

Creating New Competencies for a Twenty-first Century Global Corporation

CHAIRMAN'S STATEMENT

Twenty-Ninth Annual General Meeting

Monday, 16th June, 2003



**Reliance
Industries Limited**

Growth is Life

www.ril.com

Maker Chambers IV, 222, Nariman Point, Mumbai 400 021

Dear Shareowners,

It gives me great pleasure to welcome you all to the 29th Annual General Meeting of Reliance Industries Ltd.

The company's accounts for the year ended March 31, 2003, along with the Directors' and Auditors' report, a Letter to Shareholders and Management Discussion and Analysis, have already been circulated to you.

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

1. Remembrance

Before I proceed, I would like to take a moment in the memory of our Founder Chairman and my father, Shri Dhirubhai Ambani.

His dreams, desire and determination have directed our journey.

His beliefs, benediction and blessings will shape our destiny.

Over the last year, I have tried to translate into practice what he taught me: that talent, teamwork and tenacity together bring triumph.

He made Reliance a company that would compare with the best in the world.

Following in his footsteps, we will make Reliance a company that will make India the best in the world, in several fields.

On this august occasion, I re-dedicate myself to his ideals and initiatives.

With your blessings, we will win for Reliance its destiny in the global order.

With your support, Reliance will make significant contributions towards making India an economic superpower.

I will share with you, today, my plans and perspectives for Reliance.

I will outline how Reliance is marching ahead towards attaining a leadership position in the Energy and Knowledge sectors.

I will take you into confidence about how we plan to continue the Reliance tradition of continuously increasing value for our shareholders.

Finally, I will take you through the journey Reliance has traversed this year, a journey that will make you proud of the strengths of your company.

It will reinforce your faith in Reliance's traditional capacity to overcome adversities.

Let me begin by giving you a report on the operating performance of the company.

2. Operating Performance

As all of you know, an environment of continuous uncertainty marked the year 2002-03.

World economic growth was sluggish.

The outbreak of SARS had a depressing impact.

The Iraq war contributed to anxiety and tension.

All these undermined business confidence worldwide.

Feedstock, energy and product prices witnessed volatility.

The demand for products was adversely affected.

I am pleased to report that, despite this environment of continuous uncertainty, Reliance has posted a strong improvement in operating and financial performance.

It has laid foundations for new avenues of growth.

It has initiated a process of creating new competencies, over the next few years.

Reliance is making a profound transition from a petrochemical company to a fully integrated global energy company with significant services sector character.

2.1. Petrochemicals

The petrochemical sector continues to:

- Power Reliance's sustained performance and progress, and
- Provide attractive growth opportunities for the future.

Global operating rates of polyesters and polymers are expected to show a steady improvement from the current trough, and supply gaps are likely to emerge by next year.

India continues to witness double-digit growth in petrochemical products.

Its consumption is envisaged to treble every decade.

Given this background, Reliance is pursuing a strategy of enhancing:

- Margins through an emphasis on premium grades
- Market shares through new capacity additions and acquisitions, and
- Market leadership through new technology development initiatives.

Petrochemical production at Reliance registered a record level of 11.8 million tonnes.

Acquisition of IPCL enhanced this production level by 4.4 million tonnes.

Reliance continues to play a leadership role in the aromatics business with a capacity of 1.6 million tonnes per annum of paraxylene, orthoxylene and benzene.

Margins were improved through speciality polyester and polymer grades with price premium ranging from 5 to 50%.

Speciality grades helped Reliance insulate itself progressively from commodity price cycles.

I am pleased to inform you that, over the next three to five years, Reliance will be investing significantly in its core business of petrochemicals.

Over two million tonnes per annum of additional capacities have been planned during this period:

Specifically, this would cover:

- Increase in paraxylene and orthoxylene capacities by 36% from 1.65 million tonnes per annum to 2.25 million tonnes per annum
- Increase in polypropylene capacity by 40% from 1 million tonnes per annum to 1.4 million tonnes per annum
- Increase in MEG capacity by 39% from 360,000 tonnes per annum to 500,000 tonnes per annum
- Increase in PTA capacity by 39% from 1.28 million tonnes per annum to 1.78 million tonnes per annum
- Increase in PSF capacity by 13% from 300,000 tonnes per annum to 340,000 tonnes per annum
- Increase in PET capacity by 275% from 80,000 tonnes per annum to 300,000 tonnes per annum with a new PET plant, based on the revolutionary NG-3 technology from DuPont , and
- A new world-scale styrene plant with a capacity of 550,000 tonnes per annum

This investment plan is founded on the strong growth potential and prospects for petrochemical-based products in the Indian market, which is characterised by low per capita consumption.

