



## **CASE STUDY – CANARA BANK**

### ***Implementation of Image-Based Cheque Clearance for One of the Largest Nationalized Bank in India***

*The client is India's leading nationalized bank, Canara Bank. It has a wide range of product offerings in every business. The requirement included alignment of the process as per the central bank specifications and document management for better maintenance of the cheques. Also, the solution required to seamlessly integrate with existing core banking system. The company knew, it needed a better solution. Canara Bank turned to SoftAge, the trusted Process partner, Softage's Document Management Services as the solution.*

# **CASE STUDY – CANARA BANK IMPLEMENTATION OF IMAGE-BASED CHEQUE CLEARANCE FOR ONE OF THE LARGEST NATIONALIZED BANK IN INDIA**

## **OVERVIEW**

Founded in 1906, the Client, Canara Bank, one of the India's most reputed bank with the total business assets of Rs. 5,06,440 crore as on March 2011 making it as largest nationalized banks in India. The bank offers a range of financial services and banking products to its retail as well as corporate customers through different delivery channels. The Bank has Strong brand equity in the dynamic and highly competitive in Indian Market place, and has pioneered many innovative products and services. It has wide range of products offerings in every business segment. As at June 2010, the Bank has further expanded its domestic presence, with 3057 branches spread across all geographical segments.

## **THE CHALLENGE**

- Under the existing process, the bank used to send and receive the cheques manually. A cheque took up to 3 working days for clearance. The bank was using old system

for processing of cheques. Data on the cheques used be entered through old interface and sent for storage and archival. The physical cheque flow processes were time consuming and also lead to huge expenses incurred in archival, storage and transportation.

- The mandate from the central bank - Reserve Bank of India (RBI) obligating all the banks to implement an image based, electronic cheque clearance solution, resulted in the client seeking a proven, best-of breed, and image-based cheque clearance system. The bank has to move to a robust and scalable solution
- In order to overcome this challenge, the bank was looking for centralization and automation of the cheque clearing process. This would result in the implementation of the bank specific processes. This would also lead to optimal utilization of the resources resulting in better customer service with lower turnaround time (TAT).
- The requirements included alignment of the process as per the central bank specifications and document management for better maintenance of the cheques.
- The solution also needed to seamlessly integrate with existing core banking system and other applications, so that the bank faced no extra IT infrastructure costs burden.
- In addition, formulation of electronic cheque clearance policies by the Central Bank was undergoing regular changes.
- Yet another challenge was the short implementation time. The bank needed to be the first amongst the member banks in implementing this new technology.

## **THE SOLUTION**

The bank deployed Softage Document Management solution and manpower for facilitating automated processing of corporate and retail transactions. The solution enabled the high-speed scanning of various Banking instruments

Softage support would enable Straight through processing, thereby speeding the cheque clearing cycle. The cheque images would seamlessly flow from the branches to the head office to the central bank and back.

The in-built workflow would handle mapping cheques to the respective banks, routing

cheques for approval, signature verification, etc. Using the public key infrastructure (PKI) technology, the solution provides secure data exchange and non-repudiation of information

The solution has been implemented for Outward clearing, Inward clearing, for, On-Us clearing

## THE BENEFITS

The solution, once live, would offer following benefits:

- Shortened time for cheque clearing cycle
- cost associated with physical transportation and storage of cheques was slashed drastically
- Highly scalable solution
- Efficient storage and instant Retrieval of cheque images
- The chances of loss of sensitive customer data during the transit were reduced to negligible.
- Meeting Compliance Requirements
- High customer satisfaction due to reduced turnaround time

## ABOUT SOFTAGE

Central to all work in document processing is SoftAge's unique document management process. It is a highly efficient process that operates on the document data flow right from the point-of-collection to the warehouse, including verification, audit, scanning, data entry, data storage. It is a process custom-designed for each client. The process is frame worked and evolves over time in such a way that increases efficiency, security and reduced costs. SoftAge expertise lies in the ability to create such processes to handle gigantic number of documents and have over 15 years of experience in creating and handling such processes.

Thus, this is our USP. Given any custom requirement of any client, we can create highly efficient, scalable and secure processes with a not very high cost. To back this up, we have a large team of experienced, motivated and hard-working employees who successfully carry out the algorithm of the process.

"SoftAge solution has enabled the bank to become compliant as per the Central Bank's mandate for the cheque clearance process. It has allowed the bank to achieve lower operational costs, faster TAT by processing large numbers) of inward and outward cheques. The SoftAge solution not only provides a holistic view of the business but also supports the audit and compliance features"

Fahmida Ozair  
Director  
Softage

Fahmida Ozair  
Director  
SoftAge Information Technology Limited.,  
28A/10 Jia Sarai Hauz Khas  
New Delhi 110016,  
India  
01126523813  
[www.softageindia.com](http://www.softageindia.com)

