



Ref No. NB. HO-DFIBT/1815-2254/ DFIBT-67/2024-25

Circular No.97/DFIBT-02/2024

17 May 2024

The Chairman/Managing Director/Chief Executive Officer

All Scheduled Commercial Banks /Regional Rural Banks/State Cooperative Banks/District Central Cooperative Banks

Madam/ Dear Sir,

Support under Financial Inclusion Fund (FIF) for Rural Connectivity- HTS-VSAT, Dual LTE and SD WAN technologies

1. Background

Connectivity plays a critical role in enhancing the accessibility, efficiency and reach of financial services. Lack of connectivity or erratic connectivity is a major deterrent for banks to operate smoothly in remote areas. It helps financial institutions to extend financial services in hitherto underserved areas. In modern banking, connectivity is a must have for enabling digital/online banking, for making mobile payments and for supporting financial inclusion. Connectivity acts as a catalyst for innovation, inclusion and efficiency in financial services reshaping the way people access financial products and services.

1.2 With recent innovations in connectivity along with increased digitization of the banking operations, a stable connectivity with enhanced bandwidth is imperative in providing financial services to the last mile. The present banking operations require high speed network connectivity for seamless operation.

1.3 NABARD has been providing support under FIF to improve the connectivity in the form of CAPEX support for both solar and non-solar powered VSATs in the network grey areas. As per the FIF policy issued vide circular no.8697-8705/DFIBT-23/2016-17 dated 16 October 2016, the VSAT being supported was based on wide beam based

राष्ट्रीय कृषि और ग्रामीण विकास बैंक
National Bank for Agriculture and Rural Development

वित्तीय समावेशन और बैंकिंग प्रौद्योगिकी विभाग

प्लॉट क्र सी-24, 'जी' ब्लॉक, बान्द्रा-कुर्ला कॉम्प्लेक्स, बां (पूर्व), मुंबई - 400 051. टेली: +91 22 2653 0024 • फ़ैक्स: +91 22

2653 0150 • ई मेल: dfibt@nabard.org

Department of Financial Inclusion and Banking Technology

Plot No. C-24, 'G' Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 • Tel.: +91 22 2653 0024 • Fax: +91 22 2653 0150 • E-mail: dfibt@nabard.org



communication system. Keeping in view its limitations, it has been decided to introduce HTS based VSAT communication system as an improvement.

2. High Throughput Satellite(HTS)- VSAT Advantages

- **Enhanced Bandwidth:** With a larger number of spot beams, HTS systems provide increased bandwidth capacity, allowing for simultaneous data communication across multiple users
- **Higher Throughput:** HTS VSAT systems offer significantly higher data throughput capabilities, enabling faster and more efficient data transmission for various applications.
- **Improved Efficiency:** The higher capacity of HTS VSAT reduces the contention ratio, ensuring more consistent and reliable performance even during peak usage times.
- **Lower Latency:** HTS satellites are often in medium Earth orbits, resulting in lower latency compared to traditional geostationary VSAT systems, which is crucial for real-time applications.
- **Broader Coverage:** HTS systems can cover wider geographical areas, making them suitable for connecting remote and underserved regions that might not have been feasible with traditional VSAT.

3. Details of the Scheme

3.1 Objective: The objective of the scheme is to enhance network connectivity in remote or underserved areas, promoting greater financial inclusion by extending grant assistance on a reimbursement basis for expenses incurred for deployment of HTS-VSAT, Dual LTE and SD WAN technologies, in a combo or item wise as per the need.

3.2 Eligible Institutions

3.2.1 For new units

All the banks are eligible for support for installation of HTS VSAT/HTS VSAT in combination with SD WAN or Dual LTE in the North Eastern Region, hilly states/UTs (viz., Himachal Pradesh, Uttarakhand, UTs of Ladakh and Jammu &

राष्ट्रीय कृषि और ग्रामीण विकास बैंक National Bank for Agriculture and Rural Development

वित्तीय समावेशन और बैंकिंग प्रौद्योगिकी विभाग

प्लॉट क्र सी-24, 'जी' ब्लॉक, बान्द्रा-कुर्ला कॉम्प्लेक्स, बां (पूर्व), मुंबई - 400 051. टेली: +91 22 2653 0024 • फ़ैक्स: +91 22

2653 0150 • ई मेल: dfibt@nabard.org

Department of Financial Inclusion and Banking Technology

Plot No. C-24, 'G' Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 • Tel.: +91 22 2653 0024 • Fax: +91 22 2653 0150 • E-mail: dfibt@nabard.org



Kashmir) and tier 5/tier 6 centres across rest of the country where connectivity is erratic and no support under FIF has been availed for VSAT earlier.

3.2.2 Replacement of existing VSAT

Rural Cooperative Banks(State Cooperative Banks & District Central Cooperative Banks) and Regional Rural Banks can switch to HTS-VSAT from already installed wide beam based VSAT, where the devices installed earlier are non-functional.

