

NPCI/NFS/OC No. 254/2017-18

7st July, 2017

To,
All Members of NPCI

Madam/Dear Sir,

Sub: Recovery of Network charges from members – F.Y. 2017-18

We, at NPCI are committed to create comprehensive digitally inclusive nation and our Members participation is pivotal in its success. To ensure near zero downtime, connectivity with our Members is very crucial. All NPCI Members (or their service providers) connect to NPCI using NPCI's data communication private network known as NPCINET. Members are provided with multiple network connectivity lines from different service providers for PR and DR based on their volumes. The charges for the network is recovered yearly in advance from NPCI Members.

The network cost to be recovered from all NPCI members, including 55 member banks who joined NFS during initial years, were reviewed as per the Board's direction. The network cost to be recovered from **All NPCI members (including sub-members) and other entities** for connectivity to NFS, CTS and other products for financial year (F.Y.) 2017-18 is given below:

1. For F.Y. 2017-18, the annual Network cost recovery for connectivity to NFS, CTS and other products shall be based on the fixed annual rate finalised for bandwidth utilized by a Member, irrespective of service provider.
2. If any Member intends to have new link during the F.Y., the billing to the said Member will be on the basis prescribed for annual bandwidth rate, irrespective of when the link is made live. In other words, there will not be any pro-rata billing.
3. During the F.Y., if any member, intends to upgrade the link bandwidth, the invoice for differential cost will be raised proportionately based on bandwidth opted for the remaining months of the F.Y.

E.g. Bank 'A' up-grades from 2 mbps b/w to 8 mbps b/w on 20th Jan' 2018. In such case, the additional billing will be proportionate for 3 months (Jan to Mar '18) @ Rs. 17,000 for F.Y. 17-18. [The difference of Annual rate for 8 mbps and 2 mbps which is Rs. 68,000 (see table below)]. This will be in addition to Rs.52,000 billed for 2 mbps.

4. The equipment cost of router & switches and AMC will be recovered upfront on actuals.

The Bandwidth wise rate (exclusive of taxes) for network cost recovery for F.Y. 2017-18 is given below:

Bandwidth	Rs. Per Annum	Bandwidth	Rs. Per Annum
128 Kbps	30,000	32 Mbps	275,000
2 Mbps	52,000	50 Mbps	675,000
4 Mbps	80,000	100 Mbps	900,000
8 Mbps	120,000	150 Mbps	1,100,000
12 Mbps	185,000	200 Mbps	1,375,000
16 Mbps	200,000		

NPCI shall generate invoice on members as per the above mentioned rates for Network cost recovery for F.Y. 2017-18. The amount to be recovered for Network cost from members shall be collected through ECS/NACH/NFS settlement within 3 weeks (i.e. around 21st of subsequent month) from the date of invoice.

You may please make note of the above and disseminate the information contained herein to the officials concerned.

For any queries or clarification, please contact:

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Yours faithfully,


Sanjay Saxena
CFO