

Reliance Energy Limited

**Minutes of the Seventy Fifth Annual General Meeting of Reliance Energy Limited
held on Wednesday, June 09, 2004, at 11.00 a.m. at
Reliance Energy Auditorium, Near Reliance Energy Centre,
Santa Cruz (East), Mumbai 400 055**

- 1.1 226 Shareholders were present in person. The following Directors were also present:

Shri Anil D Ambani	Chairman & Managing Director
Shri Satish Seth	Executive Vice Chairman
Shri Amitabh Jhunjunwala	Director
Shri Gautam Doshi	Director
Shri S L Rao	Director
Gen. V P Malik	Director
Dr. Leena Srivastava	Director
Prof. J Ramachandran	Director
Shri V R Galkar	Director
Shri K H Mankad	Director (Finance)
Shri K D Kulkarni	Director (Human Resource Development)
Shri S C Gupta	Director (Operations)
Shri J P Chalasani	Director (Business Development)

Representatives of the following companies and financial institutions were also present:

Shri Amitabh Jhunjunwala, besides being a Director also represented Reliance Capital Limited.

Shri Vinod Ambani of Reliance Capital Trustee Co. Limited.

Shri Rohit C Shah of Reliance Power Ventures Limited

Shri Surendra Pipara of Reliance Industries Limited.

Ms. Kalpana Srinivasan of Reliance Industrial Investments & Holdings Limited.

Shri Pranesh Kumar of The New India Assurance Company Limited.

Shri S Chatterjee of National Insurance Company Limited.

S/Shri Chetan Desai of Haribhakti & Co., Shri Partha Ghosh of Price Waterhouse and Shri C.D. Lala of Chaturvedi & Shah, Auditors of the Company.

- 1.2 Shri Anil D Ambani, Chairman of the Board of Directors, presided and the quorum being present, declared the meeting open and welcomed the Members attending the meeting. The Register of Proxies and the Register of Directors' shareholdings were laid on the table. The Company had received 19 proxies representing 1,72,91,021 equity shares (9.33%). The Notice convening the Meeting was taken as read with the consent of the Members.

Thereafter, Shri Ramesh Shenoy, Company Secretary, read out the Auditor's Report dated 16th April, 2004.

Chairman while welcoming the shareholders gave a brief account of performance highlights of Reliance Energy during the year under review.

The main points of observations made by the Chairman were:

Reliance Energy completed a historic milestone of 75 years with a glorious track record of serving millions of industrial, commercial and residential customers in Mumbai.

The change in name of the Company to Reliance Energy Limited reflects the integration of the Company with the Reliance Group, the India's largest private sector company on all financial parameters. This would enable the Company to leverage the brand equity of the Reliance name.

The Chairman stated that the Company registered strong operational and financial performance during the year with substantial increase in Total Income, Cash Profit and Net Profit over the previous year. He stated that the aggregate estimated group revenues are Rs. 7,700 crore and total assets are nearly Rs, 10,000 crore.

The Chairman stated that the Dahanu Thermal Power Station became the first power plant in the country to achieve a Plant Load Factor (PLF) of over 100 per cent. The cost of power generation at Dahanu was Rs. 1.51 per unit which is less than the cost of power sourced from Tata Power at Rs. 3.20 per unit. The Samalkot Power Station and the Goa Power Station are also working satisfactorily with improved Plant Load Factor.

The customer base in Mumbai increased by 5 per cent or over 1,06,000 customers, to cross 23.3 lakh. The billing rate declined by 12 per cent and Transmission and Distribution Losses were reduced from 13.5 per cent to 12.8 per cent. The Maharashtra Electricity Regulatory Commission (MERC) has passed its Order on long standing dispute on payment of standby charges. Based on MERC's Order, Reliance Energy would receive a refund of Rs. 373 crore from Tata Power in respect of excess payments already made towards standby charges.

