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Kribhco to market RComm's products

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Half a year after launching its GSM services, Reliance Communication-sLtd (RComm) has entered into joint venture with Krishak Bharati Cooperative Ltd (Kribhco)—Kribhco Reliance Kisan Ltd—to market its telecom and non-telecom products and service in rural areas.

Kribhco is a fertilizer-producing cooperative that would provide the rural distribution network to RComm's telecom network through the joint venture.

With an authorised capital of Rs 25 crore, the joint venture plans to increase its capital infusion to up to Rs 100 crore in future, S P Shukla, president RComm wireless division said. Kribhco would hold 60% equity in the Kribcho Reliance Kisan Ltd while RComm would hold the remaining 40% equity.

The JV would cover around 72% of the Indian population. Kribhco's distribution network would essentially be used to market Reliance GSM and

CDMA services along with customised services and value-added products and services across the rural areas. It would also distribute products and services of other business enterprises of Reliance ADA Group including Reliance Capital, Reliance Entertainment and BIG TV DTH.

Kribhco Reliance Kisan Ltd, would create a first-of-its-kind distribution model covering 72% of Indian population through its network of over 25,000 cooperatives, 6,300 member cooperatives and 60 Krishi Seva Kendras spread across the length and breadth of the country.

Satisfied with the company's pan-India GSM roll-out, Shukla said that the company had been earning higher than the average industry revenue in the past few months after the launch of the GSM services. The company, he said would also continue looking for acquisitions. "Funds wouldn't be a problem for us despite having committed huge sums of investment to the GSM roll-out and in case we do find a target acquisition we would go ahead", Shukla added.