

MANAGEMENT POLICY



The Sundargarh District Central Co-operative Bank Ltd.,

AT – REGENT MARKET, PO/DIST. – SUNDARGARH

PIN – 770001, ODISHA





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The Sundargarh District Central Co-operative Bank Ltd.,
SUNDARGARH – 770 001
Regd. No. 90/ SG / Dt.1.6.1955

RESOLUTION BY CIRCULATION OF THE PROCEEDINGS OF THE COMMITTEE OF MANAGEMENT
MEETING OF THE SUNDARGARH DISTRICT CENTRAL COOPERATIVE BANK LTD.,
SUNDARGARH HELD ON DTD 08.07.2025.

Venue : Office Chamber
Date: 08.07.2025

Agenda No 3

To consider approval of the
draft policy of

- 1.Management Policy
- 2.Fraud Risk Management
Policy
- 3.Loan Policy
- 4.Branch Management &
Operation Policy
- 5.Deposit Policy
- 6.Internal Checks & Control
Policy
- 7.Capital Management
Policy
- 8.Customer Compensation
Policy
- 9.Customer Acceptance
Policy
- 10.Customer Service Policy
as per prescribed guidelines
of RBI/ NABARD / RCS
(O).


Chief Executive Officer
Sundargarh DCC Bank Ltd.

Resolution

Discussed and approved the following
draft policies as per prescribed guidelines
of RBI/ NABARD/ RCS (O) for execution.

- 1.Management Policy
- 2.Fraud Risk Management Policy
- 3.Loan Policy
- 4.Branch Management & Operation
Policy
- 5.Deposit Policy
- 6.Internal Checks & Control Policy
- 7.Capital Management Policy
- 8.Customer Compensation Policy
- 9.Customer Acceptance Policy
- 10.Customer Service Policy


PRESIDENT
Sundargarh DCC Bank Ltd.
08.07.2025

Copy circulated to all members of the Committee of Management of the Bank for
information and necessary action.


Chief Executive Officer



THE SUNDERGARH DISTRICT CENTRAL COOPERATIVE BANK LTD., SUNDARGARH

MANAGEMENT POLICY

Introduction

The Sundargarh District Central Cooperative Bank Ltd is managed through a democratic structure where Board of Directors is elected through the share holder of the Bank. The responsibility of the Management Committee is to frame various Policies and oversee the operational aspects and ensure functioning of the bank in tune with provisions laid down in the Banking Regulation Act, RBI Act, NABARD Act, Odisha Cooperative Societies Act and Rule, Bye- Laws of the Bank, "Bhartiya Sakhya Adhinyam", Indian Contract Act, Law of Limitation, Negotiable Instrument Act, Transfer of Property Act, Stamp Act, Hindu Succession Act, Indian Succession Act. Besides Management Committee also to oversee compliance of IRDA, Income Tax and PFRDA, Gratuity Act, Pension Act, PML Act and DICGC Act etc. CEO and DGM of the Bank are the part of management and act as directed by the Government or decision taken by the Committee of Management.

Management Policy

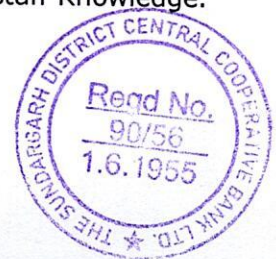
Bank Management envisages various areas of operation like Corporate Governance, Framing of Loan Policy, Human Resource Policy, Asset Liability Management of Policy, Capital Management Policy, Risk Management Policy, IT Policy, IS Policy, Cyber Security Policy, Investment Management Policy, Branch Operation Policy, Death Claim Settlement Policy, Retail Loan Policies, Out Sourcing cash management Policy, Deposit Mobilization Policy, Internal Checks and Control Policy, Fraud Risk Management Policy, Compliance Policy, NPA Management Policy, Cheque Compensation Policy, Locker Policy etc and constitute various committees and Sub-Committees of Board.

