

News Report

Asia's richest man breaks into club of six oil elites

NEW YORK: Reliance Industries Ltd., run by Asia's richest man Mukesh Ambani, has eclipsed BP Plc to break into an elite club of energy supermajors.

The Indian conglomerate is now valued at \$138 billion, compared with the British energy giant's \$132 billion value at the close of trading on Tuesday. Reliance's shares have increased at three times the pace of India's benchmark index this year after its billionaire owner in August announced plans to cut the company's net debt to zero in 18 months through measures including a stake sale in the oil-to-chemicals business to Saudi Aramco.

The surge in shares gives Ambani a net worth of \$56 billion, making him Asia's richest person, above Alibaba Group's Jack Ma, according to the Bloomberg BillionairesIndex, international media reported.

Reliance's market value briefly surpassed BP for the first time at the end of last month, and it has now regained the lead over the British company after its shares hit a fresh high in Mumbai on Wednesday.

It also narrowing the gap with PetroChina Co., currently Asia's biggest oil firm by value, and is within a whisker of becoming the first Indian company to hit the 10 trillion rupee market-cap milestone. Reliance has rallied 40% this year, compared with BP's 1.2% gain as it works on cutting high debt levels. Oil companies have struggled because of swings in crude prices and as uncertainty persists over future energy demand.

Reliance, meanwhile, has benefited in a number of ways. It operates the world's biggest oil-refining complex in western India, which can process low-quality crude and turn it into higher-grade fuels, partly protecting it from volatility in prices.

While Reliance gets two-third of its revenue from energy, Ambani has also made massive investments in telecom and digital services as he looks to benefit from growing demand in the world's second-biggest market for mobile phone users. He has also expanded the company's retail business to take on Amazon.com Inc. and Walmart Inc.

The telecom unit, Reliance Jio, which claims to be world's largest mobile data network, was also bolstered by a recent blow to India's wireless carriers that left Ambani's company largely unscathed. On Tuesday, Jio said it will take steps including an appropriate increase in tariffs in the next few weeks.

Reliance is now the world's sixth-largest oil company, with Exxon Mobil Corp. topping the list with a market value of about \$290 billion. Aramco, formally known as Saudi Arabian Oil Co., is planning an initial public offering with a valuation target of between \$1.6 trillion and \$1.7 trillion, which would make it the world's biggest.