

Circular No: MCX-SX/IT/880/2012

November 1, 2012

Nationwide Private Network (NPN) with Point of Presence (POP)

In terms of provisions of the Rules, Bye-Laws and Regulations of the Exchange and in continuation to Exchange circulars with respect to Network connectivity, Members of the Exchange are notified as under:

As part of our continuous endeavor to provide our members with best in class technology to enhance the trading experience, MCX Stock Exchange Limited (MCX-SX) has planned to establish a Nationwide Private Network (NPN) with Point of Presence (POP) to facilitate various connectivity requirements of the Members spread across India.

The NPN would be a highly reliable, redundant, resilient and cost effective point to point leased line network infrastructure. The POPs connect to both, Primary Data Center (PDC) as well as Disaster Recovery Site (DRS). The NPN is implemented through multiple service providers and having 10 POPs across India. The NPN would be managed by the Network Integrator i.e. HCL Comnet Ltd.

There would be two POPs at Mumbai, one POP each at Delhi, Kolkata, Chennai and Ahmedabad. Further, there would be one mini POP each at Kochi, Rajkot, Jaipur and Hyderabad. The contact details for each POP and mini POP are given in <u>Annexure-I</u>. A Mini POP would connect to the Exchange via nearest POP. Each POP would get dedicated backbone connectivity from multiple service providers to ensure redundancy. Members can further increase the redundancy by connecting to two separate POPs.

Benefits to the Members:

- Multiple connectivity option from different service providers for Higher Uptime
- Mesh Network to connect via alternate path for high availability
- Separate leased line is not required to connect to DRS
- Seamless diversion of traffic to DRS for business continuity
- Higher number of user IDs

Requirements for connectivity to NPN

- Members are required to connect to POP location(s) via 2 Mbps leased line(s) only.
 For last mile connectivity Members have an option to choose service provider(s) from the list provided in <u>Annexure-I</u>.
- Members who are currently connecting to the Exchange trading system through point to point leased lines are compulsorily required to migrate to NPN.
- Members who are currently connecting to the Exchange trading system through MPLS from POP locations (cities) are also compulsorily required to migrate to NPN.
- Migration of the existing leased lines to POP will be done in a phased manner. Migration plan will be communicated to each Member separately.



- Members, who want to establish new leased line connectivity (other than MPLS from Non-POP locations), are compulsorily required to connect to NPN.
- Once connectivity is established through NPN, members may surrender their existing MPLS leased lines.

MPLS as primary mode of connectivity will be allowed only from Non-POP locations. However, MPLS will be allowed in POP locations as backup mode of connectivity. Further, members are allowed to connect to Exchange Trading System using VSAT or internet as mode of connectivity from any locations.

There are multiple scenarios to offer flexibility, high availability and scalability. List of scenarios is given in <u>Annexure-II</u>. Members can choose the scenario as per their requirement.

The Exchange has decided to provide multiple options to the members to cater for different number of user IDs and Orders Per Second (OPS) as per member's requirement. <u>Annexure-III</u> provides details with respect to cost, deposits, applicable to various options/ scenarios, number of user IDs allowed and number of OPS per leased line.

The surrender charges for leased lines under NPN are mentioned in **<u>Annexure-IV</u>**.

Application Procedure:

Members desirous of applying for leased lines under Nationwide Private Network with POP are required to fill-in the application form available on the website <u>www.mcx-sx.com</u> with the appropriate login credentials. Members may please note that the password to login for the first time on the portal will be communicated on their registered office email id. Members may kindly refer to corresponding tool tips for any assistance in filling the application form. Please note that separate application form is required to be submitted for each scenario.

The scanned copy of the following documents should be uploaded while submitting the application online.

- a) Undertaking on stamp paper as per Annexure-V
- b) Authorization letter as per Annexure-VI
- c) Demand Draft / Pay Order for charges and deposits

Member is required to submit <u>Annexure-V</u> and <u>Annexure-VI</u> only for the first application for POP connectivity and for subsequent applications the same is not required to be submitted.

