

Investing in India's Future

CHAIRMAN'S STATEMENT

Thirty Ninth Annual General Meeting

Thursday, June 6, 2013



Reliance

Industries Limited

Growth is Life

3rd Floor, Maker Chambers IV, 222, Nariman Point, Mumbai 400 021

My Dear Shareowners,

A very warm good morning to each and every one of you.

It gives me great pleasure to welcome you to the 39th Annual General Meeting of Reliance Industries Limited.

The Company's accounts for the year ended March 31, 2013, along with the Directors' and Auditors' report, a Letter to the Shareholders, and Management's Discussions and Analysis, have already been circulated to you.

With your permission, I would like to take them as read.

1. Strategic Perspective

Dear Shareowners,

Shri Dhirubhai Ambani, our Founder Chairman, was inspired by the tremendous potential of India's people, India's markets and India's enterprise.

Consequently, he ensured that Reliance singularly focused on several sectors of national importance.

This simple tenet has enabled Reliance conceptualize initiatives on an expansive format, implement them aggressively and grow from strength to strength, year on year.

Even today, the same vision of believing in India drives all of us at Reliance.

Presently manufacturing growth in India is at a decadal low.

Agricultural growth is at a multi-decadal low.

The most important need for India today is employment creation through investments in manufacturing, infrastructure, energy, services sector, agriculture and the rural economy.

Based on our strong faith in the potential of India, we are currently making investments in excess of INR 150,000 crore over the next three years.

Your company is investing the largest capital in India by any enterprise – public or private, Indian or foreign.

This is an expression of the faith of Reliance in India and in her potential.

These investments will lead to both higher levels of employment and self-employment opportunities and productivity gains and is your company's humble contribution to get our country back on a sustainable growth path.

2. Global Economy and Reliance

Dear Shareowners,

We are making these investments at a time when the global economy is facing one of its most challenging periods in modern times.

Most of the economies are faced with slowdown, high unemployment and lack of visible growth triggers.

We have the conviction to look through the cycle and make investments at this time.

It is our belief that our new projects will come on stream as the global economy recovers and margins in our core businesses are on the upswing.

Energy markets are, however, transitioning to a new world order.

This brings opportunities for Reliance.

Opportunities to participate in oil and gas exploration and production projects in other parts of the world.

Opportunities in sourcing competitively priced liquid and gaseous hydrocarbon feedstock.

3. Indian Economy and Reliance

Dear Shareholders,

We will seize these opportunities to India's benefit.

India's future lies in the energetic growth of her enterprises.

Our new investments across manufacturing, retail and 4G digital services will spur growth in India.

Apart from our own investments, these sectors have high multiplier effects and will lead to secondary and tertiary economic investments and employment creation in a variety of sectors.

Reliance has been a big part of India's industrialisation and economic growth over the last three decades creating capacity in three major sectors – exploration and production, refining and marketing and petrochemicals.

Our investments in retail integrate the agro sector with consumer markets and improve quality and efficiency.

In the technology/digital services space, our investments create a platform for self-employment and efficiency for several sectors in the Indian economy.

Reliance is the only company in India to facilitate meaningful growth across all the three pillars of the country's economy – agriculture, industry and services.

Reliance will stimulate growth in agriculture through retail and petrochemicals applications, industrial growth through energy and manufacturing and services growth through retail and broadband digital services.

4. Business and Financial Performance

Dear Shareowners,

I am proud to inform you that we have continued and grown our tradition of sustained value creation for all stakeholders, despite geological and technical challenges in our domestic Oil and Gas business.

Despite the tough global and Indian economic scenario, Reliance delivered satisfactory financial performance across all key parameters.

In the last year, Reliance recorded its highest ever turnover of INR 371,119 crore and net profit of INR 21,003 crore.

Reliance also achieved its highest ever exports of INR 239,226 crore to 116 countries during the year, accounting for 64 % of turnover.

Reliance continues to be India's largest exporter now accounting for 14 % of the total exports from India.

