



YEARS OF
RELIANCE
— 1977-2017 —

Four Decades of Serving India

CHAIRMAN'S STATEMENT

40th Annual General Meeting
(Post-IPO)

Friday, July 21, 2017



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 Annual General Meeting of Reliance Industries Limited.

The Company's accounts for the year ended March 31, 2017, along with the Directors' and Auditors' report, a Letter to the Shareholders, and Management's Discussion and Analysis, have already been circulated to you.

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

1. Reliance@40 – Four Decades of Value Creation

Dear Shareowners,

This year marks the 40th anniversary since our IPO.

In just four phenomenal decades, Reliance has grown from a small startup to becoming one of the largest and most admired companies in the world.

No Indian corporate, and few global corporates, have expanded so much and so fast in scope, scale, size and service to the nation.

From a textiles company, we have created multiple growth engines in energy, materials, consumer and digital businesses.

Each one is global scale and world class.

We have established many records in this period – that has made India and our shareholders proud.

Our turnover has grown from 70 crores in 1977 to over 330,000 crores today - an increase of nearly 4700 times.

Our net profit has grown from 3 crores to nearly 30,000 crores in the same period – a growth of over 10000 times.

Our total assets have increased from 33 crores to over 700,000 crores and a multiple of over 20,000 times.

Market capitalization has multiplied from ten crores to five lakh crores.

An exponential growth of fifty thousand times and a compounded growth rate in excess of 32%.

One thousand rupees invested in Reliance shares in 1977 is today worth ₹ 16,54,503 - over 1600 times more valuable.

In simple terms, this means that your money has doubled every two and a half years over the past 40 years.

We had 3500 employees in 1977.

Today all our businesses together employ over 250,000 people.

All of these achievements have very few parallels anywhere in the world.

For all of this, we have our beloved country India to thank for the opportunities we got, and to you, our dear shareholders for the faith you reposed in Reliance.

I want to dedicate these 40 years of achievements and records to our founder Chairman Shri Dhirubhai Ambani.

And am grateful to my mother Smt. Kokilaben Ambani – who is here with us today.

2. Reliance Jio – Our Digital Services Initiative

Dear Friends,

Let me begin with Reliance Jio.

It has been only 10 months since the launch of Jio.

And what an incredible journey it has been!

Jio has broken one world record after another.

First, nobody believed that we could acquire customers fast enough to justify our ₹ 200,000 crore investment in the world's largest greenfield 4G LTE all-IP network.

Team Jio stunned the world.

They over-delivered on the 100 million target that I had set for them at our last AGM.

In less than 170 days, more than 100 million customers signed up for Jio's services.

On an average, Jio added 7 customers per second every single day.

This was the fastest adoption of any technology service, anywhere in the world.

Faster than even Facebook, WhatsApp and Skype.

This is a testament to the unwavering trust that Indians have placed in us and their love for the Jio brand.

Today, Jio has over 125 million customers.

I sincerely thank each and every one of our customers.

Aap Sab Ko, Main, Mere Dil Se, Dhanyavaad Deta Hoon !

Second, before the launch of Jio, sceptics said that Voice over LTE is a globally unproven technology.

But, we proved them wrong!

We enabled Jio users to make unlimited voice calls from anywhere to everywhere in India – absolutely free.

Jio users consistently make more than 250 crore minutes of voice and video calls every single day.

We are grateful to our Prime Minister Shri Narendra Modi's Digital India vision, which allows the benefits of technology to be passed on, directly to Indian customers.

Third, many analysts believed that India can never be the largest mobile data market in the world.

Again, Jio proved them wrong.

In just 6 months of Jio's launch, data consumption in India went from 20 crore GB to 120 crore GB per month and has been multiplying ever since.

Now, Jio customers alone are consuming over 125 crore GB of data every month, including 165 crore hours of high-speed video every month, making Jio the largest mobile video network.

Indeed, India has overtaken USA and China in mobile data usage.

Before Jio's launch, India was 155th in the world in mobile broadband penetration.

