# **ORGANIZATION, FUNCTIONS AND DUTIES**

## [Section 4(1)(b)(i)]

In the year 1955, in order to improve the living conditions of the Scheduled Tribes in the State through their economic uplift and to eliminate their exploitation by plains men, the Government of Andhra Pradesh established "Andhra Scheduled Tribes Finance & Development Corporation Ltd." as a Company under the Indian Companies Act, 1913 vide G.O. Ms. No.2551, Education & Endowments Department, dt.14-12-1955. Again, the said corporation was registered on 16-4-1956 under the new Indian Companies Act-I of 1956. But the Government were confronted with the problem of providing adequate finances for the successful working of the corporation. Keeping in view the virtual impossibility for the effective working of the corporation as a company, the Government decided to go in for its voluntary liquidation and to start a Cooperative Society in its place with the same objectives. Subsequently as ordered by the Government in G.O. Ms. No. 2382, dt.11-10-1956, a Cooperative Society was registered on 26-10-1956 with the name "Andhra Scheduled Tribes Cooperative Finance and Development Corporation Limited" under the Madras Cooperative Societies Act, 1932. In the year 1970, it's name was changed to the Girijan Cooperative Corporation Limited (GCC), Visakhapatnam.

#### **AIMS AND OBJECTIVES:**

- a. To procure Minor Forest Produce (MFP) collected by the tribals duly paying them remunerative prices and there by eliminating the middlemen and private traders who indulge in unfair trade practices.
- b. To supply Essential Commodities and other Daily Requirements at reasonable prices to the tribal consumers through the network of DR Depots.
- c. To provide Short Term Credit to the tribal farmers for their Seasonal Agricultural Operations.
- d. To undertake activities such as processing and grading for the benefit of the Corporation and its affiliated Societies and their members and for this purpose to own or hire necessary plants and machinery.
- e. To undertake generally such other activities as are conducive to the promotion of the economic interests and welfare of the scheduled tribes and for the attainment of the above objectives.

### **ORGANIZATIONAL HIERARCHY:**

- GCC is a state level Apex organization with its Head Quarters at Visakhapatnam governed by the Board of Directors consisting of a Chairman, Official and Non-Official Directors nominated by the Govt. of Andhra Pradesh.
- The day to day affairs of the Corporation are administered by the Vice-Chairman & Managing Director who is a Super Time Scale IAS Officer.
- The Project Officers of the Integrated Tribal Development Agencies (ITDAs) act as Executive Directors of GCC in the area of their operation.

- At present 1440 employees are engaged in the service of 2.6 million tribals through a network of 1 Regional Office at Hyderabad and 10 Divisional Offices coterminous with ITDA Headquarters.
- At present, 43 affiliated Girijan Primary Cooperative Marketing Societies (GPCMS) situated in sub-plan mandals of the State are functioning.
- GCC is having a wide network of 839 Domestic Requirement Sales Depots (DR Depots) in the tribal habitats in order to cater to the needs of the tribal consumers by supplying them essential commodities and other daily requirements. These depots function under the control of GPCM Societies.
- GCC is also having 3 industrial units viz., (1) Honey Processing Unit at Rajahmundry,
  (2) Sheekakai & Soapnut Powder Making Unit, Rajahmundry and (3) Soap Making Unit at Vizianagaram.

#### **FUNCTIONS**

- GCC is a state level Apex organization. Its activities are carried out through the affiliated Primary Societies. The money required for the procurement of MFP and SAP are provided to the Societies by GCC and the procurement is effected in weekly shandies and seasonal purchase centres. The stocks procured are taken over from the GPCMS and marketed by GCC to the best advantage of the MFP gatherers. The GPCMS are required to run the DR Depots on their own with the working capital provided to them. The credit activity is carried out through GPCMS duly providing them credit limit and advancing moneys in every season. The other activities carried out by GCC include value addition measures to the tribal produce and its retail marketing in the consumer market.
- The Divisional Manager is the Head of the division. He supervises all the activities of the GPCMS in his area of operation. He also acts as Chairman on the Board of Management of the GPCM Societies.
- The membership in the GPCMS is open exclusively for the local tribals and all members enrolled form the General Body of the Society. The Board of Management of the Society consists of three Elected Directors from among its members while six official Directors including the Chairman are nominated by the District Cooperative Officer as per the directions of the Government. The day to day administration of the GPCMS is carried out by the Manager who is also the Secretary of the Society under the overall supervision and control of the concerned Divisional Manager. The D.R.Depots and Purchase Centres function under the direct control and supervision of the Manager / Secretary of the GPCM Society.
- The GPCM Societies are designated as Agents to GCC for the procurement of Minor Forest Produce and Surplus Agricultural Produce (SAP) from the tribals in their respective areas of operation. They receive money from GCC, procure the produce in the weekly shandies, seasonally notified purchase centres and at the door steps of the tribals at prices fixed and declared by GCC from time to time and handover the

- produce to GCC as and when procured or once in a month. A commission @ 2% is paid by GCC to the GPCMS on the value of the produce purchased and handed over to it.
- The GPCM Societies run the DR Depots on their own with the working capital provided by GCC. The major activity carried out by the Societies is lifting and distribution of Essential commodities such as Rice, Sugar, Wheat, Edible oil and Kerosene under the Public Distribution System (PDS) to the ration card holders and also supply of other daily requirements such as dalls, oils, iodised salt, onions, jaggery, cosmetics and other items at reasonable rates to the tribal consumers in general. The GPCMS also under take supply of food provisions and Cosmetics to the Tribal Welfare Hostels, Residential colleges and schools of APTWREIS. The supply of food provisions to Midday meals, Food work Program, and Grain Banks in tribal areas is also taken up by the Societies. The maintenance of Mandal level stock points and transportation of Essential commodities under Stage-II in the tribal areas on behalf of the A.P.State Civil supplies Corporation, Supply of LPG, sale of Steel and cement etc. are the allied activities taken up by the Societies as part of their D.Rs business.
- GCC obtains credit limit from NABARD AND A.P.STATE COOPERATIVE BANK and at times from its own funds and advances monies to the GPCM Societies approving their Credit Plans and Drawal Applications in advance to disburse short term credit to the eligible tribal farmers in Khariff / Rabi seasons. The scale of finance for each crop is fixed at the GPCMS level taking into account the existing agricultural practices, crops raised, yields expected and the repaying capacity of the tribal farmers so as to avoid overburdening them with the loan. The rate of interest is as approved by the Government from time to time. The loanees are provided the facility to repay the loans in cash in easy installments and also in kind i.e. by way of selling MFP/ SAP to GPCMS at their convenience. The Societies repay the loans to GCC after collecting the same from their members.
- The Staffing pattern of GCC is approved by the Government. GCC receives subsidy from the Government for payment of Salaries to its staff to the extent of staffing pattern approved by the Government. The expenditure on the staff costs over and above the sanctioned strength is met by GCC. The staff working in the GPCM Societies are on deputation from GCC for which GCC provides them 60% of their salaries while the GPCMS have to meet the balance 40% from their own resources.