-

Hirak Saha Kabiraj
Company Secretary

Sd/-

D.Jagapathi Raju
General Manager & C F O**For and on behalf of the Board**

Sd/-

Krishnamoorthy Venkataraman

Director

Sd/-

B.Venu Gopala Reddy
Managing Director & C E O

Sd/-

KAV Raman
General Manager & C O O

Place: Vijayawada

Date: 06-06-2020



SCHEDULES TO BALANCE SHEET

Schedule 1 – Capital

(in Rupees)

Particulars	As on 31-03-2020	As on 31-03-2019
Authorized Capital 30,000,000 shares of Rs.10/- each	30,00,00,000	30,00,00,000
Issued Capital 23,451,057 shares of Rs.10/- each	23,45,10,570	23,45,10,570
Subscribed Capital 23,019,173 shares of Rs 10/- each	23,01,91,730	23,01,91,730
Paid up capital 23,019,173 shares of Rs 10/- each	23,01,91,730	23,01,91,730
Total	23,01,91,730	23,01,91,730

Schedule 2 – Reserves and Surplus

Particulars	As on 31-03-2020	As on 31-03-2019
I. Statutory Reserves		
Opening Balance	18,16,91,379	14,94,31,280
Additions during the year	5,83,38,261	3,22,60,099
Total	24,00,29,640	18,16,91,379
II. Capital Reserves		
Opening Balance	-	-
Additions during the year (profit from sale of investments from HTM category, net of taxes / transfer to Statutory Reserves)	2,26,26,084	-
Deduction during the year	-	-
Total	2,26,26,084	-
III. Share Premium		
Opening Balance	-	-
Additions during the year	-	-
Deduction during the year (issued Bonus shares)	-	-
Total	-	-
IV. Revenue and other Reserves		
a) General Reserve		
Opening Balance	3,72,22,219	2,91,57,194
Additions during the year	31,27,77,781	80,65,025
Less capitalized (issue of Bonus shares)	-	-
Total General Reserve	35,00,00,000	3,72,22,219
b) Investment Fluctuation Reserve		
Opening Balance	1,94,67,098	1,94,67,098
Additions during the year	-	-
Transfer to Statutory Reserve	1,94,67,098	-
Total Investment Fluctuation reserve	0	1,94,67,098
V. Balance in Profit & Loss Account	16,29,27,312	34,28,46,525
Adjustment towards Depreciation	5,33,293	-
Total	16,34,60,605	34,28,46,525
Total (I,II,III,IV, and V)	77,61,16,329	58,12,27,221



Schedule 3 – Deposits

Particulars	As on 31-03-2020	As on 31-03-2019
A. 1. Demand Deposits		
(i) From Banks	-	-
(ii) From Others	21,94,11,770	22,57,50,549
II. Savings Bank Deposits	1,30,19,16,523	1,19,30,15,428
III. Term Deposits		
(i) From Banks	-	-
(ii) From Others	3,99,10,19,177	3,71,72,43,675
Total (I,II and III)	5,51,23,47,470	5,13,60,09,652
B. (i) Deposits of branches in India	5,51,23,47,470	5,13,60,09,652
(ii) Deposits of branches outside India	-	-
Total	5,51,23,47,470	5,13,60,09,652

Schedule 4 - Borrowings : NIL

Schedule 5 - Other Liabilities and Provisions

Particulars	As on 31-03-2020	As on 31-03-2019
Bills Payable	1,18,19,085	1,29,72,966
Inter office adjustments (net)	84,49,664	-
Interest payable on deposits	28,66,596	26,11,288
Others (Including Provisions)	12,70,46,306	12,11,95,974
Total	15,01,81,651	13,67,80,228

Schedule 6 - Cash and Balances with Reserve Bank of India

Particulars	As on 31-03-2020	As on 31-03-2019
I. Cash in hand (including foreign currency notes)	11,84,75,344	11,80,27,692
II. Balances with Reserve Bank of India		
(a) in Current Account	34,54,940	34,54,940
(b) In other Accounts		-
Total (I and II)	12,19,30,284	12,14,82,632



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

Particulars	As on 31-03-2020	As on 31-03-2019
I. In India		
(i). Balances with Banks		
(a) in Current Accounts	24,31,65,607	34,91,25,116
(b) In other Accounts	44,51,00,000	57,65,00,000
(ii) Money at call and short notice		
(a) with Banks		
(b) with other institutions		
Total (i+ii)	68,82,65,607	92,56,25,116
II. Outside India		
(i) Balances with Banks		
(a) in Current Accounts		
(b) In other Accounts		
(ii) Money at call and short notice		
(a) with Banks		
(b) with other institutions		
Total		
Grand Total (I & II)	68,82,65,607	92,56,25,116

Schedule 8 - Investments

Particulars	As on 31-03-2020	As on 31-03-2019
I. Investments in India in		
(i) Government securities	94,64,12,817	82,07,53,669
(ii) Other approved securities (Treasury Bills)	13,88,85,570	13,57,18,733
(iii) Shares		
(iv) Debentures and Bonds		
(v) Subsidiaries and/or Joint Ventures		
(vi) Others - Non SLR Mutual Funds	-	2,00,00,000
Total	1,08,52,98,387	97,64,72,402
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)	1,08,52,98,387	97,64,72,402



