

SANCHAR NIGAM EXECUTIVES ASSOCIATION

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SNEA/CHQ/CMD/2015-18/114

Dated 30th October, 2018.

DIRECTOR (C&I)

To

B.S.N.L. BOARD

Shri Anupam Shrivastava,
Chairman and Managing Director,
BSNL, New Delhi.

DY. NO. 1146-L

DATE.....30/10/18

Sub: Huge spending for AMC on CM verticals. 1800 Crores is the AMC charges alone. Appropriate measures can reduce it by atleast 1000 Crores:

Ref: No. 20-12/2012/T&C-CM dated 12-10-2018 (copy enclosed).

Respected Sir,

As per the letter under reference above it is seen that the AMC cost of CM vertical is Rs 1800 Crores (more than 2000 Crores including GST).. The per line rate varies from Rs 33/ for Kerala Circle to Rs 295/ for J&K Circle and the BSNL average is Rs 159/-. If the above figure is calculated with respect to VLR, it will be more than Rs 270 per line. From the figures it can be seen that Kerala Circle with more than 10% (1,07,96,023 out of 11,33,41,748) of the total HLR/ revenue, the AMC cost is just 2%(35 Cr out of 1800 Cr). The figure of Odisha Circle is also much better than all other Circles, Rs 38/- per line. By these huge savings on several accounts, these Circles are making profits.

The Circle-wise figure is attached herewith for ready reference as **Annexure I**.

The Circle-wise VLR and HLR figure is attached herewith for ready ref. as **Annexure II**.

On analysing the equipments under AMC from the data available, it is observed that,

- In many Circles, AMC is given for all the equipments so far purchased right from Phase 1 to Phase VII+.
- The VLR of many Circles are below 50% which indicate that the numbers which are not in use are not removed from HLR after expiry of cooling period. This escalates the AMC cost.

The numbers catered from old equipments are not migrated to equipments installed newly though they are having sufficient capacity.

- All installed equipments are retained in the in the network and AMC is awarded against the P.O whether they are actually required in the network or working at present.

In order to reduce the AMC cost the only way is to Optimise/ Minimise the network elements in AMC, considering the following:

- Voice/ Data traffic
- Location of Core elements like MSC, BSC, RNC etc

For example, in order to minimize the AMC cost, in Kerala Circle which is having the least per line AMC cost, the following equipments were decommissioned and removed from network on commissioning of new equipments:

- Seimens MSC (2 Nos) and HLR, Nortel MSC (3 Nos) and HLR, Installed in Phase 1 to-4.
- Seimens MSC (2 Nos) and Nortel MSC (2nos) installed in Phase 4.5.
- The NSN IN installed in phase IV was scrapped.
- Optimised TRX configuration in each BTS/sectors (about Rs.3500/- as AMC amount for each TRX).
- Around 30 BSCs + Transcoder from Motorola & Nortel removed from N/W.
- Motorola BTSS- 400 Nos, Nortel BTSS 900 nos and PSCSN removed.
- Removed all the Antennas from AMC – (ie for each antenna, AMC amount is about Rs.1400/).
- Removed all decommissioned Microwave systems from AMC.
- Removed all installation materials like consumables from AMC list.

The vendors and some vested interests may not agree for removal of equipments from AMC and reduction in AMC costs due to obvious reasons. They will make all type of objections including threat of interruption in services, deterioration of quality, AMC support etc. But nothing happened in those Circles like Kerala and Odisha where they removed the unutilised equipments from the AMC even on strong opposition from vendors, rather the service improved in these Circles. Top Management has to be tough on this aspect to make them come on line. The per line AMC cost is exorbitantly high in J&K, GUJ, TN, AP, UPW, PB, NE, MP, MH, RAJ & WB Circles, more than Rs 100/- per subscriber as given below.