Reliance returned INR 3,366 crore to shareholders by buying back 4.62 crore shares, the largest share buyback program so far in India's history.

I am proud to say that we continue the tradition of Reliance being the highest tax payer in the private sector in the country.

Reliance accounts for 4.8 % of India's total indirect tax revenues.

Reliance is also the largest income tax payer amongst private sector companies.

Reliance's superior credit profile is reflected by Standard and Poor's awarding its international long term corporate credit rating of BBB+.

Reliance is the only Asian company in the Oil and Gas sector to enjoy a rating of two notches above the Sovereign rating.

Reliance continues to enjoy the highest ratings for its domestic credit.

Reliance continues to be debt-free on a net basis and has further strengthened its financial position in the past year.

5. Petrochemicals

Dear Shareholders,

Let me now turn to each of our businesses.

Petrochemicals has been the foundation of Reliance's growth strategy over the last 35 years.

It is the bedrock of a growing economy like India.

Reliance is the world's largest and most integrated producer of Polyester fibre and yarn.

Reliance is also the fifth largest producer of polypropylene.

Our portfolio is amongst the world's top-ten diversified petrochemical companies in terms of earnings today.

Growing aspirations of young Indians and their preference for superior lifestyle continue to drive demand for petrochemicals.

Indian per capita demand of petrochemicals, however, is still one of the lowest at 26 kg against the global average of 88 kg.

Today our petrochemical products touch every facet of a citizen's life through apparel, household goods, electronic goods, automobiles and food packaging.

Every second child going to school in India wears uniform made from Reliance Polyester.

Every automobile made in India has polypropylene produced by Reliance.

Last year, I had mentioned that our petrochemical capacity will increase from 15 million tonnes per year to 25 million tonnes per year on the strength of this growing demand.

Towards this, Reliance has undertaken the single largest expansion in the petrochemicals sector in the world.

I am happy to announce that most of these projects are under implementation.

In Polyester, we are expanding our capacity by 1.5 million tonnes per year to reach 4 million tonnes per year.

The polyester filament yarn plant at Silvassa will be commissioned during the first half of the current financial year.

I am proud to say that this plant will be the only zero waste plant globally from day one.

This will be followed by the PET resin plant in the second half of this financial year at Dahej, making us the seventh largest producer of PET in the world.

We will commission a million tonnes PTA plant in the first half of the next year followed by another plant of same capacity within the next six months taking the total PTA capacity to 4.3 million tonnes per year.

Reliance will thus emerge as the third largest producer of PTA in the world.

Reliance will also double its paraxylene capacity at Jamnagar over the next 30 months to become the second largest producer in the world.

India is amongst the fastest growing markets in the world for synthetic rubbers due to exponential growth in vehicle population and demand from replacement market.

Reliance will be the leading player in this market with presence across the whole synthetic rubbers portfolio.

We will commission SBR and PBR capacities in synthetic rubbers during the current financial year at Hazira.

Butyl rubber JV with Sibur is progressing as per schedule.

These expansions in synthetic rubber will position your company amongst the top five producers globally in terms of earnings.

We are building one of the world's largest ethylene crackers taking advantage of refinery integration at Jamnagar.

This project will be commissioned in the second half of the financial year 2016 and would nearly double the ethylene capacity to 3.3 million tonnes per year.

Downstream to the cracker, we will have the world's largest LDPE plant, a swing PE plant and a glycol plant.

This will make Reliance amongst the top five glycol producers globally.

With implementation of all the above projects, your company is on its way to be amongst the top five petrochemical producers in the world.

All our new manufacturing capacities are focused on the Indian market and the Indian consumer.

At the same time we continue our strong commitment to protection of the environment.

Today Reliance converts more than 1.6 billion used PET bottles annually collected from 150 collection centres to produce value added polyester products.

This not only conserves valuable resources and prevents environmental degradation, but facilitates large employment generation as well.

6. Petroleum Refining and Marketing

Dear Shareowners,

Now let me turn to the petroleum refining and marketing business.

