



Ref No. NB.DFIBT/ 1119-1579 / CBS-36/ 2016-17
25 April 2016

Circular No. 78 / DFIBT- 08 / 2016

The Chairman/CEO
All Scheduled Commercial Banks/
Regional Rural banks/
State Cooperative Banks/DCCBs (LWE Districts)

Dear Sir,

**Support from FIF for setting up of solar powered V-SAT connectivity-
Expansion of banking network in the most affected LWE districts**

Expansion of banking network in Left Wing Extremism (LWE) affected districts is critical for the empowerment of people in those areas. No/erratic connectivity is a major deterrent for the banks to open new branches in LWE districts. With a view to expand the banking network in LWE affected districts, it has been decided to provide V-SAT connectivity support for new branches opening in the 150 identified districts (list enclosed) from Financial Inclusion Fund.

A. Eligible components:

One time support for the purchase and installation of a solar powered V-SAT at the branch.

Components eligible for support under one time support are as follows:

(i)

- V-SAT + Solar System+ Battery + Stand + Freight
- Installation and Commissioning
- Earthing Pit
- Lightening Arrestor for Solar Panel
- Caging cost for V-SAT and Solar Panels on the ground

(ii) The recurring charges in this project will be connectivity charges @ 128 kbps.

Capacity	Cost (Rs)
128 kbps	50% of actual expenditure with a maximum limit of ₹ 45,000/- per annum

राष्ट्रीय कृषि और ग्रामीण विकास बैंक

National Bank for Agriculture and Rural Development

वित्तीय समावेशन और बैंकिंग प्रौद्योगिकी विभाग

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B. Scope of Support

One-time capital expenditure support of ₹ 4.00 lakh and connectivity support of 50% of expenditure incurred subject to a limit of ₹ 45,000/- per annum for 05 years, will be available for a branch in LWE affected 'unbanked' villages.

Only seven branches from each identified districts will be supported under this scheme. A first-come-first-serve policy will be adopted while processing the applications.

Banks can avail support in two models enumerated below:

Model 1: (LWE districts- CAPEX and Connectivity cost) for 5 years

SN	Particulars	Details	Time period
1	CAPEX support	₹ 4.00 lakh	One-time support
2	Support for connectivity cost for 5 years	₹ 2.25 lakh (50% of actual, maximum of Rs. 45,000 p.a.)	For 5 years
3	Total (CAPEX + OPEX)	₹ 4.00 lakh + Rs.2.25 lakh = ₹ 6.25 lakh	
The CAPEX will be a one-time cost and the connectivity cost will be reimbursed @a maximum of ₹45,000/- per year for a period of 5 years.			

Model 2: (LWE districts- OPEX cost) for 5 years

Per site cost will be as indicated below:

SN	Particulars	Details	Time period
1	OPEX Support	₹ 1,25,000/- per year	for 5 years
	Total support for 5 years	₹ 6,25,000/-	
The reimbursement can be claimed annually upto a maximum of ₹ 1,25,000/- for 5 years			

Banks which do not intend to own the V-SAT connectivity and wish to make monthly payment for the services may adopt this model.

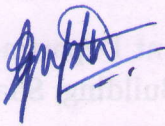
The banks may approach NABARD Regional Office with the locations (**unbanked villages** identified to open new branches in LWE district) and cost estimates for an in-principle approval. In case the Bank has identified locations in more than one state then the proposal may be forwarded to Department of Financial Inclusion and Banking Technology, NABARD, Head Office, Mumbai. In both the cases the proposal should be

routed through SLBC / have the approval of SLBC as SLBC is aware of the location of branches across the state.

C. Duration of Support

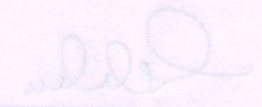
The support under the captioned scheme will be available for banks till 31 March 2017.

Yours faithfully,



(Subrata Gupta)
Chief General Manager

Encl: as above


(Gentian Sen)
Deputy General Manager