

Connectivity Service Providers in Exchange Colocation

(As updated on July 16, 2024)

Process for Addition/Deletion of Connectivity Service Providers in Exchange Colocation

The Exchange, vide its circular NSE/MEM/12985 dated August 31, 2009 announced the launch of Colocation services along with the guidelines/ procedure to be followed by members interested in availing Colocation facility. Members availing Colocation facility are allowed to take one or more Leased lines / MPLS to the co-location facility from different telecom service providers for the purpose of setting up or modifying parameters, trading related activities and hardware, software, network related access, software download / upload and monitoring and data downloads. Such lines are called Point to Point links.

A Point To Point link does not lie on the trading/data dissemination path of the Exchange. Point To Point links are not within the purview of the Exchange as they are procured by, paid for and maintained by the member without Exchange intervention. To enable members to seek such links, the Exchange provides infrastructure in the form of racks to connectivity service providers based on Legal/technical/physical/commercial feasibility and limitations. Connectivity service providers can host their infrastructure in NSE designated areas and provide Point to Point Leased Line / MPLS services to NSE members located in Colocation facilities.

A. Service Providers

The following reputed national level telecom vendors are currently present in the Exchange colocation to cater to member's needs with respect to Leased Lines / MPLS to the co-location facility (w.e.f. July 04, 2019):

1. Tata Teleservices Maharashtra Ltd.
2. Tata Communications Ltd.
3. Bharti Airtel.
4. Microscan Infocommtech Private Limited.
5. Tikona Infinet Private Limited.
6. Sify Technologies Limited (Included from July 2024)

B. Application Process

New Point to Point Link service providers desirous of providing Leased Line / MPLS services to members in colocation may make an appropriate application to the Exchange. The application shall have to be supported by the relevant documents as prescribed here in. The application can be sent to:

Market Access Team
Member Service Department
National Stock Exchange of India Ltd
Exchange Plaza, BKC
Bandra East
Mumbai 400051

Such applications shall be placed before the relevant authority/committee for scrutiny and processing. All applications received till April 30 of the respective financial year shall be considered. All applications shall be reviewed only once in a financial year. The review shall be completed by May 31st of the year. The applicants shall be communicated about the status of their application within 15 working days from the end of the review period. The revised list of connectivity service providers shall be updated in this document and uploaded on the Exchange website.

The number of empanelled vendors shall be maintained at a minimum of four and a maximum of six with effective from January 01, 2021.

C. Criteria and Selection

The relevant authority/committee shall inter alia consider the following while assessing the applications:

(i) Necessary licenses (DOT / NLD etc. as applicable) are available with the applicant to provide Point To Point connectivity. Exchange has appointed reputed consulting firms as per details provided below to validate such licenses. Service providers are required to submit the appropriate eligibility certificate from any of these consulting firms along with the application. The cost of such certificate shall be borne by the applicant. Applicants can contact the consultant firms as per following details:

KPMG	
Kunal Pande Partner M: +91 9892600676 Email : kpande@kpmg.com	Deepak Varde Associate Director, M: +91 9967604099 Email: deepakvarde@kpmg.com

E&Y	
Basant Shroff Partner M: +919820305923 Email: basant.shroff@in.ey.com	Dipen Thakkar Senior manager M: +919820444865 Email: dipen.thakkar@in.ey.com

(ii) The entity has at least 3 years standing in the telecom industry with extensive coverage across metro cities and other major cities.

(iii) The applicant has necessary letter of intent/provisional orders from at least 10 unique members of the Exchange for PTP links at NSE colocation.

(iv) Availability of physical infrastructure such as rack space across various Meet Me Rooms, cable duct space, inter rack cabling trays/duct, power etc. at NSE colocation.

(v) Any other norms/preconditions that the appropriate authority/committee may decide from time to time.

D. Dis-empement

The relevant authority/committee shall inter alia consider the following while assessing the continuous eligibility of a service provider:

1. After the end of one year from initial empanelment, service provider should have at least 12 distinct member clients OR should have at least 24 links being serviced AND the average number of links across all racks held should be at least 6.
2. There should be no amount outstanding from the service provider for over 6 months from the due date.
3. All documents as decided by the relevant authority/committee should have been duly executed and provided to the Exchange.
4. The conduct of the service provider in terms of service to NSE members and sharing of relevant information with the Exchange from time to time should meet the expected minimum industry standards.

On failing to meet any one or more of the above criteria, the relevant authority/committee may

issue an appropriate notice to the service provider giving 15 calendar days' time to represent its case. On being satisfied with the service provider's submission, the relevant authority/committee may accordingly pass appropriate directions. However, if the relevant authority/committee is not satisfied with the submissions, it may issue a termination notice providing 4 calendar months' time. After the end of the said notice period, the Exchange shall disconnect power to the racks held by the service provider and remove any material of the service provider from the rack without further notice or liability to NSE.

The relevant authority/committee, while conducting the above review shall always hold the interest of Exchange member's as supreme and shall be guided accordingly.

E. General

Without prejudice to the right of the relevant authority/committee to frame guidelines; general rules and processes with respect to rack allocation to connectivity service providers at NSE designated areas shall be as follows:

1. Only half rack shall be allotted at a time.
2. An existing empaneled connectivity service provider can later apply for additional racks.
3. Exchange shall endeavour to provide a rack in the designated area subject to availability on first come first served basis.
4. W.e.f. January 1, 2021, there shall be a charge of Rs 50,000 plus applicable taxes per half rack per annum payable in advance for the financial year.
5. The service providers shall be liable to pay the rack charges in advance, within 30 days of billing date.
6. Additional racks shall be allotted subject to availability if connectivity service provider is not able to service clients located in colocation due to technical/physical constraints.
7. Exchange shall permit the connectivity service provider to interconnect racks based on technical and physical feasibility.
8. Such racks are not meant for trading and hence service/data etc. provided to normal racks shall not be available to such rack. Further, any scheme of rebate, discount, free period etc. by whatever name called shall not be applicable to such racks if made applicable to normal racks in colocation.
9. It shall be the responsibility of the service providers to ensure that they are at all points of time eligible to provide such services as per the applicable rules and regulations. The Exchange shall have the right to take appropriate action as deemed necessary on receipt of any information that could result in the ineligibility of a connectivity service provider to provide such services.

The above process is effective from January 2021.