The crude and product markets exhibited significant volatility in the past year.

In this environment, the operational performance of the Jamnagar complex was marked by several achievements.

We had the highest throughput of 68.5 million metric tonnes at 110 % capacity utilisation.

This is a record amongst large global peers in the refining world.

The refinery complex had its largest exports of 41.2 million metric tonnes valued at over USD 39 billion.

The Gross Refining Margins improved to USD 9.2/barrel as against USD 8.6/ barrel last year.

Due to the above, Reliance's Refining and Marketing business earned its highest ever EBIT at INR 12,788 crore during the year 2012-13.

In respect of earnings, we are amongst the top 5 global independent refiners with a resolve to be amongst the top three in the world.

Reliance entered into a 15 year landmark agreement with PDVSA of Venezuela for supply of heavy crude.

Reliance's Jamnagar refining complex was chosen as the 'International Refiner of the year 2013' by the Hart Energy USA.

Reliance's Jamnagar complex received this award for the second time making Reliance the only Asian refinery to have achieved the feat.

I am pleased to inform you that the safety performance at Jamnagar was recognized by the British Safety Council by conferring the 'Sword of Honor' for Occupational Health and Safety Management.

Energy conservation continues to be a major area of thrust at the refinery both through short-term measures and long-term initiatives.

One such initiative is the 'Coke Gasification' project which is under rapid execution.

Through this project, pet coke at the refinery will be upgraded to Syngas for further use as fuels and for Hydrogen and Chemicals production.

This will provide competitive energy costs for our integrated refining complex, improving its return on capital and reducing volatility in earnings due to energy costs.

In addition to the gasification project, which will aim at full bottom of the barrel conversion, we continue to look for avenues to add value to existing refinery streams and maximise both throughput and margins.

On the marketing front, Reliance continued to be a significant supplier of petroleum products to the domestic market.

We welcome the proposed policies of the Government of India in respect of fuel prices in the country to reduce dependence on subsidies.

This augurs well for the long term prospects of fuel retailing in India.

Even in an environment of global volatility, our refinery is well-positioned to generate significant value for our stakeholders.

7. Oil and Gas Exploration and Production

Dear Shareowners,

I will now come to the Oil and Gas business.

Almost two years have passed since Reliance and BP entered into a transformational partnership focused on delivering growth and adding value to India's energy sector.

This partnership aims to combine BP's technical expertise with Reliance's project management and operating skills.

During this period, the Joint Venture devoted itself to using some of the best available geo-technical resources in the world, and expertise available with partners, to gain better understanding of the complex geology of the Indian offshore.

This being done, we have now commenced our exploration campaign in the East Coast of India.

Our first success has been achieved in the MJ1 well in KG D6 block.

Success that we now know has the potential to significantly add to our resource base.

This discovery is a testimony to the combined technical skills of BP and Reliance and the prospectivity of the KG basin.

This gas and condensate reservoir is located two kilometres below the currently producing D1 D3 gas fields and has exhibited very good potential during the flow test.

All efforts shall be made to expedite the appraisal and development of this discovery.

Over the next few quarters more prospects have been lined up for exploration drilling in the Krishna Godavari and Cauvery basins.

Meanwhile, with four years of uninterrupted and incident free operations, the current fields in KG D6 block have already supplied more than 2 trillion cubic feet of natural gas and about 22 million barrels of crude oil to various consumers in the country.

They have substituted over US\$ 30 billion of energy imports – saving precious foreign exchange for the country.

The East Coast is full of geological challenges, and, as the first company to begin producing from the deep off shore in India, we have had our share of challenges.

There have been challenges in sustaining production, which we are now addressing having received the requisite regulatory approvals.

Various production augmentation efforts are underway including to maximize recovery from the existing fields in KG D6 block.

Additional hydrocarbon resources in the KG D6 and NEC25 blocks are planned to be developed over the next few years, subject to all necessary regulatory approvals.

