

NIC's Co-operative Core Banking Solution (NIC - CCBS)

CCBS, an Integrated Core Banking Application, is specially designed to meet the requirements of all State Co-operative Banks (SCBs), District Centre Co-operative Banks (DCCBs), and Primary Agricultural Credit Societies (PACS). The Common interface for all the category of banks provides better integration of information flow among SCBs, DCCBs and PACS facilitating better monitoring and planning.



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Inauguration of CCBS for Meghalaya State Co-operative Bank on 20th October 2011 by Hon'ble Chief Minister of Meghalaya, Dr. Mukul Sangma at Shillong

Rural credit cooperatives in India were originally envisaged as a mechanism for pooling the resources of people with small means and providing them with access to different financial services. These Credit Co-operatives are the oldest Rural Financial Institutions in our country and the largest in the world. There are close to 5.5 lakhs credit and non-credit cooperative societies with coverage of almost 100% villages and 71% rural households fulfilling the need of providing financial services in rural areas.

OBJECTIVES OF COOPERATIVES

To raise capital for the purpose of giving loans and supporting the essential activities of the rural people.

- To collect deposits from members

with the objective of improving their savings habit

- To supply agricultural inputs and services to members at remunerative prices

PROBLEM FACED BY COOPERATIVES

Despite their wide network and close proximity to its members, Credit cooperatives suffer from many problems which not only hinder their growth but also pose a threat to their existence. Major issues faced by credit co-operatives include:

- Huge amount of accumulated losses
- Poor Recovery performance
- High incidence of NPA's & poor Deposit Mobilization
- Ineffective supervision & weak MIS

NEED FOR CORE BANKING

- Government of India implements a large number of social sector programs for socio-economic

development in rural areas. Such programs involve disbursement of funds to the target beneficiaries in terms of wages/payments. The cooperative credit structure could be channelised to make such payments. There is growing need for financial inclusion and direct payments of funds to beneficiaries.

- Accounting system of Primary Agricultural Credit Societies (PACS) PACS is not well managed and needs improvement through CAS (Common Accounting System). CAS can only be implemented effectively through a Core Banking Solution.
- A Core Banking Solution (CBS) will reduce the time for preparing necessary reports, required by controlling authorities.
- CCBS can help in implementing any Government Scheme through PACS as Government can monitor these schemes, through the application.

NIC- CO-OPERATIVE CORE BANKING SOLUTION (CCBS)

The main objective behind development of the Co-operative Core Banking Solution (CCBS) by NIC is to serve the poorest of the poor in our country by furthering basic banking facility in the rural areas of the country.



While the commercial banking system is taking steps to extend its reach to rural areas, there is a need to develop innovative solutions to provide access to people in rural areas so as to help

them get efficient and reliable payment and banking services closer to their area of activity. CCBS will play a vital role in financial inclusion, a primary agenda of Government of India and NABARD for the upliftment of rural masses of India. CCBS is designed so as to enable the Agricultural Societies at the Village level to disburse all the social sector related Government fund distribution (MNREGA, Mid-day Meal scheme, Old Age Pension etc.) to the targeted beneficiaries at the doorstep. It would also facilitate easy monitoring of fund disbursement and day to day position of fund distribution under these heads known at the apex level.

CCBS DEVELOPED BY NIC

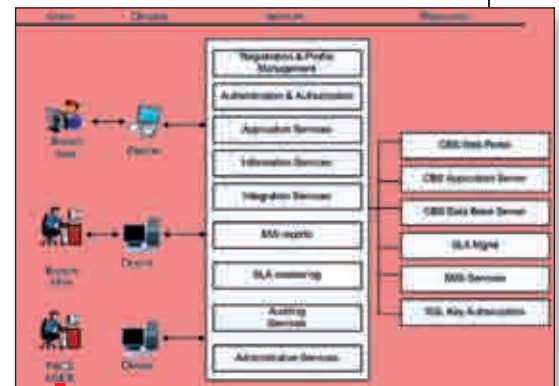
CCBS has highly parameterized role based security levels. The application is developed with enormous care so to minimize the cost of application and better ROI. With the implementation of CCBS, banks do not have to invest a large amount of money for creation of Data Centre, Disaster Recovery Centre and purchase of high-end server and its maintenance thereof.

JOURNEY FROM COIN -TBA TO CCBS -COOPERATIVE CORE BANKING SOLUTION

NIC started implementation of a TBA solution for the Bihar State Co-operative Bank Ltd. (BSCB) in 2003. The COIN software was successfully implemented and the bank earned a profit of Rs 114 cr after its implementation. In 2008-09, Sikkim State Co-operative Bank showed interest in implementation of CBS and requested NIC to convert COIN to a full-fledged CBS. In 2010, NIC/NICSI decided to develop a CBS with ASP model with its increasing demand amongst various state co-operative banks. Objective of development of CCBS was to provide a low cost integrated CBS for all three level of Cooperative sector (SCB, DCCB, PACS).

TARGET AUDIENCE

CCBS aims to provide a common inter-



CCBS Architecture

face for all the category of banks enabling better integration of information flow from SCBs, DCCBs and PACSs. NABARD, RBI, State Cooperative departments could be benefited through this system.

