Preface

The DCCB as the name suggests has an area of operation covering a single district. In any district, the banking system would comprise Commercial Banks, Regional Rural Banks, Cooperative Banks and other agencies like SFC, MFIs, Non Formal Credit institutions and Non-Banking Credit agencies. In such a situation, how does a DCCB position itself in the market? This is an issue that needs to be understood by the chief executive of the DCCB. With the available resources and the unique strengths of the DCCB, a market needs to be developed which is appropriate, adequate and profitable. There is room for all, but the capacity to identify one's niche market enables a bank to be focused and devote its resources to that activity rather than spreading out the resources too thinly across several activities or worse still just drifting along without any clear business plan.

District Central Co-operative Banks (DCCBs) exist as intermediaries between base level primary credit societies and apex State level co-operative banks. Such a three tier and mixed structure exists in 20 states whereas in the rest of the country we have two tiered structure. DCCBs are expected to function as balancing centre of finance for the primary societies in district by providing them with funds when they have shortages while serving as a clearing house whenever there is surplus. They are also expected to provide a safe place for investing the reserves of primary societies. Apart from the above they are also expected to supervise, guide and control the working of member societies in their respective districts. In 2008 there were 372 DCCBs with over 13151 branches. They had 4.17lakhs co-operative societies as its members with a total membership of 33.97 lakhs. Their deposits were Rs. 102,986 crores and they provided loans and advances to the tune of Rs. 91,374 crores.
Efficient management of the DCCB requires multi-dimensional approach. On the one hand the Board of Directors have to provide direction and leadership by giving adequate operational autonomy to the functional managers. The depositors at the DCCBs see it as a banking institution and expect service on par with other commercial bank while borrowing members expect timely adequate and low cost credit. Balancing these expectations requires the DCCBs to be very efficient in its operations and up-to-date in its housekeeping. The management of DCCBs therefore requires understanding of these multiple dimensions and performing accordingly to match the expectations of the stakeholders.

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