We are all set to proceed with the development of two coal bed methane blocks in Sohagpur, Madhya Pradesh despite various execution and infrastructure challenges.

We are awaiting approvals to build a pipeline to connect to the major pipeline grid of the country for immediate utilization of this gas by various consumers.

Again, a fair regulatory environment and timely approvals are key to success of exploitation of such unconventional resources, and we target for first gas from these fields in 2015.

With the development of CBM Blocks, Reliance will become the largest player in the unconventional energy sector in India.

Our domestic Oil and Gas portfolio is of strategic importance to India, to Reliance and to its stakeholders.

We believe that production from our projects will significantly help India reduce energy imports, with savings of nearly US\$ 100 billion to the nation.

8. International Oil and Gas

Dear Shareowners,

Reliance ventured into the exciting and competitive resource base of Marcellus and Eagle Ford Shale gas plays in the US, by entering into three Joint Ventures (with Chevron, Pioneer and Carrizo) in the year 2010.

Low exploration risks in the shale gas business and an investment-friendly environment proved to be a game changer for the US oil and gas industry.

Today, we are amongst the largest foreign investors in this business, with investments exceeding US\$ 5.7 billion as on March 31, 2013.

All our three Joint Ventures are now operational and we are selling into competitive markets in Pennsylvania and Texas.

With the current increase in the US gas prices, coupled with continued focus on the liquid-rich acreages in the Eagle Ford area, technological advancement and on-going initiatives for reducing cost, this business is expected to grow sustainably over the next few years.

US Shale Gas business of Reliance has more than doubled its revenues and EBITDA compared to last year.

It has become a significant contributor to our E&P portfolio.

Production from shale gas will be in excess of one-third of our aggregate production this year.

After building a materially significant business position in US, Reliance is committed to expand and create similar positions in other countries.

As a first step, we have rationalized our international portfolio with profitable divestments of our positions in Kurdistan and Yemen.

Thereafter, we have signed a Memorandum of Understanding with Petr leos de Venezuela, S.A. (PDVSA), the Venezuelan state-owned company, to evaluate opportunities to participate in development of heavy oil fields in Orinoco Oil Belt in Venezuela, the country with largest oil reserves in the world.

We have been pre-qualified by Iraq Government to bid for the Al-Nasiriya Integrated Project for development of upstream oil field and construction and operation of a 300,000 barrels per day petroleum refinery in Iraq, the country with second biggest oil reserves in the Middle East.

All these initiatives indicate that Reliance is well on its way to becoming a global E&P player.

9. Organised Retail

Dear Shareholders,

In the last AGM, I had shared with you our strategic direction of making retail business as one of our growth engines over the next few years.

I am pleased to share with you that this business has accomplished a significant milestone by crossing revenues of INR 10,000 crore during the year.

And achieved cash breakeven with earnings before depreciation, finance cost and tax expense (EBDIT) of INR 78 crore.

This milestone is a significant step in our journey towards attaining our strategic vision.

Our results demonstrate the underlying strength of our business and strategies to offer unparalleled choice of products and services to the discerning Indian customer.

It is gratifying to note that in a short span of 6 years since the opening of the first store, Reliance has made remarkable progress in expanding the retail business and achieving market leadership across several formats.

Our numbers are a testimony to our strategy and implementation till date.

With established backend, world class infrastructure and undistracted focus on the Indian market, I am confident that our retail business would undertake multi-fold growth in the next few years by delivering over 50% revenue growth in various format sectors year-on-year and is on its way to achieve revenue target of INR 40,000 crore to INR 50,000 crore as shared by me in our last AGM.

Our multi-format strategy is paying huge dividends with most of the formats having positioned themselves as market leaders and is poised for strong growth in the future.

During the year, Reliance added 184 stores across format sectors.

The company now operates around 1500 stores spanning 130 cities across India and covering an area of over 9 million square feet.

Reliance One loyalty program now enjoys patronage of over 13 million valued customers contributing 65% to the sales during the year.

