

Mukesh Ambani art of deal making – Agilis advisors GMBH

Financial Advisory Germany, Capital Raising Germany



W: AGILISADVISORS.COM
E: HELLO@AGILISADVISORS.COM
M: +49 (0) 176 36395599



Berlin, Nov 22, 2020 (Issuewire.com) - Mukesh Ambani's art of deal making - debt to 'net debt-free'

Author: Naveen Prasad, Founder & MD at Group Agilis advisors GMBH

The safest way to double your money is to fold it over and put it in your pocket” -Kin Hu
Reliance Industries Limited (RIL) became the first Indian company to exceed market capitalisation of \$150 billion. It is also the first Indian company to cross ₹ 1,00,000 crore in consolidated EBITDA. RIL’s seminal contribution to the Indian economy is immense as they continue to be India’s largest exporter

accounting for 9% of India's total merchandise exports, being India's highest payer of customs and excise duty in the private sector, highest payers of GST and VAT, amongst the highest payers of Income Tax in the private sector. The oil to telecom conglomerate breaks into world's top 100 companies on the Fortune Global 500 list.

The much hyped term 'data is the new oil' has been literally brought to reality when Mukesh Ambani shared the updates of RIL in its 43rd AGM. Jio Platforms which has been changing the telecom landscape in India in just over three years after launch has grown to be the top telecom company in India. At the end of year 2019, the dry powder or the unutilized capital has risen to \$1.5 trillion. The private equity industry remains sought after by investors and most likely to have positive investor sentiment to see through capital flowing in year 2020.

While COVID19 crisis continues to be the most disruptive event in modern human history adding up to global community's hardships. Asia's richest man believes that every adversity presents multiple new opportunities. As on March 2020, RIL had a net debt of ₹1,61,035 crore. RIL recently announced that it had become 'net debt-free' after raising the capital from global investors (₹1.15 lakh crore) and a rights issue (₹53,124.20 crore) totalling ₹1.69 lakh crore in just 2 months. The scale of investments is unprecedented and a clear win-win situation for Jio, US tech majors and other key investors. Besides huge investments flowing from top tech investors, the ₹ 53,124 crore Rights Issue is also the world's largest Rights Issue by a non-financial institution in a decade which was completed entirely on a digital platform during the lockdown period.

Investment Journey:

- > April 22, 2020: Facebook announces investment of Rs 43,574 crore for a 9.99 percent stake.
- > May 4, 2020: Silver Lake announces equity investment of Rs 5,655.75 crore.
- > May 8, 2020: Vista announces equity investment of Rs 11,367 crore for a 2.32 percent stake
- > May 17, 2020: General Atlantic invests Rs 6,598.38 crore for a 1.34 percent equity stake
- > May 22, 2020: KKR announces Rs 11,367 crore investment for a 2.32 percent stake
- > June 5, 2020: Mubadala announces Rs 9,09360 crore investment for a 1.85 percent equity stake
- > June 5, 2020: Silver Lake announces additional equity investment of Rs 4,546.80 crore
- > June 7, 2020: Abu Dhabi Investment Authority invests Rs 5,683.50 crore for a 1.16% stake
- > June 13, 2020: TPG invests Rs 4,546.80 crore for a 0.93% stake
- > June 13, 2020: L Catterton joins Jio Platforms' investors list with a Rs 1,894.50 crore investment for a 0.39 percent stake
- > July 2020: Google to invest ₹ 33,737 crores for a 7.7 percent stake

Oil to telecom business tycoon's art of deal making has been the talk of India's financial markets which is well lauded by top businessmen and market experts. Warren Buffett once quoted that "Risk comes from not knowing what you're doing" and RIL Chairman's strategic forward thinking and business acumen skills has immensely contributed to weigh down the risks and reap the potential benefits and opportunities from such huge investments.

The massive debt that had mounted in recent years had pushed RIL at the high end of the debt-rating spectrum enabling to bridge the future prosperity and expansion of company. As rightly appraised by Kin Hubbard - "The safest way to double your money is to fold it over and put it in your pocket", Mukesh seems to have did exactly the same by safeguarding his money on the first place and attracting the investor's money yet keeping the returns intact. The timing of RIL debt reduction plan is paramount as investors are immediately attracted to write a cheque to own a slice of it. With oil prices depressing and digital being the new future, there are over 1.3 billion reasons for the investors to rely on Jio as they gear up to lead the digital eco-system and transformation.

African proverb quotes “To walk fast, walk alone; to walk far, walk together”. RIL has chosen its partners such that future will be an interesting journey as RIL is poised to create its own roadmap in collaboration with its new strategic partners. The new announcements such as 5G technology readiness, the launch of new mobile phone, having Kirana store to the digital world and combing with RIL’s investment strategies will put Jio into a market leader position in digital and telecom sector.

Media Contact

agilisadvisors

agilisadvisorscapital@gmail.com

07636395599

Germany (Headquarters) - Lindenstraße 74, 10969 Berlin

Source : agilisadvisors

[See on IssueWire](#)