| Sl. No. | Name of Circle | Name of vendor | Total cost of AMC(Amount Rs.) | Subscriber in lakhs | AMC amount per Sub in Rs. |
|---------|--------------------|---|-------------------------------|---------------------|---------------------------|
| 1 | AP | Huwei,ZTE, Motorola, Nortel | 217,846,673 | 101 | 126 |
| 2 | Telangana | Ericsson,NSN,ITI, Huwai,ZTE,GDMSIPL | 1,055,294,889 | | |
| 3 | TN + Trichy | NSN, Ericsson, Mobil., ZTE,Huawai, Wipro, 6D | 1,301,373,941 | 116 | 179 |
| 4 | Chennai TD | Ericsson,Nokia,Huawai, ZTE | 779,611,378 | | |
| 5 | Gujarat | ZTE, ALIL,ITI | 1,510,470,594 | 56 | 270 |
| 6 | UPW | Ericsson,Nokia,ZTE | 830,071,751 | 58 | 143 |
| 7 | J&K | NSN, Ericsson, ZTE | 412,735,773 | 14 | 295 |
| 8 | Punjab(for NWP-CM) | ZTE, Nokia,Ericsson | 431,820,841 | 53 | 163 |
| | Punjab(for NWO-CM) | Syniverse, ZTE, Spice Digital, HP Enterprise, Nokia Solution, G&D, ALIL,HPE | 433,173,143 | | |
| 9 | NE-1 | ZTE, ERICSSION | 237,307,574 | 17 | 221 |
| 10 | NE-2 | ZTE, ERICSSION | 138,710,945 | | |
| 11 | MP | ALIL,ITI,ZTE | 925,685,233 | 61 | 206 |
| 12 | Chhattisgarh | ALIL,ITI,ZTE | 330,758,542 | | |

| | | | | | |
|----|-------------------------|--|---------------|----|-----|
| 13 | MH + Nodal (for NWP-CM) | ALIL, ITI, ZTE, HP | 2,009,051,087 | 68 | 303 |
| | MH + Nodal (for NWO-CM) | Mobillum, Vertiv, Powerone, Syniverse, HPE | 51,844,127 | | |
| 14 | RAJ | Ericsson, Nokia, ZTE | 878,475,659 | 56 | 157 |
| 15 | WB (for NWP-CM) | ZTE, ERICSSON | 355,395,250 | 17 | 209 |
| | WB (for NWO-CM) | Amdocs, ZTE, Mobileum, Alkatel, HPE, Telepower | 2,794,576,428 | | |

It is suggested to take immediate action by all Circles to minimise the AMC cost by optimising the network elements actually required as done by few Circles like Kerala, Odisha and UPE. This can have a saving of about 1000 Crores in CM vertical alone.

Further the details of AMC cost in respect of each Circle for all other verticals and Electrical wing may be compared and all necessary action may be taken so as to reduce unnecessary huge AMC cost.

With regards,


(Sebastin. K) 20/10/18

Copy to:

1. Smt Sujata T Ray, DIR(HR&Fin), BSNL Board for information and n/a please.
2. Shri N. K. Mehta, DIR(EB), BSNL Board for information and n/a please.
- ✓ 3. Shri. Vivek banzal, DIR(CFA), BSNL Board for information and n/a please.
4. Shri. Suraj Mondal, GM(CM-Fin), BSNL CO for information and n/a please.
5. Shri. Y N Singh, GM(BFCI), BSNL CO for information please.