Our value format business continues to deliver a unique combination of value, freshness and quality to customers.

The value format has further consolidated its position as the largest grocery retailer in the country.

With our philosophy of inclusive growth, Reliance continues to forge strong bonds with farmers and small manufacturers and sharing with them benefits of world-class supply chain.

The Cash & Carry business under Reliance Market has remained focused on its Kirana partners, small traders and institutions by providing them with a complete offering in terms of best prices, superior service and widest assortment of products.

Our Digital and Digital Express stores continue to be the benchmark in product range, solutions and services offered in the market.

They are supported by ResQ, a full-fledged service organisation and India's first multi-product, multi-brand and multi-location service network.

In fashion and lifestyle sector, we are uniquely positioned to serve the shopping aspirations of customers encompassing the entire value ladder.

Reliance Trends has achieved the distinction of becoming the leading value fashion specialty retailer.

For the aspiring Indian customer, we bring some of the best international brands to India where customers experience international shopping environment and latest fashion trends.

Reliance Jewels continues its growth by strengthening the design capabilities and launching new collections thereby improving the shopping experience for our customers.

We will continue to pursue growth in all parts of the business with greater efficiency and increased customer orientation.

We will work relentlessly to make all our formats the favourite shopping destination for Indian customers.

10. Reliance Jio – Our Digital Services Initiative

Dear Shareholders,

In my address to you at last year's AGM, I had talked about India's potential to leapfrog the world and become a global leader in the delivery of digital content, applications and services.

I had also mentioned that Reliance has a unique green-field opportunity to contribute to this transformation by creating not just a cutting-edge broadband network, but also a powerful platform on which a range of rich digital services can be enabled.

In continuing to hold a bullish view about the potential of the Indian digital services market, many may well count me among the optimistic minority in the Industry.

Let me assure sceptics that my continued optimism is based on the significant strides that we at Reliance have taken in the past year – towards engineering and testing a world-class broadband network, and in developing a suite of compelling and synergistic digital services.

Today, I remain stronger than ever in my belief that Reliance will, through the Reliance Jio initiative, radically transform the lives of 1.2 billion Indians.

I say this because I believe that India's future is digital.

Indeed, mankind's future is digital.

I envisage a new India in the not too distant future, where almost everything we do today is digitally transformed to a value-creating and life-enriching new experience cutting across all strata of society.

Micro and Small businesses will soon have access to cutting-edge technologies which historically only the bigger companies could afford - giving them a new edge to compete on a global landscape.

I see a new India which will create a whole new generation of entrepreneurs leveraging these digital assets - whether through creating new applications to address India's pressing challenges in socio-economic development or in using them to create great customer experiences.

I see a new India which will use digital currency instead of paper money, for a more secure and more convenient way to transact.

I see a new India, where teachers, students and researchers from far-flung areas can connect with each other, and lift the level of education and knowledge creation to a completely different plane.

I see a new India, where access to expert medical advice would be available anytime, anywhere - with medical practitioners able to grow their practice without constraint, and provide affordable quality of life services to everyone.

In the coming years, Reliance Jio's next-generation digital infrastructure and services platform will catalyse a transformation and will embrace almost every facet of India's economic growth and social progress.

And, this is just the beginning.

I am glad to report that I am joined in this belief by my team of passionate and hardworking colleagues at Reliance Jio Infocomm, who have worked – and continue to work – tirelessly to make our vision a reality.

It is personally gratifying for me to see that we continue to attract the best of talent to our project.

From less than 700 professionals a year back, most of them based in our Navi Mumbai campus, the Reliance Jio team has grown rapidly to a national footprint of over 3,000 professionals today.

And we estimate that over the next year we will grow the team further to a national strength of nearly 10,000 professionals.

For all of us at Reliance Jio, this is not a business that we are bringing to market.

We are bringing our passion and belief to the market to transform India.

We have also finalized the key vendor and supplier partnerships that are required for the initial launch of our services.

