
Centralised Banking Soloution

*Suman Kumar**

Absracts:

Banking scenario in India has totally changed during the last Decade. The pressure is on the bottom line, with a view to maintain hold on the existing customers and to have a competitive advantage over the contemporary pear Banks.

Introduction

At the instance of the then Chief Vigilance Commissioner Sh Vitthal, Banks were advised to go for Centralized Banking Operations. Some of the essential requirements of CBS were to computerize all the transactions within the bank at one place commonly known as **Data Centre**. The second aspect was to introduce a concept of one bank vis-à-vis one account across all the branches. This would require the bank to introduce CBS and set up Enterprise Wide Network thereby providing connectivity to implement CBS and other applications running in the Bank. To implement CBS the bank had to ensure following infrastructure as the basic input.

- 1) **Data Centre:** The DC should be capable to work 24*7 basis on all the 365 days of the year. DC would need Hardware, Operating System, Application Software and RDBMS. Banks which decided to go in for CBS had to work on these facts to proceed further
- 2) **Disaster Recovery Site:** To ensure safe custody of records on the computer networking and in the event of geographical disturbances, a parallel DC has to be set up. This is done in order to ensure uninterrupted normal functioning.
- 3) **Network Operating Centre:** Enterprise wide network has to be set up to implement CBS applications running in the Bank. In fact

Telecommunication link is the lifeline of CBS operations.

- 4) **Application Software:** There were number of Software companies having expertise to provide Banking Software e.g. Infosys, TCS, I-Flex.
- 5) **RDBMS:** For effective network on computer RDBMS is an integral part. ORACLE has been very common among the users.

Banks in India over the last decade had taken up the project of converting their manual operations into paperless working. In the beginning this exercise was undertaken by the Foreign Banks follows by the Private sector Banks such as ICICI, IDBI, AXIS, HDFC banks. When the competition was felt by the Govt Banks, Govt issued guidelines to implement CBS within a time frame.

To switch over from the old age system of manual working to computerized working culture, Govt Bank had the biggest problem of converting their Legacy into computer culture. This was certainly a Herculean task and RBI issued guidelines to introduce switch over in stages and steps so that normal

**Prof. Suman Kumar*
Faculty NDIM
suman-1947@indiatimes.com

functioning is not disrupted and conversion to CBS is smooth.

Among the Govt sector Banks PNB was the first to begin with introduction of CBS in the year 2000. This was followed by SBI which took up the exercise little later. This was because of the reason that SBI had 10,000 branches as compared to 4,000 branches across the country in PNB. PNB succeeded in implementing CBS by the end of 2005 for a majority of banking operations in about 2,500 branches. SBI also took up the exercise in a big way because of its multiplicity of banking operations including Govt Business and vast network of branches. This exercise was also followed by many other Govt Banks i.e BOB, BOI, OBC, UBI, UCO, IOB, Canara, Syndicate Banks to name a few.

Today almost all the Banks in the Govt sector, Pvt Sector, Co-operative sector as well as Foreign Banks provide CBS facility in a big way. This has given the Banks to do away with the Manual working and the banks have enjoyed the benefits of CBS not only to maintain books of accounts up-to-date eliminating unallied accounts, controlling frauds but also achieved error free banking operations with no time loss.

Here we have undertaken an exercise in PNB to know the facilities available in PNB after successful implementation of CBS. PNB was the first Bank to achieve this mission much ahead of the time schedule of total Computerization by the end of year 2007. SBI also achieved the distinction of CBS across the country in the year 2008. Many other Govt Sector Banks are in the process of achieving the implementation of CBS operations with in the Bank across the country. It is expected that by the end of the year 2010 Banking in India would be Computer savvy at par with international standards.

Listed below are various computerized facilities available to the public in general on computer network in PNB besides the normal banking services of Deposits, Advances and Remittances available to the public.

Centralised banking Solution(CBS): CBS is an inter-branch network of data-sharing platform helps you to operate your account from any city in India having CBS networked branches, changing your status from customer of the branch to customer of the Bank.