Now India is number 1 in mobile data consumption and well on its way to becoming number 1 in mobile broadband penetration, in the coming months.

Fourth, sceptics said India being India, free users will never convert to paid users.

Once again, Jio's customers proved them wrong.

Starting March of this year, Jio successfully undertook the largest migration from free to paid services in history.

And we have converted majority of our free customers to paid customers.

Today, Jio has more than 100 million paying Jio Prime customers.

Most of them have recharged on Jio's ₹ 309 or higher plans.

Jio Prime members will continue to get tariff benefits with Jio Dhan Dhan Dhan and Every Day More Value plans.

Additionally, they will get many attractive surprises.

Jio Prime members have a special place in our hearts.

We thank them for their trust in Jio and I want to commit that Jio is a customer-obsessed organization and will always walk the extra mile in serving them every single day.

Dear Shareholders,

There are 78 crore mobile phones in India.

However, let us not forget that in this 78 crore, there are more than 50 crore feature phone users who have been left out of the digital revolution.

They cannot avail any benefits of a smart phone, much less the benefits of a 4G LTE smartphone.

They can neither afford the cheapest 4G LTE smartphone, nor the exorbitant cost of data charged by existing 2G operators.

At last year's AGM, I had said that data is the oxygen of digital life, and no Indian should suffer because of data scarcity and unaffordability.

Sadly, a vast majority of mobile users in India are starved of data.

This digital disempowerment and unfairness must end.

Jio is committing to end it today.

We shall achieve this in three ways – Connectivity, Data Affordability and Device Affordability.

First, connectivity:

Jio is a data strong network built for the internet from the ground up with the highest speeds and the best coverage.

This is a significant advantage we have over all other Indian operators.

For the past 5 months, the TRAI SpeedTest portal, which officially monitors the quality of telecom networks in India, has consistently ranked Jio as the clear 4G network leader in coverage, usage and data speeds.

Our network continues to rapidly expand across the country.

And in the next 12 months, Jio services will cover 99% of our country's population.

Because of Jio, India's 4G coverage will be more than its 2G coverage.

It took 25 years for our competitors to build their 2G network.

Jio will have created a larger 4G network in just three years.

To support the enhanced coverage, we are also expanding our physical distribution network across India.

We will soon have over 10,000 Jio offices, across every city and tehsil town of India.

These offices will service our sales channel partners and over ten lakh physical retail outlets that sell Jio services.

In addition we will integrate with all major e-commerce platforms.

Second, Data Affordability:

Friends,

It is both unjust and ironic that 50 crore Indians who have feature phones pay more for voice calls and sms than those with smartphones.

They end up spending their entire month's telecom budget of ₹ 150 – 200 only to get 150 minutes of voice - while their smartphone counterparts on Jio network get voice for free.

Even today, they have to pay between ₹ 4,000 to 8,000 for every GB of data - while their smartphone counterparts on Jio get data for ₹ 10 to 20 per GB.

If these feature phone users were to consume a similar quantity of data as smartphone users, they would spend over ₹ 4000 per month at the prevailing 2G data rates.

This makes it impossible for them to even think of using data, let alone avail advanced data services like video calling, mobile video and mobile applications.

Third, device affordability:

Even an entry-level smart phone costs between ₹ 3,000 to ₹ 4,500 making it unaffordable for feature phone users to upgrade to a smartphone.

We simply cannot idly stand by when such a large proportion of our fellow citizens are unable to participate in the digital revolution sweeping the nation.

This is the most critical problem in bridging the digital divide.

And I had challenged our young engineers at Jio to find a disruptive Indian solution to this problem.

What they came up with, stunned me. And it will stun you.

Today, Jio is going to reinvent the conventional feature phone.

With a revolutionary device, an unmatched Indian innovation, Made in India, by young Indians and for all Indians.

Ladies and gentlemen,

Let me introduce India ka Intelligent SmartPhone - **Presenting Jio Phone**.