These strategic partners too are deeply invested in the realization of our vision and have committed significant resources, knowhow and global talent to support planning, deployment and testing activities currently underway.

Dear Shareholders,

Our vision for India is that broadband and digital services will no longer be a luxury item – a scarce commodity – to be rationed amongst the privileged few.

We envision an India where these are basic necessities to be consumed in abundance by consumers and small businesses alike, as much in far-flung villages as in our largest cities.

Together with our partners, we have charted an ambitious plan for the next 12 months, and we at Reliance Jio foresee making rapid progress over this period towards launching our services across India.

Our impatience to reach our goal demands a sense of urgency, but not careless haste.

The legacy we are striving to create for the country needs a solid foundation which will carry the aspirations of our youth into the future, and we need to build it with diligence and care.

That is our opportunity, as well as our promise.

By the time we meet next year, I will report on the specifics of the substantial progress that we would have made.

11. Reliance Foundation

Dear Shareholders,

Let me now update you about our impactful work under Reliance Foundation.

Reliance Foundation is deeply involved in working with some of the most vulnerable and marginalized communities across India with the objective of integrating them into the mainstream development process of the country.

As a part of its core model, the Foundation engages directly with identified communities through a team of trained professionals who are working on the ground.

The Foundation currently touches the lives of over a million people across 2,500 villages and various urban locations through its various programmes and services.

Reliance Foundation's Bharat India Jodo (BIJ) programme has made significant progress and is actively engaged with over 20,000 marginal households in 24 agro-ecological zones across 10 states in India.

Till date, about 15,000 hectares of privately owned under-productive land has been brought under sustainable agriculture practices through this programme.

Reliance Foundation's Information Services Programme is working towards empowering communities with timely, need-based, localized information using multiple interactive platforms that can significantly help in improving their livelihood opportunities.

In a period of eight months, the programme has reached over 100,000 beneficiaries in the states of Andhra Pradesh, Maharashtra, Tamil Nadu and the Union Territory of Puducherry.

As a part of our commitment towards providing quality and affordable primary and preventive health care to the underprivileged, the Health Outreach Programme was launched in December 2012.

In the first few months of its operation, the programme has already benefitted several thousand underprivileged families in the city of Mumbai.

In the tertiary health care, we are in the process of completing the revamping of Sir Hurkisondas Nurrotumdass Hospital in Mumbai into a world-class hospital.

I look forward to sharing the achievements of Reliance Foundation in the coming years.

12. Talent at Reliance

Reliance's greatest asset has always been its extraordinary talent.

The last year was another path-breaking year from the talent perspective at Reliance.

During the year, the overall HR organization was significantly strengthened and several futuristic initiatives were launched.

This involved creating some new Centres of Excellence and strengthening the existing Centres of Excellence.

During the year we added more than 100 top-notch HR professionals across several HR sub disciplines.

We continued to focus on implementing a robust Human Capital Management system to support our global, multi-geography diversified organisation on "one common platform".

Reliance's time-tested best-in-class management competency framework has been implemented across the organisation.

The purpose of creating this competency frame work is to institutionalize the spirit of entrepreneurship, quest for business excellence through constant innovation in technology and management practices, developing a mind-set of being "owners" rather than employees, ability to deal with ambiguities in the external environment and being diligent and details oriented.

At the same time, this framework also focusses on strengthening the ethos of integrity and teamwork all across Reliance and will help build new leadership talent at all levels.

We now have a world-class Learning & Development organization focused on continuous development of the current employee pool to make them more effective and prepare them for handling bigger challenges and higher responsibilities.

More than two million man-days of learning were delivered in the current year.

We have a highly engaged workforce from diverse backgrounds that makes Reliance a world-class organisation.

Our continued ability to hire, retain and nurture superb talent in Reliance is based on an inclusive and satisfying working environment, an ecosystem for fostering creativity and innovation and engagement leading to creating new differentiators and improved productivity.

13. Value Creation Roadmap

Dear Shareholders,

Reliance has embarked on the largest investment programme in its history.

