

National Stock Exchange of India Limited

Circular

Department: MEMBER SERVICE DEPARTMENT	
Download Ref No: NSE/MSD/67180	Date: March 19, 2025
Circular Ref. No: 10/2025	

All Colo Participants,

Sub: Colocation - Revision in rack allotment procedure.

This circular is issued in partial modification to Section II of Exchange circular NSE/MSD/61829 dated April 30, 2024, and continuation to circulars NSE/MSD/62932 dated July 13, 2024, and NSE/MSD/63270 dated August 06, 2024. Colo Participants are requested to note below changes w.r.t. rack allotment procedure.

A. Changes in existing offering related to earmarking of racks to specific waitlist in scenario where there are no rack desire requests.

Current Point:

- Once the available racks are earmarked for a waitlist and there is a scenario where there is no rack desire request pending for allotment within the waitlist, the available racks earmarked within the waitlist will not be available to any other waitlist. Such count of HRE racks will continue to be available for future rack desire applications within the waitlist.

Revised Point:

- Once the available racks are earmarked for a waitlist and there is a scenario where there is no rack desire request pending for allotment within the waitlist, all the available racks shall now be earmarked for provisioning of allotment to the other waitlists as per the applicable quota for fulfilling the rack desire requests.

B. Provision to transfer racks allotted to existing Colo participant to a new member under specific scenario.

Exchange shall facilitate transfer of racks from an existing member to another member (who was an FPI/FII Client or a Domestic Investor trading with the existing member) under the conditions below:

- Domestic Investor of the member for whom the rack is currently being used gets registered as member of the Exchange.

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- FPI/FII Client or foreign body corporate incorporated outside India for whom the rack is currently being used; registers an entity in India and gets registered as member of the Exchange.
- The racks proposed to be transferred should be in use by the client who is taking up membership of the Exchange for a period of at least 3 months for which existing member and the client will be required to submit a requisite declaration stating the same along with the request letter for such transfer.
- Both the members (transferer and transferee) will be required to provide a request letter on their respective company letter head stating the reason for transfer of rack along with the rack details and an NOC for rack transfer.
- Members will be required to submit a request letter as per Annexure 1 providing details of the rack to be transferred along with a letter from the recipient member as per Annexure 2. (request to be submitted with the Exchange with 30 days advance notice)
- The existing rack holder member will have to place a request for surrender of all services availed on the rack viz. user id's, IP, handoff etc. as per the current process with the Exchange.
- After completion of rack surrender process, the rack will be directly allotted to the new member against the rack allotment request.
- The new member whom the rack is allotted can subsequently apply for all services i.e. IP, User Id's PTP links etc. in the respective colocation rack as per their business requirement.

C. Changes in existing clauses related to non-usage of racks for more than 6 months.

Current Point:

- Members should surrender the rack allotted in case the client does not start utilizing the rack within 6 months of allotment.
- In case the FPI/FII client / Domestic Investor dissociates with the member, the member should surrender the racks back to the Exchange
- Participants who have procured racks are directed to commence operations/trading from the said racks within 6 months from the date of allotment. In case the member or FPI/FII client fails to commence usage of racks within 6 months of allotment, Exchange will cancel the said allotment, and the next allotment will be done after a cooling period of 6 months

Revised Point:

- Colo Participants are advised to commence utilization of racks within 6 months from the date of allotment or consider surrender of racks.
- In case the FPI/FII, Domestic Investors client dissociates with the member, the member should surrender the racks back to the Exchange.
- Exchange may analyse the usage of racks based on broad criteria like Power consumed / IP subscribed / physical occupancy of rack / Port activation etc.
- In case the racks are not utilised for more than 6 months, the participant shall be levied with additional non – usage charges for each additional month on such unused racks.

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Months of non-usage	Base Rate	Additional non-usage charges over and above the base rate
1 st month to 6 th Month	as per rack type	Base Rate
7 th month to 9 th Month	as per rack type	+ 50 % of Base Rate
10 th month to 12 th Month	as per rack type	+ 100 % of Base Rate
13 th month and onward	as per rack type	+ 200 % of Base Rate

Additional non-usage charges shall be over and above the base rate currently applicable as below:

1. Base rate for first 10 Half Rack Equivalent (HRE) racks will be as above for a participant.
2. Charges for next 15 HREs will be 25% over the base rate.
3. Charges for racks above 25 HREs will be 50% over the base rate.

The changes communicated in section A and B shall be effective immediately.

The changes as per section C of this circular shall be applicable with effect from April 01, 2025.

All other existing terms and conditions specified in Exchange circulars NSE/MSD/61829 dated April 30, 2024, and continuation to circulars NSE/MSD/62932 dated July 13, 2024, and NSE/MSD/63270 dated August 06, 2024, shall remain unchanged

For all business-related queries participants can contact Member Service Department on 1800 266 0050 / or mail us at msm@nse.co.in

For and on behalf of

National Stock Exchange of India Limited

Bharat Gandhi

Chief Manager

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Disclaimer:

Participants are requested to note that Exchange will provide co-location facility on a best effort basis and shall not be responsible for any direct/indirect/consequential loss/damage/claim of any kind for any reason whatsoever including but not limited to power failure, air conditioning failure, system failure and loss of connectivity etc. Further, the Exchange shall not be liable for discontinuation of co-location facility owing to

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legal and/or regulatory requirement. Colo participants are requested to note that the Exchange Co-location facility does not have a separate BCP / DR site and Co-location is not available in the Exchange's DR facility. Considering the current technology intensive environment in which Indian Securities market operates, to ensure stability in operations of colo participants and to protect the interest of investors and market at large, colo participants are advised to sufficiently review all potential risks along with its impact on the business and put in place Business Continuity Planning (BCP)/Disaster Recovery (DR) systems.