



# Reliance Energy Limited

Registered Office: Reliance Energy Centre, Santa Cruz (E), Mumbai 400 055

## Notice pursuant to Section 192A of the Companies Act, 1956

Notice is hereby given that it is proposed to transact the following Special Businesses by the Members of **Reliance Energy Limited** by passing resolutions through Postal Ballot:

### 1. Issue of Shares with Differential Rights

To consider and, if thought fit, to pass with or without modification, the following Resolution as a **Special Resolution (to be voted on by postal ballot)**:

“RESOLVED THAT pursuant to the provisions of Section 81(1A), 86(a)(ii) read with the Companies (Issue of Share Capital with Differential Voting Rights) Rules, 2001 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the enabling provisions in the Articles of Association of the Company, and all other applicable Acts, rules and regulations, if any, and subject to any approvals, consents, permissions or sanctions of the Government of India, Securities and Exchange Board of India, and/or any other appropriate and/or concerned authorities as may be necessary and subject also to such terms, conditions and modifications as may be prescribed in granting such approvals, consent, permission or sanction and which may be agreed to by the Board of Directors of the Company (hereinafter called ‘the Board’ which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution), the Board be and is hereby authorised to create, offer, issue and allot, from time to time in one or more tranches, equity shares with differential rights as to voting, dividend or otherwise, to domestic / foreign institutions, institutional investors, banks, mutual funds, companies, bodies corporate and/or other entities, whether or not such investors are Members of the Company, on a private placement basis through offer letter or circular and/or information memorandum or such other documents/writings, in such a manner and on such terms and conditions as may be determined by the Board in its absolute discretion; provided that the price of equity shares with differential rights so issued shall not be less than Rs. 640 (including a premium of Rs. 630) per equity share with differential rights of Rs 10 each and the aggregate amount of such shares shall not exceed Rs 500 crores.

RESOLVED FURTHER THAT the equity shares with differential rights issued as above shall carry 0% voting rights and shall entitle the holder(s) thereof to dividend at a rate that is five per cent higher than the rate of dividend declared on the ordinary equity shares of the Company, from time to time and that the holder(s) thereof will be entitled to bonus and/or rights shares of the same class of shares as and when issued.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised to take all actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to effect to any offer, issue, allotment of the aforesaid shares with differential rights, including their listing with the stock exchange(s) as may be deemed appropriate, and to resolve and settle all questions and difficulties that may arise in the proposed offer, issue and allotment of any of the aforesaid shares and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors, or the Chairman & Managing Director or any one or more whole-time Directors or officers of the Company to give effect to the aforesaid resolution.”

### 2. Loans to and Investment in BSES Infrastructure Limited

To consider and, if thought fit, to pass with or without modification, the following Resolution as a **Special Resolution (to be voted on by postal ballot)**:

“RESOLVED THAT pursuant to the provisions of Section 372A and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions of appropriate authorities, departments or bodies as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors of the Company to make loan(s) and/or give any guarantee(s)/provide any security(ies) in connection with loan(s) made to and/or acquire by way of subscription, purchase or otherwise the securities of BSES Infrastructure Limited, up to a limit not exceeding 100 per cent of aggregate of the then existing paid-up share capital and free reserves of the Company notwithstanding that the aggregate of the loans, guarantees or securities so far given or to be given to and/or securities so far acquired or to be acquired in all bodies corporate may exceed the limits prescribed under the said section.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and also to delegate all or any of the above powers to the Committee of Directors or the Managing Director or the Principal Officer of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution.”

### 3. Loans to and Investment in BSES Ventures Private Limited

To consider and, if thought fit, to pass with or without modification, the following Resolution as a **Special Resolution (to be voted on by postal ballot)**:

“RESOLVED THAT pursuant to the provisions of Section 372A and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions of appropriate authorities, departments or bodies as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors of the Company to make loan(s) and/or give any guarantee(s)/provide any security(ies) in connection with loan(s) made to and/or acquire by way of subscription, purchase or otherwise the securities of BSES Ventures Private Limited, up to a limit not exceeding 100 per cent of aggregate of the then existing paid-up share capital and free reserves of the Company notwithstanding that the aggregate of the loans, guarantees or securities so far given or to be given to and/or securities so far acquired or to be acquired in all bodies corporate may exceed the limits prescribed under the said section.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and also to delegate all or any of the above powers to the Committee of Directors or the Managing Director or the Principal Officer of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution.”