Once application form is submitted online, Member will be provided with a unique reference number. Member should take printout of the filled-in application form and submit the application form duly signed, on his letter-head along with the original Undertaking



(<u>Annexure-V</u>), Authorization letter (<u>Annexure-VI</u>) and Demand Drafts / Pay Orders to the Exchange.

Upon receiving the said application, the Network Integrator will obtain the feasibility of connectivity from the service provider as per the preference indicated by the member for last mile connectivity. In case, it is not feasible with the preferred service provider then feasibility will be checked from other available service provider(s) and details of the selected service provider will be intimated to the member by the Network Integrator.

However, in case of last mile connectivity and optional services like leased line management and monitoring, members are requested to submit Purchase Order(s) to Network Integrator, as per the prescribed format available with the Network Integrator.

Members may please note that leased line may be commissioned within 5 to 6 weeks after receipt of all documents and applicable charges/deposits.

Further, the Exchange will recover "annual recurring port charges" of the members from the subsequent year by debiting the settlement account of their respective Clearing Member as per authorization letter (<u>Annexure-VI</u>) submitted to the Exchange along with the application form.

For clarifications, Members may contact Customer Service on 022 – 67319010 or send an email at <u>customerservice@mcx-sx.com</u>.

For and on behalf of

MCX Stock Exchange Limited

Narendra Ahlawat Chief Technology Officer

> MCX Stock Exchange Limited Exchange Square Suren Road, Chakala, Andheri (East), Mumbai – 400 093 Tel.: 022 – 67319000, Fax: 022 – 67319004 <u>www.mcx-sx.com</u> email: <u>customerservice@mcx-sx.com</u>



ANNEXURE-I

List and Address of POP location with Name of Service Provider

Sr. #	City	Contact Details	Name of Service Provider for last mile connectivity
1.	Mumbai	Alankar Mhaskar AlankarM@hcl.com +919833398837	MTNL, Airtel, TCL, Reliance, TTSL
2.	Delhi	Praveen Vashisht <u>PraveenVa@hcl.com</u> +919999171655	TTSL, Airtel , Reliance
3.	Kolkata	Goutam Das GoutamD@hcl.com +919836485856	TCL, Airtel, Reliance
4.	Ahmedabad	Rakesh Bhavsar <u>RakeshBh@hcl.com</u> +917878733335	TCL, Airtel
5.	Chennai	Jayaprakash Narayanan JayaprakashN@hcl.in +919884404254	TCL, Airtel
6.	Jaipur	Bhupender Sharma BhupenderS@hcl.in +918875027216	TCL, Airtel
7.	Kochi	Rajeev P K RajeevPK@hcl.com +919387360660	TCL, Airtel
8.	Rajkot	Rakesh Bhavsar RakeshBh@hcl.com +917878733335	TCL, Airtel
9.	Hyderabad	Venugopal Reddy venugopalreddy@hcl.com +919849696933	TCL, Airtel



ANNEXURE-II

Available Scenarios for Connectivity

Type of ScenarioScenario Descriptionfor all Options					
S1	Single point to point leased line to POP				
S2	Dual point to point leased line to single or Dual POP (Single Router)				
S3	Dual point to point leased line to single or Dual POP (Dual Router)				

Features of above mentioned scenarios are given in **<u>Annexure-VII</u>**.

The Member can procure required router(s) from Network Integrator (i.e. HCL Comnet Ltd.) at additional cost as mentioned in <u>Annexure-III</u> or can procure on his own.

The specification for the required router is as given below.

Router model & Component	Specifications
Model	CISCO1921
Cards	HWIC-2T card
IOS	Cisco 1900 IOS UNIVERSAL
Cable	V.35 Cable, DTE Male to Smart Serial, 10 Feet
License	Security License for Cisco 1900

Member may check with Network Integrator for compatibility of existing router if any. If existing router(s) is compatible the same can be used for NPN connectivity. For upgrade of existing router, members may contact their vendor or Network Integrator (i.e. HCL Comnet Ltd). Applicable charges for the upgradation of existing router(s) are required to be paid by member.