Schedule 9 - Advances

Particulars	As on 31-03-2020	As on 31-03-2019
A. (i) Bills purchased and discounted	-	3,88,000
(ii) Cash Credits, Overdrafts and loans repayable on demand	1,97,00,06,990	1,46,64,29,953
(iii) Term loans	2,55,00,81,028	2,30,97,61,098
Total	4,52,00,88,018	3,77,65,79,051
B. (i) Secured by tangible assets	3,86,85,55,324	3,17,93,45,237
(ii) Covered by Bank/Govt. Guarantees	-	-
(iii) Unsecured	65,15,32,694	59,72,33,814
Total	4,52,00,88,018	3,77,65,79,051
C. I. Advances in India		
(i). Priority sectors (Net of PSLC)	2,69,85,57,248	2,65,04,50,882
(ii). Public sector		
(iii) Banks		
(iv) Others	1,82,15,30,770	1,12,61,28,169
Total	4,52,00,88,018	3,77,65,79,051
C. II. Advances Outside India		
(i) Due from banks		
(ii) Due from others		
(a) Bills purchased and discounted		
(b) Syndicated loans		
(c) Others		
Total		
Grand Total (C.I & C.II)	4,52,00,88,018	3,77,65,79,051



Schedule 10 - Fixed Assets

Particulars	As on 31-03-2020	As on 31-03-2019
I. Premises		
At cost as on 31st March of the preceding year	-	-
Additions during the year	-	-
Deductions during the year	-	-
Depreciation to date	-	-
II. Other Fixed Assets (including furniture and fixtures)		
At cost as on 31st March of the preceding year	15,93,33,647	15,46,83,497
Additions during the year	3,44,77,151	2,18,05,685
Deductions during the year	6,12,610	1,71,55,535
less : Depreciation to date	8,29,89,720	6,59,89,531
Add: Adjustment to Reserves & Surplus	5,33,293	-
Intangible Assets -Software	47,95,047	53,94,699
Total (I and II)	11,55,36,808	9,87,38,815

Schedule 11- Other Assets

Particulars	As on 31-03-2020	As on 31-03-2019
Interest accrued on investments	2,01,36,864	2,36,70,322
Tax paid in advance/tax deducted at source	5,69,45,000	6,98,88,000
Stationery and stamps	55,56,546	44,95,533
Other Assets	5,50,79,666	8,72,56,961
Total	13,77,18,076	18,53,10,816
* In case there is any unadjusted balance of loss the same may be shown under this item with appropriate foot-note.		

Schedule 12 - Contingent Liabilities

Particulars	As on 31-03-2020	As on 31-03-2019
I. Claims against the bank not acknowledged as debts	-	-
II. Liability for partly paid investments	-	-
III. Liability on account of outstanding forward exchange contracts.	-	-
IV. Guarantees given on behalf of constituents	-	-
(a) In India	1,61,08,120	10,58,120
(b) Outside India		-
V. Acceptances, endorsements and other obligations		-
VI. Other items for which the bank is contingently liable		-
Total	1,61,08,120	10,58,120



Schedule 13- Interest Earned

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
I. Interest/discount on advances/bills	54,91,79,058	52,84,04,134
II. Income on investments	7,71,30,470	6,79,59,809
III. Interest on balances with Reserve Bank of India and other inter-bank funds	5,05,85,061	3,11,31,369
Total	67,68,94,589	62,74,95,312

Schedule 14 - Other Income

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
I. Commission, exchange and brokerage	2,52,52,135	2,43,96,049
II. Profit on sale of investments	3,31,79,964	-
III. Miscellaneous income	13,37,23,489	12,52,94,405
Total	19,21,55,588	14,96,90,454

Schedule 15 - Interest Expended

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
I. Interest on Deposits	33,99,99,899	30,60,29,237
II. Interest on RBI/ inter-bank borrowings	-	-
Total	33,99,99,899	30,60,29,237

Schedule 16 - Operating Expenses

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
Payments to and provisions for employees	10,05,37,666	9,05,80,581
Rent, taxes and lighting	4,46,77,065	3,74,31,405
Printing and stationery	34,06,501	32,05,149
Advertisement and publicity	22,75,202	24,68,476
Depreciation & Amortisation		
a. Depreciation on Fixed Assets	1,73,78,370	1,55,73,029
b. Amortisation on intangible assets	15,06,616	10,23,198
Director's fees, allowances and expenses	23,31,791	44,48,644
Auditors' fees and expenses (including branch auditors)	10,96,322	14,63,190
Postage, telegrams, telephones, etc	28,76,618	27,69,419
Repairs and maintenance	2,09,80,786	2,02,40,740
Insurance	59,43,833	55,01,921
Miscellaneous expenses	4,18,80,668	4,41,00,504
Total	24,48,91,438	22,88,06,256

**Provisions and contingencies**

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
Provision for NPA	2,30,14,899	94,90,054
Provision for Income Tax	6,32,33,370	7,22,00,000
Provision for Deferred Tax	(21,32,725)	(6,40,277)
Contingent Provision against Standard Assets	26,59,704	-
Provision due to Covid-19	30,27,776	-
Total	8,98,03,025	8,10,49,777

For SURESH AND BABU

Chartered Accountants

FRN: 004254S

Sd/-

(S.Muralikrishna Rao)

Partner, M.No.208435

Sd/-

B S Purshotham

Director

Sd/-

Hirak Saha Kabiraj
Company Secretary

Sd/-

D.Jagapathi Raju
General Manager & C F O**For and on behalf of the Board**

Sd/-

Krishnamoorthy Venkataraman
Director

Sd/-

B.Venu Gopala Reddy
Managing Director & C E O

Sd/-

KAV Raman
General Manager & C O O

Place: Vijayawada

Date: 06-06-2020



SCHEDULE : 17 – SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation :

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

B. Use of Estimates:

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

C. Significant Accounting Policies

1. Revenue Recognition

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

Impact of COVID-19:

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

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



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

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

2. Investments:

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

The transactions in all securities are recorded on "Settlement Date".

