CHAPTER III

Profile of Anantapur District Cooperative Central Bank Ltd., Anantapur.
Introduction:

Anantapur district is the largest district in Andhra Pradesh with a geographical area of 19130 sq.kms. It is also considered to be one of the most backward districts of the state. This is the district which requires more financial support as most of its people leave in poverty-stricken country side. Its climate, geographical, social and economic conditions really demand more financial institutions like cooperative central bank ltd that can cater to the economic needs of poor population. Hence, an attempt is made to present a brief profile of Anantapur District.

3.1 The Profile of Anantapur District:-

Anantapur District has derived its name from the big tank Anantha Sagaram (boundless ocean) constructed by Chikka Vadiyar, the Minister of Bukka- I (1344- 1377 AD) the ruler of Vijayanagara empire. Anantapur District was formed in the year 1882 by separating it from Bellary district of Karnataka State (previously it was known as Mysore State). The district has neither a geographical, historical nor an ethical entity but created for administrative convenience. The district was further expanded in the year 1910 with the addition of Kadiri Taluk (present Revenue Mandals of Kadiri, Mudigubba, Nallamada, N.P.Kunta, Talupula, Nallacheruvu, O.D. Cheruvu, Tanakal, Amadagur and Gandlapenta) from Kadapa District. Further, at the time of reorganization of states in 1956, the Telugu speaking Rayadurg (present Revenue Mandals Rayadurg, D. Hirehal, Kanekal, Bommanahal and Gummagatta) Taluk of Bellary District of Karnataka State was been added to Anantapur district. The District is the southern most of the ‘Ceded districts and is surrounded on the east and north by Kadapa and Kurnool districts respectively and on its southern and western flanks by Karnataka state.
At present the district has been divided into 3 Revenue Divisions, consisting of 63 Mandals of which 20 Mandals are in Anantapur Division, 17 Mandals in Dharmavaram division and 26 Mandals in Penukonda division.

The total geographical area of the district is 19,130.8 Sq. kms. And the total area is 968.12 Sq. kms. This works out to 10.20% of the total geographical area. The Pennar, Jaya Managala, Chitravathi, Vedavathi rivers are Penerial Rivers flowing in the district. The minerals available are Diamonds in Vajrakarur Mandal, Gold in Ramagiri Mandal, Barytes in Tadipatri Mandal available in the District. In addition to it the other minerals chrysotile asbestos, steatite, high grade lime stones and iron ore are available at some parts in the district. All these minerals are not in large size and none of these appear to be of economic importance. Geographically the district has the soil is rocky, sandy, red and black soils.

The District has a fairly good elevation, which provides the district with tolerable climate throughout the year. The normal annual rainfall of the district recorded is only 544 mm which is the lowest in the state and second lowest in the country. Because of it continuous famine conditions prevailed in the district, the cultivation and revenue out of it is very low. 95% of cultivation depends upon monsoons that are why the agriculture is like a gambling in this district. The Ground nut is mono crop in the district which depends up on rains only. Other crops grown in the district are paddy, jowar, red gram, castrol, fruits, and sericulture in low profile. The entire district divided into 3 revenue divisions i.e. Penukonda, Dhramavaram and Anantapur. There are 63 revenue mandals, 14 Assembly constituencies and 2 parliament constituencies in the district. The head quarters of the District is Anantapur. Sri Krishnadevaraya University is located here.
The important historical and devotional places located in the district are Lepakshi, Banyan Tree (Gunnies world record), Pennahobilam, Ratnagiri, Puttaprthy, Penukonda, Gooty, Kaadri, Kasapuram, Muridi, Vemana Katarupalli etc. In addition to it Dharmavaram, Rayadurg, Tadipatri, Yadiki, Uravakonda are very famous for silk and cotton weaving activity.

3.2. Profile of the Anantapur District Cooperative Central Bank:

The Anantapur District Co-operative Central Bank (ADCC Bank) was established on 03-02-1919 with its head quarters at Anantapur as a Co-operative society, with primary object to finance short term credit to the Primary Agriculture Co-operative Societies in the district.

The long term credit needs for the farming community were catered by the Primary Agriculture Development Banks (PADB) up to 1987. The Government of Andhra Pradesh abolished Primary Agriculture Development banks and introduced Single Window System to cater both Short and long term loans through PACS by merging the PADB with DCC bank.

3.3. Objectives of the Bank:

The main objectives of the bank are:

1. To serve the customers up to their satisfaction and create confidence among them

2. To introduce scientific methods and new accounting standards in banking

3. To make the bank computerized for speedy, accurate and timely disposal of the clients.

4. To monitor the working of bank effectively by effective supervision and well planned control systems.
5. To know the customers (Know Your Customers) and the level of their financial needs
6. To raise funds by mobilization of deposits and lend the same to the needy
7. To take security measures for customers assets
8. To arrest the erosion in assets
9. To control over cost of management and transaction
10. To prepare strategic plans for future growth of the institution
11. To ensure job security and job satisfaction of the employees
12. To strengthen Management Information system (MIS)
13. To take effective measures to improve recovery of loans
14. To diversify the lending system
15. To improve the non fund business
16. To maintain liquidity and funds management effectively
17. To wipe out the accumulate losses and imbalances
18. To prepare effective action plans for development of the bank
19. To increase yield on assets
20. To improve the level of business
21. To reduce nonperforming assets
22. To establish an effective housekeeping and internal checks and control
23. To restore democratic set up
24. To evolve norms for the investment of surplus funds based on the consideration of safety, liquidity and profitability
25. To infuse of professionalization into the management of the bank
26. To develop Human Resources
27. To increase the net worth and productivity
28. To promote image of the bank
29. To assess and estimate the credit requirements of affiliated societies
30. To organize the provision of agricultural credit in all parts of the area of operation of the bank
31. To carry on banking business as defined in the banking regulation act 1949
32. To provide locker facility to customers
33. To provide crop loans, investment loans for agriculture purpose, jewelry loans, cash credit facility to weaver's societies to farmers and other customers.

3.4. Network of the Bank

The Anantapur District Co-operative Central Bank Ltd., also offers banking services through 20 Branches (19 Branch + One Head Office Counter) accepting deposits, and offering all banking facilities to the customers, Competitive interest rates are offered to the customers on par with commercial banks and the deposits are insured with DICGC to the extent of 1.00 lakh per individual.

Recently the bank introduced the Janatha Accident Insurance policy to the deposit holders of the bank at yearly premium of Rs. 15/- account holder. This is the best policy which provides financial assistance to the families of the policy holder in case of accidental death. Thus the bank has played a crucial role in dispensation of Short Term and Long Term credit for Agriculture and Rural Development in the District through a vast insurance and banking network.

In addition to this the members who availed themselves of crop loans covered by the Janatha Accident Insurance policy on the same lines of the policy.
The network profile of the Bank is as under:

- No of DCCB Branches: 19+1
- Total No of Affiliated Societies: 643
- PACS: 100
- Ceded & FCSS: 21
- JFCS: 9
- Non-Agrl.: 140
- PWCS & Others: 373
- PACS Membership: 788000
- Male members: 547000
- Women: 241000
- Borrowing Members: 179638

The head quarters of the bank are located in Anantapur. This is the central office headed by chief executive officer. The officer is assisted by a board of management who frame policies and executive them throughout the district. There are 19 branches of DCC Bank which are located in Rayadurg, Kalayndurg, Tadipatri, Yadiki, Guntakal, Gooty, Pamidi, Uravakonda, Madakasira, Hindupur, Penukonda, Gorantla, Puttaparthi, Dhramavaram, Kadiri, Tanakal, Mudigubba, First Road Branch, Anantapur and Old Town Branch, Anantapur. Almost all these branches are located in urban areas.