ANNEXURE-III

POP Connectivity – Options, Costing and Deposits

A. <u>POP Connectivity Options</u>

Options	Option A	Option B	Option C	Option D
Bandwidth	2 Mbps	2 Mbps	2 Mbps	2 Mbps
 No. of TWS IDs per primary link (in combination for all the segments put together) Member can replace 5 TWS IDs with 1 CTCL ID 10 TWS IDs with MAT (Member Admin Terminal) ID 	30	35	60	100
Orders per second (OPS) per primary leased line	50	75	125	250
Broadcast available	Yes	No	No	No

B. Charges and Deposits per leased line for the POP solution

Type of Charges	Option A	Option B	Option C	Option D
Application Processing Fees (One Time Cost)	Rs. 2,000	Rs. 2,000	Rs. 2,000	Rs. 2,000
Port Charges (Annual Recurring Charges - ARC)	Rs. 1,00,000	Rs. 1,50,000	Rs. 2,50,000	Rs. 5,00,000
Interest Free Deposit (IFD)	Rs. 1,00,000	Rs. 1,50,000	Rs. 2,50,000	Rs. 5,00,000

Note –

- 1. The above mentioned charges are exclusive of any government taxes, duties and levies and the same are to be paid extra by members.
- 2. Financial year (April to March) would be considered for ARC
- 3. Member is required to pay Port Charges (ARC) for one year in full with Application Processing fees plus applicable taxes by way of Demand Draft / Pay Order in the name of **MCX Stock Exchange Limited**".
- 4. Member is required to pay IFD by way of separate Demand Draft / Pay Order in the name of **"MCX Stock Exchange Limited**".
- 5. For the first financial year, the annual recurring port charges shall be calculated on a pro-rata basis from the date of leased line commissioning till March 31st. Any excess amount paid with application in the first year (on pro-rata basis) shall be adjusted towards annual recurring port charges for the subsequent financial year payable at the beginning of the financial year.
- 6. After completing one financial year, the Exchange would appropriate 20% of the IFD annually towards port charges. For balance annual port charges, Exchange shall debit the respective CM's settlement account at the beginning of each financial year.



7. There will not be any refund of yearly port charges in case member is surrendering the leased line.

C. Prices for Last Mile Connectivity

Charges for providing services by Network Integrator i.e. HCL Comnet Ltd are mentioned below:-

Type of Service	Charges
Service Activation Fess per leased line – One Time Cost	Rs. 5,000
Last Mile Charges per leased line – ARC	At actual
(includes modem rent and leased line charges)	

D. Optional Services & Charges

Member can opt for below mentioned optional services from Network Integrator **which is recommended** for at least 1st year of the connectivity.

Type of Service	Charges
Link Management & Monitoring Charges per leased line (ARC)	Rs. 10,000

The above charges are exclusive of any government taxes and duties as applicable, and are to be paid by the member.

Charges for procuring router from Network Integrator i.e. HCL Comnet Ltd are mentioned below:-

Type of Charges	Charges
Router Cost (ownership will be with Member)	Rs. 65,000
Router AMC from 2 nd Year onwards(ARC)	Rs. 7,000

The above charges are exclusive of any government taxes and duties as applicable, are to be paid by the member. The Router AMC is to be paid in advance at beginning of each financial year.

The applicable amount is to be paid to **HCL Comnet Ltd**. by way of Demand Draft / Pay Order.

E. Summary of charges and deposits for various scenarios (For Ready Reference)

i. Payable to MCX Stock Exchange Limited

The below mentioned charges include applicable service tax and education cess.



	Payment to the Exchange											
Options	Α		В		с		I	0				
Scenario	S1	S1 S2 / S3 S1		S2 / S3	S2 / S3 S1		S1	S2 / S3				
Port Charges (Annual												
Recurring Charges)	1,00,000	2,00,000	1,50,000	3,00,000	2,50,000	5,00,000	5,00,000	10,00,000				
Application Processing												
Fees (One Time Cost)	2,000	4,000	2,000	4,000	2,000	4,000	2,000	4,000				
Gross Total	1,02,000	2,04,000	1,52,000	3,04,000	2,52,000 5,04,00		5,02,000	10,04,000				
Service Tax including Education Cess (@12.36%)*	12,607	25,214	18,787	37,574	31,147	62,294	62,047	1,24,094				
Total Charges Payable	1,14,607	2,29,214	1,70,787	3,41,574	2,83,147	5,66,294	5,64,047	11,28,094				
Interest Free Deposit	1,00,000	2,00,000	1,50,000	3,00,000	2,50,000	5,00,000	5,00,000	10,00,000				

* Tax rate will be applicable as specified by the tax authorities from time to time.

ii. <u>Payable to HCL Comnet Ltd.</u>

The below mentioned charges are exclusive of any government taxes, duties and levies and the same are to be paid extra by members at actual.