It will bank upon Reliance's traditional strengths in capital productivity and further enhance global competitiveness.

Reliance will leverage technology to drive growth and shareholder value.

I am pleased to inform that the Reliance Technology Centre, located at the Patalganga complex, was inaugurated last week.

The Reliance Technology Centre is an initiative to help create a new set of knowledge assets for Reliance and to further strengthen Reliance's globally eminent position in the field of polyester.

It also reflects Reliance's commitment to help the Indian textile industry emerge as a world-class producer.

The Centre has a strategic relationship with DuPont.

Reliance will harness this relationship to transfer research and development to India, seek new products, new applications and new markets for polyesters on a global basis.

2.2 IPCL Acquisition

I am happy to report that Reliance's acquisition of IPCL is seen as among the most successful examples of privatisation in the Indian context.

There has been a substantial improvement in IPCL's performance in the very first year of acquisition.

IPCL posted a:

- 16% increase in gross turnover to Rs 9,921 crore (US\$ 2.1 billion), and a
- 90% increase in net profit to Rs 204 crore (US\$ 43 million).

As a consequence, the Credit Rating and Information Services of India Limited (CRISIL) has upgraded the rating of IPCL from AA- to AA.

Further integration of IPCL operations with Reliance will yield significant synergies in the areas of feedstock, product range, infrastructure and research and development.

2.3 Petroleum Refining and Marketing

The petroleum refining and marketing sector accounts for over half of Reliance's revenues. It is crucial to:

- Providing a range of feedstocks for petrochemicals and power generation
- Providing an opportunity to add value by lateral entry into retailing of transportation fuels, and
- Fostering new hydrocarbon feedstock-based growth opportunities.

The merger of Reliance Petroleum Limited with Reliance Industries Limited, the largest merger ever in India, was completed successfully during the year.

The Jamnagar petroleum refinery processed 28.6 million tonnes of crude.

It marked a capacity utilisation of 106%.

This compares very favourably to the capacity utilisation of 95% of the Indian refining industry.

The competitiveness of the refinery was further improved through a program to improve quality, yield and margins.

Consequently, the capacity of the refinery was de-bottlenecked to 31 million tonnes per annum of crude throughput.

At the last AGM, I spoke about Reliance's plans in petroleum retailing.

Let me update you on the status.

Reliance has the necessary approvals for setting up 5,800 retail outlets in India.

The project is moving rapidly.

Work is already underway to establish upto 1,500 retail outlets in the first phase.

These retail outlets would have state-of-the-art supply chain management and fleet management systems.

This will leverage Reliance Infocomm's information technology and communications infrastructure.

Reliance expects to bring about a major shift in the retailing of transportation fuels.

It aims to achieve higher productivity per outlet and enhanced customer experience.

This will help improve margins, overall return on capital and, consequently, shareholder value.

3. Export Performance

Reliance continued to be India's largest exporter with exports increasing 3% to Rs 11,510 crore (US\$ 2.4 billion).

Exports accounted for 18% of Reliance's turnover.

This is a gratifying performance indeed; specially in the context of a regressive export market for manufactured products and slowdown in global economic growth.

Reliance exported its products to over 100 countries.

New offices were opened in Turkey and Indonesia.

With this, Reliance now has a presence in 18 countries.

The resilient export performance of Reliance in a demanding market environment reflects the international quality and global competitiveness of its products.

4. Financial Performance

Reliance surpassed all previous high-points in financial performance:

- Gross turnover increased by 14% to Rs 65,061 crore (US\$ 13.7 billion)
- Net profit was significantly higher by 45% to a record Rs 4,104 crore (US\$ 864 million), which is the highest in the private sector in India
- Total assets increased by 13% to Rs 63,737 crore (US\$ 13.4 billion)
- Net worth climbed to Rs 30,327 crore (US\$ 6.4 billion), and
- Earnings per share improved by 25% to Rs 29.3 per share (US\$ 0.6 per share).

In achieving this growth, Reliance continues to maintain a careful and conservative financial profile that emphasises maximising long-term cash flows and enhances shareholder value.

Reliance's gross debt-equity ratio improved to a conservative 0.60 and interest cover to 6.0.

Reliance has retained its 'AAA credit ratings'.

Thus, with a very sound balance sheet, Reliance is financially amongst the strongest companies in India.

