An overview of Gulbarga District

Gulbarga District is one of the 30 districts in Karnataka state; it was a part of Hyderabad state during pre independence period. It became part of the Karnataka state on 1st November 1956 when the states were reorganized in the basis of language and culture. The three districts that were transferred from Hyderabad state to Karnataka state are popularly known as Hyderabad-Karnataka region. The district is located in the Northern part of the state and lies between North latitude 17°10’ and 77°45’. This big district in the state covers 8.49% of the area and its population is 5.9 percent of the state. It is bounded on the west by
Bijapur district of Karnataka and Sholapur district of Maharastra on the east by Maheboobnagar district of Andhra Pradesh on the north by Bidar district of Karnataka and osmanabad of Maharastra and on the south by Yadgir and Raichur districts of Karnataka. There are 7 talukas in the district. There are Afzalpur, Aland, Chincholi, Chittapur, Gulbarga, Jewargi and Sedam.

A Brief History

Gulbarga is locally known as Kalaburgi and its Urdu form is Kalburgha. As early as 1445 A.D. Abdul Razzak makes a reference to it while describing the boundaries of Vijayanagara empire as extending up to the extremities of the Country Kalabrugh. The term Kalaburgi in Kannada connotes a stony land or heap of stones and this bears references to the nature of the landscape and the soil of this region. The name Gulbarga is quite the opposite. In Persian Language, ‘Gub’ means flower and ‘Berg’ means of leaf. This means of flower with leaf. It is also possible that the name Gulbarga is associated with the name of king Gulchand, for according to historians the fort at Gulbarga was originally built by him and was subsequently strengthened by Ala-ud-Din Bahamani. Till the 16th century the area was popularly known as ‘Kalburgi’ and thereafter it came to be called Gulbarga.

The area has a rich cultural heritage. The area was ruled by Chalukyas and Rstrakutas. During the period of king Nrupatunga, the great literary work “Kavi Raj Marg” was shaped. The work on Mathematics by Mahaveeracharya and the work entitled “Mitrakshara” by Vijnaneshwara also originated here. The area was also ahead in the field of education. The “University at Nagai” in Chittapur and the “Mohammed Gawan Madarsa” in Bidar are its evidence. During the 12th century, a social Reform Movement took place here, led by Shri Basaveshwara, and Shivasharanas. This was a move for social integration and equality. Gulbarga is also the seat of Great Sufi saint Hazrath Khaja Bande Nawaz.
Gulbarga District Profile

The Gulbarga District is spread across 7 Talukas in Afzalpur, Aland, Chincholi, Chittapur, Gulbarga, Jewargi and Sedam. The temperature in the district ranges from 45°C (Max) to 22°C (Min). Average rainfall is around 839 mm. three rivers Bhima, Kagina & Bennetore cover the dist. Gulbarga dist is drought prone. The population of Gulbarga dist is 21.75 lakhs as per 2001 census. Literacy rate is 50.65%. the economy is predominantly agrarian with only a few industries. Major crops produced in the district are Tur, Jowar, Bajra and paddy. Along with these commercial crops sugarcane and cotton are also produced. The district is moderately connected by Rail and Road. Airport is coming up. At present, the nearest Airport is Hyderabad International Air port. Nearest ports to the district are Mangalore port and Chennai port. Educational facilities that dist possesses are 2 universities, 2 medical college 4 Engineering college and 9 Polytechnic colleges. Around 30 degree college and 10 Bed college are functioning in the dist. The noted right seeing places are as follows:

- Sri SharanaBasaveshwara Temple
- Khaja Bande Nawag Darga.
- Budha vihar
- Fort
- Malkhed Temple & fort.
- Chinmalli Mallikarjun Temple
- Laxmi Chandrala Parameshwari Temple

Socio-economic status of the dist:

Gulbarga District is one of the most backward districts in the state and occupies a low position in economic as well as human development. The district is drought prone, which further addressed to the vulnerability of the poor. Gulbarga is a district which is primarily a rural district. Nearly 72 percent of the
total population lives in the rural areas (1360 villages). Urban population is mainly concentrated in Gulbarga, Chittapur and Sedam blocks.