	Route	er arranged on	own	Router procured from HCL Comnet Ltd.							
One Time Cost				One Tin	ne Cost	Annual Recurring Charges					
Scenario	Link Activation	Link Management & Monitoring	Last Mile Charges	Link Activation	Router Cost	Link Management & Monitoring	Last Mile Charges	Router AMC			
S1	5,000	10,000	At Actual	5,000	65,000	10,000	At Actual	7,000			
S2	10,000	20,000	At Actual	10,000	65,000	20,000	At Actual	7,000			
S3	10,000	20,000	At Actual	10,000	1,30,000	20,000	At Actual	14,000			



ANNEXURE-IV

Early Surrender Charges

In case of surrender of leased lines, the Exchange will deduct Early Surrender Charges from the IFD given by the Member as mentioned below:

Sr. #	Surrender Period	Early Surrender Charges
1.	Within 1 year of activation	100% of IFD
2.	Between 1 to 2 years of activation	80% of IFD
3.	Between 2 to 3 years of activation	60% of IFD
4.	Between 3 to 4 years of activation	40% of IFD
5.	Between 4 to 5 years of activation	20% of IFD
6.	After 5 years of activation	NIL



ANNEXURE-V

(On Non-judiciary stamp paper of Rs 300/-)

UNDERTAKING-CUM-INDEMNITY

This	undertaking	g-cum-Indemnity	is	executed	on	this	 day	of	/
20	, at	(place),					-		

I / We ______, (having Membership ID No.....) an Indian inhabitant / sole proprietorship firm / partnership firm registered under Indian Partnership Act, 1932 / a limited liability partnership registered under Limited Liability Partnership Act, 2008 / a banking company incorporated under its own Act / a company incorporated under the Indian Companies Act, 1956, and having its office / registered office at ______

(hereinafter referred to as the 'Undersigned' which expression shall unless repugnant to the context successors, executors, administrators and permitted assigns) give this UNDERTAKING-CUM-INDEMNITY.

IN FAVOUR of

MCX Stock Exchange Limited, a Stock Exchange duly recognized by the Securities and Exchange Board of India under the provisions of the Securities Contracts (Regulation) Act, 1956 and having its registered office at "Exchange Square", CTS no 255, Suren Road, Andheri (E), Mumbai – 400093 (hereinafter referred to as the 'MCX-SX'/'Exchange')

WHEREAS,

- 1. The Undersigned is a member of the Exchange and has made an application dated to the Exchange for connecting to the "Nationwide Private Network (NPN)" with "Point of Presence (POP)" of the Exchange through leased line(s).
- 2. The Undersigned furnish this UNDERTAKING –CUM- INDEMNITY in the manner and on the terms herein below:

NOW THEREFORE the Undersigned hereby undertakes to agree that:-

I/We agree that the Leased line connectivity through POP will be used solely for the purpose of trading on MCX-SX platform only.

I/We agree that connectivity to the POP will not be interconnected to any of the Leased Line/ Data Circuit/ Network/ PSTN/EPABX etc. of any other service providers which are not permitted by the terms and conditions of Government of India /Dept. of Telecommunications (DOT) Authority. I/We further agree to extend facility authorizing the Government of India / DOT enabling it to monitor and inspect my/our leased line(s) in relation to its performance and operation, as and when required.

I/we hereby agree to abide by the provisions of the Indian Telegraph Act / Rules / DOT Rules and other applicable laws in force and as may be modified / amended from time to time and such other terms and conditions prescribed by the concerned / appropriate Authorities.



