

# **Strategic partner with 26 pc stake an ideal solution: BSNL CMD**

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NEW DELHI: Facing a sharp deterioration in its finances and market share, state-owned BSNL today said selling a 26 per cent stake to a strategic partner, be it foreign or domestic, could improve its performance.

"In the interest of the company, we should have a strategic partner where they have a 26 per cent stake," BSNL Chairman and Managing Director Kuldeep Goyal told PTI.

Goyal, who is retiring on July 31 after a nearly 3-year stint as CMD of BSNL, said a strategic partner can bring a lot of experience and vision that will help the PSU compete with private players effectively.

A high-level panel led by Sam Pitroda had recommended 30 per cent divestment in BSNL as part of steps to improve BSNL's financial health.

The proposal for a stake sale, which will pave the way for its initial public offering (IPO) and consequent listing on the stock exchanges, has been vehemently protested on various occasions by BSNL's employees.

However, Goyal said they (the employees) should get a share in the stake sale so that they also feel that they own the company.

"A part (of the stake) should go to the employees so that they also feel that they own the company and that they have a stake in the company. That seems to be the best way forward for the government," he added.

The telecom veteran feels that the agitating unions can also be brought on board for this.

"I think if a decision is taken, then it could be explained to them... their fear is that it should not be privatised... that government should explain to them it will continue to have a 51 per cent stake in the company.

"This categorical assurance, if it is given to them, I think they can be bought on board," Goyal said.

"To begin with, dilution of 10 per cent stake is a good amount, it should be gradually increased to 26 per cent by the government," he said.

Asked whether the management has negotiated with any foreign player, Goyal said no such talks have been initiated. But there are some good foreign players like Deutsche

Telekom, France Telecom and British Telecom who could be considered.

Citing the example of Tata Docomo, he said once Docomo tied up with Tata Telecom, their performance improved significantly.