

To,
All the Member banks of NACH

Madam/Dear Sir

NACH Host to Host (H2H) Solution by NPCI empanelled vendor

We are pleased to inform you that NPCI has empanelled Nelito Systems Ltd as the authorized vendor for supply and implementation of the Host to Host Solution at the member banks of NACH as defined in the RFP: 2014-15/0020 dated 24.11.2014. The member banks could place the orders with Nelito Systems Ltd directly at the price mentioned in this letter. Member banks will be at liberty to continue with their existing arrangement or adopt their own process to procure the functionalities from the vendor of their choice.

1. H2H Solution - Scope of work

National Payments Corporation of India (NPCI) has implemented a centralized system "National Automated Clearing House (NACH)" for Banks, Financial Institutions, Corporates and Government. NACH is a web based solution to facilitate interbank, high volume, electronic transactions which are repetitive and periodic in nature. To provide the straight through capabilities there is a need to implement Host to Host solution at client end to ensure seamless automation between Banks and NACH System.

Client end solution has following features:

- 1) Capability to process all file formats (text/xml) present and future supported by NACH system i.e. ACH DR, ACH CR, NACH CR(ECS), NACH DR(ECS), APB ,EBT ,MMS, Aadhaar Mapper, Aadhaar Vlookup file formats, etc.
- 2) Auto Split the NACH input/return file based on NPCI set limit.
- 3) Automatic digital Signing of NACH input and return file as per NACH defined format.
- 4) Automatic pull and push the file from NACH server using SFTP protocol.
- 5) Auto verify (unsign) the signed inward and response file.
- 6) Auto merge or split the inward / response file as per the member bank's requirements
- 7) Handling Acknowledgements received from NACH system.
- 8) Capability to handle NACH functionalities including Bank extension, Partially Rejected file, rejected files and cancelled files.
- 9) Admin menu to maintain parameters for record count limit where ever applicable, polling time interval, folder path, NACH user ID password, configurable private key, SFTP IP, Port, etc. which can be modified by front end user.
- 10) To read and use digital certificates from token or HSM issued by any CA.
- 11) Dashboard and reports for banks to monitor the files status and file split/merge details.
- 12) Solution is Platform independent
- 13) Alerts to users by email or any other mode.
- 14) Solution supports Restart and Recovery of process (Recovery Mechanism) in case of breakdown of data transmission
- 15) Solution supports parallel data transmission process

- 16) Solution has a compatibility to support MS SQLSERVER 2008 onwards and Oracle 11g database used in banks.
17) Solution has a capability of compressing the data files (in order to optimize the bandwidth)

2. Deliverables:

The Solution as per the scope of work, technical specifications and terms will be handed over to the respective bank.

3. Price:

The price for NACH H2H Solution including implementation with one year warranty + 3 year AMC for a Bank is mentioned below:

Sr No	Description	Unit Price (Rs)	Taxes* (Rs)	Total (Rs)
1	NACH H2H Automated Solution with 1 Year Warranty	75,746	12,171	87,917
2	Year 1 AMC	15,385	1,902	17,287
3	Year 2 AMC	18,462	2,282	20,744
4	Year 3 AMC	22,154	2,738	24,892
Total				1,50,840

- ❖ *Tax amount subject to change as per prevailing rates.
- ❖ Any customization of the Solution involves separate cost which needs to be finalized with the Nelito Systems Ltd by the member bank(s) on placing the Order.
- ❖ No advance payment is required
- ❖ Charges does not include installation or other support/services charges which needs to be paid in addition to the solution cost
- ❖ Nelito Systems Ltd will raise invoice for the quantities supplied along with documentary evidence to the member bank

4. Taxes and Duties:

All taxes deductible at source, if any, at the time of release of payments, to be deducted at source as per then prevailing rates.

5. Terms of Delivery:

The functionalities are to be delivered within 2 weeks of receipt of the Purchase Order from the respective member bank and Implementation has to be completed within 4 weeks by Nelito systems Ltd.

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CIN : U74990MH2008NPL189067

6. Penalty for default in delivery

If Nelito Systems Ltd does not deliver the solution as per the above delivery schedule, or such authorized extension of delivery period as may be permitted in writing by member Banks, the banks may impose a penalty as given below:

- a) Non Delivery of above solution - at the rate of 0.5% of the total Purchase Order value for each week's delay beyond the stipulated delivery period subject to a maximum of 5% (i.e. 10 weeks).
- b) In case the delay exceeds the stipulated delivery period, member Bank has the right to impose double this penalty and/ or cancel the order without prejudice to other remedies.
- c) Without any prejudice to member Bank's other rights under the Applicable Law, Member Banks may recover the liquidated damages, if any, accruing to them, as above, from any amount payable to Nelito Systems Ltd.

7. Performance Bank Guarantee:

Nelito Systems Ltd has to submit to the bank concerned, a Performance Bank Guarantee equal to 10% of total value of the Purchase order, valid for 12 months, with a claim period of 12 (twelve) months from the date of expiry of the validity period of the Bank Guarantee, within 14 working days of receipt of Purchase Order from the bank.

8. Warranties and Support:

Nelito Systems Ltd has to provide warranty support for a period of 12 months from the date of acceptance of the solution by the member bank(s).

In case of deficiency in performance of the application under consideration, as per the Scope of Work, during the warranty period, Nelito Systems Ltd has to perform requisite analysis and provide solution to overcome issue at no extra cost to member Banks.

9. AMC support:

Nelito Systems Ltd is expected to provide AMC (Annual Maintenance Contract) for the solution for a period of 3 Years after the expiry of warranty period.

During AMC period, Nelito Systems Ltd has to provide at no additional cost to Banks, all new versions, releases, and updates for all standard software.

The scope of AMC includes routine maintenance of the solution, bug fixing, changes mandated by regulator, security patches.

Nelito Systems Ltd has to ensure 100% uptime and 100% data availability on 24*7*365 basis. In the case of any breakdown / malfunctioning of solution, the relevant defect is attended to and rectified within a maximum period of 2 hours of the receipt/notice of the complaint.

In case of downtime during warranty or AMC, penalty amounting to Rs. 1000/- per hour can be levied.

10. Rate Contract:

The price including AMC finalized under this Contract will be valid for a period of 4 Years.

It may be noted that Banks are not bound to procure the solution at the price finalized under this Contract. Banks will be at liberty to continue with their existing arrangement or adopt their own process to procure the functionalities from the vendor of their choice.

11. Payment Terms:

90% of the cost shall be paid after successful completion of implementation of NACH H2H Client Solution as per deliverables mentioned in Section 9 of this document.

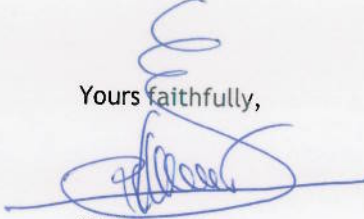
10% of the cost shall be paid after expiry of the warranty period or against submission of Bank Guarantee for same amount. Bank Guarantee shall be valid till expiry of the warranty period with claim period of 12 months from the date of expiry of the validity period of the Bank Guarantee, as per the statutory provisions in this regard.

For further clarifications on H2H solution, please contact following persons in Nelito Systems Ltd,

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Yours faithfully,



(Giridhar G.M.)
VP & Head CTS and NACH Operations