I/We agree that necessary charges for registration/installation/Advance annual rental/Arrears, if any, will be paid to the billing authority of service provider/Network Integrator, as and when we receive demand note/advice from the service provider/Network Integrator and when such charges become due.

I/We agree that I/We shall pay the surrender charges and other expense as prescribed under MCX-SX Circular Ref No. MCX-SX/IT/880/2012 dated November 1, 2012 and any subsequent circulars issued in this respect, from time to time, in the event of surrender of my /our leased line(s) connectivity through POP.

I/We undertake to indemnify the MCX-SX / Govt. of India/ DOT/ Service Provider/Network Integrator and keep them indemnified against any loss, damage, claim, cost, charges, expenditure incurred by or made against them and in case of violation of norms of Closed User Group (CUG) as prescribed by Govt. of India/ DOT.

I/We undertake to ensure that access shall be given only to the individual(s) authorized persons and also a method shall be established to ensure that non authorized persons cannot access the system. I/we shall be solely responsible and liable for any such misuse of access by unauthorized person(s).

I/ we undertake to authorize MCX-SX to inspect and test IT Infrastructure related to trading system at my/our site without any prior notice.

I / We shall render all possible assistance and co-operation to MCX-SX by providing access to any kind of information in any form as it may require and I/we hereby undertake to produce such documents, records, accounts, books, data howsoever stored including data stored in magnetic tapes, floppy diskettes, etc. and any other information as may be required by MCX-SX at its discretion.

I / We agree and undertake that MCX-SX shall not be liable for any direct or indirect loss, damage, costs, claims and expenses whatsoever caused or contributed by any event of force majeure. For the purposes of this Clause, "Force Majeure" means and includes wars, insurrections, revolution, fires, floods, epidemic, quarantine restrictions, declared general strikes in relevant industries, act of God, act of the Government of India and any concerned State Government and such other acts or events beyond MCX-SX's control and further the above is without prejudice to the rights already accrued to MCX-SX due to my/our failure to perform either in full or in part, my/our obligations prior to the occurrence of events of Force Majeure.

I / We shall not hold MCX-SX responsible or liable for any loss, damage, etc., suffered due to any delay, disturbance or non-availability of connectivity or due to any reason because of Service Provider /Network Integrator or otherwise, at any time including the reasons stated in Force Majeure clause hereinabove.

I / We shall indemnify and keep indemnified MCX-SX harmless against every and all claims, demands, damages, liabilities, losses and expenses, etc., suffered by it directly by reason of my / our non-compliance, contravention with any of the provisions of this Undertaking or any penalty imposed by Service Provider / Network Integrator or DOT / Regulatory or statutory Authorities, due to my/ our non-compliances or violation of any provisions of the applicable Act(s) or Rules and Regulations in force.



I / We agree that no forbearance, delay or indulgence by MCX-SX in enforcing the provisions of this Undertaking shall prejudice or restrict the rights of MCX-SX nor shall any waiver of its rights operate as a waiver of any subsequent breach and no rights, powers, remedies herein conferred upon or reserved for MCX-SX is exclusive of any other right, power or remedy available to MCX-SX and each right, power or remedy shall be cumulative.

I/ We hereby undertake and agree that this Undertaking-cum-Indemnity shall be valid and effective for any leased line(s) obtained by the undersigned for connecting to MCX-SX, from time to time. Further, this Undertaking-cum-Indemnity does not lapse till such time the Exchange discharges the undersigned.

That I / we shall execute, sign and subscribe to such other documents, papers, agreement, covenants, bonds, and/or undertakings as may be prescribed or required by MCX-SX from time to time.

I/We also agree that in the event of my/our non-compliance with any of the provisions as mentioned above, MCX-SX shall take such action(s) against us as it may deem fit in this regard.

IN WITNESS WHEREOF this Undertaking-cum-Indemnity is executed by the undersigned on the day, month, year and the place mentioned above.

