



Ref. No.NB.HO.SPPID/ 31916 /SPPID-28/2024-25

**Circular No. 155/SPPID -02/2024**

09 August 2024

**The Chairman/Managing Director/Chief Executive Officer  
Participating Rural Co-operative Banks on NABARD CBS project**

Madam/ Dear Sir

**Implementation of CBS in Rural Cooperative Banks: Modified Governance Mechanism**

1. Please refer to NABARD's circular No.61 / DCBS-03 / 2012 (Ref. No. NB.DCBS/62/CBS-36/2011-12) dated 21 March 2012 advising the setting up of a Governance Mechanism to guide and monitor the implementation of the CBS project in identified Rural Co-operative Banks (RCBs).
2. In this regard, it may be recalled that NABARD had facilitated the on-boarding of select RCBs on the CBS platform in 2012 and the banks themselves had taken the initiative to renew the said arrangements in 2017.
3. Considering the imperative for upgrading to higher versions of the respective CBS platforms, viz., from DotNet to Java in respect of the TCS cloud and from 7.x to 10.2.25 version for Finacle cloud, NABARD again took the lead in facilitating the process when the contracts came up for renewal in 2023.
4. To make the process more inclusive, and aligning with the best principles of co-operation, two independent Negotiation Committees (comprising representatives of the participating banks in the respective clouds) were then constituted, with NABARD also facilitating interactions of these Committees, both amongst banks as also with the vendor/s, to finalize, *inter alia*, the rates for renewal of the arrangements. Subsequently, we have, jointly, concluded the negotiations and executed agreements for all banks under the TCS cloud, and the exercise is nearing completion with the newly on-boarded vendor in respect of banks on the Finacle cloud.

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**National Bank for Agriculture and Rural Development**

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5. Further, as a new SI, viz., M/s Dynacons, has been on-boarded for the Finacle Cloud, NABARD also facilitated a working arrangement for smooth transition of the responsibilities by the existing vendor, viz., Wipro, which will culminate in full and seamless hand-over by December 2025.
6. All these would call for time-bound action to be ensured by all the stakeholders involved, including the banks and the vendor/s. To enable this, the Governance Mechanism in place in terms of the circular referred above has been reviewed and a modified Governance Mechanism has been finalized and attached as Annexure I to this Circular, which is expected to more fully address the emerging requirements of all the stakeholders involved in the project.
7. Further, in the modified mechanism, the State Level Project Monitoring Committee continues to be a very critical and important forum, both from an information-sharing and an issue-resolution perspective. To facilitate ROs in having meaningful deliberations in the SLPMCs, broad guidelines have been formulated and the same is attached as Annexure II.
8. A structured reporting framework has also been envisaged to ensure that the decisions taken are followed up and implemented in right earnest. The same is attached as Annexure III (SLPMC Monitoring Format) and Annexure IV (Details of BLPMC Meetings held).
9. It is advised that necessary steps may be taken by all concerned to ensure that the said Governance Mechanism (Annexure I and II) and the reporting framework (Annexure III and IV) envisaged thereunder, is put in place, effective from the date of issuance of this circular.
10. These instructions supersede those indicated in our circular referred to in para 1 above.

Kindly acknowledge.

Manikumar S  
Chief General Manager

**Encl:**

1. Annexure I: Governance Mechanism Framework
2. Annexure II: Broad Guidelines on Conducting the SLPMC Meetings
3. Annexure III: Format of reporting to SPPID HO after conduct of SLPMC Meeting
4. Annexure IV: Details of BLPMC Meetings held



## Annexure – I

### Governance Mechanism Framework for CBS Project

The Governance Structure will have three tiers viz., district level, state level and national level. The details of each level of governance structure are explained below.