There is a substantial concentration of minority population in the district. Muslims constitute 11.5 percent of the total rural population as against the state average of 7.6 percent. The minorities constitute 18 percent of the population (State average 10.3 percent) and the Scheduled Cast population constitutes 25 percent of the total population (State average is 18.4 percent).

The rural literacy rate is 43.1 percent, much below the state and national averages. The female literacy rate is also very low i.e., 29.4 percent. This indicates that 70 percent of rural women are deprived of access to knowledge, information and education.

The overall work participation rate (WPR) is 43.12 percent it is only 34.9 percent in case of female workers. In all 67 percent of the main workers are engaged in agriculture and 40 percent of them are working as agricultural labourers; 25 percent of the total workers are marginal works, and 30.4 percent of workers work in service sector. Though the WPR is high, the availability of employment in dry land agriculture is low. Further, a majority of the workers work as casual agricultural labourers and workers in the informal sector. This indicates the low levels of income of the people in the district belonged to the number of workers in the informal sector, where they have to work with low wages and insecurity of employment, have been growing in recent years.

There are basic deficiencies in infrastructure at village level this has been a major detrimental factor for slow growth in rural areas. There is acute shortage of health and drinking water facilities in rural areas. Only 29 percent of the villages have primary health centre (PHC) within a distance of 5 kms and only 13.4 percent of the villages have maternity and child welfare centre within a distance of 5 kms (State average 23.6 percent0. The numbers of taps per lakh of population is only 34 as against the state average of 43. Similarly, there is also shortage of tube wells and hand pumps. Stage average is the minimum bench,
mark that needs to be reached on a priority basis. There is also shortage of higher educational institutions and credit and finance institutions within a distance of 5 kms. A significant gap is also observed in the availability of banking institutions and the infrastructure for providing modern agricultural inputs to the farmers.

**Historical study of Rural Banks in Gulbarga District**

**Krishna Grameena Bank**

Krishna Grameena Bank is a Regional Rural Bank established in terms of provisions of Regional Rural Bank Act 1976 and is sponsored by State Bank of India. The Bank is established on 1st December 1978. The area of operation of the bank comprises three districts viz….. Gulbarga, Bidar and Yadgir the present branch network is 119 of which 94 branches functioning in rural areas, catering to the needs of farming community rural artisans and other rural mass. The branch network is spread into two Regions.

1. Gulbarga Region : 54 Branches
2. Bidar Region : 48 Branches
3. Under G.Ms control : 17 Branches

**Total Branches** : 119 Branches

**The bank is functioning with the vision**

**VISION – KGB**

“To be the preferred Banking Institution of the people of our Area, committed to improve the Living standards of the Mass so as to achieve inclusive Growth with Sustained Viability”.
MISSION 2010-11 – KGB

- To Earn A Minimum Net profit Rs. 30 Crores
- To Bring down Gross NPA to below 1%

Krishna Grameena Bank is a pioneer in promoting and extending financial assistance to Self Help Groups (SHGS). So far, the bank has credit linked 8042 SHGS at a total of 8841 SHGs who are having S.B. A/Cs with the Bank. The aggregate quantum of micro finance to SHGs is 40.69 crores. The Bank has bagged third prize from NABARD for best performance in SG Bank Linkage programme in the state during 2005-06. The Bank is at the 1st position among RRBs sponsored by State Bank of India.

The Bank is one of the two RRB’s in India. Selected by NABARD for implementation of SMART CARDS PILOT PROJECT, where in processor cards are need by SHC members to know balance in their S.B. A/Cs and to draw the money without bothering to Branch Manager/Rural Development officer.

Thus the Bank has emerged a small mans Bank in its area of operation.

