

VAS-2 SMSDATA3G-Triotech/2012

Dated: 13th May, 2015

To,

Sr.GM (CMTS)/ GM (CMTS) Nodal Center - Chandigarh/ Pune/ Kolkata/ Trichy/ GM (VAS)
Nodal Center- Chennai

Subject:- New policy for approval of price points of SMS/IVR/USSD/Data for new/existing services.

The issue of speedy approval of price points was under discussion from quite some time in this office. Earlier authority to approve price points below Rs 50/- was delegated to zones with an aim to avoid delay in approval of price points. However, later it was found that arrangement is not working properly and VASP have to purse with four zones separately leading into considerable delay into launch of new services.

Keeping in view of this, later a new policy was framed for approval of price points centrally at corporate office level only so that a VASP is not made to purse with four zones. As per policy it was decided that GM (VAS) was to approve the price points. However, later it was found that even this new process is causing delay in approval of price points.

VAS products have short life and a VAS product launched with delay loses its full revenue potential. Therefore timely launch of services is very important and critical in VAS.

In view of above it was decided that we may follow a policy which minimizes manual intervention so that price points are approved faster and no revenue loss to BSNL is caused due to delay in launch of services. Accordingly, a new policy has been framed keeping following in view:

- i. The price points under approved are for Non-exclusive VAS Services. Such services are designed and created by VASP's. BSNL only provide the network resources. In lieu of providing n/w resources, BSNL take the share in revenue.
 - ii. VASP's, who are owner of the services, do all the due diligence before deciding the price points and proposing the same to BSNL.
 - iii. As against the voice tariff plan where a wrong tariff can reduce the existing revenue, in VAS if service is not popular due to wrong price point, there will be no reduction in existing revenue.
2. However, as BSNL pools in, its n/w resources for the services a due diligence has to be done to ascertain that price points are not abnormally low vis-à-vis the n/w resources consumed while delivering the service to end customer.
 3. To achieve the same it has been decided that we may define the cost for each SMS/USSD/IVR/Data used in delivering the VAS content and while finalizing the price points it has to be ensured that BSNL accruable are at least equal to the cost of resources consumed.

4. BSNL accruable may be calculated as follow:

- i. BRPS (BSNL Revenue Per SMS)=(EUP*BSNL Share-0.15*EUP)/No. of SMS sent to deliver content).
- ii. BRPU (BSNL Revenue Per USSD)=(EUP*BSNL Share-0.15*EUP)/No. of USSD sent to deliver content).
- iii. BRPM (BSNL Revenue Per Minute)=(EUP*BSNL Share-0.15*EUP)/No. of minutes used to deliver content).
- iv. BRPK (BSNL Revenue Per KB Data)=BSNL keep 100% of data charges.

In above formulac adjustment of 15% has been done against payment of Licensee and spectrum fee against EUP.

5. Cost of SMS/IVR/USSD/Data for delivering the service may be defined as following:

- i. For SMS delivery channel- 20 P/SMS.
- ii. For IVR delivery channel-Re 1.0
- iii. For USSD delivery channel- 20 P/USSD.
- iv. For WAP/Data delivery channel- BSNL keep 100% of data charges. Only revenue share on content price is shared. BSNL customer has to pay data charges as per his data plan in addition to EUP fixed for content. Therefore 100% of cost of delivery is recovered from customer. Therefore, cost may be taken as zero for calculation purposes.

6. In view of above, it has been decided that henceforth CVPS vendors/Zones may be allowed to create price points of services without needing any separate approval either from Corporate Office or Zones , subject to following:

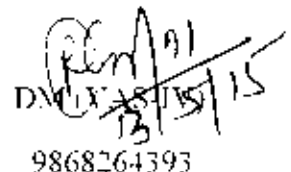
- i. BSNL accruable (as defined above) are at least equal to the cost of resources consumed (as defined above).
- ii. Maximum number of 7 price points (excluding fallback price points) can be created against each service.
- iii. Only the price points below Rs 50/- are to be approved by these methods. Price points above or equal to Rs 50/- are to be approved by Director (CM) separately on case to basis.

7. The above rules may be configured in CVPS and VASP may themselves create price points based on above rules after remotely logging into the system. CVPS vendor may forward the request for opening price points to concerned DE/SDE in/charge of IN and MSDP.

8. Arrangement has to be made that price points are approved following the above process within two days.

Zones are requested to make the necessary arrangement as per above by 20.05.2015. Till the time the above process may be followed manually.

Compliance of above shall reach this office by 22.05.2015 positively.


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Copy to:

- i. Director(CM)/Director(Finance), BSNL Board for kind information please
- ii. All CGMs, BSNL
- iii. Pyro/Netxl for taking necessary action pl.
- iv. All VASP's for taking necessary action pl. (through email.)