

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

STARRED QUESTION NO:429
ANSWERED ON:26.04.2010
SCRAPPING OF BSNL CONTRACT
Dhruvanarayana Shri R. ;Naik Dr. Sanjeev Ganesh

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether the Bharat Sanchar Nigam Limited (BSNL) contract/tender for 93-million-line GSM equipment has come under Central Vigilance Commission's (CVC) scanner in the country;
- (b) if so, the details thereof;
- (c) whether BSNL has decided to scrap the said contract/tender;
- (d) if so, the reasons therefor; and
- (e) the steps taken/being taken by the Government in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI A. RAJA)

(a) to (e) A statement is laid on the Table of the House

STATEMENT TO BE LAID ON THE TABLE OF THE LOK SABHA IN RESPECT OF PARTS (a) to (e) OF THE LOK SABHA STARRED QUESTION NO. 429 FOR 26TH APRIL, 2010 REGARDING "SCRAPPING OF BSNL CONTRACT"

(a) to (e) Madam, tenders for procurement of GSM equipment under Phase-VI for 93-million-line was floated by the four zones of Bharat Sanchar Nigam Limited (BSNL) on 01.05.2008. The tender was floated for 25 million lines each by North, West and South zones and for 18 million lines by the East zone to meet the requirements spread over three to four years.

At the advance stage of tender finalization, the Central Vigilance Commission (CVC) decided to investigate the Phase-VI tender and called for the records. Accordingly, the BSNL Board decided not to proceed further with the GSM tender till further advice from CVC. The CVC recommended not to operate on the tender of 93 million GSM lines because of non-competition, high rate and prolonged negotiations. The recommendations of CVC were placed before the Sam Pitroda Committee, a committee constituted to review the performance of BSNL. The Pitroda Committee also recommended to drop the tender of 93 million GSM lines and suggested switching to a new model wherein network capacity and/or services are managed by the vendor. The report of Pitroda Committee in the matter was deliberated by the BSNL Board on 05.03.2010 and the Board decided to go by the recommendation of the Pitroda Committee.

The recommendations of Pitroda Committee along with the views of BSNL will be placed before the Telecom Commission.