The global competitiveness of Reliance is also reflected by its consistent improvement in profits year-on-year despite a sharp reduction in import tariffs.

5. Contribution to Indian Economy

Reliance is an important contributor to fulfilling critical national needs such as energy, power, infrastructure, materials and telecommunications.

Reliance makes the largest contribution to the Indian economy as a single business enterprise.

Reliance contributes:

- 3.5% of GDP of India without accounting for multiplier effects
- 10% of indirect tax collections
- 5% of exports and
- 7% of market capitalisation of the Bombay Stock Exchange.

All this is a matter of great pride for all of us.

Reliance would continue to be governed by needs of the Indian economy and society in shaping its future initiatives.

6. Global Ranking

In the international arena, Reliance continues to march ahead vigorously and confidently.

I am delighted to submit that Reliance is today a company of global standing.

Reliance is reckoned to be among the *Fortune* Global 500 companies.

Based on the latest available *Fortune* 2002 listings, Reliance is among the top:

- 175 companies in the world on net profits
- 275 companies in the world on net worth
- 400 companies in the world on assets, and
- 400 companies in the world on sales.

Reliance also ranks among the top 30 energy and petrochemical companies in the world on profits and in the top 50 on sales.

In stating this position, it must be noted that a majority of the energy and petrochemical companies in the world are state owned.

Reliance continues to be among the top ten producers in the world in all of its major product lines.

Reliance is the:

- 2nd largest polyester fibre and yarn producer in the world
- 3rd largest paraxylene producer in the world
- 5th largest PTA producer in the world
- 7th largest polypropylene producer in the world, and
- In conjunction with IPCL, the 10th largest PVC producer in the world.

Reliance also operates the 5th largest petroleum refinery in the world.

Reliance is driven by a vision of attaining global leadership for India in all strategic initiatives that it undertakes.

This vision epitomises all new initiatives of Reliance – notably in power, infocom and, oil and gas.

7. Power

BSES Limited represents the second major acquisition by Reliance in its endeavour to become a fully integrated energy major.

Acquisition of BSES enables Reliance to:

- Participate in the high growth potential businesses of power generation, transmission, distribution and trading – an important sector for India's growth
- Integrate fully in the value chain from oil and gas to electricity markets
- Integrate the delivery of a host of utilities – from gas and electricity to communications – at the customer end, and
- Access a stable annuity income.

Reliance Group now holds 58% of the equity of BSES, which is proposed to be re-named Reliance Energy Limited.

Reliance Energy is the largest private sector power utility in India with a:

- Generation capacity of 885 MW
- Distribution capacity of 5,000 MW, and a
- Customer base of 5 million

Reliance will pursue future opportunities in the power sector through Reliance Energy Limited.

With the enactment of the new Electricity Act in June 2003, Reliance is confident of charting a new avenue for growth in electricity markets.

Reliance envisages a leadership role for Reliance Energy Limited in the power sector by creating a world-class power generation, transmission and distribution infrastructure for India.

Reliance will also derive substantial benefits from convergence of interests in areas such as infocom, retailing and other services sectors, leveraging on the distribution strength of Reliance Energy Limited.

8. Infocomm

Dear Shareholders,

I now turn to a momentous initiative of Reliance

An initiative that is unparalleled anywhere in the world.

This is Reliance Infocomm Limited.

Reliance Infocomm represents:

- A new avenue for growth in the information and communication market in India and in the world, and
- An opportunity to participate in a service-driven, new economy business and relate directly to millions of customers

Reliance is the lead investor in Reliance Infocomm with a 45% equity stake.

Reliance has invested Rs 4,850 crore (US\$ 1.0 billion) in Reliance Infocomm as on March 31, 2003.

This comprises Rs 2,362 crore (US\$ 492 million) in equity and Rs 2,488 crore (US\$ 518 million) in debt.

Reliance Infocomm, as a company, was launched on December 28, 2002, on the birth anniversary of Shri Dhirubhai Ambani.

He dreamt of making communication affordable to every Indian.

In fulfilment of his dream, Reliance Infocomm unveiled the Reliance India*Mobile* service to cover 693 towns and cities in India based on the latest generation wireless technology.

This is the largest and most complex roll out of an information and communication service anywhere in the world.

Friends and well-wishers wondered if we had underestimated the magnitude of the problems that could arise in such a huge undertaking – covering 693 cities and offering voice, data, video and value added services, all in one go.

Others looked apprehensively at the deafening legal wrangling.

Experts kept their fingers crossed about our capacity to overcome the daunting engineering problems of interconnecting voice and SMS with all other carriers in India.