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

2.2 Basis of classification:

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

2.3 Valuation:

- i. In determining the acquisition cost of an investment:
 - (a) Broken period interest paid/ received on debt instruments is treated as interest expense/ income and is excluded from cost/ sale consideration.
 - (b) Cost is determined on the weighted average cost method for investments under AFS category and on FIFO basis (first in first out) for investments under HTM category.
- ii. Transfer of securities from AFS category to HTM category is carried out at the lower of acquisition cost/ book value/ market value on the date of transfer. The depreciation, if any, on such transfer is fully provided for. However, transfer of securities from HTM category to AFS category is carried out on acquisition price/ book value. After transfer, these securities are immediately revalued and resultant depreciation, if any, is provided.



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

Impact of COVID-19:

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

3. Loans/ Advances and Provisions thereon:

- 3.1 Loans and Advances are classified as performing and non-performing, based on the guidelines/directives issued by the RBI. Loan Assets become Non-Performing Assets (NPAs) where:
 - i. In respect of term loans, interest and/ or instalment of principal remains overdue for a period of more than 90 days;
 - ii. In respect of Overdraft or Cash Credit advances, the account remains “out of order”, i.e. if the outstanding balance exceeds the sanctioned limit/ drawing power continuously for a period of 90 days, or if there are no credits continuously for 90 days as on the date of balance sheet, or if the credits are not adequate to cover the interest debited during the same period;
 - iii. In respect of bills purchased/ discounted, the bill remains overdue for a period of more than 90 days;
 - iv. In respect of agricultural advances: (a) for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons; and (b) for long duration crops, where the principal or interest remains overdue for one crop season.
- 3.2 NPAs are classified into Sub-Standard, Doubtful and Loss Assets, based on the following criteria stipulated by RBI:
 - i. **Sub-standard:** A loan asset that has remained non-performing for a period of less than or equal to 12 months.
 - ii. **Doubtful:** A loan asset that has remained in the sub-standard category for a period of 12 months.
 - iii. **Loss:** A loan asset where loss has been identified but the amount has not been fully written off.
- 3.3 Provisions are made for NPAs as per the extant guidelines prescribed by the regulatory authorities, subject to minimum provisions as prescribed below:



Substandard Assets:

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

Doubtful Assets:

- Secured portion:

- i. Upto one year – 25%
- ii. One to three years – 40%
- iii. More than three years – 100%

- Unsecured portion 100%

Loss Assets: 100%

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

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

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

4. Fixed Assets, Depreciation and Amortization:

- 4.1 Fixed Assets are carried at cost less accumulated depreciation/ **amortization**.
- 4.2 Cost includes cost of purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put to use. Subsequent expenditure(s) incurred on the assets put to use are capitalized only when it increases the future benefits from such assets or their functioning capability.
- 4.3 Bank shall calculate depreciation on assets on Straight Line method so as to write off the depreciable amount of the asset over the useful lives as specified in Schedule II of the Companies Act, 2013.
- 4.4 In respect of assets acquired during the year (for domestic operations), depreciation is charged on proportionate basis for the number of days the assets have been put to use during the year.
- 4.5 Assets costing less than 1,000 each are charged off in the year of purchase.



5. Impairment of Assets:

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

6. Employee Benefits:

6.1 Short Term Employee Benefits:

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

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

6.2 Long Term Employee Benefits:

i. Provident Fund:

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

ii. Gratuity Fund:

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

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

7. Taxes on income:

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

8. Earnings per Share:

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



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

9. Provisions, Contingent Liabilities and Contingent Assets:

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

9.2 No provision is recognized for:

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

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

9.4 Contingent Assets are not recognized in the financial statements.

10. Net Profit:

The net profit shall be arrived at after:

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

For SURESH AND BABU

Chartered Accountants

FRN: 004254S

Sd/-

(S.Muralikrishna Rao)

Partner, M.No.208435

Sd/-

B S Purshotham

Director

Sd/-

Hirak Saha Kabiraj
Company Secretary

Sd/-

D.Jagapathi Raju
General Manager & C F O

For and on behalf of the Board

Sd/-

Krishnamoorthy Venkataraman
Director

Sd/-

B.Venu Gopala Reddy
Managing Director & C E O

Sd/-

KAV Raman
General Manager & C O O

Place: Vijayawada

Date: 06-06-2020



SCHEDULE 18: NOTES FORMING PART OF ACCOUNTS

3.1 Capital

(Rs. In Lakhs)

Particulars	Current Year	Previous Year
I) CRAR (%)	23.00%	21.25%
II) CRAR - Tier I Capital (%)	22.59	20.91%
III) CRAR - Tier II Capital (%)	0.40%	0.34%
IV) Percentage of the shareholding of the Government of India Nationalized Banks	NIL	NIL
Amount raised by issue of Upper Tier II Instruments	NIL	NIL

3.2 Investments

(Rs. In Lakhs)

Particulars	Current Year	Previous Year
(1) Value of Investments		
(i) Gross Value of Investment		
(a) In India	10852.98	9764.72
(b) Outside India	NIL	NIL
(ii) Provisions for Depreciation	NIL	NIL
(a) In India	75.66	75.66
(b) Outside India	NIL	NIL
(iii) Net Value of Investments	10777.32	9689.06
(a) In India		
(b) Outside India	NIL	NIL
(2) Movement of Provisions held towards depreciation on investments.		
(i) Opening Balance	75.66	75.66
(ii) Add: Provisions made during the year	NIL	NIL
(iii) Less: Write-off/write-back of excess provisions during the year	NIL	NIL
(iv) Closing Balance	75.66	75.66

3.2.1 Repo Transactions : NIL

3.2.2 Non-SLR Investment Portfolio

i) Issuer Composition of Non SLR Investments

(Rs. In Lakhs)

