



# NATIONAL SECURITIES DEPOSITORY LIMITED

## Issuer Interface

### Circular

Circular No. NSDL/CIR/II/025/2008

Date: October 13, 2008

All Issuers/R & T Agents were informed vide Circular no. NSDL/CIR/II/021/2008 dated September 8, 2008 about Multi Protocol Label Switching (MPLS). The service providers selected for NSDL MPLS connectivity are **Tata Communications Ltd.** and **Tulip Telecom Ltd.** Issuers/R & T Agents have a choice to avail services from either of the service providers. Issuers/R & T Agents also have an option of selecting both the service providers to maintain redundancy. Further, Issuers/R & T Agents have an option of Wireline or Wireless connectivity for the last mile (subject to feasibility). The Tariff for different bandwidth (64kbps to 2Mbps) is given in Annexure I.

Besides offsetting the disadvantages of the existing setup, MPLS connectivity combines certain distinct benefits of both present leased line and VSAT networks. In addition, it also offers certain unique features which are not available in existing set-up. A set of such distinct advantages offered by MPLS connectivity are mentioned below:

- 1) Just as VSAT network, MPLS connectivity charge is distance independent and will be uniform across the country. Thus, it overcomes limitation of present leased line connectivity where Intra-city (Mumbai & by the virtue of Hierarchical network in Delhi) charges and Intercity charges are different.
- 2) Under MPLS network, the Issuers/R & T Agents will have a much better uptime as NSDL is entering into service level agreement (SLA) for 99.5% uptime with the service providers.
- 3) Unlike VSAT network and present leased line network, MPLS network offers the option to upgrade the bandwidth for a temporary period of a few days with two weeks advance notice and then revert back to original bandwidth. Under this arrangement,

- Issuers/R & T Agents pay for higher bandwidth only for this interim period of a few days. This facility can be very useful if Issuers/R & T Agents are considering large corporate actions or such bandwidth intensive activity.
- 4) Just as existing leased line network, Issuers/R & T Agents connecting through MPLS network will continue to have uninterrupted access to business partner email facility. MPLS connectivity offers a more robust seamless diversion of traffic to NSDL Disaster Recovery site (DRS) in the event of disaster as compared to present Leased line and VSAT traffic diversion where there is some dependency on NSDL primary production site.
  - 5) In case of MPLS primary connectivity failure, provision is available to dial out using ISDN line to the service providers POP in the same city with local call charges. This fallback is much simpler to activate as compared to the PPP based dial-up connectivity to NSDL datacenter where certain technical expertise is necessary to setup configuration. VSAT users however will only have PPP option.
  - 6) Migration to IP VSAT requires those Issuers/R & T Agents who are connected to both NSDL's network and NSE's network to procure Layer 3 switch (for dual use viz; trading and registry work) and commit lock-in for a period of four years or forgo whole/part of the Rs. One lakh deposit. The incremental cost to use IPVSAT for registry work (Approx. Rs. 60,000) is almost the same for entry level MPLS connectivity (Rs. 65,000).

Migration to MPLS connectivity is a better option for Issuers/R & T Agents considering the benefits mentioned above.

Since MPLS connectivity provides for a seamless diversion of traffic to NSDL DRS by the service providers, NSDL will need to maintain present diversion infrastructure only for remainder IP VSAT users. IP VSAT users will now also be levied certain annual charge by NSDL for the maintenance of this infrastructure. The charge will be finalised after clarity on number of VSAT users emerges.

Since NSE has already informed that switchover to IP VSAT will be concluded by end of October 2008, those VSAT users who are desirous to opt for MPLS connectivity must send written confirmation to NSDL helpdesk latest by **25<sup>th</sup> October 2008** so that NSDL can arrange for their migration on a priority basis.

The Rollout of MPLS network will begin from first week of November 2008. The feasibility survey by MPLS service provider will be done for VSAT users who have already given their confirmation for MPLS. Issuers/R & T Agents are requested to extend necessary co-operation to the service providers in this regard.

The present IP VSAT user Issuers/R & T Agents may note that in case they plan to continue with IP VSAT for dual use, then they must procure and install Layer3 switch (as mentioned in NSDL circular No. NSDL/CIR/II/018/2008 dated July 18, 2008) and inform NSDL of the same by filing a revised Form B by 25<sup>th</sup> October, 2008.

For any queries / clarifications, please feel free to contact Mr. Umesh Suvarna (Asst. Vice President) on 2499 4459 or Mr. Manoj Mhatre (Sr. Manager) on 2499 4452.

All Issuers/R & T Agents are requested to take note of the above.

For and on behalf of  
**National Securities Depository Limited**

**Samar Banwat**  
**Vice President**