Governance Structure	Bank Level	State Level	National Level
<b>Name of the Committee</b>	<b>Bank Level</b> CBS Project Management Committee (BLPMC)	<b>State Level</b> CBS Project Management Committee (SLPMC)	<b>National Level</b> CBS Project Management Committee (NLPMC).
<b>Function</b>	BLPMC would monitor all aspects of implementation and progress of the project and take necessary corrective action wherever necessary.	SLPMC would monitor the overall progress of the project in the state and sort out issues relating to project implementation which have been scaled up from the district level.	NLPMC would be reviewing the project at the macro level and the progress of the project would be reported by the two vendors on a state-wise basis as well as the overall progress of the project, areas of concern, and corrective actions, if any, needed.
<b>Members</b>	<ul style="list-style-type: none"> <li>Chairman/MD/CEO of the DCCB/StCB concerned (<i>Chairman</i>)</li> <li>ASP Project Manager</li> <li>1/2 persons from the Bank (special invitee)</li> <li>DDM (for DCCBs) / Nodal Officer from NABARD (for StCB) (special invitee)</li> <li>Project Manager: IT Nodal Officer of DCCB / StCB concerned (<i>Member-Secretary</i>)</li> </ul>	<ul style="list-style-type: none"> <li>Chairman/MD/CEO of StCB (<i>Chairman</i>)</li> <li>NABARD RO-in-Charge (or representative)</li> <li>Chairman/MD/CEO of participating CCBs</li> <li>ASP Project Manager</li> <li>Nodal Officer from NABARD RO</li> <li>Project Manager: IT Nodal Officer of StCB (<i>Member-Secretary</i>)</li> <li>Special Invitee* from NABARD HO</li> </ul> <p>*would attend meetings, on need basis</p>	<ul style="list-style-type: none"> <li>CGM, SPPID, NABARD HO (<i>Chairman</i>)</li> <li>CGM, NABARD ROs (participating in the project)</li> <li>MD/CEO of all StCBs (participating in the project)</li> <li>ASP Project Sponsor / ASP Project Manager</li> <li>ASP Project Director</li> <li>GM/DGM, NABARD SPPID, HO (<i>Member Secretary</i>)</li> </ul>
<b>Frequency</b>	Fortnightly	Monthly	Half-yearly (or as decided by NABARD)
<b>Day of the</b>	BLPMC meeting would be	SLPMC meeting would be	NLPMC meeting would



Governance Structure	Bank Level	State Level	National Level
<b>Meeting</b>	held on the <u>1<sup>st</sup> and 3<sup>rd</sup> Fridays of the month</u> . If that turns out to be a holiday, the same would be held on the <b>previous</b> working day.	held on the <u>2<sup>nd</sup> Friday of every month</u> . If that turns out to be a holiday, the same would be held on the <b>previous</b> working day.	be held <u>in the 2<sup>nd</sup> and 4<sup>th</sup> quarter of the FY</u> .
<b>Member Secretary</b>	Project Manager: IT Nodal Officer concerned at StCB/DCCBs	Project Manager: IT Nodal Officer concerned at StCB/DCCB	GM/DGM, NABARD, SPPID, HO
<b>Convenor</b>	DCCBs/ StCB concerned will be the Convenor.	StCB will be the Convenor.  The State where StCB is not part of the NABARD facilitated project, the SLPMC meetings will be convened by the DCCB nominated with the consensus of all DCCBs in the project / by the DCCB nominated by NABARD RO. In that case, GM, DFIBT of the RO concerned would be the Chairman of SLPMC. In such a case, StCB will be a special invitee.	StCB of the State, in which the meeting is convened, will be the Convenor.  The meeting would be held in each of the implementing State on a rotation basis.

**Notes:**

1. The Chairman of the above Committees or NABARD will have the discretion to invite any person as Special Invitee.
2. The two Implementation Committees formed earlier shall stand subsumed into the State Level CBS Project Monitoring Committee (SLPMC). Henceforth, all functions performed by these committees, except Change Requests (CRs), shall be discharged by the SLPMC.
3. Change Requests will be deliberated and decided upon by the duly constituted Negotiating Committees for TCS and Finacle Clouds, respectively.