No.	Issuer	Amount	Extent of Private Placement	Extent of Below Investment Grade Securities	Extent of 'Unrated Securities'	Extent of 'Unlisted Securities'
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(i)	PSUs					
(ii)	FIs					
(iii)	Banks					
(iv)	Private Corporates					
(v)	Subsidiaries /Joint Ventures					
(vi)	Others(MutualFunds)					
(vii)	Provision held towards depreciation					
	Total*	0.00				

(ii) Non performing Non-SLR investments: NIL



3.2.3 Sale and Transfers to/ from HTM Category

(Rs.in Lakhs)

Particulars	Book Value	Market Value
Investments held under HTM at the beginning of the year	9465.70	9653.74
Purchases during the year	7086.64	7086.64
Sold/Matured during the year	7077.78	7492.88
Amortised during the year	10.43	-
Investments held under HTM at the end of the year	9464.13	9746.42

Note : There were no transfer to/from HTM Category during the year.

3.3 Derivatives : NOT APPLICABLE

3.3.1 Forward Rate Agreement/Interest Rate Swap : NOT APPLICABLE

3.3.2 Exchange Traded Interest Rate Derivatives : NOT APPLICABLE

3.3.3 Disclosures on risk exposure in derivatives : NOT APPLICABLE

3.4 Asset Quality

3.4.1 Non-Performing Assets

(Rs.in Lakhs)

Particulars	Current Year	Previous Year
(i) Net NPAs to Net Advances (%)	2.25%	1.91%
(ii) Movement of NPAs (Gross)	-	-
(a) Opening Balance	971.18	437.75
(b) Additions during the year	4405.56	4690.19
(c) Reductions during the year	3879.18	4156.76
(d) Closing Balance	1497.56	971.18
(iii) Movement of Net NPAs		
(a) Opening Balance	718.67	280.15
(b) Additions during the year	4175.42	4595.29
(c) Reductions during the year	3879.18	4156.76
(d) Closing Balance	1014.91	718.68
(iv) Movement of Provisions for NPAs		
(a) Opening Balance	252.50	157.60
(b) Provisions made during the year	230.15	94.90
(c) Write-off/ Write-back of excess provisions	0	0
(d) Closing Balance	482.65	252.50

Provisioning coverage ratio is 32.23% against 26.00%previous year.



3.4.1 Particulars of Accounts Restructured :

Sl No	Type of Restructuring Asset Classification Details		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
			Standard	Sub-Standard	Doubtful	Losses	Total	Standard	Sub-Standard	Doubtful	Losses	Total	Standard	Sub-Standard	Doubtful	Losses	Total	Standard	Sub-Standard	Doubtful	Losses	Total
1	Restructured Accounts as on April 1 of the FY (opening figures*)	No. of borrowers	-	-	-	-	0	-	-	-	-	0	-	-	-	-	0	-	-	-	-	0
		Amount outstanding	-	-	-	-	0	-	-	-	-	0	-	-	-	-	0	-	-	-	-	0
		Provision thereon	-	-	-	-	0	-	-	-	-	0	-	-	-	-	0	-	-	-	-	0
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	0	95	0	0	0	95	-	-	-	-	0	95	-	-	-	95
		Amount outstanding	-	-	-	-	0	65	0	0	0	65	-	-	-	-	0	65	-	-	-	65
		Provision thereon	-	-	-	-	0	3	0	0	0	3	-	-	-	-	0	3	-	-	-	3
3	Upgradation to restructured standard category during the FY	No. of borrowers	-	-	-	-	0	-	-	-	-	0	-	-	-	-	0	-	-	-	-	0
		Amount outstanding	-	-	-	-	0	-	-	-	-	0	-	-	-	-	0	-	-	-	-	0
		Provision thereon	-	-	-	-	0	-	-	-	-	0	-	-	-	-	0	-	-	-	-	0
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	-	-	-	-	0	-	-	-	-	0	-	-	-	-	0	-	-	-	-	0
		Amount outstanding	-	-	-	-	0	-	-	-	-	0	-	-	-	-	0	-	-	-	-	0
		Provision thereon	-	-	-	-	0	-	-	-	-	0	-	-	-	-	0	-	-	-	-	0
5	Down gradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	0	-	-	-	-	0	-	-	-	-	0	-	-	-	-	0
		Amount outstanding	-	-	-	-	0	-	-	-	-	0	-	-	-	-	0	-	-	-	-	0
		Provision thereon	-	-	-	-	0	-	-	-	-	0	-	-	-	-	0	-	-	-	-	0
6	Write offs of restructured accounts during the FY	No. of borrowers	-	-	-	-	0	-	-	-	-	0	-	-	-	-	0	-	-	-	-	0
		Amount outstanding	-	-	-	-	0	-	-	-	-	0	-	-	-	-	0	-	-	-	-	0
		Provision thereon	-	-	-	-	0	-	-	-	-	0	-	-	-	-	0	-	-	-	-	0
7	Restructured Accounts as on March 31 of the FY (closing figures*)	No. of borrowers	-	-	-	-	0	95	-	-	-	95	-	-	-	-	0	95	-	-	-	95
		Amount outstanding	-	-	-	-	0	65	-	-	-	65	-	-	-	-	0	65	-	-	-	65
		Provision thereon	-	-	-	-	0	3	-	-	-	3	-	-	-	-	0	3	-	-	-	3

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



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

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

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

3.4.5 Provisions on Standard Assets (Rs. in Lakhs)

Particulars	Current Year	Previous Year
Provisions towards Standard Assets	148.52	121.93

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

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

Note : In terms of the circular DOR.No.BP.BC.63/21.04.048/2019-20 dated April17, 2020, in respect of accounts in default but standard where provisions of the above circular are applicable and asset classification benefit is extended, bank made a provision of 5% of such advances for the year ending 31st March 2020. The balance provision of 5% will be made for the quarter ending on 30th June 2020.