3.2.3 RCBs and RRBs will be allowed to avail support for SD WAN or DUAL LTE exclusive of HTS VSAT .

3.3 Extent of Support

The extent of support for each technology is indicated below:

Model	Technology	Support under FIF	Eligible Component
I	HTS-VSAT in a combo with SD-WAN/Dual LTE	₹ 3,00,000 or 90% of the cost incurred whichever is lower	CAPEX+ OPEX
II	HTS VSAT only	₹ 2,65,500 or 90% of the cost incurred whichever is lower	CAPEX+ OPEX
III	4G Dual LTE only	₹ 34,500 or 90% of the cost incurred whichever is lower	OPEX
IV	SD WAN only	₹ 34,500 or 90% of the cost incurred whichever is lower	CAPEX

Note –

- i) The bandwidth availability should be “upto 2 Mbps burst and above” in all cases.
- ii) Bank can opt for support only in one model for one branch from Model no. I, II, III and IV as indicated in the above table.
- iii) Initial set up costs for earthing pit and caging, etc. can be included as part of capital expenditure for HTS-VSAT.
- iv) OPEX support is valid for one year only.

राष्ट्रीय कृषि और ग्रामीण विकास बैंक National Bank for Agriculture and Rural Development

वित्तीय समावेशन और बैंकिंग प्रौद्योगिकी विभाग

प्लॉट क्र सी-24, 'जी' ब्लॉक, बांद्रा-कुर्ला कॉम्प्लेक्स, बां (पूर्व), मुंबई - 400 051. टेली: +91 22 2653 0024 • फ़ैक्स: +91 22

2653 0150 • ई मेल: dfibt@nabard.org

Department of Financial Inclusion and Banking Technology

Plot No. C-24, 'G' Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 • Tel.: +91 22 2653 0024 • Fax: +91 22 2653 0150 • E-mail: dfibt@nabard.org



3.4 Operative period : The scheme would be operational for a period of three years w.e.f. 01 April 2024 till 31 March 2027.

3.5 Sanctioning and claim procedure

- a) Banks have to submit proposal to respective NABARD, Regional office as per Annexure I (**Annexure I-A-** list of branches where they are willing to install HTS VSAT/HTS VSAT in combination with SD WAN or Dual LTE and **Annexure I-B-** Details of the products for which support is sought)
- b) Banks have to give undertaking in prescribed format (**Annexure I B**) duly certified by their technical officer that the branch where support for connectivity is being sought, has poor network connectivity and proper 4G and fibre connection is not present in the area.
- c) NABARD, Regional office will give in-principle approval for HTS VSAT connectivity in areas having no/low connectivity as reported by the banks seeking assistance.
- d) NABARD DDM/ RO officials may visit the branches on sample basis to review the progress of the project.
- e) Banks to submit the claim and Project Completion Report (PCR) as per Annexure II and Annexure III respectively.
- f) All the bills/ receipts may be preserved by the banks for any future requirement relating to audit and inspection.
- g) **Release of grant:** The release will be on reimbursement basis. The claim can be submitted by bank to respective regional offices of NABARD. The support for the one-time cost can be submitted by the bank after setting up of the unit/system.

Yours faithfully,

राष्ट्रीय कृषि और ग्रामीण विकास बैंक
National Bank for Agriculture and Rural Development

वित्तीय समावेशन और बैंकिंग प्रौद्योगिकी विभाग

प्लॉट क्र सी-24, 'जी' ब्लॉक, बांद्रा-कुर्ला कॉम्प्लेक्स, बां (पूर्व), मुंबई - 400 051. टेली: +91 22 2653 0024 • फ़ैक्स: +91 22

2653 0150 • ई मेल: dfibt@nabard.org

Department of Financial Inclusion and Banking Technology

Plot No. C-24, 'G' Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 • Tel.: +91 22 2653 0024 • Fax: +91 22 2653 0150 • E-mail: dfibt@nabard.org

PROPOSAL FORMAT**(On the Letter Head of the Bank)**

The Chief General Manager
NABARD
_____ Regional Office

Madam/Dear Sir,

Support under Financial Inclusion Fund (FIF) for Rural Connectivity- HTS-VSAT, Dual LTE and SD WAN technologies

Please refer to Circular No.97/ DFIBT-02/2024 dated 17th May 2024 issued by NABARD in respect of support from FIF for adoption of HTS-VSAT, Dual LTE and SD-WAN technologies in NER states & Hilly regions states/UTs and tier 5/tier 6 centers.

In this connection we have approached NABARD for support from FIF for adoption of HTS-VSAT/SD-WAN/Dual LTE in the state of _____.

Support sought under FIF

The support sought out of FIF for the following model:

S No.	Name of Scheme (Model I/II/III/IV)	No. of units for SFDs	No. of units for Others *	Unit rate (Rs.)#	Total Financial Outlay (Rs.)	Eligible Amount for support	Remarks
(a)	(b)	(c)	(d)	(e)	(f=d x e)	(g)	

#SFD (Special focus district as per the DFIBT circular no. 09/DFIBT-01/2023 dated 31 January 2023)

We enclose here the following:

- A list in Annexure I-A, containing the name of branches with address where we are willing to install HTS VSAT/HTS-VSAT in combination with SD WAN/Dual LTE.
- Certificate from the Banks Technical Officer in Annexure I-B regarding the connectivity status of the branch.