Dear Shareowners,

As you just saw, JioPhone is a truly revolutionary phone that will transform the lives of 50 Cr feature phone users.

Now, let me announce the tariffs for the JioPhone.

First,

On the JioPhone, voice will ALWAYS be free.

Currently, the 50 Cr feature phone users are charged Re 1.2 to 1.5 per min for basic voice calling.

They end up spending their entire month's telecom budget of ₹ 150 – 200 only to get 150 minutes of basic voice.

With Jio's network coverage reaching 99% of India's population, and by making voice calls free, this potentially empowers each and every Indian to make FREE VOICE CALLS... to any operator... anywhere in India...

Second,

The 50 Cr feature phone users don't even have access to basic internet and apps.

To enable a Digital Life, they need access to DATA at affordable rates.

Starting 15th of August this year, I am declaring DIGITAL FREEDOM for all feature phone users.

Jio will give them access to UNLIMITED DATA on the JioPhone.

If these feature phone users were to consume a similar quantity of data on other operator's network, they would spend over ₹ 4,000 – 5,000 per month at prevailing 2G data rates.

Jio will provide this at ONLY ₹ 153 per month..that is one-thirtieth the price.

I am putting an end to UNAFFORDABLE DATA, with this ALL UNLIMITED, Jio Dhan Dhana Dhan plan of ₹ 153 per month for the JioPhone!

There will be a fair usage policy of half a GB per day, to ensure that bandwidth is fairly apportioned for every user.

Third,

Many JioPhone users might like to view their favorite content such as live TV, movies, education on the big screen of their television sets.

This is especially true in many remote parts of India where even cable TV and high speed internet have not reached.

Our young Jio engineers have created an innovation to help them -- a special and affordable "**JioPhone TV cable**" that connects JioPhone with any TV, not just a smart TV, so that all JioPhone users can enjoy viewing on the big screen of their existing television sets.

Along with this accessory, users can opt for the **existing Jio Dhan Dhana Dhan ₹ 309 pack** that would allow users to watch almost 3-4 hours of videos daily, of their choice, on a large screen.

Fourth,

We are well aware that many of these users find it difficult to commit ₹ 153 upfront.

In order to fit every pocket, we are also introducing 2 sachets - a weekly plan for ₹ 54 and a 2-day plan for ₹ 24, that provide similar value.

Friends,

To sum it up, this breakthrough and revolutionary device named JioPhone along with Jio's disruptive tariff will unleash the power of Digital Life in the hands of 1.3 billion citizens of the largest democracy in the world.

Now, let's do a quick recap of today's highlights:

1. Jio redefined technology service adoption and became the fastest growing company in the world, with more than 125 million customers.
2. Jio revolutionized data consumption and made India the number 1 data-consuming nation, globally
3. In terms of Jio's network rollout, Jio will ensure that India's 4G coverage will be more than its 2G coverage in the next 12 months
4. Jio reinvented the conventional feature phone and launched a breakthrough device called the JioPhone that will unleash a Digital Life for every Indian.
5. Jio once again disrupted market tariffs by:
 - A. Making voice free for 50 Cr feature phone users
 - B. Introducing an unlimited data plan for JioPhone users at only ₹ 153 per month
 - C. Introducing an innovative JioPhone TV-Cable to help connect the JioPhone to ANY TV for watching your favorite internet content
 - D. Announcing affordable ALL UNLIMITED sachets at ₹ 54 for a week and ₹ 24 for 2 days

These are truly five path-breaking and revolutionary announcements from Jio.

But that's not all. There is **ONE MORE THING**.

You may want to know how much the JioPhone cost.

Remember that even an entry-level 4G smart phone will cost between ₹ 3,000 - 4,500.

Today, I am delighted to announce that JioPhone will be available to all Indians for an effective price of – ₹ 0.

Yes, you have heard it right ... for an effective price of ₹ 0!

JioPhone is effectively free for Jio customers.

We know that anything free can potentially be misused.