3.5 Business Ratios

Particulars	Current Year	Previous Year
(i) Interest income as a percentage to working Funds	10.62%	11.08%
(ii) Non-interest income as a percentage to working Funds	3.01%	2.64%
(iii) Operating Profit as a percentage to Working Funds	2.22%	2.99%
(iv) Return on Assets	3.05%	2.85%
(v) Business (Deposits plus advances) per employee (Rs. In Lakhs)	302.72	272.49
(vi) Profit per employee (Rs.in Lakhs)	5.84	4.92

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	542	631	641	589	1513	2491	5937	31130	8775	2874	55123
Advances	1903	676	813	978	3303	5183	10863	16467	2579	2919	45684
SLR Investments	0.00	0.00	398	494	797	200	0	243	702	8019	10853
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)	2998.53	1454.40
(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;	1571.69	3342.99
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures – a. Residential, b. Commercial Real Estate	Nil	Nil
b) Indirect Exposure Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	Nil	Nil
Total Exposure to Real Estate Sector	4570.22	4797.39

3.7.2 Exposure to Capital Market : NOT APPLICABLE

3.7.3 Risk Category Wise Country Exposure : NOT APPLICABLE

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

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

3.7.5 Unsecured Advances – Not Applicable

3.8 Disclosure of Penalties imposed by RBI

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

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

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

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

4.2 Accounting Standard 9 – Revenue Recognition

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

Income:

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

Expenditure:

- Insurance charges.

4.3 Accounting Standard 15 – Employee Benefits

Defined Contribution Plan – Provident Fund : Bank is contributing the Provident fund dues with the appropriate authorities and it is generally regular in depositing the dues.

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

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



4.4 Accounting Standard 17 – Segment Reporting

Part A: Business segments (Rs. in Lakhs)

Business Segments	Treasury		Corporate/Whole sale Banking		Retail Banking		Other Banking Operations		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Particulars										
Revenue	1608.95	990.91	-	-	5491.79	5284.04	1589.76	1496.91	8690.50	7771.86
Result										
Unallocated expenses									6114.61	5436.85
Operating profit									2575.89	2335.01
Income taxes									632.33	722.00
Extra-ordinary Profit/Loss										
Net Profit									1943.56	1613.01
Other information										
Segment Assets	10852.98	9764.72	-	-	45200.88	37643.86	-	-	56053.86	47408.58
Unallocated Assets									10634.51	13311.57
Total Assets									66688.37	60720.15
Segment Liabilities	-	-	-	-	55123.47	51360.10	-	-	55123.47	51360.10
Unallocated Liabilities									11564.90	9360.05
Total Liabilities									66688.37	60720.16

Part B: Geographic segments (Rs. in Lakhs)

	Domestic		International		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue	8690.50	7771.86	-	-	8690.50	7771.86
Assets	66688.37	60720.16	-	-	66688.37	60720.16



4.5 Accounting Standard 18 – Related party Disclosures

Items / Related Party	Parent (as per ownership or control)	Subsidiaries	Associates/ Joint Ventures	Key Management Personnel @	Relatives of Key Management Personnel	Total
Salary to Directors				44.97		44.97
Salary to General Managers				35.02		35.02
Salary to Whole Time Company Secretary				9.23		9.23
Sitting Fees to Directors				6.25		6.25

Key managerial personnel:

1. Mr.B.Venu Gopala Reddy, Managing Director (from 25th January, 2019)
2. Mr. D. Jagapathi Raju, General Manager & CFO (from 7th May, 2012)
3. Mr. N. Sambasiva Rao, General Manager (from 10th June, 2013)
4. Mr. K A V Raman, General Manager & COO (from 3rd October, 2019)
5. Mr. Ashish Kulkarni, Company Secretary (Upto 27th December, 2019)
6. Mr. HIRAK SAHA KABIRAJ, Company Secretary (From 29th January, 2020)

4.7 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.

4.8 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

* * *



CASH FLOW STATEMENTS FOR THE YEAR ENDED 31-03-2020 (in Rupees)

PARTICULARS	As on 31-03-2020	As on 31-03-2019
CASH FLOW FROM OPERATING ACTIVITIES		
Profit after Tax	19,43,55,815	16,13,00,495
Add: Provisions made in P & L Account	8,98,03,025	8,10,49,777
Assets written off - furniture	27,856	29,62,423
Deferred revenue expenditure Written off	19,54,377	10,23,198
Income Tax Paid	2,47,978	16,05,100
Bad Debts Written off	24,26,462	8,30,828
Depreciation on Bank's property	1,73,78,370	1,55,73,029
Less: Income from investments	(8,12,85,672)	(6,79,59,809)
Profit on Sale of Investments	(3,31,67,964)	-
Profit on Sale of Asset	(362)	-
Excess GST provision written back	-	(9,72,000)
Provision for Standard Advances	19,17,39,885	(74,627)
Less : Direct Taxes Paid	(5,95,04,979)	19,53,38,416
Cash flow before working capital changes	13,22,34,906	11,66,18,434
Change in advances	(76,09,04,895)	(29,27,72,547)
Change in deposits	37,63,37,818	61,03,05,803
Change in other Liabilities & Provisions	1,31,94,325	(1,60,56,058)
Change in Other Assets	2,82,42,059	(6,59,30,544)
Cash flow from investing activities	(21,08,95,787)	35,21,65,087
Purchase of investments	(1,33,73,49,403)	(9,01,07,465)
Income from Investments	8,58,49,822	6,48,95,103
Sale of Investments	1,26,06,60,690	-
Receipts from sale of fixed assets	2,06,935	1,88,286
Purchase of Intangible Assets	(9,06,964)	-
Purchase of Fixed Assets	(3,44,77,151)	(2,34,98,847)
Cash flow from investing activities	(2,60,16,071)	(4,85,22,923)
Cash flow from financing activities		
Dividend Paid	-	(2,07,17,256)
Dividend Tax Paid	-	(42,59,468)
Increase/Decrease in borrowings	-	-
Cash flow from financing activities		(2,49,76,724)
Cash Flow during the Year	(23,69,11,857)	27,86,65,440
Cash & Cash equivalents at the beginning of the Year	1,04,71,07,748	76,84,42,308
Cash & Cash equivalents at the end of the Year	81,01,95,891	1,04,71,07,748