These apprehensions were well-founded, no doubt.

Given the scale and complexity of the initiative, some teething difficulties were natural.

But, I had never a moment of doubt in Reliance's capacity to overcome all these problems.

In the strength of the people of Reliance to allay these apprehensions.

To set at rest all doubts and anxieties.

My faith has been vindicated.

I am happy to say that these issues are now behind us.

Reliance Infocomm has the world's lowest entry cost, and the world's lowest usage charges for any telecommunications service.

Reliance Infocomm has once again, demonstrated your company's world record of implementing projects at the lowest costs.

In terms of capital cost per subscriber, Reliance Infocomm's costs are about 50 to 70 % lower than costs of all new global telecommunication deployments in recent times.

This benefit has been aggressively passed on to our customers.

It has helped in rationalising the overall cost structure for communications in the country.

Millions of customers have already been benefited by Reliance Infocomm's various initiatives.

The entry of Reliance India*Mobile* with a highly competitive tariff has catalysed a significant reduction in the price charged by telecom service providers in India by as much as 50%.

It has put pressure on the entire industry to become more competitive, increase efficiency and productivity and create more customer delight.

Today, we proudly service 1.5 million customers using digital services of Reliance India*Mobile*.

Reliance Infocomm has achieved the world's fastest consumer acquisition for a green field effort.

Reliance Infocomm has also achieved the worlds' fastest wireless network stability.

Reliance Infocomm is logging over 4 crore minutes of usage per day.

This is easily amongst the fastest ramp ups of usage per subscriber for any mobile operator in the world.

Reliance Infocomm is generating over eight million hits per day on its R-World services.

This makes it one of the largest providers of wireless data services anywhere in the world.

In fact, the usage of data is higher than even that of the developed economies.

This affirms our Founder Chairman's conviction that economic development is not a pre-requisite to high data use.

It also demonstrates the readiness of our people to use advanced technology.

We decided to use the latest technologies for convergent voice and data.

Reliance Infocomm is the first organisation in the world to offer entry level phones with rich data features.

These include interactive guides and audio/video streaming.

Reliance Infocomm is the first company in India to introduce wireless Point of Sale terminals for credit card transactions.

Reliance Infocomm has created a national retail network with 254 Reliance Webworld outlets and 800 phone stores in just three months.

All these achievements are unprecedented in the history of the global communications industry.

I would like you to join me in congratulating the several thousand tireless Reliance people who have worked day and night, and created history in the communications industry.

This is just the beginning of Reliance Infocomm. We have many more miles to go.

Reliance Infocomm will roll out the entire range of its services in the ensuing future.

It covers a spectacularly wide range: wireline, wireless, national long distance, international long distance, data services, data hosting, enterprise broadband, consumer broadband, infotainment content, ISP and convergent solutions.

Reliance Infocomm will launch a broadband-based netway.

This will empower every organisation in the country - especially small businesses in cities, towns and villages.

It will enable them to link with global opportunities.

Following this, Reliance Infocomm will launch broadband-based consumer convergence services.

This will empower every individual and enlighten every home with information and entertainment services.

Dear Shareowners,

Reliance Infocomm has opened huge growth potential for Reliance.

The capital efficiencies achieved give Reliance Infocomm a huge competitive advantage.

Its unprecedented success in so short a time is a guarantee of manifold growth in value for shareholders.

The vision of Reliance Infocomm is to enable information and communication availability across India.

Affordability and availability, in the near future, will drive the universal adoption of voice communication in every city, town and village.

Reliance Infocomm is now bubbling with an inspiring sense of success.

Reliance Infocomm has already established its presence in New York and Los Angeles.

It has secured international connectivity using under-sea cable bandwidth.

Reliance Infocomm will build upon these capabilities, which already exist and forge new strategic technology and solutions relationships with world leaders in this space.

It will, thereby, become a global player in the information and communication market.

Reliance Infocomm will thus grow from a pan-India company to a global information and communication powerhouse.

In the process, Reliance would multiply shareholder value several fold.

9. Oil and Gas

Dear Shareholders,

I now turn to the other facet of India's unstoppable journey to become an economic superpower.

This is the area of energy.

Oil and gas sector has a pivotal place in India's energy scene.

This will be a fountainhead of growth and prosperity of Reliance and of India in the twenty-first century.