Name, address & signature	Stamp & Signature of the Authorized Signatory of Member
Witness 1	
Witness 2	



ANNEXURE-VI

Format for **Trading Member** (Authorization letter from PCM/ITCM/TCM in favour of the Exchange to debit Annual Recurring Charges)

To be printed on letter head of the respective PCM / ITCM / TCM

Date:

To The Membership Department MCX Stock Exchange Limited Exchange Square, CTS No. 255, Suren Road, Chakala, Andheri (East), Mumbai – 400093 Fax No.: 022 – 6726 9575

Dear Sir,

Sub: Leased line annual recurring charges debit facility for our Trading member,

_____ (Name of the Trading Member) having Member ID ______.

This has reference to Exchange circular no. ______ dated ______.

I / we authorize Exchange to debit our settlement account no. _____ in

_____ (Name of the bank) towards the annual recurring charges of leased

line.

For_____ (Name of PCM / ITCM / TCM)

Authorized Signatory

Name -

Member ID -

Rubber Stamp:

Place:

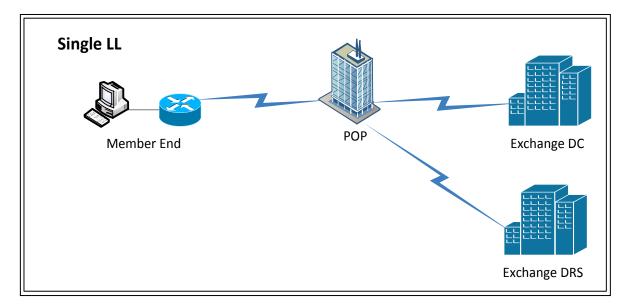


ANNEXURE-VII

Features of Scenarios

Scenario S1 – Single Leased Line

Network Diagram



To be selected by,

- Members who wants to take only one leased line
- Members who does not need back up connectivity line for auto-failover

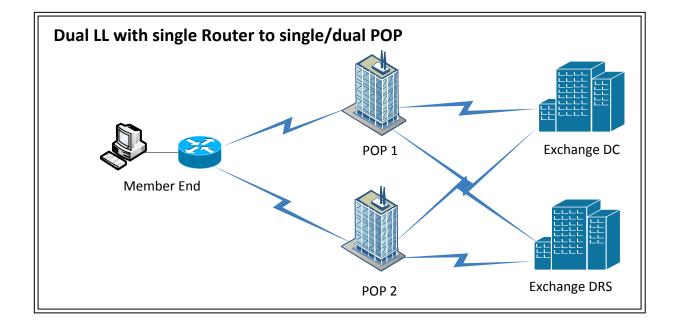
Features of this Scenario

- Multiple service providers to choose from for last mile connectivity
- Equipment redundancy at POP
- Separate leased line to DRS is not required



Scenario S2 – Single Router – Dual Leased Line

Network Diagram



To be selected by,

- Members who require back up connectivity for auto-failover
- Members who require redundancy at service provider level

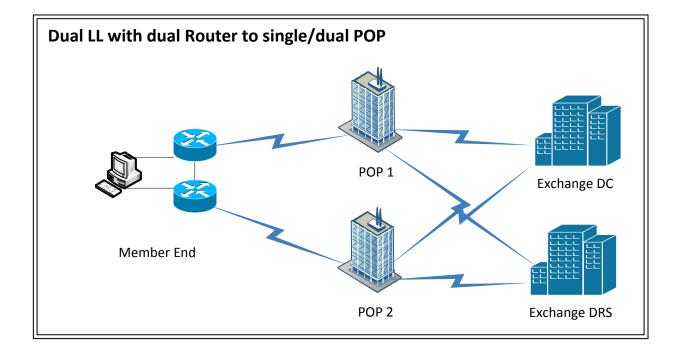
Features of this Scenario

- POP level redundancy if connectivity is taken to different POP
- Auto failover to backup leased line
- Multiple service providers to choose from for last mile connectivity
- Equipment redundancy at POP
- Separate leased line to DRS is not required



Scenario S3 – Dual Router – Dual Leased Line

Network Diagram



To be selected by,

- Members who require back up connectivity for auto-failover
- Members who require redundancy at router level at their end
- Members who require redundancy at service provider level

Features of this Scenario

- Router level redundancy
- POP level redundancy if connectivity is taken to different POP
- Auto failover to backup leased line
- Multiple service providers to choose from for last mile connectivity
- Equipment redundancy at POP
- Separate leased line to DRS is not required