The Company's two affiliate companies BSES Rajdhani Power Limited and BSES Yamuna Power Limited registered all round improvement in performance with substantial increase in aggregate total income, net profit. The bid levels of Aggregate Technical and Commercial (AT&C) loss reduction in these two Companies were duly achieved.

BSES Andhra Power Limited and Reliance Salgaocar Power Company Limited, the two wholly owned subsidiaries, merged with the Company during the year which has led to improved profitability and enhanced overall shareholder value.

The Company during the year raised over Rs. 2,300 crore through a preferential offer of equity shares and equity related securities. The Company also raised over Rs. 800 crore through an international Foreign Currency Convertible Bond (FCCB) offering. During the year, Reliance Energy became the first Indian private sector company to issue 15 year rupee bonds in the domestic market.

The Chairman stated that the Electricity Act 2003 has presented a unique opportunity to pursue growth prospects in the generation, transmission, distribution and trading of power. The Company has announced the setting up of the 3,740

MW gas based mega power project at Dadri, in the State of Uttar Pradesh with an initial investment of more than Rs. 11,000 crore.

The Company is also exploring opportunities in non-conventional sources of energy. The Company has set up two new companies to pursue opportunities in the areas of transmission and trading of power.

The Company has applied to the Maharashtra Electricity Regulatory Commission (MERC) for distribution licenses in some of the urban areas covered by Maharashtra State Electricity Board, areas covered by Brihan Mumbai Electric Supply & Transport Undertaking in Maharashtra. The Company has also filed an application with Delhi Electricity Regulatory Commission for grant of distributing license, using its own distribution system in New Delhi Municipal Corporation area of supply. The Company has also submitted an Expression of Interest for distributing power in some of the areas in the State of Gujarat.

The Chairman stated that an Affiliate of the Company has received interim permission from the Central Electricity Regulatory Commission to engage in trading in power.

The Chairman also stated that the Company would endeavour to generate long term Return on Capital Employed and EPS growth in the 15–20 per cent range, to maximise overall shareholder value. The Chairman stated that the Company would look towards a gradual and consistent increase in distribution to shareholders, through appropriate dividends and stock buy back policies.

The Chairman stated that the Company is committed to providing adequate and modern health and medical care to all its employees. He informed that the Company, as a responsible corporate citizen, regularly undertakes various community welfare measures and environment friendly initiatives.

The Chairman concluded by thanking Central and State Governments, Financial Institutions, employees and shareholders of the Company for their co-operation and support.

Smt. Ashalata Maheshwari thereafter moved the following Resolution as an Ordinary Resolution which was seconded by Shri T M Davar.

2. **Adoption of Annual Accounts**

RESOLUTION NO. 1

“RESOLVED THAT the Directors' Report, the Auditors' Report, the audited Profit and Loss Account for the year ended March 31, 2004 and the Balance Sheet as at that date submitted to this meeting be and are hereby approved, adopted and confirmed.”

Before putting the Resolution to vote, the Chairman invited the Members to offer their comments and observations on the accounts.

The Members in general congratulated the Chairman and his team for achieving improved performance for the year and hoped that under the leadership of the Chairman, the Company would improve its performance in all areas of its operations and enhance shareholder value in the years to come. Salient observations made by various members and the comments and clarifications offered by the Chairman are summarised below:

To a Member's query on the dividend payment on the eve of the Platinum Jubilee which was less than their expectation, the Chairman stated that the share price of the Company has risen with consequent capital appreciation. The quarterly dividend payment provides liquidity to the shareholders.

To a query on future expansion plans of the Company in the light of new Electricity Act, the Chairman stated that the Company is exploring various opportunities in the areas of generation, transmission, distribution and trading of power in the entire country.

To a Member's query on when the Company would become self sufficient in meeting its power requirements, the Chairman stated that under the new Act the Company has flexibility to purchase power from any source. He further stated that as long as the Company is getting power at competitive prices and quality and consistent supply of power, the Company would continue to buy power.