Recently the Board of Management has proposed to open another two new branch offices; one is at Kothacheruvu and another one at Obuladevara Cheruvu (ODC) and also decided to open one more branch at Kanekal. The entire banking activities are spread throughout the district.
Nearly 643 different societies are affiliated to this bank; mainly 100 Primary Agricultural Cooperative Societies have occupied a very considerable portion of the total credit activity of the bank. The bank provides financial assistance in the form of Crop Loans, Investment Loans etc, to the PACS which in turn extend loans to its members for Agricultural Development. The DCC Bank also provides cash credit to the PWCS (Primary Weavers Cooperative Societies) for promoting weaving activity in the district. 240 weavers cooperative societies are affiliated to the bank.

There are 788000 “A” class members in the PACS including 547000 men, 241000 women. The total borrowing members are 179638 by covering 22.79% in total membership. The “A” class members have voting right in their respective PACS and they are very prompt in electing their Board of Management for effective and speedy service to the needy. Besides there are a number of “B” class members enrolled they have no voting right, but are eligible for the bank services.

21 ceded societies are the members of the bank as cooperative institutions. But the societies are affiliated to the commercial banks providing financial assistance. 9 Joint farming cooperative societies (JFCS) are also the members of the bank but not functioning. In addition, there are 140 non agriculture societies including employees etc have provided credit.

3.5. Body of Board of Directors

Management

Management of the Bank is vested with the powers to elect the Board of Directors. There are 27 Directors on the board elected in following manner:

12 - Directors elected by the PACS
While 12 directors are directly elected by the affiliated PACS, 2 directors elected from affiliated weaver's societies. 2 directors shall be nominated by the Registrar of Cooperatives, Government of Andhra Pradesh. 2 directors shall be nominated by the Government from the Coop institutions. 2 Professional directors shall be nominated by the Board of Directors of the bank as per Vydyanathan committee reforms. 2 directors from Non agricultural coop societies elected by the societies concerned. The Chief Executive Officer of the bank, District Coop officer and AGM NABARD are the Ex officio members of the Board. The Chief Executive officer is the Member / convener. As per State Cooperative Act, before 1987, the elections to the PACS as well as DCC bank and other cooperative societies used to be held for every 3 years. After introduction of the Single Window Credit Delivery System the elections for the boards take place for every 5 years, thus the term of the Board of Management is 5 years at PACS and DCC banks level. If there is any need, the term of the Board of Management can be extended up to 6 months or more.

The bank and society should convene the Board meetings once in every 3 months and General Body meeting once in 6 months at least. The President of the Bank / PACS will be presided in the Board and General Body Meetings.
The Chief Executive Of the bank / PACS shall convene the meeting and read out the subjects one by one for getting the approval of the members. The Chief Executive Officer presents annual report during the General Body Meeting. The general body is a powerful body which approves of all the transactions held in the bank/PACS during a particular year. The Board of Management is more responsible and accountable in the general body in execution of the policies and making the resolutions passed.

**Sub committees:**

**3.6. Term of the Board of the Bank:**

The team of the office of the committee shall be 5 years from the date of its election of the members of the committee. The term may be extended for every 6 months by a special ordinance and GO of A.P after the expiry of the 5 year term under special circumstances. All the members of the Board and President other than those nominated by the Registrar shall be elected at one and the same time, as provided in the APCS Act and rules for the specified period of 5 years. Any interim vacancy can only be filled up for the unexpired portion of the original period by Co-option from the delegates of the respective groups. The proceedings of the Board shall not be invalidated on account of any vacancy or vacancies on the Board which remain unfilled.

The letter by register post, if any send by any member or members of the Board by Registered Post to Chief Executive Officer shall be processed and decided as per the provision of rule 23-AAA of the Andhra Pradesh Cooperative Society rules.
Any nominated member of the Board may at any time resign from his office by sending a letter of resignation to the Registrar under copy to the Chief Executive Officer of the Bank, but such registration shall take effect from the date of its acceptance by the registrar.

3.7. Election of Office Bearers:

The election of the Board Directors shall be in accordance with the provisions of APCS Act and rules framed there on. The elections to the present Board of Management were held on 17/11/2005 and after the compilation of 5 year period, the term was extended twice 6 months each, by the State Government. The extended term of the management expired on 31-03-2011.

3.8. Meetings of the Board:

The meetings of the Board shall be convened by the Chief Executive Officer in consultation with the President once in a month or often, if necessary for the conduct of business of the bank. The President shall call for a meeting of the Board within fifteen days after the receipt of requisition in writing signed by at least 12 members of the Board or Registrar or by Apex bank for such a meeting. The quorum for the Board meeting shall be as indicated in Sub- Rule 2 of Rule 23 of APCS Act. All questions before the Board shall be decided by a majority of votes. The President shall preside at all meetings of the general body and the Board meetings of the bank. In the absence of the President of the bank, the Vice-President shall presided over the meetings. If the vacancy fallen for the post of President, the Chairman shall be elected from among the directors those present. Under the present Board of Management, 75 meetings of the Board of Directors were conducted, from November 2005 to November 2011, at the rate of minimum once in a month.
Some of the main subjects discussed, ratified and approved during the board meetings are shown below in table 3.1