**Registered Office :**  
Reliance Energy Centre  
Santa Cruz (E)  
Mumbai 400 055

By Order of the Board  
For **Reliance Energy Limited**

Ramesh Shenoy  
Company Secretary

Dated: February 23, 2004

#### Notes:

1. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 setting out material facts is annexed hereto.
2. Section 192A of the Companies Act, 1956 provides for passing of certain resolutions only by Postal Ballot in case of listed companies and the above referred items at Serial Numbers 1, 2 and 3 require consent of the Members through Postal Ballot.
3. The Board of Directors at its meeting held on February 22, 2004 has appointed Shri Bhupendra Bangari, Chartered Accountant, as Scrutinizer to receive and scrutinize the completed ballot papers received from the Members and for conducting the Postal Ballot process in a fair and transparent manner. The Postal Ballot Form and the self-addressed business reply envelope are enclosed for use of Members.
4. Members are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed along with assent (for) or dissent (against), in the attached self addressed postage pre-paid envelope, so as to reach the Scrutinizer on or before March 27, 2004, to be eligible for being considered, failing which it will be strictly treated as if no reply has been received from the Member. The Scrutinizer will submit his report to the Chairman after completion of the scrutiny and the results of the Postal Ballots will be announced on March 30, 2004 at the Registered Office of the Company, at 11.a.m. Members who wish to be present at the time of declaration of the results, may do so at the said venue.
5. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during the office hours on all working days except Sundays between 11.00 a.m. and 1.00 p.m. up to March 27, 2004.

#### ANNEXURE TO NOTICE

#### Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956 to the accompanying Notice dated February 23, 2004.

##### Item No. 1 Issue of Shares with Differential Rights

The Company proposes to make substantial investments over the next few years in the areas of generation, transmission, distribution and trading of power, including modernisation / expansion of existing power stations / distribution and transmission networks, and investment in associate / affiliate companies. This will involve an estimated capital outlay of up to Rs. 20,000 crore over the period of next few years. To further strengthen the Company's financial position, and to generate resources for the above plans, as also to meet the working capital requirements of the Company and for general corporate purposes, as may be decided by the Board in the best interests of the Company, it is proposed to issue Equity Shares with differential rights as to voting, dividend or otherwise as per the resolution set out at item No. 1 of the accompanying Notice. The terms and conditions of the equity shares with differential rights as to voting, dividend or otherwise (hereinafter referred to as the "Equity Shares with differential rights") and the other relevant details are given as under:

- (i) **Securities to be issued:** The resolution set out at item No. 1 of the accompanying Notice is an enabling resolution, entitling the Board to issue upto 80,00,000 equity shares with differential rights as to voting, dividend or otherwise as provided hereunder.
- (ii) **Pricing of Equity Shares:** Each Equity Share with differential rights of the face value of Rs. 10, shall be issued at a price of Rs. 640 (including a premium of Rs. 630) per share.
- (iii) **Terms of Equity Shares:** The equity shares with differential rights to be issued as above shall carry 0% voting rights and shall entitle the holder(s) thereof to dividend at a rate that is five percent higher than the rate of dividend declared on the ordinary equity shares of the Company, from time to time and that the holder(s) thereof will be entitled to bonus and/or rights shares of the same class of shares as and when issued.
- (iv) **Particulars of subscribers:** Reliance Industries Limited has agreed to subscribe to up to 80,00,000 equity shares with differential rights either directly and/or through any other promoter group company. The said shares, if subscribed, shall be allotted within a period of three months.
- (v) **Shareholding Pattern:** The Shareholding pattern giving present position as also considering full allotment of equity shares (ordinary) proposed to be issued under Preferential Allotment (in terms of Resolution at item no. 5 of the Notice dated February 23, 2004 convening Extraordinary General Meeting on March 22, 2004) is given below:

Sr No	Names of shareholders	Pre-issue shareholding		Post Issue shareholding	
		No. of shares	%	No. of shares	%
<b>1</b>	<b>Promoters group</b>				
a.	Reliance Power Ventures Limited	5,30,43,618	33.59	7,69,76,068	39.08
b.	Reliance Industrial and Investment Holdings Limited	1,36,22,707	8.63	1,36,22,707	6.91
c.	Reliance Industries Limited	15,51,649	0.98	15,51,649	0.79
d.	Reliance Capital Limited	1,19,95,139	7.60	1,19,95,139	6.09
e.	Reliance Capital Trustee Co Limited A/c Reliance Vision Fund	300	0.00	300	0.00
	<b>Total-Promoters Group</b>	<b>8,02,13,413</b>	<b>50.80</b>	<b>10,41,45,863</b>	<b>52.87</b>
<b>2</b>	<b>Financial Institutions</b>				
a.	Life Insurance Corporation of India	1,86,42,536	11.80	2,41,42,536	12.26
b.	The Oriental Insurance Company Limited	35,39,318	2.24	45,39,318	2.30
c.	The New India Assurance Company Limited	32,02,883	2.03	42,02,883	2.13
d.	National Insurance Company Limited	31,89,158	2.02	41,89,158	2.13
e.	United India Insurance Company limited	19,97,130	1.26	25,97,130	1.32
f.	General Insurance Corporation of India	16,18,792	1.03	21,18,792	1.08
g.	Unit Trust of India	21,891	0.01	21,891	0.01
h.	IFCI Limited	50	0.00	50	0.00
	<b>Total-Financial Institutions</b>	<b>3,22,11,758</b>	<b>20.39</b>	<b>4,18,11,758</b>	<b>21.23</b>
<b>3</b>	<b>State Government Holding</b>	<b>1,600</b>	<b>0.00</b>	<b>1,600</b>	<b>0.00</b>
<b>4</b>	<b>Foreign Holdings</b>				
a.	Certain Accounts managed by Capital International Inc.	0	0.00	48,30,000	2.45
b.	Sloane Robinson Investment Management	19,14,294	1.21	26,14,294	1.33
c.	Global Depository Receipts (GDRs)/Other Foreign Institutional Investors(FIIs)/ Non-Resident Indians/ Overseas Corporate Bodies	2,94,22,063	18.63	2,94,22,063	14.93
	<b>Total- Foreign Holdings</b>	<b>3,13,36,357</b>	<b>19.84</b>	<b>3,68,66,357</b>	<b>18.71</b>
<b>5</b>	<b>Banks and Mutual Funds</b>	<b>14,78,347</b>	<b>0.94</b>	<b>14,78,347</b>	<b>0.75</b>
<b>6</b>	<b>Other Corporate Bodies</b>	<b>7,61,819</b>	<b>0.48</b>	<b>7,61,819</b>	<b>0.39</b>
<b>7</b>	<b>Indian Public</b>	<b>1,19,21,419</b>	<b>7.55</b>	<b>1,19,21,419</b>	<b>6.05</b>
	<b>Total</b>	<b>15,79,24,713</b>	<b>100.00</b>	<b>19,69,87,163</b>	<b>100.00</b>