Footprints of KGB in the sands of time since 2001-2010

2002-2003

The Bank has entered into silver jubilee year of its service to the people of Gulbarga and Bidar districts on 01-12-2002. Since its inception the Bank has been putting up sincere efforts to achieve its set objectives by serving 631 villages of Gulbarga District and 15% villages of Bidar District in its service area. The Bank has extended the courage to all the urban and semi-urban centres in both the districts. Apart from regular & rural activities, the highlight has the distribution of loans to weaker sections and under Government sponsored schemes. The District Administration have appreciated the efforts of the in disbursement of loans to the Government sponsored schemes and weaker sections of the society. It is gratifying that Gulbarga district secured
the coveted first position in the state of Karnataka in implementation of SGSY programme for the year ended 31.3.2003, Krishna Grameena Bank has a lions share in it.

Krishna Institute of Training for self Employment and Rural Development (KITSERD) is a Training Institute jointly established by Krishna Grameena Bank and state Bank of India at Gulbarga for training unemployed youth to take up self employment ventures and promote entrepreneurship. The institute was established on 1-11-1997 and imparting training to youth of Gulbarga and Bidar districts in various trades and vocations. The institute provides boarding and lodging free of cost to the selected trainees. During the year, the institute has conducted 20 training programmes covering 481 youth on various trades like TV/Radio servicing, two wheeler servicing, food processing, beauty parlour etc.

The institute has so far trained 2934 youth in 968 Batches of whom 1282 have commenced their own enterprises with the help of financial assistance to the tune of Rs.2,27,14000/- from KGB, SBI and other commercial banks in the district.

The other highlight of the year was the initiative taken-up in augmenting the income from Non-fund Business. The KGB during the year entered into an agreement with SBI Life, which is a subsidiary of state Bank of India and is anotherised to extend life insurance protection. The former's super suraksha is a group insurance arrangement whereby SBI-life provides life insurance cover to customers of our bank. During the year by marketing 52235 policies, the Bank sensed first position among four selected SBI sponsored RRB’s in the country.

Since 1996-97 the KGB has been continuously earning net profits. Accordingly, this year the Bank has recorded a net profit of RS. 5,35,81,264/-
2003-2004

It is a matter of pride and pleasure to note that Krishna Grameena Bank has been adjudged as the 3rd best RRB among SBI sponsored RRB’s in the country for the year 2002-03. It is the first ever RRB headed by a Deputy General Manager of SBI to attain this prestigious status. A glittering trophy has been awarded to the Bank and the chairman and the General Manager have been presented with silver plaques and citations.

Kisan Credit cards under the Bank brand name Krishna Krishi CARD has been disbursed amounting to Rs. 95,980,50 to 29,412 new formers during the year. With this the total number of KKC’s issued by the bank has shot up to 7096. All eligible borrowers have been issued with the credit card and personal accident insurance cover has been provided to all eligible card holders (i.e. below the stipulated age of 70 years) under personal Accident insurance scheme (PAIS). The share of premier borne by Bank is Rs.709/- thousands as against Rs.354/- thousands contributed by borrowers.

With a view to reach the unreached in rural area, Krishna Grameena Bank has given thrust for promotion and credit linkage of Self Help Groups (SHGs). As on 31-3-2004 the Bank has financed 4433 Groups with a credit outlay of Rs. 14,59,60,000/- including 200 SGSY groups. KGB was identified as one of the self Help Groups promoting Institutions (SHPIs) under Law Cost Model (LCM) by NABARD for intensive promotion and linkage of SHGs through 15 result branches. This project is under implementation since November 2002. KGB has promoted 404 groups of which 272 groups were credit linked during the year. The Bank has in all extended credit linkage to 1942 Groups with limits aggregating to Rs. 3,58,14,000/- during the year. In order to give a focused Credit the Bank observed October 2003 coinciding with Mahatma Gandhi Jayanti as SHG Credit Linkage month and major part of Credit linkages to SHGs was carried out during that month.
In the year 2003-2004 the KGB has recorded a net profit of Rs. 7,03,30,000/- as against Rs. 5,36,00,000/- earned last year posting an increase of 31% the performance of the Bank in this key area is of great importance in view of the fact that the area of operation reeled under sever drought conditions for the third con......... year and interest on all advances particularly on regular crop loans upto Rs.50,000/- were reduced from the earlier 14% p.a. to 9% p.a. with effect from 1-12-2003.