**Table 3.1:**

**Subjects Discussed, Ratified and Approved at the Board**

<table>
<thead>
<tr>
<th>Date</th>
<th>Subject No</th>
<th>Members attended</th>
<th>Subject</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>16-8-1986</td>
<td>2</td>
<td>--</td>
<td>To ratify the sanction of Rephacement, conversion into medium term loan applications received from 258 PACS</td>
<td>Ratified by the District Collector / Person In charge</td>
</tr>
<tr>
<td>5-8-1987</td>
<td>16</td>
<td>22</td>
<td>To Authorize the president of the bank for sanction of the Over draft loan applications</td>
<td>Decided to take decision in the next board meeting</td>
</tr>
<tr>
<td>30-12-1987</td>
<td>15</td>
<td>20</td>
<td>To authorize AGM banking to buy, sell, endorse, transfer, negotiate are otherwise deal in Government securities and trustee for securities on behalf of the bank</td>
<td>Resolved to authorize Sri L. Venkobarao, AGM to authorize AGM banking to buy, sell, endorse, transfer, negotiate are otherwise deal in Government securities and trustee for securities on behalf of the bank</td>
</tr>
<tr>
<td>22-9-1989</td>
<td>2</td>
<td>22</td>
<td>To approve the monthly progress report for the months of June and July 1989</td>
<td>Approved</td>
</tr>
<tr>
<td>15-6-1990</td>
<td>4B</td>
<td>21</td>
<td>To ratify the sanction of LT loans to PACS by the President of the bank</td>
<td>Ratified</td>
</tr>
<tr>
<td>9-3-1991</td>
<td>1</td>
<td>3</td>
<td>To ratify the subject passed by circulation by the PIC from the date of previous committee meetings i.e. 1-11-1990 regarding sanction of LT loans to societies and sanction of O.D loans to individuals</td>
<td>Ratified</td>
</tr>
<tr>
<td>18-11-1992</td>
<td>2</td>
<td>22</td>
<td>To ratify the action of the 18 president of the bank on 16-1015-1992 and 21-10-1992 in sanction of cash credit for the year 141992-93 to 9 weavers societies</td>
<td>Ratified</td>
</tr>
<tr>
<td>Date</td>
<td>Time</td>
<td>TO</td>
<td>Approval Action</td>
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<tr>
<td>2-8-1993</td>
<td>13</td>
<td>18</td>
<td>To approve the audit report and annual report for year 1991-92 and approve the same to place the subject before GB meeting for its approval. Approved</td>
<td></td>
</tr>
<tr>
<td>1-3-1994</td>
<td>4</td>
<td>15</td>
<td>To approve the monthly financial particulars for the month of January 1994 Approve</td>
<td></td>
</tr>
<tr>
<td>21-1-1995</td>
<td>3</td>
<td>19</td>
<td>To ratify the action of the president on 24-9-1994 in sanction of LT loans to the societies Ratified</td>
<td></td>
</tr>
<tr>
<td>27-6-1996</td>
<td>23</td>
<td>14</td>
<td>To approve the application of Hindupur Women Welfare Cooperative society for cash credit for Rs. 2,00,000 as per the loan conditions prescribed in the office note Approved for Rs. 2,00,000 are cash credit to the Hindupur Women Welfare Cooperative society, Hindupur</td>
<td></td>
</tr>
<tr>
<td>22-5-1997</td>
<td>12</td>
<td>12</td>
<td>To approve the application of Madakasira Mandal teachers cooperative society for sanction of MT loan for Rs. 10,70,000 as per the guidelines prescribed Approved</td>
<td></td>
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<tr>
<td>4-3-1998</td>
<td>3</td>
<td>18</td>
<td>To ratify the action of the bank President in sanctioning of LT loans to the PACS Ratified</td>
<td></td>
</tr>
<tr>
<td>9-01-1999</td>
<td>13</td>
<td>20</td>
<td>To approve to furnish the proposals for sanction of revised estimation cost for proposed new building in the bank premises Approved to furnish the sanction of revised estimation cost for approved of CC&amp;RCs, AP Hyderabad</td>
<td></td>
</tr>
<tr>
<td>23-10-2000</td>
<td>4</td>
<td>18</td>
<td>To propose for amendment of Anantapur District Cooperative Central Bank Ltd., Anantapur bank REML loans guidelines – Regulations No 3,7 &amp; 14 – consideration of Proposed amendments to regulation No. 3,7 &amp;14 approved in respect regulation No.14 decided to reduced the interest rate 20% to 18% per annum and penal interest at 2% per annum on overdue installments will be charged</td>
<td></td>
</tr>
<tr>
<td>7-12-2002</td>
<td>16</td>
<td>17</td>
<td>To consider for acceptance of term and conditions prescribed by the APCOB for general banking credit limit of Rs. 100 lakhs for the year 2002-03 to the Anantapur Resolved to accept terms and conditions applicable to general banking limit of Rs. 100 lakhs for 2002-03 prescribed by the</td>
<td></td>
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<tr>
<td>Date</td>
<td>No.</td>
<td>Subject</td>
<td>Action and Recommendation</td>
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<td>21-10-2003</td>
<td>25</td>
<td>To consider the proposal for implementation of rural housing scheme to</td>
<td>Approve and proposed</td>
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<td></td>
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<td>women members of SHG in rural areas under credit cum subsidy scheme</td>
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<td></td>
<td></td>
<td>titled “Gruhini” and ground the units as per allotment given by DLCC,</td>
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<td>Anantapur</td>
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<tr>
<td>18-12-2004</td>
<td>2</td>
<td>Discussions with NABARD officers on inspection observation conducted</td>
<td>Discussed and recorded their observations</td>
<td></td>
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<tr>
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<td>from 29-11-2004 to 20-12-2004 with reference to banks financial</td>
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<td>position as on 31-3-2004</td>
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<tr>
<td>13-8-2005</td>
<td>8</td>
<td>Examination of HR policy for the bank on the basis of recommendations</td>
<td>Approved for according permission for staff assistants</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>of M/s Ernst and young agency – proposal for approval of the policy</td>
<td>and managers category vacancies</td>
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<td>by the committee forwarding to CC&amp;RCS, Hyderabad for approval and -</td>
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<td></td>
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<td>consideration of</td>
<td></td>
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<tr>
<td>29-4-2006</td>
<td>3</td>
<td>To approve the certified audit report by the AP cooperative societies,</td>
<td>Approved and recommended for approval of General body.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Chief Auditor, Hyderabad for 2005-06 and place it before General body</td>
<td></td>
<td></td>
</tr>
<tr>
<td>27-5-2006</td>
<td>6</td>
<td>To approve and constitute a separate fund account for administration</td>
<td>Approved and recommended to GB for its approval</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>and other expenditure and recommend the GB for its approval</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14-9-2007</td>
<td>2</td>
<td>To approve the receipt/payment and balance sheet year ending 31-3-2007</td>
<td>Approved and recommended to GB for its approval</td>
<td></td>
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<td></td>
<td></td>
<td>and place it before GB for its approval</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4-12-2008</td>
<td>Table agenda - 1</td>
<td>To formulate an investment policy for effective of funds</td>
<td>Resolved to formulate the investment policy in the bank has proposed.</td>
<td></td>
</tr>
<tr>
<td>Date</td>
<td>Page</td>
<td>Line</td>
<td>Resolution</td>
<td></td>
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</tr>
<tr>
<td>16-12-2008</td>
<td>3</td>
<td>21</td>
<td>To resolve that the Anantapur district cooperative central bank Implementation of Revival package for the CCS structure in Andhra Pradesh – Fit and proper criteria for appointment of Directors/Chief Executive Officer – consideration of.</td>
<td>Resolved to issue notification for the Post of CEO as per the guide lines of RBI/NABARD.</td>
</tr>
<tr>
<td>19-6-2009</td>
<td>5</td>
<td>18</td>
<td>To consider and accept the terms and conditions stipulated by APCOB vide letter No. A/CEO/ATPR/DCCB/2183 dt 28-4-09 for deputing Sri M Chenchaiah to our bank as DGM with full additional charge CPO/ICDP consideration of</td>
<td>Approved</td>
</tr>
<tr>
<td>31-8-2009</td>
<td>17</td>
<td>22</td>
<td>To approve the receipts and payments for the month of July 2009 of ICDP, Anantapur</td>
<td>Approved</td>
</tr>
<tr>
<td>31-8-2009</td>
<td>Table agenda - 2</td>
<td>22</td>
<td>To approve the suggestions of the state level bankers committee (SLBC) to finance to the farmers as per scale of finance - The board of management of APCOB as approved policy guidelines for implementation</td>
<td>Approved</td>
</tr>
<tr>
<td>19-1-2010</td>
<td>19</td>
<td>21</td>
<td>To approve launch a new RD account i.e. Sahakara Sanchita Deposit scheme with insurance coverage</td>
<td>Approved for launching a new recurring deposit account with insurance coverage</td>
</tr>
<tr>
<td>2-6-2010</td>
<td>12</td>
<td>23</td>
<td>Initial allotment under LT (Agri) – Loaning program for the year 2010-11</td>
<td>Noted</td>
</tr>
<tr>
<td>30-7-2010</td>
<td>15</td>
<td>25</td>
<td>To approve the audit report of Integrated cooperative development project for the year 2009-10</td>
<td>Approved</td>
</tr>
<tr>
<td>28-9-2010</td>
<td>5</td>
<td>26</td>
<td>To resolved to constitute various committee as per Model Bye - Law (under Revival package) of the bank</td>
<td>Resolved to constitute to various committees as per Model Bye - Law (under Revival package) of the bank</td>
</tr>
<tr>
<td>5-1-2011</td>
<td>2</td>
<td>23</td>
<td>To discuss on the issue of code of conduct (Do's and Don'ts) with regard to the</td>
<td>Read and recorded</td>
</tr>
</tbody>
</table>
The important subjects shall be brought to the notice of General Body for its approval, as per Bye laws and Cooperative Act whenever needed.

### 3.9. Disqualification for the membership of committee:

The disqualification for membership of the committee shall be as prescribe in the APCS act as amended from time to time. Since the establishment of the Bank, nobody has been disqualified as per APCS Act.

### 3.10. Cessation of the membership of the committee and reinstatement:

Where a member of the committee absents himself from three consecutive meetings of the committee, he shall cease to be the member of the committee. He may, however, be reinstated by the committee in the manner prescribed i.e. the fact shall be intimated to the member concerned and shall be reported by the Chief Executive Officer at the next meeting of the Board, with the reply received from the member. It shall be open to the Board to reinstate such member, provided that a requisition in writing is received from such member and provided also that he shall not be reinstated more than once during the term of the Board.
3.11. Powers of the Board:

The Committee of the bank as per the provisions of the Act, rules, bye-laws and resolutions shall exercise the following powers and functions

- Recommend the admission of members to General Body. In every general body, as per the recommendation of board of directors, the new members admitted.

