

J&K Co-operatives

Primary Agricultural Credit Society in Kashmir Improves Operations with Real Time Access to Critical Business Data

Case Study

The primary objective of the cooperative society is to provide financial support to the farming community at the village and block level. The farmers are the shareholders of the society. The Cooperative operates like any other credit Institution.

Situation

The Payeen Breng MPCS falls in Block Kokernag, the famed tourist resort in Anantnag District of South Kashmir. The Society was registered in the year 1956 with the main objective of extending credit facilities to its members. Presently its membership base stands at around 700. The Society has been doing excellent business in micro finance.

During the 1st three months of the current financial year (2007-08) the Society has made advances of Rs.50.20 lacs amongst 200 beneficiary members. Besides credit, the Society is also engaged in fertilizer and consumer business.

The rural population is generally good at their vocation and is weak in writing any report or documents. They generally depend on some others for such requirements. However, when they approach any financial institutions for any kind of a financial assistance, the financial organization expects the documentation. Due to non-availability of such assistance, the people turn to local moneylenders who exploit the situation. Another challenge these people face is safe keeping the documents. The documents could be land holding records, purchase agreements, and more such documents. As the documents are very important and establish the ownership of the assets, they need to be protected from any kind of natural disaster, fire, theft etc.

In a nutshell, the various problems that the society was facing were related to: -

- Reporting to various statutory authorities, as the data had to be presented in different formats and combination
- Generation of various internal control reports, application of interests
- Following various guidelines of the Government such as KYC norms, and NPA norms
- Writing of various books of accounts, tallying the values, generation of P&L and general ledgers
- Managing various schemes for loans and the deposit accounts
- Execution of various standing instruction

There was a need to implement a solution that would address all these problems along with the computational needs of the Primary Agricultural Cooperative Society.

“The new solution by way of using state of art computer technology has resulted in operational efficiency in micro-credit business of this village level Primary Cooperative Institution.”

Dr. G.N. Qasba

Registrar, J&K on behalf of Payeen Breng, Multipurpose Cooperative Society Ltd.

Solution

Payeen Breng considered various technologies including Oracle, Java, and FoxPro. However, the Co-operative society decided to go with the solution provided by Nelito Systems Limited, a Microsoft Gold Certified Partner.

Nelito Systems offered, MFin a banking application software with a specific tuning to the PACS operations. The solution met all the immediate objectives of Payeen Breng.

Dr. G.N. Qasba, Registrar, Co-Operative Societies, J&K on behalf of Payeen Breng says, “The MFin solution has provided us with increase in the satisfaction level of the members due to improved services resulting in increase in volume of business.” During the financial year 2006-07, the micro-credit business was just Rs 35 lacs for the entire year and for the first four months of the current financial year 2007-08, its micro credit loaning has touched Rs 50.20 lacs. This is the "record business" for this Institution, in the last fifty years.



Solution Overview

Company

J&K on behalf of Payeen Breng, Multipurpose Cooperative Society Ltd

Industry

Micro-credit

Industry Size

Small

Customer Profile

The Payeen Breng Multipurpose Cooperative Society Ltd. is a Primary Agricultural Cooperative Society (PAC) established under the Jammu and Kashmir Cooperative Societies Act.

Business Situation

Payeen Breng needed to create a technology infrastructure that would allow it to compete in the new aggressive credit / banking needs of its members

Solution

Payeen Breng implemented MFin banking application software from Nelito Systems, a Microsoft® Gold Certified Partner, built on Microsoft SQL Server 2005 and Microsoft .NET Framework 3.0.

Benefits

- Real-time access to critical business information

MFin has been developed using the latest technologies from the Microsoft stable. The software development platform is Microsoft .NET Framework 3.0, Visual Basic 2005 with Microsoft SQL Server 2005 database.

"The new solution by way of using state of art computer technology has resulted in operational efficiency in micro-credit business of this village level Primary Cooperative Institution," says Dr. G.N. Qasba, Registrar, Co-Operative Societies, J&K on behalf of Payeen Breng, Multipurpose Cooperative Society Ltd. "Also, at the same time it has remained within the boundaries of its culture and traditions, so dear to the people of Payeen Breng (Kokernag, Kashmir)." It's amazing to see local girls working in their traditional and informal dress, using the modern IT tools. Besides, this Institution is not using any furniture like chairs or computer tables while working on modern computer equipment, they work in the sit-in posture, on the traditional hand made "Namdas", a locally made mat, "a sort of a carpet."

MFin is GUI based with modular approach in design and Unicode implementation. It is available in majority of Indian languages such as Hindi, Marathi, Kannada, Malayalam, Tamil, Telugu, Gujarati, Punjabi and Bengali apart from English.

MFin can be implemented on SQL Express - Free SQL database. Free SQL is a full fledged SQL database, with the limitation on the data size. The maximum data size is 4 GB.

MFin is fully parametric to tune the functional needs, and to handle the dynamic changes, which are quite common in the banking industry.

The modules of MFin are divided into two distinct groups. The first group supports business related operations such as accounting, reporting, and consolidation of accounts. The second group addresses the services, which can be provided to the rural population, which will enhance the rural population's conveniences.