## Annexure II

### **Broad Guidelines on Conducting the State Level Project Monitoring Committee (SLPMC) Meetings**

1. The State Level Project Monitoring Committee (SLPMC) meetings will be conducted on monthly basis.
2. The SLPMC meetings will be convened by the State Cooperative Bank (StCB) of the State with the participation of members as indicated in Annexure I.
3. The states where State Cooperative Bank (StCB) is not part of the NABARD facilitated project, the SLPMC meetings will be convened either by the DCCB nominated with the consensus of all DCCBs in the project or by the DCCB nominated by NABARD RO.
4. The IT Nodal Officer of the Convenor Bank as at Sr. No. 3 above will be the **Member Secretary** of the Committee.
5. The StCB / DCCBs concerned will decide the date of the meeting in consultation with NABARD, RO. The date of the meeting will be conveyed by the StCB / DCCB concerned to all members well in advance (at least a week) to enable them to plan for attending the meeting.
6. Before conduct of the meeting, the IT Nodal Officer of the Convenor Bank / Member Secretary will call for the operational issues in CBS implementation from all the Banks, consolidate the same, prepare the Agenda and forward the same amongst the members of the SLPMC.
7. The venue of the meeting will be Head office of the Convenor Bank concerned or any other venue mutually agreed upon by the Convenor Bank and NABARD, RO.
8. The IT Nodal Officer of the Convenor Bank / Member Secretary will present the agenda items in the SLPMC meeting and seek the response from the ASP for resolution of issues.
9. The IT Nodal Officer of the Convenor Bank / Member Secretary may maintain a close coordination with the Nodal Officer of NABARD RO during the entire project implementation.
10. The ASP Project Manager has to be present in person during the SLPMC meeting along with the issue-wise resolutions and the specific timelines.
11. It may be ensured that all the members of the SLPMC actively participate in the discussions.
12. The proceedings of the SLPMC meeting will be prepared by the IT Nodal Officer of the Convenor Bank / Member Secretary and send to all the members of the SLPMC for necessary action. This may be done within a week from the date of conduct of the meeting.
13. The CGM/OIC and GM/DGM, DFIBT of the Regional Office may ensure that the SLPMC meetings are conducted on regular basis and a report regarding the same is sent to SPPID, HO as per the format attached in Annexure II.



### Annexure III

#### Format for Report to be sent to SPPID HO after conduct of SLPMC Meeting

<b>Name of the RO:</b> _____					
<b>Date of Meeting:</b> _____					
<b>Venue of the Meeting:</b> _____					
<b>PART - A</b>					
<b>Agenda of the Meeting</b>					
<b>Sl No</b>	<b>Agenda</b>				<b>Remarks</b>
<b>1</b>					
<b>2</b>					
<b>3</b>					
<b>PART - B</b>					
<b>Issues Discussed during the Meeting</b>					
<b>Sl No</b>	<b>Issue Details</b>	<b>Resolution Proposed</b>	<b>To be taken up by (Name)</b>	<b>Date by which Issue will be resolved</b>	<b>Remarks</b>
<b>1</b>					
<b>2</b>					
<b>3</b>					
<b>PART - C</b>					
<b>List of Participants</b>					
<b>Sl No</b>	<b>Name</b>	<b>Designation</b>	<b>Organization</b>	<b>Email-Id</b>	<b>Mobile No</b>
<b>1</b>					
<b>2</b>					



## Annexure IV

### Details of BLPMC Meetings held to be sent to SPPID HO & NABARD RO after conduct of BLPMC Meeting

Name of the RO: \_\_\_\_\_

Date of Meeting: \_\_\_\_\_

Venue of the Meeting: \_\_\_\_\_

Sr. No.	Name of the Bank	Date of Meeting	Whether ASP Representative Present? (Yes/No)	Major Issues Flagged	Action proposed

**Note: The above details may be consolidated by the IT Nodal Officer concerned at StCB/DCCB (who is the Member Secretary of the BLPMC) to NABARD, RO on monthly basis.**