To a Member's query on system loss, the Chairman stated that efforts would be made to reduce the system loss level to a single digit level.

To Member's query on the usage of funds raised by the Company, the Chairman stated that it would be used, among others, for modernisation of networks in Mumbai, Delhi, Orissa and setting up 3,740 MW gas based power project in Dadri. He also stated that the funds have presently been invested in Government Securities, Mutual Funds and protected type of securities.

The Chairman in reply to a Member's query stated that the Company would examine introduction of Voluntary Retirement Scheme for the employees, if need arises.

On the buy back proposal, the Chairman stated that the proposal would serve the long term interest of the Company as well as the shareholders.

As far the order of MERC on refund of standby charges paid by the company, the Chairman stated that the order is appealable. The Chairman also stated that the blackouts in the suburbs are as a result of disturbances in the western grid.

The Chairman in reply to a Member's query stated that the increase in electricity bill, inter alia, was due to increase in Fuel Adjustment Charge by Tata Power.

On the possibility of generating power off shore, the Chairman stated that the Company would go in for the most economical option of generating power.

To a Member's query, the Chairman stated that the State Electricity Boards, if not privatised, would result in monopoly and hence competition is enshrined in the new Electricity Act.

The Chairman replying to a Member's query on the merger of BSES Andhra Power Limited and Reliance Salgaocar Power Company Limited stated that these two projects have contributed over Rs. 75 – 100 crore to the profitability of the Company.

The Chairman also replied to various other queries raised by the Members.

The following Members raised above queries and made observations at the Annual General Meeting.

Ms. Asha Lata Maheshwari (Folio No. 351143)	Brig. G K Virmani (DPID No. IN300476/1023494)
Shri Dinesh Lakhani (DPID No. IN301604/10013149)	Shri Pravin J Paymaster (DPID No. IN300046/10199659)
Shri T M Davar (Folio No. 495338)	Shri Shailesh Mahadevia (DPID No. IN 300126/10537621)
Dr. M G Joshi (DPID No. IN300749/10046459)	Shri Anoop Kumar Seth (Folio No. A00375)
Shri Dahyalal Shah (Folio No. 211815)	Shri Manoj Alimchandani (DPID No. 1201070000001491)
Shri Hariram Chaudhury (DPID No. IN 301549/16644731)	Shri Arvind Vyas (Folio No. 466168)
Shri K S Shetty (DPID No. IN 300020/10609363)	Shri Upendra O Shah (DPID No. IN300829/10151940)
Ms.C. Mascarenhas (Folio No. 304974)	Shri B K Srivastava (Folio No. B 00280)
Shri Dipak K Shah DPID No. IN 03100551/12853567	Shri V N Kulkarni (Folio No. 367687)
Shri Vinod B.Damania (DPID No. IN 1201070000019091)	Shri Aspi Bhesania Folio No. 482805

Thereafter, the Resolution was put to vote by show of hands and was passed unanimously.

3. **Payment of Dividend**

Shri Arvind J Vyas proposed and Mrs. Mascarenhas seconded the following Resolution as an Ordinary Resolution:

RESOLUTION NO. 2

“RESOLVED THAT this meeting do approve payment of final dividend of Rs.1.50 per share on Equity Shares (Rs. 27.65 crore), in addition to payment of three interim dividends of Rs. 3.00 per share during the year (Rs. 42.84 crore) by the Company aggregating Rs.4.50 per share (45%) (previous year Rs.4.40) amounting to Rs.70.49 crore (excluding corporate tax of Rs.9.03 crore) for the financial year ended 31st March, 2004, which would be paid out of profits of the Company for the year to

- (i) all those Equity Shareholders whose names appear on the Register of Members of the Company after giving effect to all valid transfer in physical form lodged with Company on or before 28th May, 2004.
- (ii) whose names appear as beneficial owners as at the end of business on 28th May, 2004 as per lists to be furnished by the Depositories, viz. National Securities Depository Limited and Central Depository Services (India) Limited.

