

# Sanchar Nigam Executives Association

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All Communications to  
the General Secretary



**Sebastin. K, General Secretary**

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**No: SNEA/CHQ/DIR(CFA)/2018-21/06**

**Dated 16.10.2020.**

**To**

**Shri. Vivek Banzal,  
Director (CFA),  
BSNL Board, New Delhi.**

**Sub: Extra ordinary high AMC cost of 9% for Alphion OLTs procured long back on very high rates. New OLTs are available between Rs 1 lakh to 1.5 lakhs in the open market with 3 years warranty where as BSNL is paying about Rs 1.75 lakhs per OLT per year as AMC for the old, outdated Alphion OLTs. Request to immediately stop the AMC and replace the OLTs with new one. It may also be enquired how the AMC has been renewed in 2019 with such an exorbitant high rate of 9% which comes around Rs 1.75 lakh/year per OLT when new OLTs are available in the market between Rs 1 lakh to 1.5 lakhs with 3 years warranty.**

**Respected Sir,**

In several occasions, Association requested management to review the AMC charges of equipments which is draining out BSNL revenue. This is a major source of unwanted expenditure for BSNL. By curtailing AMC charges alone, BSNL can save hundreds of Crores of Rupees. BSNL had taken some initiatives and reduced the AMC expenditure considerably.

**The AMC for OLTs supplied to BSNL is one such expenditure. As mentioned above, it is learned that the AMC cost of Alphion OLT is Rs 1.75 lakhs per OLT per year whereas the price for a new OLT is just Rs 1 lakh to 1.5 lakhs, with 3 years warranty. Surprisingly the AMC rate is 9% of the equipment cost from 2019. The Alphion OLT price was almost 15 times higher than the price of OLT today in the market. The price of Alphion OLT was about Rs 19.5 lakhs and AMC rate is 9%!**

It is learned that good quality OLTs having 8 ports with capacity 1000 lines (8 port X 128 line) is available in the open market between Rs 1 lakh to 1.5 lakhs. Instead of going for the AMC, if BSNL is purchasing new OLTs (say 100 Nos) for replacement of 100 Alphion OLTs, it will cost only Rs 1.25 Crores (cost of one OLT taken as average Rs 1.25 Lakhs) with 3 years warranty also. **BSNL need only Rs 1.25 Crores for 3 years instead of Rs 5.25 Crores as 3 years AMC charges paid to Alphion. From this, one can understand how BSNL money is draining out to vendors in the name of AMC.**

The loading is very less, we could provide very few connections in Alphion OLTs these years because, the capacity is 32 connections per port. Further, more than 50% equipments are not loaded. The vendor is denying for enhancing it to 64 connections per port citing the non-purchase of license, when BSNL badly needed capacity addition. The modems supplied by them are not at all repaired by the vendor.

The cost of OLT in the ongoing BSNL NGN tender is just Rs 1 lakh (4 ports) and Rs 1.5 lakhs (8 ports) with 3 years warranty. The AMC rate is just 3% of equipment cost. OLTs procured under NGN tender are spare in some Circles. It can be utilized for replacing the Alphion OLTs.

Further it is come to know that provision is there to procure more OLTs through the NGN tender also for which APO is already issued.

**Therefore we request you to stop the AMC for Alphion OLTs immediately, stop such unwanted expenditure and favours to vendors in the name of AMC and save BSNL.**

It is a matter to be enquired how the Alphion AMC is renewed with such exorbitant AMC rate (9%) and amount when new OLTs are procured through NGN tender (with 3 years warranty and 3% AMC rate) with less than Rs 1.5 lakhs. OLTs are available in the market also even at lesser rate, less than Rs 1.5 lakhs. Our hard earned revenue is leaking through such routes to the vendors when the employees are not getting regular salary/wages.

**It is also requested that AMC for other equipments also may be reviewed and such revenue leakage shall be arrested.**

**With kind regards,**

**(Sebastin. K)**

**Copy to:**

1. Shri. Anshu Prakash, Secretary/DoT for information and n/a please.
2. Shri. P. K. Purwar, CMD/BSNL for information and n/a please.
- 3-6: DIR(Fin)/DIR(EB)/DIR(CM)/DIR(HR), BSNL Board for information and n/a please.