Online Tax Payment: CBS system provides the facility of online payment of service tax, excise duty, DGFT, direct tax, custom duty and all charges under MCA21.

Retail Online Services: Have an online access to your bank account transfer funds anytime, anywhere through Internet Banking/ATM/Master Card Money Send.

Online Shopping: This service facilitates the customer to book hotels, buy gifts, send flowers, buy books and lot of activities by making payments online.

NIR services: NRE, FCNR, RFC, NRO deposit accounts, investment management & housing loan facilities for NRI's, Internet banking facility & global deposit schemes with attractive incentives. TDS country wise in case of NRO accounts.

Foreign Exchange: Branches authorized for handling foreign exchange business and these branches have been provided with SWIFT connectivity to ensure faster realization of funds. This has helped the Exporters and Importers in India.

Cash Management Services: CMS facilities management of receivables and payments in technology driven environment, ensuring availability of funds at reduced cost, helping reconciliation at multi location accounts besides providing customized MIS.

Merchant Banking Services: Issue management, underwriters, debt syndication, banker to issue etc. at specialized capital market services branch.

Electronic Clearing Services (ECS) & National Electronic Fund Transfer (NEFT): Avail ECS for quick movement of funds in a paperless mode and NEFT to ensure an expeditious transfer of funds by using electronic media.

ATM's: 1800+ ATMs across India including mobile ATMs and biometric ATMs for customer friendly operations.

Online Railway Reservation: Say goodbye to long queues. This service in association with IRCTC offers you online booking and information through IRCTC payment gateway. Just click and travel comfortably.

Online Air Ticket Booking: This is a facility of online airline ticket booking of domestic as well as international airline.

Corporate Internet Banking: Online fund transfer, trade finance management, funds management ...global access with unmatched benefits through corporate internet banking operations.

Online Bill Payment: No more queues to pay the bills .Now pay your telephone, mobile, electricity, insurance and several other bills 24 hrs, 365 days from your desktop/ Bank's ATMs .

PNB Online Insta Remit –RTGS Service: Instant remittance by customer himself now made possible, from one bank to another bank at different centres on the same day with the help of online real time gross settlement (RTGS)/ National electronic fund transfer (NEFT) at modest charges.

Rupee Drawing Arrangements: Bank has made arrangements with various Exchange houses in Middle East & Singapore approved by RBI, which are drawing drafts/sending remittances under speed remittances in Indian Rupees.

NRI's & Tourists: Currency exchange services are being provided by the banks Exchange Bureau's LAB spread throughout the country.

Global Credit Card: A truly international Credit Card accepted in over 29 million merchant establishments & one million VISA ATM's world wide. The card can also be used in India at 3.5 lac merchant establishments and 30000 VISA ATMs.

Debit Card: Access the power of your money at over 30000 ATM's under shared networks like MITR, SBI, NFS, MasterCard, & Everest Bank and over 20 million shopping establishments worldwide.

Depository Services: Depository services provide the facility of having shares & securities in Demat form & executed transactions of sales & purchases hassle free electronically.

Express Service Kiosks: Deposit cheques at your convenience through this unique service & get details of various schemes of the Bank.

MITR: The friendly network of over 4500 shared ATMs of 7 commercial banks (PNB, OBC, UCO, KVB, Indian Bank, Indsind, and BOM). Customers can take advantage of this arrangement with just one ATM/ Debit card.

Gold Coin: An opportunity to dazzle your well wishers, patrons, partners and acquaintances with the mystical charisma on 999.9 fineness pure 24 carat gold coins and to convey the true value of your treasured relationships. Enjoy guarantee of purity & weight of hallmarked gold coins.

Mutual Funds: The bank has tied-up with Principal Financial Group for providing Mutual Funds & distribution & marketing of UTI Mutual Funds.

Online Donations: Donations can be made online for Shri Darbar Sahib, (Amritsar) & Shree Jagannath Temple, Puri.

Conclusion

In the time to come say by 2010 Banking in India would be at par with International standards adding facilities such as Mobile Banking, Data warehouse, Data Mining, CRM, SMS services etc. etc.