Chief Executive Officer

The Committee of Management shall ensure Chief Executive Officer of the Bank to be appointed fulfilling "Fit & Proper" criteria prescribed by RBI & call for Biodata of CEO and professional background and experience. The Committee of Management to ensure that CEO is not removed and appointed frequently without knowledge of the RBI/NABARD. CEO of the bank will be responsible for calling timely board meeting, Annual General Body meetings and other committee meetings etc. He will be responsible for overall functioning & compliance of the Bank.

Organizational structure and staffing pattern

The Bank will be headed by CEO who is professionally qualified & supported by Senior Management and Junior Management staff along with other Supporting Staff. For effective implementation of CBS in the bank the management is assisted by Technical staff. In order to have a better functioning of the bank, various departments i.e. HR Department, Loan Department, Account Department, Audit Department, Recovery Department, Investment Department, Risk Management Department, Recovery Department, Funds and Accounts Department, Information and Technology Department and other related Departments have been setup. The Management of the Bank also to focus on enhancement of staff Knowledge.



Each staff of the Bank shall be deputed for training either to ACSTI, BIRD, IIBF or CAB at least once in a year based on their training need and organization requirement.

H.R Management

Human Resource Policy of the Sundargarh District Central Cooperative Bank is governed by the Staff Service Rule, 2011 & subsequent amendments. The key areas include in the HR Policy are Staff recruitment, Seniority, Reservations, Staff Conduct, Leave, Appointment & Promotion etc.

Asset Liability Management

The ALM is to manage the Bank's Asset & Liabilities and to safeguards its interest due to market volatility & interest rate change. The Committee of Management is committed to monitor and managing the composition of Asset & Liability, ensures liquidity and optimize returns. To facilitate the operational management of the ALM, Management constitutes Asset Liability Management Committee (ALCO). Main responsibility assigned to the committee is to review Asset Liability position of structural Liquidity position, review Dynamic liquidity statement, review interest sensitivity statement, Policy for both deposits & advances and review on various risk likely to be faced by the Bank. The committee achievements are put up to the Board for policy review & change.

Risk Management

The Committee of Management ensures through Risk Management committee to identify, assess & mitigate various financial & non financial risk including credit, interest rate, liquidity & operational risk. The management also strives to create system & procedure to ensure reasonable returns and also review the Audit compliance of sub-committee.

Investment management

Based on the Policy, the Management manages the investment portfolio by deploying surplus fund effectively, providing short term liquidity, maintaining a consistent maturity pattern, & ensuring optimum capital utilization. The management also emphasizes for achieving high business scale with long average risk weightage to improve the Bank's capital adequacy.

Customer Service

The Bank is committed to provide excellent customer service, ensuring staff availability during business hour & attending all customers. The Bank ensures, customers services render to them are in local language, Hindi & English. The Management also reviews the position of complaints and its disposal position.

Management of KYC, AML and CFT

The Management Committee of the Bank emphasizes on implementing KYC & Anti Money laundering (AML) procedure. The implementation procedure are ensured through customer Acceptance policy, customer identification procedure, monitoring of transaction & Risk management. The management also ensures timely submissions of all reports to FIU-IND by reviewing in Board Meeting. Day to day management of the KYC norms, board entrusted to the Principal Officer and Designated Director.



Loan Management

The Committee of Management oversees the loaning business of the bank and ensures loans & advances are given within the stipulated norms of Loan Policy. The Management reviews the sectoral lending position, credit deposit ratio of the bank and implementation of various schemes sponsored by the Government, recovery and NPA position. Besides the Committee of Management ensure that there is no violation on exposure norms stipulated by RBI / NABARD.

Cyber Security Management

The cyber security is managed through well defined IT Policy, IS Policy & Cyber Security Policy. The Committee of Management reviews in the Board meeting about the Data Management, Data Protection and Threat steps taken by the bank. The Management of the Bank reviews the measures taken by the bank for secure network, configuration, password system, restricted internet access, & regular security audit. The management also reviews the data back-up & data recovery procedure.

Frauds Management

The Fraud Management is managed through well defined policy of the Bank and the Fraud Management Committee ensures all level of protections and preventions are adequately covered to control the frauds in deposit mobilization, lending operation and investment. The Bank has also set a robust internal check & control following periodical inspections to its branch and conducting Concurrent and Statutory Audit system. The periodical review is undertaken by the committee and observations are reported to Committee of Management.

