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Dhirubhai Ambani: Founder of Reliance Industries

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Dhirubhai Ambani: Founder of Reliance Industries

He reached Mumbai in 1958, with barely any savings. **Dhirubhai Ambani built Reliance into India's biggest private company, and turned millions of ordinary Indians into shareholders.**



Dhirubhai Ambani, on a 2002 commemorative stamp of India. Photo: India Post, Government of India, GODL-India.

At a glance

Dhirubhai Ambani, in four facts

01
Founded

Reliance Commercial Corporation, Mumbai, 1958.

02
1977 IPO

Reliance Textiles went public, oversubscribed nearly seven times.

03
Jamnagar

World’s largest grassroots refinery, commissioned December 1999.

04
Died

6 July 2002, Mumbai, aged 69.

Equity Cult The wave of ordinary Indians buying shares, credited to Reliance’s landmark 1977 IPO.
Grassroots RefineryA refinery built from scratch on a new site, not an expansion of an old one.
Padma Vibhushan India’s second-highest civilian honour, awarded to Dhirubhai posthumously in 2016.
2005 Split The formal division of Reliance between Dhirubhai’s sons, Mukesh and Anil.

Origins and Founding

Must Know

1.1 Where and when was Dhirubhai Ambani born?

Dhirubhai Ambani was born on 28 December 1932, in Chorwad, Gujarat, into a schoolteacher's family. He returned to India in 1958. Before that, he worked for a few years in Aden, Yemen.

1.2 What did he found, and how did it grow?

He founded Reliance Commercial Corporation in Mumbai in 1958, trading yarn and spices. This company grew into Reliance Industries, India's largest private-sector company by revenue. It expanded from textiles into petrochemicals, oil refining, and telecommunications.

> **Quick check 1.** Q1. True or False: Dhirubhai Ambani founded Reliance Commercial Corporation in Mumbai in 1958, initially trading yarn and spices. *(True or False?)* See answer ↓

Before Reliance

Good to Know

2.1 What did Dhirubhai do before starting his own business?

Before starting Reliance, he worked for a few years in Aden, Yemen. In 1966, back in India, he opened a textile mill at Naroda, near Ahmedabad.

2.2 What was the Naroda mill's most famous brand?

The mill's brand, Vimal, became one of India's best-known textile names. This textile business is what Dhirubhai later took public in 1977.

Quick check 2. Q2. True or False: Dhirubhai opened his Naroda textile mill before he founded Reliance Commercial Corporation. *(True or False?)* See answer ↓

The 1977 IPO and the “Equity Cult”

Good to Know

3.1 What happened when Reliance went public?

In November 1977, Dhirubhai took Reliance Textiles public through an IPO. It was oversubscribed nearly seven times, drawing more than 58,000 investors.

3.2 Why does this IPO still matter to India's markets?

This helped launch what is often called India's "equity cult." It was part of the broader growth of India's stock markets. It also drew ordinary households into share ownership for the first time.

> **Quick check 3.** Q3. True or False: The 1977 Reliance Textiles IPO drew more than 58,000 investors and was oversubscribed nearly seven times. *(True or False?)* See answer ↓

Illness and Succession

Great to Know

4.1 What happened to Dhirubhai in 1986?

In February 1986, Dhirubhai suffered a stroke that paralysed his right hand. He gradually handed day-to-day control of Reliance to his sons, Mukesh and Anil.

4.2 What other recognition did he receive around this time?

In 1998, he became the first Indian to receive the Wharton School's Dean's Medal. FICCI named him "Indian Entrepreneur of the 20th Century." Time magazine featured him among Asia's most influential people in 1999.

> **Quick check 4.** Q4. True or False: In 1998, Dhirubhai Ambani became the first Indian to receive the Wharton School's Dean's Medal. *(True or False?)* See answer ↓

A World-Record Refinery

Great to Know

5.1 How fast was the Jamnagar refinery built?

Between 1996 and 1999, Dhirubhai's team built a refinery at Jamnagar, Gujarat, in about 33 months. That was a world-record construction time for a refinery of its size.

5.2 How big did Jamnagar eventually become?

Jamnagar became the world's largest single-location oil refinery. It has 27 million tonnes of annual capacity. It was commissioned in December 1999, just years before Dhirubhai's death.



Jamnagar Refinery, Reliance Industries, at night. Photo: Reliance Industries, Wikimedia Commons (CC BY-SA 4.0).

Quick check 5. Q5. True or False: The Jamnagar refinery took over ten years to build, from start to commissioning. *(True or False?)* See answer ↓

The 2005 Split, and His Real Innovation

Great to Know

6.1 What happened to Reliance after Dhirubhai's death?

Dhirubhai died on 6 July 2002, in Mumbai, aged 69. A second major stroke caused his death. In June 2005, Reliance was formally split between his two sons. Mukesh Ambani kept Reliance Industries and its petrochemicals businesses. Anil Ambani took the group's telecom, energy, and financial-services businesses instead.

6.2 What was Dhirubhai's real innovation?

His real innovation wasn't just Reliance's size. It was convincing millions of ordinary Indians to become shareholders. Back then, the stock market felt closed to them. That shift still shapes how India's retail investors behave today.

Worth remembering: In the 2005 split, Mukesh kept Reliance Industries and petrochemicals. Anil took telecom, energy, and financial services instead. Don't mix up the two.