RESOLVED FURTHER THAT in case of conversion of existing Foreign Currency Bonds / GDRs in to equity shares and /or allotment of further equity shares by the Company before the Record Date fixed herein, the holders thereof shall also be entitled to the aforesaid final dividend and that necessary additional appropriations and accounting entries shall be made in this regard.”

Thereafter, the Resolution was put to vote by show of hands and was passed unanimously.

4. **Appointment of Shri S C Gupta**

Shri Dinesh Lakahni proposed and Mrs. Mascarenhas seconded the following Resolution as an Ordinary Resolution:

RESOLUTION NO. 3

“RESOLVED THAT Shri S C Gupta who retires by rotation pursuant to Section 256 of the Companies Act, 1956, be and is hereby re-appointed as Director of the Company.”

Thereafter, the Resolution was put to vote by Show of hands and was passed unanimously.

5. **Appointment of Shri J P Chalasani**

Smt Ashalata Maheshwari proposed and Shri Dahyabhai Shah seconded the following Resolution as an Ordinary Resolution:

RESOLUTION NO. 4

“RESOLVED THAT Shri J P Chalasani who retires by rotation pursuant to Section 256 of the Companies Act, 1956, be and is hereby re-appointed as Director of the Company.”

Thereafter, the Resolution was put to vote by show of hands and was passed unanimously.

6. **Appointment of Shri K H Mankad**

Smt Ashalata Maheshwari proposed and Shri Arvind Vyas seconded the following Resolution as an Ordinary Resolution:

RESOLUTION NO. 5

“RESOLVED THAT Shri K H Mankad who retires by rotation pursuant to Section 256 of the Companies Act, 1956, be and is hereby re-appointed as Director of the Company.”

Thereafter, the Resolution was put to vote by show of hands and was passed unanimously.

7. **Appointment of Auditors**

Shri Hariram Chaudhury proposed and Shri Dahyalal Shah seconded the following Resolution as an Ordinary Resolution:

RESOLUTION NO. 6

"RESOLVED THAT pursuant to the provisions of Section 224A and other applicable provisions, if any, of the Companies Act, 1956, M/s. Haribhakti & Company, Chartered Accountants, M/s. Price Waterhouse, Chartered Accountants and M/s. Chaturvedi & Shah, Chartered Accountants, be and are hereby appointed as the Joint Auditors of the Company to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting of the Company upon such remuneration, in addition to the reimbursement of traveling and other out-of-pocket expenses incurred incidental to their functions, as may be agreed to between the Board of Directors of the Company and the respective Auditors and that the Board of Directors of the Company be and is hereby authorised to fix the remuneration as aforesaid."

Thereafter, the Resolution was put to vote by show of hands and was passed unanimously.

8. **Appointment of Shri V R Galkar as Director**

Shri Pravin J Paymaster proposed and Shri Upendra Shah seconded the following Resolution as an Ordinary Resolution:

RESOLUTION NO. 7

"RESOLVED THAT Shri V R Galkar who was appointed as a Director of the Company in the casual vacancy caused by the resignation of Shri Y P Gupta pursuant to Section 262 of the Companies Act, 1956 and Article 106 of the Articles of Association of the Company, and who holds office up to this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, from a member signifying his intention to propose Shri V R Galkar as a candidate for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

Thereafter, the Resolution was put to vote by show of hands and was passed unanimously.

9. **Appointment of Shri Gautam Doshi as Director**

Shri Arvind Vyas proposed and Shri Dahyalal Shah seconded the following Resolution as an Ordinary Resolution:

RESOLUTION NO. 8

"RESOLVED THAT Shri Gautam Doshi who was appointed as a Director of the Company in the casual vacancy caused by the resignation of Shri P N Bhandari pursuant to Section 262 of the Companies Act, 1956 and Article 106 of the Articles of Association of the Company, and who holds office up to this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, from a member signifying his intention to propose Shri Gautam Doshi as a candidate for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

Thereafter, the Resolution was put to vote by show of hands and was passed unanimously.