To protect against misuse of the free JioPhone offer, we plan to collect a fully refundable, one-time, security deposit of ₹ 1,500 with every JioPhone.

A JioPhone user can use the JioPhone for 36 months, and can get a full refund of the security deposit of ₹ 1,500 by returning the used JioPhone.

Net-net, you pay nothing for the JioPhone.

It is free!!

Dear Shareowners,

All Indians – without exception – will not only be free from voice charges, from SMS charges, from extortionist data charges.

From 15th August, 2017, they will have access to the highest quality, highest quantity, most affordable and unlimited data.

This is how Jio will end the digital exclusion in India.

And this is what I call true digital freedom.

Reliance dedicates JioPhone to the nation on the joyous occasion of India@70 - the 70th anniversary of India's Freedom and offers it to over 50 crore data-deprived mobile feature phone users in India.

Digital Life will no longer be the privilege of the affluent few.

This is the most powerful digital tool ever created in India to empower every Indian.

Technological limitations and inefficiencies of some operators will no longer become an excuse to perpetuate digital deprivation to over 50 crore Indians.

Reliance democratized the equity culture in the past.

Now, Jio will democratize the digital culture in India.

Jio will be the greatest accelerator of the Bharat-India connectivity.

Indians even in the remotest villages will now have the same access to digital entertainment, digital learning, e-Healthcare, e-banking, e-Governance and real-time information that is enjoyed by those in cities like Mumbai or Delhi.

The launch of the JioPhone will fulfill the dream of our Founder, Shri. Dhirubhai Ambani and the Digital India vision of our Prime Minister Hon'ble Shri Narendra Modi.

Friends,

So... when will the JioPhone be available?

The JioPhone will be available for user testing in beta from **15th August** and for pre-booking from **24th August**.

And JioPhone will be physically available to those who have pre-booked, on a first come first serve basis, September onwards.

So, I encourage all of you to pre-book a JioPhone as quickly as possible, starting 24th August.

And from the last quarter of this year, all JioPhones will be made in India.

We are targeting to have 5 million JioPhones available every week.

Dear Shareholders,

I have always set impossible goals and targets for my colleagues at Jio.

And they have unfailingly made the impossible, possible.

Today, I am mandating the Jio Team to help a majority of feature phone users in India to migrate to JioPhone.

JioPhone will make the 2G feature phone obsolete.

With this, I am sure Jio will set a new world record.

Friends,

Creating fixed-line high-speed broadband services is the next leap forward for our country.

Jio remains well on track to bring world-class optic-fiber connectivity to enterprises, small businesses, homes and public spaces.

Most of Jio's infrastructure for providing these services is already in place.

This is the next big monetization opportunity for Jio.

I will regularly apprise you of the progress we make in each of these areas.

Friends,

For Jio's spectacular success, I am ever grateful to all our trade and retail partners for their support and commitment.

And most of all, Jio's success belongs to the tireless efforts of 100,000 people of Jio across India.

Jio is a young organization and Akash and Isha, our Directors at Jio, both 25, lead a large contingent of success-hungry and highly talented professionals.

I want to publicly recognize and thank each and every one of the Jio employees and applaud their contribution to our company, and our nation.

Friends,

Our motto at Jio is that while we are the best today we will strive to be better tomorrow.

Once again, I thank you for being a part of our growing Jio family!

We are grateful for your trust, and we are obsessed, 24x7, with providing you a superior customer and service experience.

It is an honor for me to be a part of this amazing journey...

I am confident that with Jio and on this fortieth anniversary of Reliance...

Your LIFE IS DIGITAL. And your LIFE IS BEAUTIFUL.

3. Shri DHA Film

Today, as we celebrate our fortieth anniversary, I am convinced that Dhirubhai Ambani, my father and our Founder, is with us.

It is his vision and values that have guided us in this magnificent journey of Reliance.

We all can feel his presence as we pay tribute to this great soul, this proud son of India, who redefined the destiny of our country and its people.