For SURESH AND BABU

For and on behalf of the Board

Chartered Accountants

FRN: 004254S

Sd/-

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

Sd/-

B S Purshotham
Director

Sd/-

Hirak Saha Kabiraj
Company Secretary

Sd/-

D.Jagapathi Raju
General Manager & C F O

Place: Vijayawada, Date: 06-06-2020

Sd/-

Krishnamoorthy Venkataraman
Director

Sd/-

B.Venu Gopala Reddy
Managing Director & C E O

Sd/-

KAV Raman
General Manager & C O O



(Rs. in lakhs)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	Current Year	Previous Year
Provision towards NPA	230.15	94.90
Provision towards Standard Asset	26.60	(0.75)
Provision towards COVID-19	30.28	-
Provision made towards Income Tax	632.33	722.00
Provision for Deferred Tax (Net)	(21.33)	(6.40)
Other Provision and Contingencies (with details)	-	-

5.2 Floating Provisions : NIL**5.3 Draw Down from Reserves**

An amount of Rs.194.67 Lakhs (Previous year: Nil) was drawn down from Investment Fluctuation Reserve and transferred to Statutory Reserve.

5.4 Disclosure of Complaints

A. Customer Complaints :

		Current Year	Previous Year
(a)	No. of complaints pending at the beginning of the year	Nil	Nil
(b)	No. of complaints received during the year	176	153
(c)	No. of complaints redressed during the year	176	153
(d)	No. of complaints pending at the end of the year	Nil	Nil

A. Awards passed by the Banking Ombudsman : Nil

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

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

5.6 Provisioning Coverage Ratio (PCR)

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

Particulars	Current Year	Previous Year
Gross NPA (Rs.in Lakhs)	1497.56	971.18
Provision for NPA (Rs.in Lakhs)	482.65	252.50
Provisioning Coverage Ratio (%)	32.23	26.00

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	31-03-2020	31-03-2019
Total Deposits of twenty largest depositors	2985.02	3133.46
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	5.42%	6.45%



5.8.2 Concentration of Advances

(Rs. in lakhs)

Particulars	31-03-2020	31-03-2019
Total Advances of twenty largest borrowers	4179.00	4884.00
Percentage of Advances to twenty largest borrowers to Total Advances of the bank	9.25%	12.85%

5.8.3 Concentration of Exposures

(Rs. in lakhs)

Particulars	31-03-2020	31-03-2019
Total Exposures to twenty largest borrowers/customers	4476.53	2631.52
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	9.50%	6.92%

5.8.4 Concentration of NPAs

(Rs. in lakhs)

Particulars	31-03-2020	31-03-2019
Top Four NPA Accounts	500.19	560.67
Percentage of Total Exposure to top four NPA Accounts	1.06%	1.48%

5.9 Sector wise Advances

(Rs. in Lakhs)

S.No.	Sector*	Current Year			Previous Year		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector (%)	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector (%)
A	Priority Sector						
1	Agriculture and allied activities	1561.78	45.71	2.93	5763.98	65.26	1.13
2	Advances to industries sector eligible as priority sector lending	1671.23	9.74	0.58	1074.18	46.58	4.34
3	Services	24081.47	855.38	3.55	19795.56	183.79	0.93
4	Personal loans	0.00	0.00	0.00	0.00	0.00	0.00
	Sub total (A)	*27314.48	910.83	3.33	26617.72	295.63	1.11
B	Non Priority Sector						
1	Agriculture and allied activities	5500.00	0.00	0.00	0.00	0.00	0.00
2	Industry	0.00	0.00	0.00	0.00	0.00	0.00
3	Services	11366.24	523.64	4.61	10305.52	643.45	6.24
4	Personal loans	1502.81	63.09	4.20	1095.05	32.10	2.93
	Sub-total (B)	*18369.05	586.73	3.19	11400.57	675.55	5.93
	Total (A+B)	45683.53	1497.56	3.28	38018.29	971.18	2.55

Note : * Bank has sold PSLC to the tune of Rs.5500 lakhs during the year 2019-20, and the same has been reduced from priority (Agricultural and allied activities) & included in non-priority.


Category wise details of sale of Priority Sector Lending Certificates:

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

5.10 Movement of NPAs

(Rs. in Lakhs)

Particulars	Current Year	Previous Year
Gross NPAs as on 1 st April of particular year(Opening Balance)	971.18	437.75
Additions (Fresh NPAs) during the year	4405.56	4690.19
Sub-Total (A)	5376.74	5127.94
Less:		
(i) Up gradations	2045.25	Nil
(ii) Recoveries (excluding recoveries made from upgraded accounts)	1809.67	4148.45
(iii) Write-offs	24.26	8.31
Sub-total (B)	3879.18	4156.76
Gross NPAs as on 31 st March of following year (closing balance) (A-B)	1497.56	971.18

Stock of technical write offs and the recoveries made thereon:

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

5.11 Overseas Assets, NPAs and Revenue

(Rs. in Lakhs)

