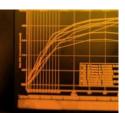
## Bloomberg





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## Richest Indian's \$41 Billion Push Spurs Reliance Bonds to Record

Bond investors are signaling billionaire Mukesh Ambani's promises are bearing fruit.

As Reliance Industries Ltd. nears completion of its \$41- billion spending spree on everything from new petrochemical projects to getting its fourth-generation wireless services running, optimism the investments will soon start contributing to revenue has driven the yield on its perpetual dollar bonds to a record low.

S&P Global Ratings says the capital expenditure by the operator of the world's biggest refining complexwill help reduce leverage and increase earnings over the next three years. It will also mitigate the threat to margins from 2016's rebound in oil prices, that follows an extended period when refiners including Reliance benefited from declining Brent crude.

"Reliance is so diversified and so much money could be made in the downstream business, there is no real risk for us and that is why we are long the bond," said Martin K Wilhelm, founder of money manager Ifk GmbH, which owns Reliance's perpetual notes. "It's a solid game and for the bond investor, there is no real big risk."

The yield on the firm's perpetual dollar bonds issued in 2013 has declined for three straight months, falling 48 basis points since end-February to 5.76 percent on Friday, according to data compiled by Bloomberg. It was little changed on Monday. That compares with 9.14 percent on similar-maturity debt of Philippines' Petron Corp., the only other Asian refiner with perpetual notes. The yield on Reliance's securities due in 2025 has fallen to 3.83 percent from as high as 4.55 percent in January.

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