- Recommend on allotment of shares to members and transfer of shares to general body. The general body is empowered to allot the shares to the members on recommendation of board of directors within the purview of the Act.

- Recommend removal of the member disqualified under section 21.

- Recommend removal of any of the committee members disqualified u/s 21 A, 22-AA, 21-B and reinstatement of a committee member who ceased to be such member of the committee u/s 21-B and place the reports before the General Body.

- Mobilization of funds is one of the important activities of the bank to raise funds to improve the funds, for using day to day business. First of all, the bank has to build confidence among the customers and mobilize more deposits. The study growth in deposits is observed guaranteed by the deposit insurance and credit guarantee corporation, which being utilized within the district only for agriculture and rural development.

- Provide services including sanction of loans and advances to the members on a specific recommendation of the Chief Executive Officer on the basis of the date of admission on such members of subject to availability of funds. In this aspect we can say the loaning portfolio is one of the important parameters to measure the financial strength of the bank.

- Sanction of expenditure is necessary for the business of the bank subject to the provisions of the annual budget. The bank has to meet the expenditure for salaries, allowances and other expenses every year with in the budget approved. In this aspect the bank is
spend Rs. 5 crores to Rs. 7 crores every year under this Head of account.

- Conduct elections in the manner specified in the bye-laws to the committee before the expiry of term. The bye laws of the bank indicate the procedural aspects to follow by the bank in administration, HR policy, loaning etc.

- Conduct general meetings as prescribed in the Act. The bank has to conduct the general body meeting every 6 months once i.e. on March 31st and September 30th every year.

- Audit the accounts of the bank within the time prescribed and place the audit reports before the general body for approval. Previously audit of the bank was conducted by the cooperative department every year. The concurrent audit / statutory audit is conducted by the chartered accountants after the implementation the reforms prescribed by Vydyanyathan committee.

- Fix the staffing pattern, qualification, pay scales and other allowances to the employees of the bank, subject to the availability of the administrative and contingent fund and approval of the general body / registrar as per the provisions prescribed.

3.12. General Body:

The ultimate authority relating to the administration of the bank shall be vested in the general body. It shall not, however, interface in the APCS Act, rules and bye-laws. The present board of the bank was elected on 17-11-2005 and assumed charge on 18-11-2005 as per the provisions prescribed by APSC (Andhra Pradesh State cooperative) Act 1964 and also followed the amendments took place recently. The District Cooperative Central bank should convene the General Body meeting once every 6 months. In a year there should be one General Body meeting before March and another one before September of particular year. Sometimes the extraordinary general body meeting may be convened on the request of the majority of the members in emergency circumstances.
Some of the main subjects discussed, ratified and approved during the General Body meetings are mentioned in table 3.2:

**Table 3.2:**

**Details of the Subjects Discussed, Ratified and Approved**

<table>
<thead>
<tr>
<th>Date</th>
<th>Subject No</th>
<th>Members attend</th>
<th>Subject</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>30-12-1987</td>
<td>5</td>
<td>152</td>
<td>To request the RCS to extend the period of the Board of Management from 3 years to 5 years – for approval</td>
<td>Approved</td>
</tr>
<tr>
<td>12-10-1988</td>
<td>1</td>
<td>116</td>
<td>To approve the certified Audit Report of the bank for the year 1986-87</td>
<td>Approved</td>
</tr>
<tr>
<td>30-11-1989</td>
<td>2</td>
<td>110</td>
<td>To approve the annual administrative report of the bank for 1987-88</td>
<td>Approved</td>
</tr>
<tr>
<td>8-12-1990</td>
<td>4</td>
<td>52</td>
<td>To approve the bank budget for 1990-91</td>
<td>Approved</td>
</tr>
<tr>
<td>6-11-1991</td>
<td>2</td>
<td>51</td>
<td>To approve the annual administrative report of the bank for 1989-90</td>
<td>Approved</td>
</tr>
<tr>
<td>27-9-1992</td>
<td>4</td>
<td>91</td>
<td>To approve the bank budget for the year 1993-94</td>
<td>Approved</td>
</tr>
<tr>
<td>25-9-1993</td>
<td>2</td>
<td>86</td>
<td>To approve the annual administrative report of the bank for 1991-92</td>
<td>Approved</td>
</tr>
<tr>
<td>25-9-1994</td>
<td>2</td>
<td>181</td>
<td>To approve the audit report certified by the Chief Auditor of AP cooperative societies, Hyderabad for the year 1992-93</td>
<td>Approved</td>
</tr>
<tr>
<td>27-9-1995</td>
<td>6</td>
<td>117</td>
<td>To approve for the change of Bye law No. 15 as per the circular of RCS, Hyderabad</td>
<td>Approved for change of Bye law No. 15 as per the circular of RCS, Hyderabad</td>
</tr>
<tr>
<td>26-8-1996</td>
<td>4</td>
<td>112</td>
<td>To approve the excess expenditure incurred over and above the Budget for the year 1995-96.</td>
<td>Approved</td>
</tr>
<tr>
<td>4-9-1997</td>
<td>6</td>
<td>105</td>
<td>To submit the Section 51 enquiry report of Commissioner and Registrar of Cooperatives for the information of the GB</td>
<td>Recorded</td>
</tr>
<tr>
<td>29-7-1998</td>
<td>5</td>
<td>96</td>
<td>To approve the estimated Budget for the year 1998-99</td>
<td>Approved</td>
</tr>
<tr>
<td>11-7-1999</td>
<td>6</td>
<td>60</td>
<td>To ratify the proposal of KRIBHICO (Krishik Bharathi coop ltd.,) to elect the President of the bank as delegate to attend for GB meeting of KRIBHICO as per the circulation dt 22-1-1989</td>
<td>Ratified</td>
</tr>
<tr>
<td>9-4-2000</td>
<td>4</td>
<td>106</td>
<td>To propose to amend the Bye law no 5 regarding authorized share capital which was exceeded of Rs. 25 crores</td>
<td>Approved</td>
</tr>
<tr>
<td>17-5-2001</td>
<td>1</td>
<td>80</td>
<td>To submit the annual administrative report for the year 1999-2000 for the approval</td>
<td>Approved</td>
</tr>
<tr>
<td>23-1-2002</td>
<td>2</td>
<td>115</td>
<td>To approve the audit report certified by the District Cooperative Audit officer for the year 2000-01</td>
<td>Approved</td>
</tr>
<tr>
<td>Date</td>
<td>No.</td>
<td>Item Description</td>
<td>Approval Status</td>
<td></td>
</tr>
<tr>
<td>------------</td>
<td>-----</td>
<td>----------------------------------------------------------------------------------</td>
<td>-----------------</td>
<td></td>
</tr>
<tr>
<td>25-9-2002</td>
<td>11</td>
<td>To ratify the promotions made as per the bank rules and qualifications and circular directions of Registrar for Cooperatives in compassionate grounds / direct recruitment / court orders</td>
<td>Ratified</td>
<td></td>
</tr>
<tr>
<td>28-4-2003</td>
<td>1</td>
<td>To approve the expenses made from 1-4-2002 to 28-2-2003</td>
<td>Approved</td>
<td></td>
</tr>
<tr>
<td>29-9-2004</td>
<td>1</td>
<td>To approve the certified income and expenditure, balance sheet and profit and loss account for the year 2003-2004</td>
<td>Approved</td>
<td></td>
</tr>
<tr>
<td>29-3-2005</td>
<td>8</td>
<td>To approve the amended by laws of Andhra Pradesh state Cooperative (amendment no.2) act 2001</td>
<td>Approved</td>
<td></td>
</tr>
<tr>
<td>18-3-2006</td>
<td>2</td>
<td>To approve the expenditure made between 1-8-2005 to 31-1-2006</td>
<td>Approved</td>
<td></td>
</tr>
<tr>
<td>23-3-2007</td>
<td>3</td>
<td>To allot the shares to newly formed 4 Primary Silk and Cotton weavers societies, which are affiliating to the bank</td>
<td>Approved for affiliation and allocation of shares to these 4 PSCWS</td>
<td></td>
</tr>
<tr>
<td>19-9-2008</td>
<td>3</td>
<td>To approve the expenditure incurred exceeds the budget of 2007-08 under the head of printing and stationary.</td>
<td>Approved the excess expenditure incurred</td>
<td></td>
</tr>
<tr>
<td>30-9-2009</td>
<td>2</td>
<td>To approve the statutory audit report issued by PMR Associates, chartered accountants, Tirupati for 2008-09</td>
<td>Approved</td>
<td></td>
</tr>
<tr>
<td>18-3-2010</td>
<td>11</td>
<td>To ratify the action taken by the board of directors of the bank with regard to provide the financial assistance of Rs. 13 lakhs to Gorantla PACS for construction of New building and subsequent leasing to Gorantla Branch</td>
<td>Ratified</td>
<td></td>
</tr>
<tr>
<td>29-3-2011</td>
<td>9</td>
<td>To create a special fund for PACS in the name of PACS development fund (DCCB out of commission/service charges received from agriculture Insurance company of India, Hyderabad and to divert the risk fund already held by DCCB to PACS development fund an amount of Rs. 18,19,540.90</td>
<td>Then approved</td>
<td></td>
</tr>
</tbody>
</table>

