

## P17MBA41

## PART - B (Case study - Compulsory)

## 9. Sibling Rivalry in Family Business

Reliance Industries Limited (RIL) is India's largest Private sector company. The Reliance Group's annual revenue is in excess of USD 6,600 crore. However the company has witnessed unprecedented rivalry between siblings Anil and Mukesh Ambani, sons of the Late Dhirubhai Ambani, the group's founder.

Anil Ambani, born in 1959, joined RIL in 1983 as co-chief executive officer. He holds an MBA degree from the Wharton school of the university of Pennsylvania and is credited with having pioneered many financial innovations in the Indian Capital markets. For its current status as India's leading textiles, petroleum. Petrochemicals, power and telecommunications company.

Mukesh Ambani, born in 1957, enrolled into the MBA programme at the Stanford Business school but dropped out after the first year to assist in his father's business. He joined RIL in 1981 and initiated its backward integration from textiles into polyester fibres and further into petrochemicals. In this process, he directed, the creation of 60 new world class manufacturing facilities involving diverse technologies.

The brothers fell out after the death of their father in 2002. Their father, Dhirubhai Ambani had left no will regarding separation and succession. In 2006, the group was split between the brothers under terms suggested by their mother, kokilaben. Mukesh kept the group's petrochemical flagship. Reliance Industries (RIL), Indian petrochemicals Corp. Ltd., Reliance the Anil Dhirubhai Ambani Group (ADAG) consisting of Reliance Communication, Reliance Capital, Reliance Energy and Reliance Natural Resources Ltd. Almost eight years after they fought publicity, Mukesh and Anil signed a deal worth 1200 crore rupees that would allow Reliance Jio Infocom, the telecom division of Mukesh's Reliance industries to roll out 4G services using the nationwide fibre network operated by Anil's Reliance communications. This deal has sparked hopes of reconciliation between the brothers.

## **Questions:**

a.	What were the reasons for split in Reliance Industries?	6
b.	How could the ownership issues in this case have been sorted out?	6
c.	What according to you are the key issues in family business management in this case?	8

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