As the Gita says:

The soul has no birth or death... hence will never cease to be.

Dhirubhai lives in our hearts for eternity!

Let us welcome Dhirubhai again to this AGM.....

As we dedicate this 40th AGM of our company to the everlasting memory of our Founder, let me reiterate:

I have had the good fortune of being present at each of the 40 AGMs.

For the first 25 years, I sat by the side of my father, who tutored me with boundless affection, attention and hope.

I can feel as if he is sitting here, smiling and talking to me and to all of you. I hear him telling me;

"Now, you are in my place. You have the responsibility to protect Reliance and promote the interests of all its shareowners, partners and employees. I am confident that you will take Reliance to greater heights."

Today, 15 years later, let us repeat the same pledge to our Founder:

In the next decade, our dreams for Reliance will be bigger, our ambitions higher, our commitment deeper - and so will be our achievements.

As Reliance marches towards its Golden Jubilee, today we commence our Golden Decade.

We will always live by your ideals, vision & values and build a New India of Dhirubhai's dream.

This is our solemn commitment. And this is my promise to all of you.

4. Business and Financial Performance

Dear Shareowners,

I am delighted to report yet another year of record breaking performance by your company.

The net profit of ₹ 29,901 crore is the highest in the Indian corporate sector.

Reliance continues to be India's largest exporter accounting for 8% of India's total merchandise exports with a value of ₹ 147,755 crore and access to markets in 108 countries.

Reliance paid ₹ 29,637 crore of customs and excise duty during the year, which is almost 5% of India's total revenues from customs and excise duty.

Reliance is also the highest Income tax payer in the private sector in India and paid ₹ 8,880 crore as income tax during the year.

We, at Reliance, congratulate the Government on its historic step of introducing the GST regime.

GST brings uniformity in the tax rates and enables India to fulfil the dream of one Nation One Tax resulting in one unified Indian market.

Over the last five years, we have made capital investment of 330,000 crores, the largest capital expenditure program by any Indian corporate.

We have invested over 2 lakh crore in our digital services and we are the largest contributor to the 'Digital India' vision of our Honourable Prime Minister.

We have invested over 1.3 lakh crore in our energy and material businesses thereby strengthening the 'Make in India' initiative of our Honourable Prime Minister.

All of these investments will start generating operating revenues in the coming months.

These investments have further strengthened our cost positions, enhanced our scale and competitiveness and created new lines of business.

Making Reliance one of the strongest companies in each of our business segments globally.

5A. Petrochemicals

Dear Shareholders,

Petrochemicals is a significant contributor to improving the quality of lives of millions of Indians and creates large employment opportunities.

I am happy to report that we have successfully commissioned our Paraxylene complex making Jamnagar the largest manufacturing facility of Paraxylene in the world.

We have also added new capacity in PTA and in Downstream Polyester over the past 2 years.

These investments strengthen our position as the world's largest integrated Polyester player.

The refinery Off-gas Cracker at Jamnagar is among the world's largest and fully integrated crackers ever built.

This project was mechanically completed last quarter and is being commissioned.

The Off-gas Cracker complex will be fully operational in a few weeks setting a new benchmark for start-up and production in less than 6 months from mechanical completion.

Our ambitious project to import large-scale ethane from North America to India is commissioned.

This is the first of its kind in the world and provides feedstock security, reliability and flexibility to our existing crackers.

This project has been executed in a record time from concept to commissioning of less than 2 years which includes building of special purpose ocean going Ethane carriers and installation and commissioning of Ethylene unloading system.

These projects will place Reliance as among the top 10 Petrochemical producers globally with a unique portfolio and the highest level of integration.

5B. Petroleum Refining

Dear Shareowners,

Let me now turn to Petroleum Refining and Marketing business.

I am happy to report that the path breaking Petcoke gasification project at Jamnagar has made significant progress in the past year.

This project will convert low value petroleum coke to high value fuels and Hydrogen and ensure energy self-sufficiency at Jamnagar.

It is also the largest petcoke gasification project ever built globally.