Corporate Governance

Corporate governance in the bank refers to the system & procedure by which the bank is controlled. It ensures transparency, accountability & efficiency in their operations and also safe guarding the interest of the members & depositors. To improve the governance in the bank, it is expected that Management of the Bank to adopt Corporate Governance index tool developed by the NABARD. The Board of Director of the bank to ensure to follow the do's & don'ts prescribed by NABARD. The Board of Director to review the affairs of the bank to conduct in a manner that it should not be detrimental to the interest of depositors and also ensure that all the regulatory & statutory compliances are adhered by the Bank.

DO'S

1. Directors should be fully aware of Coop Societies Act, Bye-laws & Rules & Regulations Prescribed in BR Act on banking related aspect.
2. Attend Board meeting regularly & participate effectively.
3. Receive agenda note in advance & examine as regard quality of contents & coverage.
4. Involve in formulation & adoption of various policies
5. Ensure adoption of CEO / Professional Director as "fit & proper" criteria prescribed by RBI.
6. Ensure adoption of proper HR Policy in relation to recruitment, promotion, transfer & training
7. Aware of latest development in banking technology & strive to adopt in the bank.
8. Review functioning of sub-committee of Board and management level committee.



9. Strengthen then internal check & control mechanism regards to segregation of duties, responsibility & fixing accountability.
10. Carefully pursue Audit & NABRAD Inspection Report & ensure timely action & compliance.
11. Review fraud committed, timely reporting & action taken.

Ensure observance of statutory requirements & guidelines issued by GOI / State Govt. / RBI / NABARD

Business Development

1. Ensure Loan Policy & Manual.
2. Review loan portfolio & develop strategic for business diversification for improving profitability.
3. Review mobilization of resources & suggest measures for low cost resources.
4. Ensure efficient Management of Funds & Improving Profitability.
5. Identification of new business activities & non-fund business.
6. Review viability of branches with special focus on Branches specially loss making.
7. Review investment management & functioning of investment committee.
8. Ensure loan sanctioned by the CEO to be put up the Board.
9. Create effective follow up & monitoring system for prompt & timely recovery & reduce level of NPA.
10. Review arbitration cases of the Bank.

Developmental Aspect

1. Ensure to involve Bank in government sponsored schemes.
2. Promote & participate in spreading financial inclusion programme.
3. Create environment for effective coordination with higher & lower tier institutions
4. Establish proper MIS.
5. Monitor key risk area.
6. Review CBS of Bank.
7. Take step for financial literacy & credit counseling.

Don'ts

1. Not to interfere in the management function and not involve themselves in routine or everyday business of the bank.
2. Not to send instructions / directions to any individual officer/employee of the bank in any manner.
3. Not to sponsor any loan proposal, buildings and site for banking premises, enlistment or empanelment of contractors, architectures, doctors, law years etc.
4. Not to approach or influence for sanction of any kind of facility.
5. Not to participate in Board discussion, if proposal in which director is directly or indirectly interested come up for discussion.
6. Not to sponsor any candidate for recruitment or promotion or interfere in the process of selection / appointment or transfer of staff.



7. Not to encourage the individual officer / employee or union approaching them in any manner.
8. Not to conduct bank business with relatives or any other person or any firm, company, Association in which the relative or other person is associated in any significant role. If such a related party transaction is unavoidable, Director must fully disclose the nature of the related party transaction to the appropriate authority.

Maintain Confidentiality

1. Not to reveal any information relating to any constituent of the Bank to any one as he/she is under oath of secrecy & fidelity. The Directors should maintain confidentiality of the Bank's agenda papers / notes. The Board papers may ordinarily be returned to the bank.
2. Not to call for papers/ files/ recorded by various departments for scrutiny etc. in respect of agenda item to be discussed in the meeting. All information / clarification that they may require for taking decision should be made available by the executive.
3. Not to Display Logo of distinct design of the bank on the visiting cards / letter head though a director may indicate his directorship of the bank on his visiting card or letter head.


Chief Executive Officer