For Reliance, the oil and gas sector will:

- Open a huge new avenue for growth and value creation in energy markets.
- Strengthen feedstock-based competitive advantage of Reliance in petrochemicals, petroleum refining and power generation.
- Lay grounds for new technology-led opportunities such as gas hydrates, gas to liquid fuels, methanol and fuel cells.
- Transform the energy landscape and energy security of India, and
- Create a new opportunity for generating wealth within India.

During the last AGM in October 2002, I had announced the discovery of gas in the deep-water Krishna-Godavari Basin (KG-D6) off Andhra Pradesh coast.

This was the world's largest gas find of the year 2002. It was named *Dhirubhai-1*.

At that time, Reliance had estimated the in-place gas volume for this discovery, at 7 trillion cubic feet.

Since then, Reliance has intensified exploration efforts and, in the first phase, drilled eight wells.

Each of these wells was a discovery and they were appropriately named after Dhirubhai.

Since the time I spoke to you at the last AGM, Reliance has found an additional 7 trillion cubic feet of gas in the Dhirubhai discoveries.

This doubles the total in-place gas volume to 14 trillion cubic feet.

This is the equivalent of 2.3 billion barrels or 300 million tonnes of crude oil.

These discoveries are capable of producing in excess of 60 million standard cubic metres of gas per day.

This rate of production will be at par with the entire gas sales of 65 million standard cubic metres per day from all other sources in India.

At current market prices to the consumer, this means an incremental revenue of Rs 10,000 crore every year for Reliance.

This is equivalent to about 15% of our current revenues.

Dear Shareholders,

I believe this is only a beginning.

Because, to date, less than 20% of the Krishna-Godavari Basin D6 Block area has been explored.

We are still to explore oil and gas in the rest of the 80% of the D6 Block area.

Several additional prospects have been identified within the Basin.

These are part of new drilling campaigns.

In addition to the Krishna-Godavari Basin, Reliance is exploring for oil and gas in the proven Bombay High Basin and the prospective Mahanadi offshore and Kutch offshore Basins.

These include nine new exploration blocks that Reliance added during the year, covering an area of 114,000 square kilometres.

This addition was done by successfully bidding in the third round of the Government of India's New Exploration Licensing Policy (NELP).

As a result, Reliance now has rights to 32 exploration blocks in India covering a total area of 288,000 square kilometres.

This represents, by far, the largest acreage holding by any private sector company in India.

All our blocks have been chosen on the basis of their high oil and gas potential.

As Reliance has progressed with the exploration of these blocks, a large number of attractive leads and prospects on both the east and west coasts have been identified and are being firmed up for drilling.

Reliance is committed to spend about Rs 1,500 crore (US\$ 300 million) over the next two years in exploration.

Reliance is also leveraging its success in India to actively pursue prospects in attractive and politically stable regions in the world.

I am pleased to report that Reliance has struck oil in an onshore block in Yemen, where it has an equity oil position.

The Yemen discovery is expected to be equivalent to about half of Reliance's share of crude oil from the Panna-Mukta-Tapti offshore fields in the Bombay High region.

Concurrent with gas exploration and production in the Krishna-Godavari basin, Reliance will be building a gas transmission infrastructure, to take gas to industrial, commercial and household consumers by the year 2006.

Government approvals for developing a gas transmission system are being obtained.

Conceptual engineering studies were conducted to consider various development options for the Krishna-Godavari D6 block.

The concept of sub-sea wells tied back to a gas evacuation pipeline system with provisions to connect to future discoveries was selected.

Currently, front-end engineering and design for such a system has been finalised.

Statutory clearances for development of Krishna-Godavari D6 block are at an advanced stage.

With these initiatives, Reliance will alter the oil and gas industry landscape in India.

Oil and gas will propel Reliance to be a truly global corporation and mark a spectacular opportunity of huge value creation for shareholders.

Our vision is to be an integrated energy company with a world-class exploration and production organisation and assets.

Oil and gas will thus be a wellspring of opportunity for Reliance and for India.

10. Human Capital

Reliance regards human talent as a critical resource.

It gives the highest priority to nurturing it.

This enables us to adapt to an explosion in knowledge.

It is an essential prerequisite for consistently performing well in a situation of continuous uncertainty.

Reliance is keen that its 13,000 strong human resources should be amongst the best in the world.

With this perspective, Reliance has focussed efforts to promote in them the capacity to conceptualise, competence to implement and competitiveness to stay ahead.

They are encouraged to:

- Conceptualise to set new globally competitive benchmarks.
- Achieve competence to create entirely new and large opportunities for advancement, and
- Attain competitiveness by nourishing the ability to convert individual creativity into collective brilliance.