The gasification complex is in an advanced stage of commissioning.

The benefits of the project will be immediately visible in lower energy cost and higher gross refining margins.

With this investment, our refinery business will be the most integrated and efficient globally.

We continue to derive value from an integrated business model with an optimised supply chain from crude purchase to product placement in over 100 countries.

Our refining business continues to demonstrate exemplary performance and this was recognised at the Global Refining and Petrochemicals Congress 2017 by winning the Refinery of the Year award.

5C. Oil and Gas Exploration & Production

Dear Shareowners,

Today, Reliance is India's leading E&P Operator.

Reliance's US Shale Gas ventures have faced challenging times due to prices at their lowest in a decade.

Reliance and its partners continue to improve efficiencies and we will continue to look at rationalizing these portfolio investments.

We welcome the recent initiatives by Government of India which allowed Marketing and Pricing freedom for domestic natural gas and CBM.

I am delighted to share with you that we have commenced commercial gas production from the CBM Blocks in Madhya Pradesh.

CBM development, spread over 1000 square kilometers, with hundreds of wells, makes it among the largest surface footprint projects in India

RIL and BP have recently approved an investment plan to monetize over 3 trillion cubic feet of gas from new fields in KG D6 block.

First gas from these fields is expected in mid-2020.

We look forward to making our domestic E&P business economically viable in the coming years.

6. Organized Retail

Dear Shareowners,

Our business strategy for retail is simply single-minded focus on customer satisfaction and value.

We execute this strategy through use of technology, scale and spread.

We are proud to say that one in every ten Indians shops with us.

This year, Reliance Retail crossed ₹ 33,000 crores which is a significant milestone in our journey, a growth of 60% year on year.

The like-for-like growth is over 16% with Digital's like-for-like growth at over 21%.

And our turnover for the 4th Quarter was in excess of ₹ 10,000 crore – the first time any retailer in India has achieved this milestone.

371 new retail stores were opened last year, an unprecedented expansion in the retail industry in India by any retailer.

We are the only organized retailer with significant presence in the North-East.

Over the next 12 months, our network of stores will scale up rapidly to penetrate into Tier 2 and Tier 3 cities of India.

Dear Shareowners,

Reliance Digital, our consumer electronics business grew by 90% last year.

Every minute, 8 smartphones are sold at Reliance Digital.

Every hour, 42 laptops and 68 TV's are sold at Reliance Digital.

With the exponential demand for data, entertainment and connected consumer appliances, growth in this segment will accelerate.

We expect Reliance Digital to capture most of this growth across India.

Reliance Trends is the largest value fashion retailer in India.

Its customer proposition of fashion at an affordable price attracted 7 crore customers last year making us their favourite shopping destination.

Reliance Trends sells nearly 1 crore garments in a month or over 30,000 garments every hour.

In the Grocery category, we are the largest modern trade retailer and would continue to expand in the coming year.

Reliance Fresh – neighbourhood stores, Reliance Smart – large destination supermarkets, and Reliance Market – wholesale cash & carry stores, continues to win hearts of consumers and grew by over 25% last year.

Our customers will benefit from the reduction in effective tax rates on products under GST.

In fuel retail, we re-commissioned 142 new outlets during the year.

RIL's network of 1221 fully automated and future ready Retail outlets on key highways cater to major demand centres and witnessed 90% revenue growth.

Reliance Retail is a business with significant growth possibilities – I have set our leadership a target of 30% growth each year over the next decade.

7. Media and Entertainment

Now, let me talk about our **Network 18** media and entertainment operations.

This business spans 53 television channels and several digital media properties, all of these housed across Network 18 and Viacom 18, our joint venture with Viacom.

We are also the partner of choice in India for leading global brands such as CNBC, CNN and Forbes.

Last year, we launched three new regional news channels in Kerala, Tamil Nadu and Assam under the News18 brand.

These channels on an average reach over 500 million viewers every week, one of the highest among all TV networks in India.