In addition there are a number of sub-committees constituted as per Vydyanathan Committee Reforms for smooth functioning of the bank, they discussed various subjects regarding staff issues, recovery of loans, bank audit, progress, computerization, vigilance, loaning, investments etc and got approval during the managing committee
meeting held on 28-9-2010. The details of the various committees are explained below.

**Sub Committees:**

1. **Human Resources Development Committee (HRD):**

This committee has been constituted under the Chairmanship of the bank President with Vice president, Directors, Chief Executive Officer and other senior officers as the members of the committee.

The main objective of this committee is to discuss and take the decisions pertaining to the staff of the bank. The issues shall be discussed at the committee meetings and decisions will be placed before Board for approval. It lay down the norms and guidelines for recruitment, promotion, placement and transfer of the staff in the bank as per the directions of RBI/NABARD. It will also hear disciplinary appeals made to the board and take such decisions as are appropriate for endorsement and communication through the committee.

   a. **Fixation of pay scales**
   
   b. **Revision of pay scales**

   Recently the Pay scales of the staff were revised and fixed as per the recommendations of AP State District Cooperative Central Bank associations

   c. **Promotions/Suspensions/Dismissals:** 157 staff members in all cadres promoted during the 5 years as per the rules and procedures prescribed in the bank. 3 employees were dismissed due to their involvement in financial irregularities causing a loss to the bank. 13 staff members were dismissed and fined, then reinstated.

   d. **Financial and non financial benefits:** Paying of annual increments, 

   **Recruitment policy:** As per recruitment policy, the bank has proposed to conduct a written examination for recruitment of 56 Staff Assistant and 37 Assistant Managers for the bank as per the policy of NABARD.
2. Recovery Action committee (RAC):

This committee has been constituted under the chairmanship of the bank President with Vice president, Directors, Chief Executive Officer, 3 Deputy General Managers and other senior officers as the members of the committee. The main objective of the committee is to discuss and take the decisions regarding preparation of recovery action plan and to recover the loans by adopting legal steps. The issues shall be discussed in the committee meetings and decisions will be placed before Board for approval.

a. Appointment of Nodal officers: The senior officers are designated as the Recovery/Nodal officers and allotted 2 or 3 branches for the purpose of inspection, monitoring, recovery etc.

b. Preparation of Recovery Action plan: Every year, the bank has to prepare Recovery Action Plan and furnish the copy to APCOB for information. The Recovery action plan contains mainly purpose wise demand, defaulters list, stage of legal action, age of over dues etc branch and PACS wise. This Recovery action plan is very useful to the Recovery officers/Branch managers and field staff for ready reference.

c. Preparation of dues list and defaulters: The society wise dues and defaulter lists are prepared by the PACS /DCCB staff every year for publication of Recovery action plan in the month of November for follow up action.

d. Coverage of Legal Action: The Deputy Registrar on Special Duty (An officer deputed from cooperative department) is attends for legal action against defaulters/willful defaulters by way of Legal action process.

In every committee meetings the above subjects are discussed to take appropriate action for good recovery to bring down the non performing assets.

3. Audit Committee (AC):

The Vice President is the Chairman of the Committee and the Chief Executive Officer and other Senior Officers are the Members of the committee to discuss the following subjects periodically.
1. Reconciliation of the Accounts
2. Balancing of Ledgers
3. Monthly Concurrent Audit
4. Statutory Audit
5. Publication of Audit report
6. Audit defect sheets branch wise and its rectification
7. Income Tax issues

4. District Level Monitoring and Review Committee (DLMRC):

As per the guidelines of NABARD the bank has constitutes a committee with the president of the bank as Chairman, Vice Chairman, Chief Executive Officer of the bank, District Lead Bank Manager, DDM NABARD and, 4 Directors of the bank as its members. The bank convenes the DLMRC every quarter and discusses the following important financial covenants with targets and achievements for a particular year.

a. Share capital
b. Reserves
c. Deposits
d. Borrowings
e. Investments
f. Loans and Advances
g. Net worth
h. Cost of funds/yield on assets
i. Transaction cost
j. Working result (Profit/Loss)
k. NPAs position
l. Recovery aspect

5. District Level Implementation Committee (DLIC):

This committee is constituted with the president of the bank as the Chairman and other members are Vice president, Directors, Chief Executive Officer and other senior officers. This committee is responsible for overseeing the computerization of PACS and DCCB and selection of hardware and software, tendering processes, integration of manual accounting practices and Management Information System (MIS) etc.
6. **Risk Management Committee (RMC):**

This committee examines the credit risk, market risk and operational risk as per the directives of the RBI from time to time and reviews the risks. This committee is constituted under the Chairmanship of the bank President and other members on the committee are Vice president, Directors, Chief Executive Officer and other senior officers.

7. **Asset and Liability Management Committee (ALM):**

The Asset and Liability mismatches should be reviewed ongoing basis and the mismatches should be rectified and place them before managing committee meeting for information periodically. The Chairman of the committee is the bank’s President and its members are Vice president, Director, Chief Executive Officer, Dy. General Manager of banking.

8. **Vigilance /Fraud Risk management committee (V-FRMC):**

This committee is constituted under the Chairmanship of the bank and other members of the committee are Vice president, 2 Directors, Chief Executive Officer and Deputy General Manager Vigilance and one of the senior officers. The committee has constituted for the purpose of monitoring and follows up of large value frauds involving amounts of Rs. 10 lakh and above.

9. **Loan Policy Committee (LPC):**

This committee is constituted under the Chairmanship of the bank. The Vice president, 2 Directors, Chief Executive Officer, Deputy General Manager Loans and Advances and two senior officers are the members of the committee. This committee has to prepare loan policies of different sectors and recommend to the managing committee meeting for approval and implementation.

10. **Construction Committee:**
This committee is constituted under the Chairmanship of the bank. The members of the committee are Vice president, 2 Directors, Chief Executive Officer, Professional Director, Deputy General Manager Banking and AGM banking. This committee looking after the Civil works of the bank including fabrication of Banking/Cash counters, Electrification, Repairs to own buildings, Paintings and maintenance of other fixed assets.

11. Investment Committee:

This committee is constituted under the Chairmanship of the bank. The members of the committee are Vice president, 2 Directors, Chief Executive Officer, Professional Director, Deputy General Manager Banking and AGM banking. This committee looking after the investment of surpluses funds of the bank in profitable way.

The above statutory meetings (GB and MC) and other committee meetings are convened at regular intervals. The details are shown in table 3.3.