Details of Existing AMC's

| Sl. No | Name of the circle | Name of vendor | Service for which AMC is required | Total cost of AMC | Subscriber in lakhs | AMC amount per Sub in Rs. |
|--------|--------------------|---|---|-------------------|---------------------|---------------------------|
| | | | | Amount Rs. | | |
| 1 | Kerala | NSN, Ericsson, ZTE, Huawei | Ph IV+, IV.5,V,VII,VII+ | 353,136,091 | 108 | 33 |
| 2 | Haryana | Ericsson, ZTE | PhV.1,V.2,,VII, | 388,225,977 | 46 | 84 |
| 3 | A&N | Ericsson, ZTE | PhIV+++ ,V.1,VII | 11,065,232 | | Add-in WB |
| 4 | AP | Huwei,ZTE,Motorola, Nortel | Ph 1 to III,IV.5,IV,V.1,VII,VII+ | 217,846,673 | 101 | 126 |
| 5 | TN + Trichy | NSN, Ericsson, Mobil., ZTE,Huawai, Wipro, 6D | Ph 1 to III,IV.5,IV,V.1,VII,VII+ | 1,301,373,941 | 116 | 179 |
| 6 | Gujarat | ZTE, ALIL,ITI | 1M, 2M,3M,9M, PhVII | 1,510,470,594 | 56 | 270 |
| 7 | HP | Ericsson,Nokia,ZTE, BPE | PhIV,IV+,IV++,IV+++, V.1,V.2,VII,VII+,UPS of MSC Sunder Naeer | 175,517,045 | 27 | 65 |
| 8 | Telanganã | Ericsson,NSN,ITI, Huawei,ZTE,GDMSIPL | Ph1toIII+,IV+,IV.5,IV,V.1,VII,Vii+ | 1,055,294,889 | | Add in AP |
| 9 | Chhattisgarh | ALIL,ITI,ZTE | 1M,2M,3M,9M,PhVII | 330,758,542 | | Add in MP |
| 10 | UPW | Ericsson,Nokia,ZTE | PhIV,IV+,IV++,IV+++, V.1,V.2,VII,VII+ | 830,071,751 | 58 | 143 |
| 11 | Karnataka | Ericsson,Nokia, Huawei, ZTE | PH. III, III+, IV, IV+, IV.5,V,VII | 629,608,203 | 71 | 89 |
| 12 | J&K | NSN, Ericsson, ZTE | PHIV,IV+,IV++,V+++,V.12G,V.1 3G,VII | 412,735,773 | 14 | 295 |
| 13 | Punjab(for NWP-CM) | ZTE, Nokia,Ericsson | Ph VII,VII+,IV,IV+++,V.1,V.II | 431,820,841 | 53 | 163 |
| | Punjab(for NWO-CM) | Syniverse, ZTE, Spice Digital, HP Enterprise, Nokia Solution, G&D, ALIL,HPE | MNP gateway, VAS, USSD Gateway,Support for Billing, Nokia element, Ota phase, in Equipment, billing Equipment | 433,173,143 | | Add in PB |
| 14 | Calcutta TD | Ericsson,ZTE | Ph I to III+, IV+,IV+++,V.1,VII | 94,230,505 | 16 | 66 |
| 15 | Chennai TD | Ericsson,Nokia,Huwei, ZTE | Ph 1 to III+, IV,IV+,IV.5,IV.1,VII,VII+ | 779,611,378 | | Add in TN |
| 16 | NE-1 | ZTE, ERICSSION | I TO III+,IV,IV+,IV+++,V.1,V.2,VII | 237,307,574 | 17 | 221 |
| 17 | Bihar | ZTE, ERICSSION | I TO III+,IV,IV+,IV+++,V.1,V.2,VII | 658,805,799 | 48 | 658805829 |
| 18 | UPE | Ericsson,Nokia,ZTE | PhIV,IV+,IV++,IV+++, V.1,V.2,VII,VII+ | 446,807,198 | 117 | 45 |