2004-2005

KGB enjoys the popularity as the PEOPLE’S BANK in the area. The Bank was the privilege of being recognized for best performance and presented the State Bank of India Trophy (Second Position) for the year 2003-04. It is pertinent to add that during the year the Bank improved from 3rd position to 2nd position and is looking forward with confidence to achieve the RIRST position.

Women Development Cell Activities:

With an objective to increase flow of credit to women, the Bank has setup woman Development Cell headed by a lady officer. This cell functions regularly since October 1998. The cell has conducted 19 women awareness programmes at Rural and urban places and 15 SHG Book writing training programmes. During the year KGB celebrated international women’s day at its Head Office and also organised an Exhibition cum sale programme. Formation of more number of women SHGs under Local cost module was also taken up. The Bank deputed two of their women entrepreneur to participate in an Exhibition cum sale programme organised by NABARD. Women Development officer was deputed to Malaysia for higher studies in micro finance under the aegis of BIRD Lucknow to participate in a Training cum-exposure visit on Micro Finance in Malaysia.

Four Gender sensitization programmes for bank staff and two programmes for women were also organised. The women Development cell officer has promoted 6 SHGs of 20 members each of washer man (Dhobis) to improve their living standards.
The other important activity taken up by the Bank during the year is popularising solar lighting at villages where power supply is inadequate and erratic. A special scheme under the brand name “Krishna Jyoti” has been formulated under a tie-up arrangement with a reputed solar equipment manufacturer. Many branches of the Bank facing power crisis in remote villages have been provided with solar equipments to popularise non-conventional renewable energy.

As usual, the Bank has recorded a decent net profit during the year 2004-2005.

2005-2006

During the year 2005-2006 the Bank crossed a major milestone by surpassing Rs.1000/- cores of business by registering a growth of 28.70% over the previous year. The number of Accounts also crossed 5 lakhs mark.

As per the instructions issued by Reserve Bank of India, the Bank has earnestly taken up the task of opening zero balance /no frills savings Bank Accounts during the year. As result the number of deposit accounts of the bank increased by about 32,000 when compared to a marginal increase of about 800 deposit accounts in the previous year.

The other commendable feature of the year is the extension of Banking service to cover 100% Households in a village. As a logical extension of financial inclusion, the Bank has introduced the concept of covering of 100% households in at least one village per Branch during the year under this novel scheme all the branches have been requested to open Savings Banks Accounts/Loan Accounts of all the householders in at least one selected village in their area of operation. The bank has an intention to extend the concept further after evaluating the outcomes.

The Bank has recently launched a new scheme called Krishna General credit cards (KGCC) popularly known as KRISHI General credit cards for the benefit of economically, socially down trodden people. The scheme envisages easy access to credit upto Rs. 25,000/- the women customers and SHGs are given
preference under the scheme. This is one of the Banks earnest attempt to go in for financial inclusion of unbanked people.

With all there social and developmental activities, the Bank has earned a net profit of Rs.14,06,00,000/- during the year 2005-2006.

2006-2007

Krishna Grameena Bank launched its own website: www.krishnagrameenabank.com on 1st December 2006. During the year 2006-07 the Bank crossed a milestone by surpassing Rs.1256/- cores of business by registering a growth of 25.64% over the previous year 2006-2007 is an year of achievement for Krishna Grameena Bank. The Gulbarga District has become the second backward district in the country to achieve 100% financial inclusion amongst RRBs. It also stood FIRST in the district by opening 1,85,560 no frills accounts out of about 5,82,000 accounts opened by all the Banks with a lions share of 31.84%. The Bank received rich accolade from the Regional Director of Reserve Bank of India Bangalore, chief General Manager of State Bank of India Local Head office, Bangalore and senior State Government Functionaries for the Commitment shown by the Bank in this regard.