Table 3.3: Details of Committee Meetings

<table>
<thead>
<tr>
<th>S. No</th>
<th>Name of the Meeting</th>
<th>Intervals for holding the meetings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>HRD Committee meeting</td>
<td>Monthly</td>
</tr>
<tr>
<td>2</td>
<td>Recovery Action Committee meeting</td>
<td>Monthly</td>
</tr>
<tr>
<td>3</td>
<td>Audit Committee</td>
<td>Monthly</td>
</tr>
<tr>
<td>4</td>
<td>DLMRC</td>
<td>Monthly</td>
</tr>
<tr>
<td>5</td>
<td>DLIC</td>
<td>15 days once</td>
</tr>
<tr>
<td>6</td>
<td>Risk Management Committee meeting</td>
<td>Monthly</td>
</tr>
<tr>
<td>7</td>
<td>Asset / Liability management committee meeting</td>
<td>Monthly</td>
</tr>
<tr>
<td>8</td>
<td>Vigilance /Fraud management committee meeting</td>
<td>Monthly</td>
</tr>
<tr>
<td>9</td>
<td>Loan policy Committee meeting</td>
<td>Monthly</td>
</tr>
<tr>
<td>10</td>
<td>Investment Management meeting</td>
<td>Monthly</td>
</tr>
<tr>
<td>11</td>
<td>Construction Committee</td>
<td>Monthly</td>
</tr>
</tbody>
</table>
3.13. Vision, Mission, Quality policy:

The Logo of the bank in Green Color indicates Agriculture Development and Customer Service and the slogan of the cooperative bank is “Each for All, All for Each”. The Logo is based on the idea of a bond and represents close ties between the bank and many stakeholders the customers and employees, investors, institutions and society at large.

3.14. TRADITION:

- Social service
- Excellence in service
- Commitment to the society and helping the needy
- Commitment to the institution – sacrifice, loyalty and belongings
- Helping the forming community
- Ensure the welfare of the staff
- Agriculture and Rural development
- Create confidence among public
- Trust and worthiness
- Economic development
- Competitive spirit

Traditionally the bank is providing customer services to the people of Anantapur district and working for agriculture and rural development and also mobilizing deposits by creating confidence and a sense of security among the people. The bank with a human face and works competitive spirit in this cut throat competitive world.
3.15. CULTURE:

- Accessibility to Everyone / Every where
- Tolerance to dissent
- Creativity, innovations of New Ideas
- Aim to achieve the goals
- The bank in total work like one unit / One family concept with the aim of achieving the targets / Goals

The main culture of the bank is to work with creativity formulating innovative schemes which are very useful to the farmers as well as customers. In this aspect the bank has introduce new deposit schemes and attracted the customers with higher rate of interest on their deposits.

3.16. Goals of the District Co-operative Central bank:

- Efficiency
- Profitability / Productivity
- Organizational effectiveness
- Customer Centric
- Hi-tech Banking
- Computerization
- Online Business
- Quality in service
- Formation / Implementation of Committees on Risk Management, HRM, Vigilance etc. as per NABARD guide lines
- Liquidity
- Profitability
- Loyalty
- Customers service
- Any time / Any where banking
- Value addition through technology
- Risk management
- Funds Management
- Human Resource Development
The main goals of the bank are to improve the deposit / loaning portfolio by effective fund management and avoid risk in funds management. The bank has to see to improve the profitability and liquidity position by means of effective recovery of loans.

3.17. VISION:

The bank is to emerge as a “Best Practices Bank” by pursuing global bench marks in profitability, efficiency, quality, risk management, Asset and Liability Management (ALM), liquidity, qualitative and quantitative loaning security and expanding the outreach to the needy.

3.18. MISSION:

The bank also aim at provide quality banking services with enhanced customer orientation, higher value creation for stakeholders, farmers and customers and to continue as a responsive corporate social citizen by effectively blending commercial pursuits with social banking. The mission of the bank is cater to the agriculture and non agricultural credit needs of the farmers of the district for sustainable development of rural economy and also to render banking services to the rural community as well as urban community.

3.19. EMERGING ROLE OF THE BANK:

The emerging role of the bank will relate to the profitability, services, business, people / customers and organization explained below:

(A) PROFITABILITY:

To retain its premier position among all the DCC Banks in the state as well as other commercial banks in the district in net profit. The bank should also focus further on improving its returns on average assets.
The DCC bank, Anantapur worked with huge losses for lost so many decades. After the introduction of single window credit delivery system, the turnover of the bank has gradually increased and losses are brought down up to some extent. With that the help of debt waiver and debt relief under Prime Minister package, one time settlement scheme and other Government schemes, the bank has managed to reduce its losses from 27 crores to 10 crores within 5 years resulted the bank gained working profit with positive worth growth.

(B) SERVICES:

The responsibility of bank towards the customers by providing services/products to meet the changing needs of the customer as well as efficient services effectively. The bank is providing different services to the farmers by financing for agriculture development and the good customer service to the customers.

(C) BUSINESS:

On the resource mobilization front, effective steps will be initiated for mobilizing savings from the public. Market segmentation and specialization in the delivery of services will be given greater trust. The bank has diversified its business as like commercial banks and expands its business portfolio in the district.

(D) PEOPLE:

The bank will upgrade the skills of its employees by importing adequate training both in respect of information technology and otherwise, take into account the prevailing banking environment. The training institutes of A.P. State Co-operative banks/ NABARD are providing skills to the staff to serve the people effectively and in right time. The DCC bank, Anantapur has improved a lot by providing good training facilities to its staff members of all levels and constitutes the effective HR (Human Relation) policy.
(E) Organization:-

The structure of the organization is well designed with tasks and authorities and its fruits are distributed among all the sections. It has a decentralized structure. The entire district organization is headed by the Chairman and Board of Directors (policy makers) the Chief Executive Officer (Executive Authority) assisted by different sectional heads and staff. The branches of District Co-op Central Bank headed by Branch Managers with other staff, working as per the directions of Head Office and instructions of Chief Executive Officer and sectional officers of the Head Office. The head quarters of the bank is located in Anantapur town and the branches located in urban/semi urban areas. The total responsibility of the Board of Management is to make policies and the Chief Executive Officer has to get approval of the Board to execute the policies passed in the Board Meeting. The Chief Executive Officer may invite the Directors for discussion on particular policy to be passed. The Chief Executive Officer shall take the opinions of the honorable directors in execution of policies and procedures.

The District Co-operative Officer, Assistant General Manager, NABARD and other professional directors may join in the discussions and give their opinions, suggestions to the Chief Executive Officer in execution of policies. In turn, the Chief Executive Officer shall delegate the things to second line up officers and instruct them to implement and ensure to see to reach the ultimate beneficiaries.

The organizational structure of the District Cooperative Central bank Ltd, Anantapur is shown in chart 3.1.
Chart 3.1:
ORGANISATION CHART OF DISTRICT CO-OPERATIVE CENTRAL BANK LTD., ANANTAPUR.
Different Departments at Head Office of DCC Bank, Anantapur

The entire Head Office has been divided into different departments i.e. Banking department, Vigilance department, Establishment department, Loans and Advances department, Development department, Premises department, MIS department, ICDP... etc. Each department deals with different activities on its own as per the rules and regulations prescribed.

Department of Banking

The department of banking is divided into a number of sections headed each by the second line officers with assistance of the lower cadre employees.