We are committed to investing INR 150,000 crore in the next three years.

Reliance is making significant investments in all five businesses simultaneously – Exploration and Production, Petroleum Refining and Marketing, Petrochemicals, Retail and 4G.

We are also investing in scale in all our major manufacturing sites at the same time – for the first time in our history.

Since all of the investments in our core energy and material businesses are in brownfield sites, these will be amongst the most competitive projects being executed anywhere in the world.

Our organised retail initiative will continue to build scale by providing consumers' with choice and delivering continuous value.

Our 4G Reliance Jio initiative will build scale based on technological superiority, affordability and providing an unparalleled range of services that do not exist today.

Each of the initiatives that I have spelt out today is path-breaking and on a large format, which is the hallmark of Reliance.

In refining and petrochemicals, we are going to have a level of integration which is unique in the industry in terms of feedstock and value addition.

This is possible only due to scale and project execution capabilities of the company.

We will de-risk our refining business by investing in 'bottom-of-the-barrel' upgradation and forge long-term partnerships for sourcing crude.

We will create a larger and more diversified portfolio of products to meet a variety of customer needs in our petrochemical business.

Our recent success in MJ1 reassures us that we can further augment India's energy security.

Each of the above requires significant project management expertise and leadership skills.

I have personally focused on strengthening the organisation by hiring the right talent from across the world and providing them the systems, processes and tools to make them successful and to institutionalise our culture and value for successful outcomes.

Reliance has rewarded shareholders as it has completed its investment cycles and shared the prosperity with them.

You can be reassured that this tradition of investment, growth and rewards to shareholders will continue.

Reliance has had the trust of our shareholders, commitment of its focused, high calibre and energetic employees, their leadership and the support of several external agencies within and outside the government.

This rich endowment gives us the strength and the resolve to venture and win.

These are not just words of tribute, but a deep and heart-felt expression of gratitude.

Dear Shareholders,

I began my address by pointing out that the Indian economy has currently hit a low-growth phase.

However, although Reliance takes due note of these challenging times, it remains undeterred by them.

We have always seen an opportunity in every adversity, a new opening where others see a closed door.

This is because of three founding principles of Reliance.

Firstly, we have since the inception of our Company, believed in taking a long-range and holistic view of business.

Secondly, from the very beginning, we have built in our Company a strong culture of constant learning from first principles and ceaseless improvement for creation of real value.

Our single-minded commitment to creating real assets and real value for the Company and the Country has brought to us unique reputation and rich rewards.

Thirdly, and most importantly, what has always and in the most reliable way propelled our Company's growth is our unshakeable faith in India.

It is my personal conviction that India has the potential to become a global leader, not only in the economic field but also in many other creative fields.

By ensuring good education, quality health care and livelihood for all, it is indeed possible to convert India's abundant potential into actual performance.

I have no doubt that our ambitious and able youth will bring about this transformation.

They are already doing so in many ways.

For the first time in India's long history, we can leverage the digital and information technologies to improve the quality of life of all our billion-plus people in our great nation.

India's transformation will trigger a major transformation of the world order, including the world economic order.

And it is in this mega-transformation that Reliance wishes to participate.

The future is going to be far more exciting than the past.

Which is why, Reliance will continue to invest in India and its potential.

India is our faith.

India represents our fortune.

14. Acknowledgements

With these thoughts and feelings, I would like to take this opportunity to wholeheartedly thank the Central and State Governments, the Governments of all the countries where Reliance operates, shareholders, investors, bankers, financial institutions, lenders, suppliers and customers for their consistent and constant support.

I thank all my colleagues on the Board for their solid support and enormous encouragement.

Finally, I would like to specially acknowledge the commitment and dedication of the entire Reliance Team in creating and sustaining an India-based, truly world-class enterprise taking giant leaps with each new venture.

Thank you.

**Mumbai
June 6, 2013**

**Mukesh D. Ambani
Chairman and Managing Director**