With digitization of the media business and expansion of mobile broadband and fixed broadband connectivity driven by JIO, this business has exponential growth potential in the future.

8. Reliance Foundation

Dear Shareowners,

Over the past 7 years, Reliance Foundation has been one of the most satisfying and rewarding investments we have made.

Reliance Foundation has emerged as the largest corporate Foundation in India and now reaches out to 12 million people.

Through its continued efforts, Reliance Foundation has improved productivity of land for over 50,000 families and made 131 villages water-secure.

Reliance Foundation's Education for All initiative now impacts the lives of 100,000 children.

Further to our initiative of virtual classrooms, we are taking quality education to the doorsteps of deprived communities and have launched a programme to reach students through digital learning vans.

Reliance Foundation is committed to creating opportunities for the youth to pursue a career in sports.

In its first year, Reliance Foundation Youth Sports reached 8 cities and reached over 2 million children.

The Foundation continues to innovate and leverage technology for efficient solutions.

Going forward, our ambition is to leverage Jio to scale up Foundation's initiatives for better reach and greater impact, creating opportunities for young India.

I congratulate Nita and her team for their dedication and spirit towards creating hope and making a difference to lives of millions.

And I also take this opportunity to congratulate Nita and Akash for their leadership in Mumbai Indians, who won their third IPL title this year.

9. Value Creation Roadmap

Dear Shareowners,

I began my address by sharing with you the value that Reliance has created for the shareholders over the past 40 years, which is unparalleled in Indian corporate history.

I now want to share with you my vision for value creation at Reliance over the next decade.

My vision rests on the synergy between financial value creation and societal value creation, both aimed at ensuring and enhancing the prosperity and wellbeing of 1.3 billion Indians.

On both counts, Reliance's strategy will closely align with the Indian Dream of inclusive, all-round and accelerated development.

So, here are my three main aspirations:

One: India@80 should aspire to become – and can certainly become – one of the three largest economies in the world.

Two: Reliance@50 will aspire to become – and will certainly become – one among the Top 50 companies in the world.

Three: I am a firm believer in the wise saying that “A rising tide should lift all boats.” Reliance's future value-creation strategy will support and lift tens of thousands of small and medium businesses, generating shared prosperity and cumulatively creating crores of new livelihood opportunities for our youth.

Let me elaborate.

Over the next decade, India has the potential to move from a \$ 2.25 trillion (150 lakh crores) economy to a \$ 6 trillion (390 lakh crores) economy.

This will have a multiplier effect on each of our existing and new businesses.

I am confident that Reliance's own growth over the next ten years, and our contribution to the Indian economy will surpass what it has achieved in the past 40 years.

Similarly, Reliance's overall societal value creation over the next ten years will also be multiple times higher than in the past 40 years.

What is the basis of my optimism and confidence?

Simply this: Reliance has now become a Future-Ready business conglomerate in terms of the globally competitive combination of People, Processes and Systems, Business acumen, Innovation and Technology.

Reliance is enthusiastically ready to participate in the Fourth Industrial Revolution, which will bring about the most disruptive changes in the Indian and global economy in the coming decades.

The coming data-driven convergence of human and machine intelligence in the physical, digital and biological spaces can solve the most complex and critical problems facing India and the rest of humanity.

Whereas it will threaten many business models, it will also open the floodgates of value creation in altogether different ways in both existing and new businesses.

Data availability is soaring to explosive levels. At the same time, data prices are plunging.

Hence, the time is ripe for sound policies and innovation that can enable and incentivize every single economic activity in India to become more efficient, productive and profitable.

Given the sheer size of its unmet domestic demand, India has a historic opportunity to chart a uniquely Indian path to join the Global Top 3.

What took the West 300 years and China 30 years, India can achieve in just about a decade or two.

India's Rise will be a boon for the world.

In fact, the entire world is today looking up to India to show a new model of sustainable and human-centric development.

This is my value-creation vision for India.