Quick check 6. Q6. True or False: In the 2005 split, Anil Ambani kept Reliance Industries and its petrochemicals businesses. *(True or False?)* See answer ↓

Exam Edge

Traps Worth Knowing Before Your Exam

7.1 Which dates get mixed up here?

Keep three key dates separate: the 1958 founding, the 1977 IPO, and the 1999 Jamnagar refinery commissioning. No UPSC question has directly tested Dhirubhai Ambani's biography so far. That makes a first appearance likely.

7.2 What other traps does this topic set?

Watch the 2005 split carefully: Mukesh kept Reliance Industries and petrochemicals, while Anil took telecom, energy, and financial services. Also note his 1998 Wharton Dean's Medal came first. His posthumous Padma Vibhushan followed nearly two decades later, in 2016. Reliance Industries is also a favourite example, alongside Tata Steel, in questions on asset-heavy private-sector companies.

Quick Q&A

What did Dhirubhai Ambani found in 1958, and where?

Reliance Commercial Corporation, in Mumbai, trading yarn and spices.

How oversubscribed was the 1977 Reliance Textiles IPO?

Nearly seven times, drawing more than 58,000 investors.

What world record did the Jamnagar refinery set?

Fastest construction of a refinery of its size, built in about 33 months.

How was Reliance split between Dhirubhai's sons in 2005?

Mukesh kept Reliance Industries and petrochemicals; Anil took telecom, energy, and finance.

When and where did Dhirubhai Ambani die?

6 July 2002, in Mumbai, aged 69.

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Practice MCQs

1. Dhirubhai Ambani founded Reliance Commercial Corporation in Mumbai in 1958, initially trading in:

A. Yarn and spices

B. Automobile parts

C. Steel and cement

D. Pharmaceuticals

See answer ↓

2. The November 1977 IPO that took Reliance Textiles public is often credited with helping launch India's so-called "equity cult." How oversubscribed was it?

A. Oversubscribed nearly seven times

B. Oversubscribed exactly twice

C. It was undersubscribed and had to be extended

D. Oversubscribed over a hundred times

See answer ↓

3. Reliance's Jamnagar refinery, commissioned in December 1999, set a world record for what?

A. Being the first refinery built entirely underground

B. The lowest construction cost per barrel of capacity ever recorded

C. Construction time for a refinery of its size, built in about 33 months

D. The highest number of employees at a single refinery

See answer ↓

4. When Reliance was formally split between Dhirubhai Ambani's two sons in June 2005, which businesses did Mukesh Ambani keep?

A. Only the original Naroda textile mill

B. The Jamnagar refinery was sold off to a third party entirely

C. Reliance Industries and its petrochemicals businesses

D. Telecom, energy, and financial services

See answer ↓

5. In 1998, Dhirubhai Ambani became the first Indian to receive which honour?

A. An honorary knighthood from the United Kingdom

B. The Legion of Honour from France

C. The Wharton School's Dean's Medal

D. The Nobel Prize in Economic Sciences

See answer ↓

6. What did the Court extend the Public Trust Doctrine to cover in Reliance Natural Resources v. Reliance Industries (2010)?

A. Telecom spectrum

B. Coal mining leases

C. Natural gas reserves

D. Highway toll rights

See answer ↓

7. Tata Iron and Steel Company (TISCO) and Reliance Industries Limited (RIL) are commonly cited examples of which sector, based on asset ownership?

A. Public sector

B. Cooperative sector

C. Private sector

D. Organised sector only

See answer ↓

8. The Jamnagar data centre builds on an earlier Meta investment in Reliance's Jio Platforms. How much did Meta invest in Jio Platforms, in 2020?

A. $10 billion

B. $1 billion

C. $5.7 billion

D. $2.2 billion

See answer ↓

Answer Key

1. **A.** Dhirubhai Ambani founded Reliance Commercial Corporation in Mumbai in 1958, trading yarn and spices, after returning from working in Aden, Yemen. This modest trading firm eventually grew into Reliance Industries. ↑ Q1
2. **A.** The 1977 IPO was oversubscribed nearly seven times, drawing more than 58,000 investors, and is often credited with helping launch India's broader "equity cult" and growth of retail stock market participation. ↑ Q2
3. **C.** The Jamnagar refinery in Gujarat was built in about 33 months, a world-record construction time for a refinery of its size, and became the world's largest single-location oil refinery with 27 million tonnes of annual capacity. ↑ Q3
4. **C.** In the June 2005 split, Mukesh Ambani kept Reliance Industries and its petrochemicals businesses, later expanding into telecom and AI infrastructure. Anil Ambani took the group's telecom, energy, and financial-services businesses instead — the reverse of a common exam-trap pairing. ↑ Q4
5. **C.** In 1998, Dhirubhai Ambani became the first Indian to receive the Wharton School's Dean's Medal. He was later posthumously awarded the Padma Vibhushan in January 2016, nearly two decades afterward — a useful date-trap to keep the two honours separate. ↑ Q5
6. **C.** The Court extended the doctrine to natural gas, calling the government a trustee of the nation's gas reserves on behalf of the people. ↑ Q6
7. **C.**
   TISCO began as a private company, as the Tata Steel centenary release describes it. Reliance Industries is also privately owned. Public-sector units are owned by the government.
   ↑ Q7
8. **C.** Meta invested $5.7 billion in Jio Platforms in 2020, the earlier tie-up this new data centre deal builds on. ↑ Q8

Quick-check answers

1. **True.** ↑ 1
2. **False.** ↑ 2
3. **True.** ↑ 3
4. **True.** ↑ 4

5. **False.** ↑ 5

6. **False.** ↑ 6

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