

RCom to 'virtually merge' with Jio

■ Anil Ambani plans to reduce RCom's debt to 75% in 1 year

Mumbai, Sept. 27: Grappling with mountain of debt, RCom on Tuesday said it is planning to pare the ₹42,650-crore burden by up to 75 per cent over the next one year.

Addressing the shareholders, company Chairman Anil Ambani said, "The target is to reduce debt by 75 per cent within a year (from ₹42,651 crore) and once the ongoing merger processes of MTS and Aircel with RCom are complete, it will help reduce debt by ₹20,000 crore."

Describing the three-way merger as the largest ever consolidation in the domestic telecom industry, he said this will create a formidable operator with the second largest holder of spectrum aggregating 448 MHz across the 850, 900, 1,800 and 2,100 MHz bands.

It will also make RCom one of the largest and valuable corporates with an asset base of over



Reliance infrastructure chairman Anil Ambani describes his son Anmol Ambani as extremely lucky at the Reliance capital AGM in Mumbai on Tuesday — PTI

₹65,000 crore and net-worth of ₹35,000 crore, he said.

The merger, once completed, will make RCom the fourth largest telecom player with around 180 million subscribers.

Earlier this month, RCom had signed a definitive agreement with

Aircel for the merger of wireless businesses with itself. RCom and Aircel will each hold have equal stake in the merged entity.

The merger will lead to a reduction in RCom's overall debt by ₹20,000 crore from its total debt of ₹42,651 crore, and Aircel's debt will come down by

₹4,000 crore ₹23,436 crore.

On RCom's association with Mukesh Ambani-led Reliance Jio, he said both the brothers are working together to realise the dream of their late father, and this association has accomplished a virtual merger between RCom and Rel Jio.