| | | | | | | |
|----|-------------------------|--|---|----------------|------|--------------|
| 19 | MP | ALL,ITI,ZTE | IM,2M,3M,9M,PhVII | 925,685,233 | 61 | 206 |
| 20 | MH + Nodal (for NWP-CM) | ALL,ITI,ZTE, HP | IM,2M,3M,9M,PhVII | 2,009,051,087 | 68 | 303 |
| | MH + Nodal (for NWO-CM) | Mobilium, Vertiv, Powerone, Syniverse, HPE | SMS SPAM, 300 KVA UPS, GRX, N/w elements | 51,844,127 | | Add in MH |
| 21 | NE-2 | ZTE, ERICSSON | IV,IV+,IV+++ ,V.1,V.2,VII | 138,710,945 | | add in NE1 |
| 22 | Odisha | ZTE, ERICSSON | IV,IV+,IV+++ ,V.1,V.2,VII | 208,573,862 | 55 | 38 |
| 23 | RAJ | Ericsson,Nokia,ZTE | PhIV, IV+,IV+++ ,IV+++ , V.1,V.2,VII,VIII+ | 878,475,659 | 56 | 157 |
| 24 | UKD | Ericsson,Nokia,ZTE | PhIV,IV+,IV+++ ,IV+++ , V.1,VII | 74,867,139 | | Add in UPE |
| 25 | Assam | ZTE, ERICSSON | I TO III+,IV+,IV+++ ,V.1,V.2,VII | 123,420,390 | 23 | 54 |
| 26 | Jharkhand | ZTE, ERICSSON | I TO III+,IV, IV+,IV+++ ,V.1,VII | 144,873,981 | | Add in Bihar |
| 27 | WB (for NWP-CM) | ZTE, ERICSSON | I TO III+,IV,IV+,IV+++ ,V.1,VII | 355,395,250 | 17 | 209 |
| | WB (for NWO-CM) | Amdocs, ZTE, Mobileum, Alkatel, HPE, Telepower | Billing software PAN India, VAS "X" SMS SPAM, SCP, Power plant, Roaming Relicator | 2,794,576,428 | | |
| | | | Total | 18,003,335,251 | 1133 | 159 |
| | | | Total Rs. In Cr. | 1,800 | | |

| | Circle | HLR | VLR % | VLR |
|----|--------------|--------------------|--------------|-------------------|
| 1 | Andhra | 10,138,678 | 69.88 | 7,084,908 |
| 2 | Assam | 2,337,780 | 67.99 | 1,589,457 |
| 3 | Bihar | 4,807,354 | 56.70 | 2,725,770 |
| 4 | Gujarat | 5,641,982 | 46.79 | 2,639,883 |
| 5 | Haryana | 4,612,494 | 38.99 | 1,798,411 |
| 6 | Himachal | 2,668,626 | 50.21 | 1,339,917 |
| 7 | J&K | 1,448,459 | 65.91 | 954,679 |
| 8 | Karnataka | 7,116,523 | 62.39 | 4,439,999 |
| 9 | Kerala | 10,796,023 | 64.10 | 6,920,251 |
| 10 | Kolkata | 1,622,728 | 58.47 | 948,809 |
| 11 | Madhya | 6,193,498 | 55.57 | 3,441,727 |
| 12 | Maharashtra | 6,878,876 | 57.48 | 3,953,978 |
| 13 | North east | 1,728,292 | 70.64 | 1,220,865 |
| 14 | Orissa | 5,507,870 | 71.90 | 3,960,159 |
| 15 | Punjab | 5,256,533 | 49.18 | 2,585,163 |
| 16 | Rajasthan | 5,622,061 | 49.10 | 2,760,432 |
| 17 | TN & Chennai | 11,667,350 | 67.16 | 7,835,792 |
| 18 | U.P.(E) | 11,709,991 | 46.28 | 5,419,384 |
| 19 | U.P.(W) | 5,865,767 | 44.14 | 2,589,150 |
| 20 | West Bengal | 1,720,863 | 81.28 | 1,398,717 |
| | Total | 113,341,748 | 58.71 | 66,540,673 |

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Corporate Office,
an,
w Delhi-11.



Disc

Date : 12.10.2018

Managers,
Circles/ Metro Telephone Districts.

Consolidation of all AMC's (Annual Maintenance

A meeting held on 24th-25th september, 2018 under 'Repair & Maintenance' was the major

action received through the Nodal Cells, NWP-CM Corporate Office have been consolidated and enclosed

from the report that there is a substantial outgo of AMC's currently running in all the Circles than Rs. 1800/- crores for the duration of

carry out a thorough verification of all the existing equipment and necessity, particularly, considering that new equipment is being deployed in place of old equipments. It is requested that feedback regarding steps taken for downward trend may be sent to this office by 29.10.2018 through email.com.

Surajit Mandol
12/10/18
Surajit Mandol
G.M. (Finance-CM)

Copy to.

1. All the Circle IFAs of BSNL Circles for necessary action.
2. PGM (NWP-CM)/Sr. GM (NWO-CM), BSNL-CO, New Delhi, for kind information please.
3. GM (BFCI), for information please.