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



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

Name of the SPV sponsored	
Domestic	Overseas
NIL	NIL

5.13 Unamortised Pension and Gratuity Liabilities : NOT APPLICABLE

5.14 Disclosures on Remuneration

Nomination & Remuneration Committee

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

Composition

The Remuneration committee comprises of the following directors:

Sl.No.	Name of Director	Designation
1	Mr. A N Appaiah	Chairman
2.	Mr. B S Purshotham	Member
3.	Mr. K. Venkataraman	Member
4.	Mr. Balaji Gopalakrishnan	Member

Attendance

Details of the meetings held during the year

Sl.No.	Date	Committee Strength	No.of Members Present
1	17/05/2019	4	4
2	02/08/2019	4	4
3	20/12/2019	4	3
4	18/02/2020	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	Prerequisites	Total
Krishnamurthy Venkataraman	Chairman	9.00	0.00	9.00
B Venu Gopala Reddy	Managing Director	33.00	2.97	35.97
D Jagapathi Raju	CFO, General Manager	15.10	0.00	15.10
N Sambasiva Rao	General Manager	11.90	0.00	11.90
K A V Raman	COO, General Manager	8.02	0.00	8.02
Ashish Kulkarni	Company Secretary	7.56	0.00	7.56
Hirak Saha Kabiraj	Company Secretary	1.78	0.00	1.78
TOTAL		86.36	2.97	89.33

5.15 Disclosures relating to Securitisation : NOT APPLICABLE

5.16 Credit Default Swaps : NOT APPLICABLE

5.17 Intra Group Exposures : NOT APPLICABLE

5.18 Transfers to Depositor Education and Awareness Fund (DEAF)

Particulars	Current Year	Previous Year
Opening balance of amounts transferred to DEAF	39.38	29.98
Add : Amounts transferred to DEAF during the year	8.57	9.40
Less : Amounts reimbursed by DEAF towards claims	-	-
Closing balance of amounts transferred to DEAF	47.95	39.38

5.19 Unhedged Foreign Currency Exposure : NOT APPLICABLE

6. Liquidity Coverage Ratio (LCR) – Not Applicable

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

For SURESH AND BABU

Chartered Accountants

FRN: 004254S

Sd/-

(S.Muralikrishna Rao)

Partner, M.No.208435

Sd/-

B S Purshotham

Director

Sd/-

Hirak Saha Kabiraj
Company Secretary

Place: Vijayawada

Date: 06-06-2020

For and on behalf of the Board

Sd/-

Krishnamoorthy Venkataraman
Director

Sd/-

B.Venu Gopala Reddy
Managing Director & C E O

Sd/-

KAV Raman
General Manager & C O O

Sd/-

D.Jagapathi Raju
General Manager & C F O



FINANCIAL TREND 2014-20

(Rs in lakhs)

Particulars	31.03.2014	31.03.2015	31.03.2016	31.03.2017	31.03.2018	31.03.2019	31.03.2020
	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	1321.87	1739.04	2223.79	2996.21	4449.03	5812.27	7761.16
Deposits	18629.36	28962.06	32439.56	40545.66	45257.04	51360.10	55123.47
Advances	15152.16	20508.01	23998.00	30042.05	35081.53	38018.29	45683.53
Total Business	33781.52	49470.07	56437.56	70587.71	80058.30	89378.39	100807.00
Net Profit(Loss)	562.02	693.40	825.88	876.53	1452.82	1613.00	1943.56
Net NPAs(%)	35.27 (0.23)	104.18 (0.51)	57.31 (0.24)	121.79 (0.41)	280.15 (0.80)	718.67 (1.90)	1014.91 (2.25)
Prioritysector advances (%)	7731.21 (51.02)	10410.71 (50.76)	13471.97 (56.14)	17118.75 (56.98)	22874.64 (65.20)	26617.72 (70.01)	27314.49 (59.79)
Advances to agriculture (%)	4149.02 (27.38)	4591.20 (22.39)	4470.56 (18.63)	4720.07 (15.71)	5617.61 (16.01)	5763.98 (15.16)	1561.78 (3.42)
Advances to Weaker sections (%)	2063.17 (13.62)	3667.07 (17.88)	4657.23 (19.41)	5365.39 (17.86)	6747.33 (19.23)	7665.62 (20.16)	7764.93 (17.00)
Return on Equity (%)	16.87	16.58	18.25	19.25	21.52	19.88	19.32
Return on Assets	2.97	2.78	2.37	1.99	2.90	2.86	3.05
Net Interest Margin (%)	6.79	6.15	5.91	5.28	6.40	6.39	5.90
CD ratio in %	81.34	70.81	73.98	74.00	76.90	73.29	82.88
CRAR in %	24.55	19.79	19.81	18.00	19.86	21.25	23.00
Cost of deposits in %	7.67	7.38	7.57	7.19	6.58	6.46	6.39
Yield on advances in %	15.26	15.09	15.06	14.91	14.62	14.30	13.61
No.of employees	203	240	256	282	305	328	333
Per employee business	166.41	206.13	220.46	250.31	262.48	272.50	301.82
No. of branches	33	39	39	44	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.2-109, SBI Road, Srinagar Colony, Gannavaram-521101, Phone No. : 08676-254866, Mobile No. : 9701465970
6. GOLLAPUDI : D.No.6-41, Ravuri Satyanarayana Street, Gollapudi- 521225, Phone No.: 0866-2410279, Mobile No. : 9701465972
7. JAGGAIAHPET : D.No.6-1192, Hyderabad Road, Jaggaiahpet-521175, Phone No. : 08654-226111, Mobile No.: 9701465966
8. GAMPALAGUDEM : D.No.3-62-2, Main Road, Gampalagudem-521403, Phone No. : 08673-274733, Mobile No.: 8008779922
9. MOPIDEVI : D.No.1-81-1, Opp. Panchayat Office, Peda Kallepalli Road, Mopidevi—521125, Phone No.08671-257117, Mobile No.: 7893632100
10. VUYURU : D.No.1-393/1 & 1-394/1, Main Road, Vuyuru-521165, Phone No.08676-236624, Mobile No. : 7680993071
11. ENIKEPADU : Flat No.102, K V C Towers, K Venkaiah Nagar Street, Enikepadu, Phone No.08676-236624, Mobile No. : 7093099305
12. PRAJASAKTHI NAGAR : D.No.32-6-10, Prajasakthi Nagar, Visalandhra Road, Vijayawada-520010, Phone No. 0866-2438499, Mob No.7331143302
13. KANKIPADU : D.No.9-172, RS No. 45/3B, opp. Chinnaramalayam, Kankipadu-521151, Phone No. 0866-2821333, Mob. : 7093906186
14. SEETHAMPURAM : 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 CORRESPONDENT CENTERS