"MFin has addressed all the computational needs of the cooperative society," says Dr. G.N. Qasba, Registrar, Co-Operative Societies, J&K. "This has increased our efficiency thereby increasing output and reducing operational costs."

Microsoft SQL Server 2005 was chosen because it advances data infrastructure in three key areas: it makes your enterprise data more manageable, your developers more productive, and your business intelligence (BI) more comprehensive. Strength of SQL Server 2005 is that it provides an integrated database management and analysis solution.

The use of .NET has helped reduce the development time due to its powerful features. The developer's job is made easy with the features like background compilation, automatic formatting of code, powerful intelligence, rich library support, object oriented concepts, Unicode support, and new controls like data grid view, menu strip etc.

The system was designed after studying the requirements of various PACS all over India. The software was further customized as per the requirement of this bank.

It took approximately around 45 days to implement and another 45 days for parallel run. The quarterly closing values were matched with the manual operations before the manual systems were discontinued permanently.

The new solution is implemented at Block Kokernag, Anantnag District, 50 Km from Srinagar, the capital Jammu and Kashmir. All the relevant modules were implemented including customer information, loan, deposits, and general ledger. "We have also provided the SMS interface for the company's customer to inquire about their accounts on mobile," adds Dr. G.N. Qasba, Registrar, Co-Operative Societies, J&K on behalf of Payeen Breng, Multipurpose Cooperative Society Ltd. "MFin is a comprehensive product, which addresses all the needs of the PACS."

Benefits

Since the implementation of MFin, the PAC is running efficiently without any manual ledger work.

Real-time Access to Critical Business Information

With the new IT infrastructure in place, updated data is now available online to the society management, to facilitate timely decision making for fund placements. "The use of Microsoft technologies and MFin has provided us with access to updated, accurate, information, in an appropriate format, and on a real-time basis," says Dr. G.N. Qasba, Registrar, Co-Operative Societies, J&K on behalf of Payeen Breng, Multipurpose Cooperative Society Ltd.

- Improved customer service
- Improved operational efficiency

Software and Services

- Windows Server System
- Microsoft SQL server 2005
- Developer Tools

Hardware

- Intel Pentium 4Server, 1 gigabyte (GB) RAM, 80 GB hard disk drive

Partner

Nelito Systems Limited

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Improved Customer Service

"Our main priority is to improve the value we provide to our customers," comments Dr. G.N. Qasba, Registrar, Co-Operative Societies, J&K on behalf of Payeen Breng, Multipurpose Cooperative Society Ltd. "The MFin solution is a primary tool, which helps us serve our customers better and faster."

MFin has enhanced the services provided to all customers. "We are now able to handle customer transactions, respond to customer queries and provide information far more efficiently," says Dr. G.N. Qasba.

Improved Operational Efficiency

The major benefit the society has derived is the reduction in time taken to calculate interest. "The manual interest calculation and application, usually used to take couple of weeks, says Dr. G.N. Qasba. "This activity has now reduced to few hours."

The business closing at the year end again used to take few weeks and thus the company was not in position to finalize the balance sheet for at least two months from the date of closing. Now, it is achieved within one week of the closing.

This Primary Cooperative Society has been now allowed to accept deposits from its members by the Registrar, Cooperatives, Jammu & Kashmir (India) from the current financial year 2007-08.

About Nelito Systems Limited

Nelito Systems Limited, an ISO 9001:2000 company for design, development & implementation of IT Solutions is a part of TATA GROUP of Companies. The company was formed in 1995 on the strong fundamentals of TATA Group.

Nelito has been developing software solutions and products for the banking industry for the last eight years. It is a leading systems integrator in this segment, having executed more than 1,000 turnkey projects.

Microsoft .NET

Microsoft .NET is software that connects people, information, systems, and devices through the use of Web services. Web services are a combination of protocols that enable computers to work together by exchanging messages. Web services are based on the standard protocols of XML, SOAP, and WSDL, which allow them to interoperate across platforms and programming languages.

.NET is integrated across Microsoft products and services, providing the ability to quickly build, deploy, manage, and use connected, secure solutions with Web services. These solutions provide agile business integration and the promise of information anytime, anywhere, on any device.

For more information about Microsoft .NET and Web services, please visit these Web sites: - www.microsoft.com/net or msdn.microsoft.com/webservices

For more information about Microsoft products and services, call the Microsoft Sales Information Center at (800) 426-9400. In Canada, call the Microsoft Canada Information Centre at (877) 568-2495. Customers who are deaf or hard-of-hearing can reach Microsoft text telephone (TTY/TDD) services at (800) 892-5234 in the United States or (905) 568-9641 in Canada. Outside the 50 United States and Canada, please contact your local Microsoft subsidiary. To access information using the World Wide Web, go to: www.microsoft.com

For more information about Nelito Systems Limited products and services, call 91-022-27782646/67120129 or visit the Web site at: www.nelito.com

For more information about The Payeen Breng, Multipurpose Cooperative Society Ltd. products and services, call (91) 94195 87567.

(Published at <http://www.microsoft.com/india/CustomerEvidence/details.aspx?casestudyid=391&type=C>)