Dear Shareowners,

I now come to Reliance's value-creation strategy for both our existing and new businesses.

India's energy and materials demand will grow steadily to meet the needs of a fast-growing economy and the rapidly increasing aspirations of our people.

Our energy and materials businesses constitute a strong platform to generate stable, annuity-like cash flows with a potential to reach EBITDA of ₹ 100,000 crore within the next few years.

We will invest in new sources of energy, aiming for leading positions in renewables.

We will invest in new materials which will have dramatic and multiple new applications.

In refining and petrochemicals, our goal is to be fully integrated producer of refining and petrochemical products serving the Indian and global markets.

Now I come to Jio.

I have described Jio as a jewel among the many assets of Reliance. Its business and societal value will grow immensely over the next decade.

Jio will become India's largest provider of data service, products and application platforms.

My vision is to see that every single economic, social, developmental and governance activity in India is touched and transformed at scale by digital, with Jio playing a leading role in this transformation.

Our best-in-the-world connectivity network enables our customers to participate on multiple digital platforms that we are either building, facilitating or partnering.

These platforms include e-commerce, financial services, manufacturing, agriculture, entertainment, education, health care, and many more.

These will be powered by mobile-based software as a service (SaaS), big data analytics, Artificial Intelligence and automation tools, cloud services, and blockchain technologies, to name just a few.

Dear Shareowners,

In the next decade, consumption spending in India will grow four times and organized retail 6-8 times.

In our retail business, we have market leadership through size, scale, number of customers, multiple formats and a commitment to provide value to customers every day.

We will continuously expand Reliance Retail's geographic spread and fulfillment capability. We will position it as retailer of choice in both urban and rural India.

I have asked the leadership team in our consumer businesses to set themselves a target of achieving profitability similar to our energy and materials business within the coming decade.

In short, Reliance will build, within a decade, new businesses of the same value as our existing businesses, thereby further consolidating its position as one of the world's leading value creators.

Just as Reliance became known in the past 40 years as a company that won the trust of millions of retail investors, it will be known in the coming decade as an enterprise with lakhs of partners and an enabler of a large ecosystem of entrepreneurs.

After demonstrating this model in India, Reliance will leverage it globally.

10. Acknowledgements

I would like to thank the Central and State Governments, shareholders, investors, suppliers and customers for their consistent and resolute support.

I thank all my colleagues on the Board for their unanimous support and immense encouragement.

I have special words to acknowledge the collective efforts of the entire Reliance team, working tirelessly to creating and sustaining a world-class enterprise.

11. Conclusion

Dear shareholders, stakeholders and friends of Reliance,

We are today living in a New India that has opened its doors for new and bold ideas, and for daring and adventure to build a strong, prosperous and harmonious nation.

Under the leadership of our dynamic Prime Minister Hon'ble Shri Narendra Modi, this new, gutsy spirit of India has been recognised and hailed by the world.

Today, as we celebrate the 40th anniversary of our company, it will serve us well to recall our Founder's many words of wisdom, the guiding principles of his life, and the spirit and values he upheld and nurtured in us.

What did Dhirubhai teach us?

Ambition. Still more ambition.

Initiative. Still more initiative.

Innovation. Still more innovation.

Team work. Still more team work.

Positivity. Still more positivity.

Each single day, our Founder urged us to set our eyes not on the far horizon, but far beyond the horizon.

That has been the secret of Reliance's splendid achievements so far.

But my beloved father also taught us to be humble.

And to never forget that the nation expects a lot more from us in the future.

Therefore, today I assure the people of India that Reliance will do everything, and more, to meet the nation's expectations.

Dear Friends,

As we march toward the Golden Jubilee of Reliance in 2027, I can confidently say that the GOLDEN DECADE of Reliance has begun.

As a new generation of leadership emerges at our company, I seek your blessings for them to take Reliance to new heights of success and glory, and for all of us to render greater service to our great nation -- India.

Thank you.

Mumbai
July 21, 2017

Mukesh D. Ambani
Chairman and Managing Director