Reliance has also encouraged its human capital to see winning not as a fortuitous event but as a product of motivation, discipline, rigorous training and killer instinct.

11. Corporate Governance

For Reliance, Corporate Governance revolves around earning the trust of all constituencies in how Reliance conducts its business.

This translates into attaining the highest levels of transparency, accountability and equity, in all facets of operations, and in all interactions with stakeholders, including shareholders, employees, government and lenders.

Reliance recognises communication as a key element in the effective functioning of the overall corporate governance framework.

It emphasises continuous, efficient and relevant communication with all its external constituencies.

12. Social Capital

Reliance continues to focus on education and health care in building its social equity through the Dhirubhai Ambani Foundation.

Reliance has instituted a scholarship scheme for one thousand of the most deserving children of Reliance shareholders, who will be recognised as 'Dhirubhai Ambani Scholars'.

I am pleased to state that the Government of Gujarat granted University status to the Dhirubhai Ambani Institute for Information and Communication Technology (DA-IICT), Gandhinagar, in March 2003.

DA-IICT has set out to deliver research-led higher education in information technology and communications and in its interface disciplines of robotics, automation, bioinformatics and digital media.

Over time, DA-IICT would graduate to a research-led world-class university.

Reliance also supported the development of the Dhirubhai Ambani International School in Mumbai, which commenced academic programmes in April 2003.

This institution seeks to set and catalyse new standards in school education in India.

Reliance also believes in mobilising the strength of its human, material and organisational resources to rise to exigencies caused by natural disasters.

In this perspective, Reliance is providing five million gallons per day of water to the drought-hit city of Jamnagar this summer.

13. Vision for Future

Dear Shareowners,

Reliance is an enterprise that contributes, in a modest way, to critical economic and social needs of India and attaining global leadership in all of its major initiatives.

Pursuing this vision, over the next few years, Reliance will pursue a strategy of:

- Reinforcing competitive advantage of existing businesses through new capacities and synergistic acquisitions
- Scaling sizeable opportunities in petroleum exploration and production
- Forward integrating into retailing transportation fuels and creating new customer experiences
- Building the BSES acquisition, now Reliance Energy, to a major electricity utility
- Addressing the significant information and communications market opportunity in India and in the world
- Leveraging its strong balance sheet, cash flows and managerial capacity to create value by adding new capacities, acquisitions and turnaround of under performing assets
- Developing strategic alliances in technology and product-market domains with global majors
- Fostering new higher education institutions for knowledge creation and sharing, and
- Leveraging its formidable strengths beyond Indian borders.

In this endeavour, Reliance will undergo an upgradation:

- In addition to manufacturing products to developing manufacturing systems
- From having a manufacturing orientation to providing technical solutions
- From being an intermediate goods producer to being a final goods and services provider
- From being a marginal energy player to being a global energy major
- In addition to vertical integration in hydrocarbon energy markets to horizontal integration over diverse energy markets
- From licensing technology to developing technology
- From being an intellectual property user to an intellectual property creator
- In addition to operating in India to being a global company, and
- From building financial equity to fostering social equity

This change will entail creating new organisational competencies such as:

- Creating a customer-centric organisation
- Developing new products and technologies
- Exploring and producing oil and gas in demanding geological conditions
- Fostering and sustaining globally oriented management talent
- Managing customer-oriented supply chains
- Developing and protecting intellectual capital
- Managing strategic technology and product-market relationships.

Managing diversity in businesses, technologies, export markets and people is the primary challenge for Reliance, as it marches ahead in realising its vision.

This vision is the legacy of Shri Dhirubhai Ambani to all of us.

We are committed to pursue it with commitment and conviction.

This vision enjoins Reliance to support building a powerful India by attaining global leadership.

It is a vision that has involved Reliance in securing energy security for India.

It has been the primary impulse in Reliance Infocomm.

Utilisation of an overarching information and communications infrastructure as well as utilities infrastructure and creating economic opportunities for every Indian.

Reliance is driven by his vision and continues to pursue a trajectory of growth, productivity and global leadership.

At Reliance, there is no limit to growth.

He gave us a simple mantra: what is good for India is good for Reliance.

14. Acknowledgements

I would like to thank the Central and State Governments, shareholders, investors, bankers, financial institutions, lenders, suppliers and customers of Reliance for their consistent support.

I would also like to thank all employees of Reliance for their commitment and hard work.

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

Mumbai
June 16, 2003

Mukesh Ambani
Chairman and Managing Director