

BSNL plans \$3.5-bn tender

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NEW DELHI: State-owned telecom company BSNL plans to float a \$3.5-billion tender, a third of which will be reserved for public sector telecom equipment company ITI , an executive aware of the development told ET.

The telco wants to procure equipment for 40 million GSM lines. BSNL is yet to decide if it wants to go in for a single contract, or split it into two tenders for 20 million GSM lines over a two-year period, this executive added. This contract will provide the company with sufficient capacity till 2013. "To take care of the long-term expansion requirements, BSNL has planned to expand its mobile network by a capacity of 20 million lines each in 2011-12 and 2012-13," the telco said in its status report that was sent to the telecom department earlier this month.

This will be in addition to the 5.5-million GSM lines tender that the telco floated recently. BSNL had earlier banned Chinese firms from bidding for this contract to expand its mobile network in its north and eastern zones, but changed the rules to accommodate firms such as Huawei and ZTE after the centre allowed participation from Chinese companies.

The \$500-million contract for 5.5 million lines was the first tender the PSU had floated after it cancelled its 93-million lines contract, earlier this year.