The Banking Department is head by Deputy General Manager, who is accountable to the Chief Executive Officer. The Assistant General Manager assists the Deputy General Manager and extracts the work from the subordinates of each section of the banking department i.e. Reconciliation, Gold Loans, Scrolls, Audit, Clearing House, Cash/Cheque, Records, the different deposits etc. The Banking department is responsible for funds management, risk management, fund flows, day to day banking business / stream line the management information system by submitting the statutory returns to RBI/NABARD/APCOB/RCS and other institutions if any. The structure of Banking Department has been shown in the Chart 3.2.
Chart 3.2:
STRUCTURE OF BANKING DEPARTMENT

Banking Department

Deputy General Manager 1

Asst. General Manager

Manager (Deposits/Reconciliation/ Audit)

Asst. Manager

S/B  C/A  R.D  F.D  DD

Reconciliation  Audit

Manager (Adj. Scroll/Clearing House)

Asst. Manager

Clearing House

G/L  Receipts / Payments

Cashiers

Manager (Gold Loans/Manager scroll)

Asst. Manager

Sub Staff

Banking:
The banking department is one of the important ones in funds management of the bank. The banking activity depends on the customer service render by the bank employees. They are to create confidence among the customers for Mobilization of resources. The banking department is divided into various sections basing on the activity as follows:
(A) Saving Bank Account - Section:

This section is headed by one Assistant Manager and one Staff Assistant they are responsible for the effective dealing with the subject entrusted to them. All most all the types of deposit accounts shall be opened according to Know your Customer (KYC) procedure prescribed by Reserve Bank of India. The main objective of this saving bank account is to mobilize small accounts from the customers for regular transactions and to create thrift habit among the public by creating good image of the bank. Nearly there are 48852 SB accounts in the DCC Bank. The bank is offering 4.00% on saving bank deposit.

(B) Current Account - Section:

This section is headed by one Assistant manager and One Staff Assistant both is responsible in dealing this subject.

This account is mainly maintained by the business people. There are 7850 current account holders in the bank. No interest will be paid to the Current Account holders.

(C) Recurring Deposit - Section:

This section is headed by one Assistant manager and one Staff Assistant, who are responsible for dealing with the subject. This deposit account is meant to encourage small savings. There is a fixed amount to be deposited by the customer on periodical basis. The total recurring deposit accounts in the bank is constitution of 14550.

(D) Fixed Deposit - Section:

This section is headed by one Assistant manager and One Staff Assistant both is responsible in dealing this subject.
Under this account the customer can deposit any fixed amount for a fixed period. There are 57525 different FD accounts in the DCC bank.

The bank is offering an interest rate of 6% to 10.5% on fixed deposits basing on the period of time. In addition to it 0.50% of interest is paid to the senior citizens. The particulars rates of interest are indicated in table 3.4.

**Table 3.4:**

**Rates of Interest**

<table>
<thead>
<tr>
<th>Period</th>
<th>Rates of Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 to 29 days</td>
<td>6.00%</td>
</tr>
<tr>
<td>30 to 45 days</td>
<td>6.50%</td>
</tr>
<tr>
<td>46 to 60 days</td>
<td>6.75%</td>
</tr>
<tr>
<td>61 to 90 days</td>
<td>7.50%</td>
</tr>
<tr>
<td>91 to 120 days</td>
<td>8.00%</td>
</tr>
<tr>
<td>121 to 179 days</td>
<td>8.25%</td>
</tr>
<tr>
<td>180 to 270 days</td>
<td>8.50%</td>
</tr>
<tr>
<td>271 to 364 days</td>
<td>9.00%</td>
</tr>
<tr>
<td>1 Year to below 2 years</td>
<td>9.75%</td>
</tr>
<tr>
<td>2 years to below 3 years</td>
<td>9.50%</td>
</tr>
<tr>
<td>3 years to below 5 years</td>
<td>9.50%</td>
</tr>
<tr>
<td>5 years and above</td>
<td>9.50%</td>
</tr>
<tr>
<td>Extra for senior citizens</td>
<td>0.50%</td>
</tr>
</tbody>
</table>

The insurance coverage is providing up to One Lakh deposit.
(E) Demand Draft - Section:

This section is headed by one Assistant Manager and one Staff Assistant who are responsible for dealing with the subject interested. Demand Drafts or pay orders are issued to the individuals, firms etc, at low commission to be transacted at all places of the country.

(F) Banking system:

Manager scroll - section:

This section will be lead by one senior manager and maintains Managers adjustment scroll and attending for clearing house. He / She is assisted by One Assistant Manager who is looking after Clearing house.

Manager (Gold loans/Manager Scroll):

This section is led by one Senior Manager in charge of Gold Loan finance as well as maintaining Managers scroll. He / She assisted by one Assistant Manager who looks after clearing house. An agency associated with an exchange, which settles trades and regulates delivery clearing house. A corporation established by an exchange in order to facilitate the execution of trades by transferring funds, assigning deliveries, and guaranteeing the performance of all obligations.

(G) Audit - Section:

Audit is nothing but is a process which detects the defects a raised in the accounts maintain by the bank.

This section will be lead by one senior manager and assisted by clerical cadre employees. They coordinate with Chartered Accountants appointed by bank and to see to complete the audit regularly.
The financial audit is one of many assurance or attestation functions provided by accounting and auditing firms, where by the firm provides an independent opinion on published information. Many organizations employ or hire internal auditors, who do not attest to financial reports but focus mainly on the internal controls of the organization. External auditors may choose to place limited reliance on the work internal auditors. After implementation of Vydyanathan Committee Reforms (2007) the Concurrent audit and statutory audit is conducting by the Chartered Accountants instead of Departmental auditors. This is a mandatory to all cooperative institutions in India. On the same lines, the audit takes place in Anantapur District Co-operative Central Banks by the chartered accountants i.e. concurrent and statutory audit from 2006-07.

The Chartered Accountants are responsible for follow the standard routine Audit.

❖ Concurrent audit – As soon as sanctioned, all the process is reviewed from the top management and various authorities. All departments are having their own rules, regulations and procedures for the customer service and which can be reviewed by the Head Office time to time.

❖ Statutory Audit: The Statutory Auditors are main auditors, who used to conduct final audit basing on the report submitted by the concurrent auditors. The Statutory auditors issue the audit report for year ending every year with in the month of June for the year ending of 31st March.
(H) Reconciliation - Section:

This section will be lead by one senior manager with staff assistants are attending for reconciliation work of the bank. He / She is assisted by One Assistant Manager who is looking after the process of reconciliation of the accounts of the bank periodically. Reconciliation is a process to reconcile the accounts by comparing with different books of accounts mainly Cash and Pass book.

Reconciliation statement is a statement where we reconcile the statement with pass book and cash book. In other works it's the detection of an errors but not rectification of errors. It should have recorded in the cash books all amounts that have actually received and payments that have actually made. However the cash books may be incomplete as the bank may have put extra transactions through the account such as:

- Bank fees or interest charges
- Direct Debits (Payments) and Direct Credits (Receipts).
- Doing regular bank reconciliation will allow to:
  - Take into account any extra transactions the bank puts through the account
  - Check and record any errors or omissions

Department of Development:

The department of Development is headed by Deputy general manager is accountable to the Chief Executive Officer of the bank. This department is divided into different parts such as MIS, Premises, Development and Planning, Dispatching, Recovery wing etc.
The Deputy General Manager is assisted by the Assistant general Manager and subordinate staff. Every staff member of the department is entrusted with certain duties and responsibilities to strengthen the organization for smooth running of its activities. The structure of Development Department is shown in Chart 3.3.

**Chart 3.3:**

**STRUCTURE OF DEVELOPMENT DEPARTMENT**

- Development Section
  - Deputy General Manager 1
  - Asst General Manager
    - Manager (Development)
      - Asst. Manager
        - Planning
          - Clerk
        - Dispatching
          - Clerk
        - MIS
          - Clerk
    - Manager (Premises)
      - Asst. Manager
        - Clerk (Stationary)
        - Clerk (Buildings & Maintenance)

The entire Development department is divided into a number of sections as follows.
(A) **Premises - Section:**

This section is headed by one Manager with the assistance of one Assistant Manager and two clerks to maintain the premises of the bank including stationary, buildings, fixed assets etc. and also the Manager is attending for MIS, Inspections and enquiries with help of one Assistant manager and One clerk.