In pursuance of the policy of 100% computerisation of the Bank the following progress has been achieved during the year:

a. A computer cell headed by a Manager has been set-up in Head office to spearhead computerization.

b. The Bank appointed M/s. Zenith Infotech ltd. Bangalore as vendors for supply of both hardware and software on turn key basis.

c. The software has been customized and tested by Technical consultants and in house project team consisting of domain experts.

d. A single vendor M/s. Techser power solutions ltd. Was appointed for supply and maintenance of UPS system
e. The existing computerized branches using different softwares have been integrated to the new software system customized by Zenith Infotech ltd. These by creating a common software for all branches

‘Spandana – In-house magazine

The Bank realizes the importance of Constant communication between the Head Office functionaries and staff at various levels. To achieve positive results, the Bank has started the in-house magazine ‘SPANDANA’ from June 2006. This is now being published regularly every month covering priority areas for the Bank latest developments in banking industry, change in policies of Reserve Bank of India, NABARD etc., names of top performing branches in the area of business development, NPA recovery etc., and success stories relating to achievements of branches/staff in different activities.

The social and developmental concern of the Bank did not deprive it of Commercial gains. This year too the Bank made a net profit of Rs. 16,50,00,000/-

2007-2008

During the year 2007-2008 the Bank crossed a major milestone by surpassing Rs. 1566 crores of business by registering a growth of 24.68% over the previous year. Further the Bank has doubled its total business during the last three years from Rs.777 crores on March 2005 to 156 crores as on 31st March 2008.

The Bank has sanctioned 432 SWAROJGAR CREDIT CARDS (SCC) during the year 2007-2008 taking the cumulative number of cards issued to 9858 as against 9426 as on 31st March 2007. Amount outstanding also increased to Rs.2329.83 lakhs as on 31st March 2008. This year the Bank has erected swarojgar credit cards scheme publicity hoardings at 16 prominent places at District and Taluka centres under NABARD’s pilot scheme for publicity of
Swarojgar Credit card (SSC) scheme, which has helped in enhancing this image of the Bank.

**Non-Fund based business:**

The issue of improving the earnings from non-fund business has been continuously engaging the attention of management. Bank’s branches are permitted to issue Banker’ cheques as Gulbarga. Bidar and Yadgir branches. Eight branches are providing safe deposit lockers facilities to customers. Besides the above, all branches are authorised to customers. Besides the above, all branches are authorised to discount cheques, drafts, issue bank guarantees and issue solvency certificates. AS a result, commission earning during the year grew by a healthy 51%.

Business of the Bank is increasing tremendously year after year, more particularly in the last three years. With the existing staff strength, Bank has been facing lot of difficulties in maintaining and servicing the existing customers. With a view to overcome this problem with the approval of the Board and after permission from sponsor Bank, bank has started the process of requirement of 30 officers and 56 clerical staff on adhoc basis, pending the outcome of Dr. Thorat committee Report. Entrance test was conducted with the help of IBPS Mumbai and interviews of successful candidates held during March 2008. Appointment of successful candidates for officers and clerical posts would be made by May 2008.

The net profits earned during the year 2007-2008 amounted to Rs. 19,5400,000/-

**2008-2009**

Crossing new milestones, reaching new heights and enhancing business has become a constant feature of the Bank, Regular Banking business, figures graphs and tables will follows in the respective chapters. Researcher is at present concentrating on the variety of services and activities initiated by the Bank. It is an attempt to provide complete introduction of the Bank. In continuation of this
exercise, it is better to know about the farmer’s clubs. The Bank is actively propagating the Farmer’s club programme with an objective of development through credit. With a view to involve local people in development and to create a new environment in rural areas, the Bank has promoted 26 Farmer’s clubs during the year taking the total farmers clubs promoted by the Bank to 229. These clubs are conducting various developmental activities in rural areas like training programmes on cultivation of various crops, pest control measures, soil conservation, water management lift irrigation schemes, modern methods in cultivation vermiculture horticultures, dairy farming, Sericulture, animal health camps, tree planting, community, development programmes, literacy campaign etc. The volunteers were deputed to attend krishi mela conducted at Dharwad, Bijapur and Gulbarga to expose them to latest developments in Agriculture.

The Bank is actively implementing the crop insurance scheme-Rashtriya Krishi Bima Yojana (RKBY) in true letter and spirit.