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. **ELURU** : Business Correspondent Name - M. Ramesh, D.No. 5-5-16, PRR Complex, Old Venkateswara Takis, Eluru, Cell.No. 9030107041
4. **MUDINEPALLI** : Business Correspondent Name -T. Siva Kumari, D.No. 4-102-1, Main Road, Mudinepalli, Krishna Dist., Cell.No.9652361099
5. **JAGANAICKPUR** : Business Correspondent Name - V. Samuel, D.No.45-125, Main Road, Jaganaickpur, Opp. Andhra Bank ATM, Kakinada, East Godavari Dist., Cell No. 9346323797
6. **TADIKONDA** : Business Correspondent Name - S. Umamaheswara rao, Dr.No 13-35, Tadikonda Village, Guntur Dist., Cell No. 9912810779
7. **NANDIGAMA** : Business Correspondent Name - K. Nukesh, Dr.No. Dr.No. 15/47A, AGM Complex, Opp. Govt Hospital, Nandigama, Krishna Dist., Cell No. 9705394434
8. **TUNI** : Business Correspondent Name - K. Naniji, Dr.No 1-47-30/3, Chandka Vari Veedhi, Sitaramuram, Tuni, East Godavari Dist., Cell No.9951038736
9. **AKIVIDU** : Business Correspondent Name - V. Dhana Subramanyam, Dr.No 4-33, Kakarala vari street, Akividu, W.G.Dt., Cell No. 9908666831
10. **KANKIPADU** : Business Correspondent Name - V. Sri Hari Babu, Dr. No. 1-58, Gosala, Somi Temple Street, Kankipadu, Krishna Dist., Cell No. 6300169502
11. **MANGALAGIRI** : Business Correspondent Name - G. Susruthudu, Dr.No. 8-71/9, Near Ushain catta, Old Mangalagiri, Guntur Dist., Cell No. 9700808300
12. **PRAJASAKTHINAGAR** : Business Correspondent Name - M Sunil Kumar, Dr.No.2-22, Karmikinagar, Prasadampadu, Vijayawada, Krishna Dist., Cell No.9985582265
13. **AMALAPURAM** : Business Correspondent Name - P. Krishna Prasad, Dr.No. 1-35, Chindada Garuvu Village, Amalapuram, East Godavari Dist., Cell No. 9491255517
14. **VIJAYAWADA** : Business Correspondent Name - S. Anil, Flat No.191, SF-5, YSR Colony, Vijayawada Rural, Krishna Dist., Cell No. 8333030394
15. **GUDIVADA** : Business Correspondent Name - M. Hari Rama Krishna, Dr.No. 16/399-3, Chowdarypel Paddkalava center, Gudivada, Krishna Dist., Cell No 9848415161
16. **BHIMAVARAM** : Business Correspondent Name - D.V.S. Pavan Kamala Kumar, Dr.No 21-16-2, Opp Muncipal Office, Bhimavaram, W.G.Dt., Cell No. 9959166068
17. **VINUKONDA** : Business Correspondent Name - P. Gousiya Begum, Dr.No. 23-3-11, Near Vetanary Hospital, Vinukonda, Cell No. 8639478774
18. **AMALAPURAM** : Business Correspondent Name - M. Srinivasa Rao, Dr.No.5-4-104A, Vaddigudem Street, Suryanagar, Amalapuram, Cell No. 8328516707
19. **KOTHAPETA** : Business Correspondent Name - M. Kesava Raju, Flat. No. 104 Laxmiraghavendra towers, Lancherster Road, Guntur, Guntur Dist., Cell No.9963638580
20. **VISAKHAPATNAM** : Business Correspondent Name - B. Srihari, Block No. 37, G.F.5, Rajiv Gruha kalpa, Marikavalasa, Visakhapatnam Dist., Cell No. 9491791704
21. **SITARAMPURAM** : Business Correspondent Name -V. Y. Satyakumar, Vijayawada, Krishna Dist., Cell No.9966609099



Donation of artificial limbs



Donation of benches to a ZPH School



Planting of saplings to increase the green cover



Free Medical Camps held by branches



Feeding the migrant labour during COVID-19 Lockdown



Donation of Blankets to flood victims



Donation to Akshayapatra on 20th Foundation Day



Thanks-giving by Coastal-Staff Children for Scholarships



Rice Mill Financed by the Bank



Granite Polishing Unit financed by the Bank



Function Palace Financed by the Bank



Brick unit financed by the Bank



Vehicle loan to MSME borrower



Medical shop loan to a woman entrepreneur



Coconut & Cocoa plantation financed by the Bank



Branch Staff blessing Kalyanamasthu Clients

COASTAL LOCAL AREA BANK LTD

D.No. 59-12-6, Grace Line, Ghantasalavari Veedhi,
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