CCBS ARCHITECTURE

Logical Architecture: An architecture overview diagram at an enterprise level of the CCBS depicted in CCBS Architecture. These entities located on the different geographical location will access the CCBS portal system using internet and/or intranet connectivity under secured environment. These subsystems are logically separated without any virtualization of hardware system except they are co-located at the same Data Centre.

There are four main components in the architecture of CCBS:

Users: The users of CBS portal are the cooperative bank employees who can access this application from their respective branch only.

Delivery: The branch user can access the application through a computer/Laptop.

Services:

- Registration & Profile Management
- Authentication & Authorization
- Application Services
- Information Services
- Integration Services
- MIS Reports
- SLA monitoring
- Auditing Services

- Administrative Services

Resources:

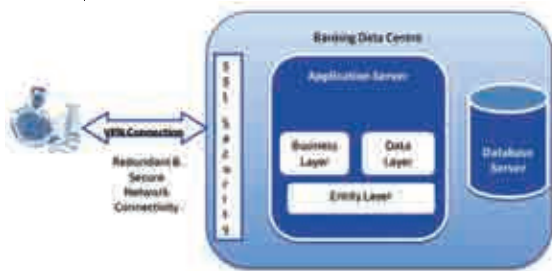
- CBS Web Portal
- CBS Application & Data Base Server
- SMS Services
- SSL Key Authorization & SLA Management

TECHNICAL ARCHITECTURE

Technical Architecture of NIC's CCBS
The application data flow for CCBS is as below:

- The branch user will be connected to the data center through the secured VPN connection.
- The user will be logged in into the CCBS portal through SSL security layer using authentication details.
- The proposed solution will have Form based, Menu based, Role based
- Code based security.
- The business processes /objects will be called based on user commands through the common gateway channel.
- The business processes/objects infract utilizes the respective services and call the Data layer for the transaction.

The CCBS application is hosted at the NIC's Data Centre.



TECHNOLOGY USED IN CCBS

VB .Net 3.5 framework, WCF, SQL Server 2008, (SSRS). SQL Server reporting service 2008

SPECIAL FEATURES OF CCBS

- Centralised banking solution for SCB,DCCBs and PACS
- State of the art technology to fully support business needs
- Fast & error free disposal of transactions

- Timely & accurate preparation of Cash Book, Trial Balance and Profit & Loss Account
- More effective MIS and Audit Trail Reports for decision support
- Effective Security management and Disaster Recovery Plans
- Helping improve employee productivity
- Helps in Financial Inclusion
- Timely payments to beneficiaries of social sector schemes
- Better and more accurate maintenance of up-to-date data about transactions with respect to an account, various books and ledgers
- Better monitoring of agricultural and non-agricultural loans and advances

MAIN MODULES OF CCBS

- Saving & Current Account, KYC Norms
- Fixed /Reinvestment /Recurring Deposit
- Loan & Advances
- Cash Credit & Advances
- Clearing inward & outwards
- Lockers, Share Browning & Investment
- Remittances, Statuary Reserve Fund
- HO modules & Inter branch transactions
- PACS Non-financial Activities
- Scroll, Vouchers & Advice
- Balance Register ,Bill of Collection Reports

IMPLEMENTATION STATUS

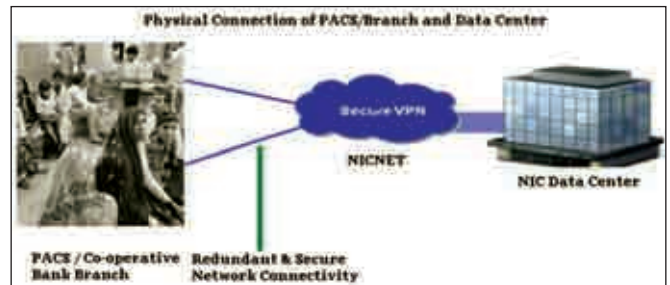
The CCBS is being implemented on pilot basis so far at following banks:

- Meghalaya SCB (two branches)
- Sikkim State Cooperative Bank (two branches)
- DCCBs in Uttrakhand (Dehradun-Astle Hall and Raipur branches, Nainital- Transport Nagar and Maldhanchor branches)
- Chhattisgarh District central cooperative Bank (Raipur DCCB)

- One PACS in Rajasthan (Hathoj) & two PACS in Orissa

THE FURTHER IMPLEMENTATION IS PLANNED AT:

- About 200 branches of DCCBs in Uttachand. Government Order already issued by Government of Uttrakhand



- 14 branches in of District Central cooperative Banks in Chatissgarh
- PACS under Rajiv Gandhi Sewa Kendras in Rajasthan
- 2528 PACSs in Orissa
- Kerala and Karnataka have also shown interest in CCBS implementation

WAY FORWARD

CCBS is steadily moving towards achieving success through multiple implementations at various Co-operative Banks. The solution has basic banking functionalities. However, to strengthen the product, a number of advanced modules like ATM integration, RTGS, NEFT, ECS, HRMS, Treasury, Social Sector Payments are being developed. Also, people need to be trained, promotion of the solution needs to be done so as to enhance the product's market value and hence result in more number of implementations.

For further information

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