The Government has launched National Rural Employment Guarantee programme (NREGP) in the Bank’s area of operation. The Bank has extended its full support to the Government by opening Savings Bank Accounts of the beneficiaries on a large scale and the Bank has received appreciation from the District Administration for the excellent cooperation rendered by the Bank’s branches.

Net Profit earned during the years 2008-2009 is Rs.11,50,00,000/-

2009-2010

During the year 2009-10 the bank crossed a major milestone by surpassing Rs.2,242 Crores of business by registering a growth of 17.01% over the previous year.

It is a matter of pleasure to record appreciation for two regular customers of the Bank who have made outstanding contribution in Agriculture
productivity. The Government of Karnataka recognised their work and has awarded them “KRISHI PANDIT” for the year 2008-2009.

The Bank has introduced product “JOINT LIABILITY GROUPS” during the year 2009-10. It is for financing Joint liability to unreached category of rural people viz. Landlers labourers, share croppers, tenant farmers who remained uncovered institutions. The Bank has assisted 15 JLG’s in Gulbarga, Yadgir and Bidar Districts.

**Human Resources Development Training:**

The Bank believes in the philosophy of “Learning is a continuous process”. Bank is deputing the staff it different training centres of SBI/SBH/NABARD/NIRB/NIRD and RBI. The Bank also has conducted in-house training to RDO’s. with the completion of 100% computerisation of the Bank, it has imparted computer training covering 432 staff and officers during the year, 53 staff & officers have been deputed to various training institutes during the year.

**The other achievements of the Bank KGB**

- Second RRB to achieve 100% CBS (1st among SBI sponsored and also first RRB in the state).
- Bagged prize for cross selling of SBI Life products.
- 17th successive repayment camp of Dandothi branch conducted by farmers (borrowers) themselves was held on d10-3-2010. Loan amount repaid Rs.263 lakhs on the camp day and till the month end Rs.400 lakhs.
- Bagged prize fro NABARD for highest number of SHG linkages.
- Formed 89 marmer’s Dlubs during the year.
- Bank became member of Banking codes and Standards Boards of India.
- Opened 24505 new KCC accounts against the target of 20,200.
- Financed 28170 new farmers against the target of 16,160.
- Introduced new advanced products like joint liability groups finance and agri Gold loans
Bank has been awarded for best performer amongst RRB’s sponsored by State Bank of India.

Marketed a Business of Rs. 10,700/- Lakhs under advance against warehouse Receipts.

A sub representation agreement was signed with western union for introducing money transfer business in five select branches.

2010-2011

Crossing new milestones, reaching new heights and enhancing business has become a constant feature of the Bank. Regular Banking business, figures, graphs, tables, performance, ratios and comparisons will be dealt with at the appropriate stages. Researcher is at present concentrating on the variety of services and activities initiated by the Bank. It is an attempt to provide holistic introduction of the Bank. Apart from regular banking business how the Bank is socially committed? What it is doing to reach the poorest of poor? How it is contributing for the economic of the region? Has the Bank tried to uplift the life and living standards of people? RRB’s have hillarian task of being commercially viable, economically strong and still service oriented. Social and it of RRB’s is not mandatory. But it can be used for introspection.

Loans to weaker sections and under Government sponsored schemes Krishna Krishi Card scheme, Swarojgar credit cards, Joint liability Groups, solar lighting system loans, Rashtriya Krishi Bhima yojana Technical Monitoring and evaluation cell, women Development Cell, self Help Group, Farmer’s clubs, Krishna General purpose credit cards, financial inclusion, National Rural Employment Guarantee programme and such other activities have made Krishna Grameena Bank as the people’s Bank.

Location of Branches and its ambience will motivate staff to render better customer service which intern will pay rich dividends in the growth of business, towards this end during the year three branches where shifted to better and more
spacious premises. There branches were supplied with modern furniture. This policy will be continued in future.