We request you to kindly consider the proposal for grant assistance from NABARD.

Yours faithfully,

Authorised officer
Designation
Encl: As above

Bank's name & seal

1. Details of branch where support is sought

Sl no.	State	District	Whether District is SFD	Block	Branch name, address and IFSC	Support for HTS-VSAT/ SD-WAN/ Dual LTE	Device detail Solar powered/Electrical powered
Total							

#SFD (Special focus district as per the DFIBT circular no. 09/DFIBT-01/2023 dated 31 January 2023)

2. Summary of Support sought

Model	Details	Number of Units
I	HTS-VSAT in a combo of SD-WAN/Dual LTE	
II	HTS VSAT only	
III	4G Dual LTE only	
IV	SD WAN only	

Bank's Name & Seal

(On the letter head of the Bank by Bank's Technical Officer)

To,
The Chief General Manager
NABARD
_____Regional Office

Madam/ Dear Sir,

CERTIFICATE

This is to certify the that the bank branches listed in the annexure attached herewith are situated in areas experiencing poor network connectivity. These locations encounter substantial challenges in maintaining reliable internet connectivity, which is inadequate for meeting operational needs of the bank branches.

[Signature]

[Name of the Technical Officer]

[Designation: Technical Officer]

[Bank Name & seal]

CLAIM FORMAT**(On the Letter Head of the Bank)**

To
 The Chief General Manager
 NABARD
 _____Regional Office

Madam/ Dear Sir,

**Support under Financial Inclusion Fund (FIF) for Rural Connectivity-
 HTS-VSAT, Dual LTE and SD WAN technologies**

Please refer to the sanction Letter No. _____ dated _____ sanctioning an amount of Rs. _____ (Rupees _____ only). We request you to reimburse an amount of Rs. _____ (Rupees _____ only) towards the following scheme/s:

SN	Name of Model	No. of units for SFDs#	No. of units for Other districts	Unit rate (Rs.)	Total Expenditure (Rs.) (Net of ITC)@	Amount Claimed (as per Eligibility) (Rs.)	Remarks
(a)	(b)	(c)	(d)	(e)	(f=d x e- ITC)	(g)	(h)

#SFD (Special focus district as per the DFIBT circular no. 09/DFIBT-01/2023 dated 31 January 2023); @ITC (input Tax credit)

2. The Terms and Conditions of the sanction letter in reference are accepted/ have been accepted vide our letter No. _____ dated _____ and have been adhered to. The details of the claim as per format prescribed in the sanction letter are attached herewith at Annexure _____.

3. We have implemented the project and have achieved the following outcomes:

The branch wise location details for each project is mentioned in Annexure II A

Yours faithfully,

Authorized Signatory

Name

Designation

Address and Contact No.

Details of Bank branch where devices are installed

Sl no.	State	District	Whether District is SFD#	Block	Branch name, address and IFSC	Support for HTS-VSAT/ SD-WAN/ Dual LTE	Device detail Solar powered/Electrical powered
Total							

#SFD (Special focus district as per the DFIBT circular no. 09/DFIBT-01/2023 dated 31 January 2023)

Bank's Name & Seal

PROJECT COMPLETION REPORT**I. Project Brief**

1	Project Title	
2	Name of Scheme	
3	Area of Implementation	State & Districts: Block : No. of villages covered:
4	Number of a) Aspirational district b) Other SFDs	
5	Name of the service provider	
7	Project Sanction (Date of sanction)	DD/MM/YYYY
8	Project commencement (Date of First Release)	DD/MM/YYYY
9	Project completion date (Date of final disbursement)	DD/MM/YYYY
10	Date of extension of the project (if any)	

II. Financial & Physical Particulars

S. No.	Particulars	
1	Grant Sanctioned (₹ lakh)	
2	Units sanctioned (Numbers)	
3	Grant Released (₹ lakh)	
4	Units deployed (Numbers) (please Indicate detail of each unit Annexure IV A)	
5	Total Expenditure incurred (₹ lakh)	

III Impact of the Project (in brief)

(Please write NA if not applicable for the project)

Percentage increase in number of transactions monthly	
Percentage reduction in monthly downtime due to the intervention	
Bank's comments on the impact created by the intervention	
Constraints faced in implementation of the project (if any)	
2-3 good quality Photographs (in physical & soft copy) pertaining to the project	

Bank's name & Seal

Details of device installation

Sl no.	State	District	District category Aspirational/ Other SFD/other	Block	Branch name and address & IFSC Code	Support for HTS- VSAT/ SD- WAN/ Dual LTE/SD- WAN	Device detail Solar powered/ Electrical powered	Vendor Name	Cost incurred (Rs.)	NABARD Support (Rs.)	Average internet speed
Total											

#SFD (Special focus district as per the DFIBT circular no. 09/DFIBT-01/2023 dated 31 January 2023)

Bank's Name & Seal