- **Stationary wing**
- **Buildings & Maintenance**
- **MIS (Management information system):**
- **Inspection / Enquiry reports**

(B) **Development - Section:**

This section is headed by one Manager with Assistant manager and Clerical cadre employees and attending for the following

1. **Statutory returns of NABARD / APCOB/RBI/RCS/Lead Bank:**
   Planning an act of formulating a program for a definite course of action;

2. **Planning:**
   Planning includes the process of setting the goals, development strategies, outlining tasks and schedules to accomplish the goals.

   The District Co-operative Central Bank Ltd., Anantapur plays a pioneering role in the district for lending money to farming community and the loyal customers.

   **Strategies and Plans:**
   - They concentrate on services, customer’s problems rather than the profit.
   - They will follow the government rules and regulations as well as social objectives.
They give the subsides for the development of the backward areas.
They have a different loan schemes.
They have separate interest rates for the SSI / MSI and large industries.

Retail lending which includes improvement in spreads, better asset quality. Thrust on technology includes reduction in operational cost, better customer service. Treasury management is responsible for effective fund management and improving yield.

3. Management Information System (MIS):

A management information system (MIS) is a subset of the overall internal controls of a business covering the application of people, documents, technologies, and procedures by management accounts to solve business problems such as costing a product, service or a business-wide strategy.

Management information systems are distinct from regular information systems in that they are used to analyze other information systems applied in operational activities in the organization. [1] Academically, the term is commonly used to refer to the group of information management methods tied to the automation or support of human decision making e.g. Decision Support Systems, Expert systems and Executive information systems. [2]

Department of Human Resource Management (HRM)

This department dealt with entire administration of the bank in the District. It is headed by Deputy General Manager as usual assisted by Assistant General Manager and other sectional heads. This department is mainly consist with Training, Salaries and other benefits, transfers, promotions, punishments, leaves, execution of staff policies, pay revisions etc.
The structure of Human Resource Management (HRM) department is shown in the Chart 3.4.

**Chart 3.4:**
**STRUCTURE OF HRM DEPARTMENT**

```
HRM
  ↓
Deputy General Manager
  ↓
Asst General Manager
  ↓
Manager (Establishment)
  ↓
  ↓
Asst. Manager
  ↓
Clerk (Salaries & Benefits)  Clerk (Staff Policies)  Clerk (Leaves & Disciplinarians)
  ↓
  ↓
Sub Staff
  ↓
Manager (Trainings Inspections)
  ↓
  ↓
Asst. Manager
  ↓
Clerk (Inspections)  Clerk (Trainings)
```

Human Resource Management (Establishment, Inspections, General Administrations and Trainings etc.) department is one of the important sections in the bank and can be said that it is the heart of the total banking system, which ensures smooth running of the administration. This department is divided into different sections as follows.
1. **Staff Policies – Section:**

This section is headed by one Manager with one assistant manager and one clerk, who are accountable to the departmental head. They frame the staff policies and submit to the Chief Executive Officer for approval after placing before the Board of Management and General Body of the bank. This includes recruitment, selection and placement. They also draw the policies on pay revisions, transfers, promotions, leaves, disciplinary actions, salaries and other benefits.

2. **Training and Inspection - Section:**

This section is headed by a Manager with One Assistant manager and two clerks. This section is responsible for inspections of the staff and conducting of trainings to the staff. This section will look after the training needs to the employees to upgrade their knowledge on particular topics according to the changes in banking scenario.

The fundamental values are widely practiced in the organization which serves as important guiding principles. These values have meaning because they focus attention and provide a boarder sense of purpose. In the organization there exists a lot of mutual understanding and strong interaction among employees.

This increases the GDP & economy of the state & further improves employment & also has a big role in socio economic process. Anantapur District Co-operative Central Bank Ltd., Anantapur is purely development and service providing oriented. Shared values help to improve the service to their customers and also balance the growth of region and develop the backward areas. The main social objective is to remove imbalances in the state as well as in country.
Department of Loans / Advances: Computers:

This department is headed by Deputy General Manager who is responsible to the Chief Executive Officer of the bank assisted by assistant general manager and sectional heads deals with different activities of Loans and advances i.e. Crop Loans, SAO (Seasonal Agricultural Operations) Long term loans (Investment Loans), Nonfarm sector, Non agriculture and computerization process etc. This structure is shown in Chart 3.5.

Chart 3.5:

LOANS & ADVANCES AND COMPUTERSATION DEPARTMENT

Diagram of Chart 3.5 showing the hierarchy of the department.
The department of loans/advances/computerization is headed by Deputy General Manager with Assistant general manager, Managers, Assistant Managers and Clerical Staff. This department is divided into different sections and looking after each section by its responsible officer. This department is mainly covering loans and advances section with subsections of Agriculture, Non Agriculture and Agricultural Investment loans (LT) and Computerization of the bank in whole.

**Department of Vigilance**

It is headed by Deputy General Manager and he is totally accountable to the Chief Executive Officer of the bank and should maintain secrecy and to take safety measures for safe custody of legal documents, reports and other important legal papers. The structure of Vigilance department has exhibited in the Chart 3.6.

**Chart 3.6: VIGILANCE DEPARTMENT**

```
Vigilance

  ▼
  ▼
Deputy General Manager 3

  ▼
  ▼
Asst General Manager

Manager (Vigilance)  Manager (Legal)

  ▼
  ▼
Asst. Manager  Asst. Manager

    ▼
    ▼
Clerk  Clerk

    ▼
    ▼
Clerk  Clerk

    ▼
    ▼
Sub Staff
```
The Deputy General Manager Vigilance is assisted by Assistant General Manager and other Staff members in disposing of the cases and Vigilance. Mainly this department is dealt with all Vigilance cases of the bank and the Court cases of the staff. The Vigilance cases have to bring to the notice of Board of Management for information as well as decision making.

**Integrated Cooperative Development Project (ICDP):**
In addition to above departments, the Integrated Cooperative Development Project is constituted for overall development of cooperative structure in all aspects. The implementation of ICDP is looked after by Project Implementing Team headed by One Chief Project Officer, Development officers, Manager and Computer operator. The project structure has been given in the chart 3.7

**Chart 3.7:**
STRUCTURE INTEGRATED CO-OPERATIVE DEVELOPMENT PROJECT

```
Chief Executive Officer  
Project Implementation agency  
(PIA/ADCC bank)

Chief Project Officer

Development Officer  Development Officer  Development Officer

Manager

Clerk  
(Computers)

Sub Staff
```
The Integrated Cooperative Development Project (ICDP) is a unique concept introduced by National Cooperative Development Corporation (NCDC) during the fifth five year plan with an objective to develop all cooperative institutions and other functional societies in a given period by adopting a plan of approach. The DCC bank is the Project Implementing Agency. The President of the bank is the Chairman of the Sub-committee of this project, The Chief Executive Officer and some of the Directors are the members and the Chief Project Officer as the member / convener of the Sub-committee, who is looks after the implementation of the project under the guidance of sub-committee. The Chief Project Officer is totally accountable to the committee in implementation of the project and recovery of loans. The District Collector is the Chairman of the District Project Implementation Committee at district level to see and monitor the implementation of project. The total outlay of the project is Rs. 1851.55 Lakhs. And NCDC has released of Rs. 1393.49 lakhs to DCC bank under this project. The Project implementing Team (PIT) has spent of Rs. 992.06 lakhs on different sectors i.e. Primary Agricultural Cooperative Societies, District Cooperative Marketing Society, Fishermen Cooperative societies, Milk Producers Cooperative societies, Weavers Societies, Rythu Mitra Groups, Self Help Groups, DCC bank, Labour Contract Cooperative Societies, Students Cooperative societies, Sheep Breeders Cooperative Societies for its development by providing infrastructure and credit facilities. In addition to this some of the funds are spent for Training and Development of the manpower in the cooperative structure. The project period is four years and ends by 31-03-2012. The recovery under this project is 74.27% as on 31-03-2011 and the amount remitted Government is of Rs. 318.40 lakhs. The structure of the ICDP has shown in the Chart. 3.7