**Highlights of the year 2010-11**

- Second RRB to achieve 100% CBS (1st RRB among SBI sponsored RRBs and also first RRB in the state)
- Bagged prize for cross selling SBI Life products
- State level Second Prize for best Farmers club.
- Introduced new advance, products like Joint Liability groups Finance. Agriculture, Gold loans, and Solar Home Lighting system.
- The process of extending banking services through Bio-metric smart Cards to unreached is being initiated.
- The bank has decided to take up renewed drive for 100% Financial inclusion through ICT based solutions. Negotiations are in progress with M/S. A LITTLE WORLD (ALW) and zero Micro Finance and savings support Foundation.

The Bank has also succeeded in the areas of Human Resource Training/Development, Corporate Governance and industrial relations. There are three Associations/unions in the Bank viz. Krishna Grameena Bank officers Association Krishna Grameena Bank Employees Union and Krishna Grameena Bank SC/ST staff Association cordial and harmonious relations have been maintained with them without compromising on discipline and productivity. Regular discussions with the representatives are held to sort-out the issues.

The Bank is committed to follow the best practices in the area of corporate Governance.

It firmly believes that proper corporate governance facilitates and guarantees effective management and promotion of business activities. Regular Board meetings and Audit committee meetings are held and valuable suggestions
and services of the Board members and Auditors are effectively utilised for enhancing the performance of the Bank.

**Management Structure of the Bank**

The general superintendence direction and management of the affairs and business of a regional rural bank vests with a nine member Board of Directors, consisting of a chairman and eight directors. The chairman of the Board of Directors is, usually, appointed by the sponsor bank in consultation with the central Government. The eight directors are appointed as follows:

a. 3 directors are appointed by the central Government.
b. 2 directors nominated by the concerned state Government.
c. 3 director nominated by the sponsor banks.

In managing the affairs and business of the regional rural bank, the Board of Directors is required to act on business principles, have regard to public interest and out in accordance with the directions issued by the Government of India.

During the year 2010-11, the Board of Directors of Krishna Grameena Bank is as under:

1. Sri V M. Hagargi - Chairman, KGB
2. Sri Ishwar B Khandre - Nominee Government of India
4. Ms Salma K Fahim - IAS, CEO, Zilla Panchayat, Glb.
7. Sri. S.N. Karajagi - AGM, RPCD, RBI, Bangalore.

**Organisational Structure of the KGB.**
The Steering Committee on Regional Rural Banks identifies the Districts requiring regional rural banks. Later, the initiative for the starting of a regional rural bank is taken by a sponsor bank, which is usually a public sector bank, by sending a request to the central Government for permission to start the regional rural bank. On receiving a request from a sponsor bank, the central Government, with the consultation of the concerned state Government and the sponsor bank, sets up the regional rural bank by a notification in the official gazette.

Each regional rural bank is a separate corporate body with perpetual succession and common seal. But it is closely linked with the sponsor bank. It is the duty of the sponsoring bank to aid and assist the regional rural bank sponsored by it by subscribing to the share capital of the RRB, helping in the recruitment and training of the personnel required by the RRB during the first five years of its functioning and by providing such other financial and managerial assistance as may be mutually agreed upon between the sponsor bank and the regional rural bank.

Krishna Grameena Bank’s Head office is located at Kusnoor Road, Gulbarga in its own building with spacious accommodation for all administrative Departments, Board room, Meeting Hall, computer lab and above all, customer’s lounge, the building is centrally air conditioned. The Bank is headed by a chairman, a TEG Scale VI officer on deputation from State Bank of India and is of the rank of Assistant General Manager (AGM). The manager (Audit Vigilance) has responsibility of Audit vigilance of all the branches/Area offices and various Departments at Head office.

The other departments at Head office headed by a manager are as under;

1. Personnel Department
2. Credit Management Department
3. Asset management Department.
4. Funds management Department
5. General Banking Department
Conclusion:

In this chapter Socio-economic study of the Gulbarga has been made with special emphasis of the study of history of the district along with its profile. The profile of the district includes the elements like population, literacy rate, administrative set up of the district and significant religious places of the district. Apart from this, study of a RRB, the Krishna Grameena Bank has been made comprehensively by covering its vision, mission and development from 2001-02 to 2010-11 as it is a RRB of the district which is the prime bank of the study of researcher.