**Notes:**

1. The Company has not so far issued any equity shares with differential rights. The entire equity shares with differential rights proposed to be issued in terms of this resolution will be allotted and held by the Promoters Group.
2. Currently, Foreign Currency Convertible Bonds (FCCBs) of the Company aggregating US\$17.65 million are outstanding, which in the event of conversion, will result in allotment of further 34,82,585 equity shares.
3. Apart from the issue of equity shares in terms of this resolution, the Company is also contemplating issue of equity shares / equity related securities on preferential basis (as per resolution as set out at item No. 5 of the Notice dated February 23, 2004 issued by the Company, convening the Extra-ordinary General Meeting (EGM) to be held on March, 22, 2004) and/or issue of securities in the international markets (as per resolution at item No. 6 of the EGM Notice), which may result in increase of the issued and subscribed share capital of the Company by approximately 4.71 crore equity shares of Rs. 10 each of the Company.
4. The above shareholding pattern shall stand correspondingly changed in the manner given hereinabove.
5. The fully diluted equity share capital of the Company considering the shares arising out of conversion of outstanding FCCBs as referred to in Note 1 above, issue of securities in the international markets and issue of equity shares on preferential basis as referred to in Note No. 2 above and the allotment of equity shares with differential rights in terms of this resolution, shall not exceed 20.85 crore equity shares.

In terms of the provisions of Section 86(a)(ii) read with the Companies (Issue of Share Capital with Differential Voting Rights) Rules, 2001, approval of the Members is required for issue of shares with differential voting rights, by way of postal ballot as provided under Section 192A of the Companies Act, 1956.

The Board of Directors recommends the Resolution at Item 1 of the accompanying Notice for the approval of Members.

S/shri Anil D Ambani, Satish Seth, Amitabh Jhunjhunwala, S C Gupta and J P Chalasani, directors/nominees of the promoter group companies, to whom the above equity shares with differential rights are proposed to be issued, may be deemed to be concerned or interested in the said resolution. Except these Directors, none of the other directors of the Company is, in any way, concerned or interested in the said resolution.

**Item Nos. 2 and 3                      Loans to and Investment in BSES Infrastructure Limited and BSES Ventures Private Limited**

The Company is proposing to make substantial investments in the areas of generation, transmission, trading and distribution of power. As a measure of achieving greater financial flexibility, and to enable optimal financial structuring to facilitate speedy implementation of various projects, it is proposed that the Board of Directors be authorised to provide financial facilities upto a limit of 100 per cent of the then existing paid-up share capital and free reserves (net worth) of the Company in each of BSES Infrastructure Limited and BSES Ventures Private Limited, by way of subscription and /or purchase of equity/equity related securities and/or debentures, grant of loan, guarantee and/or providing of security from time to time. The fund requirement will be sourced through internal accruals, equity proceeds and/or borrowings. As per Section 372A of the Companies Act, 1956, a Company cannot make investment, give loan or guarantee or provide any security in excess of the limits set out therein unless it is previously authorised by a special resolution. Hence, it is necessary to obtain approval for the same from the Members by passing a resolution.

Your approval is sought by voting by postal ballot in terms of the provisions of Section 192A of the Companies Act, 1956 read with the provisions of the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001.

Except Shri Amitabh Jhunjhunwala, being Director of BSES Infrastructure Limited, none of the other Directors of the Company, is in any way concerned or interested in the Resolutions.

**Registered Office :**  
Reliance Energy Centre  
Santa Cruz (E)  
Mumbai 400 055

By Order of the Board  
For **Reliance Energy Limited**

Dated: February 23, 2004

Ramesh Shenoy  
Company Secretary