10. **Appointment of Shri Cyril Shroff as Director**

At this juncture, the Chairman stated that Shri Cyril Shroff has tendered his resignation from the Board of the Company effective from 28th May, 2004 and hence the Resolution for appointment of Shri Cyril Shroff set out in the Notice is withdrawn. The Members unanimously agreed for the same.

11. **Appointment of Shri K H Mankad as whole-time Director designated as Director (Finance).**

Brig G K Virmani proposed and Shri Dinesh Lakhani seconded the following Resolution as an Ordinary Resolution:

RESOLUTION NO. 10

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, read with Schedule XIII to and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or enactment thereof,

for the time being in force) consent be and is hereby accorded to the appointment of Shri K H Mankad as the whole-time Director designated as Director (Finance) of the Company for a period from 22nd December, 2003 to 1st October, 2007 on the terms and conditions including remuneration as are set out in the draft Agreement to be entered into between the Company and Shri K H Mankad, (details of which are given in the Explanatory Statement attached to this Notice) which draft Agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "the Board", which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment and/ or remuneration and/or Agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956, including any statutory modification or re-enactment thereof, for the time being in force or any amendments and/or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Shri K H Mankad.

RESOLVED FURTHER that the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Thereafter, the Resolution was put to vote by show of hands and was passed unanimously.

12. **Increase in Authorised Share Capital**

Shri Pravin J Paymaster proposed and Shri T M Davar seconded the following Resolution as an Ordinary Resolution:

RESOLUTION NO. 11

"RESOLVED THAT in supersession of the resolution passed by the Members at the Extraordinary General Meeting held on 22nd March, 2004 and pursuant to the provisions of Sections 16, 94 and all 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 Authorised Share Capital of the Company of Rs.350,00,00,000 (Rupees three hundred fifty crore) divided into 25,00,00,000 Equity Shares of Rs.10 each, 5,00,00,000 Redeemable Cumulative Preference Shares of Rs. 10 each, 80,00,000 Equity Shares of Rs. 10 each, with differential rights (differential rights as to dividend, voting or otherwise) and 4,20,00,000 Unclassified Shares of Rs. 10 each, be and is hereby increased to Rs. 18,50,00,00,000 (Rupees one thousand eight hundred and fifty crore) comprising 25,00,00,000 Equity Shares of Rs.10 each, 155,00,00,000 Redeemable Preference Shares of Rs. 10 each, 80,00,000 Equity Shares of Rs. 10 each, with differential rights (differential rights as to dividend, voting or otherwise) and 4,20,00,000 Unclassified Shares of Rs. 10 each; with the power to the Board to decide on the extent of variation in such rights and to classify and re-classify from time to time such shares into any class of shares.

RESOLVED FURTHER THAT the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following Clause V:

"V. The Capital of the Company is Rs. 18,50,00,00,000 (Rupees one thousand eight hundred and fifty crore) comprising 25,00,00,000 Equity Shares of Rs.10 each, 155,00,00,000 Redeemable Preference Shares of Rs. 10 each, 80,00,000 Equity Shares of Rs. 10 each, with differential rights (differential rights as to dividend, voting or otherwise) and 4,20,00,000 Unclassified Shares of Rs. 10 each; with the power to the Board to decide on the extent of variation in such rights and to classify and re-classify from time to time such shares into any class of shares."

Thereafter, the Resolution was put to vote by show of hands and was passed unanimously.

13. **Alteration in Articles of Association**

Brig G K Virmani proposed and Shri Shailesh Mahadevia seconded the following Resolution as a Special Resolution.

RESOLUTION NO. 12

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the existing Articles of Association be and are hereby altered by substituting the existing Article 3 by the following new Article 3:

3. The Capital of the Company is Rs. 18,50,00,00,000 (Rupees one thousand eight hundred and fifty crore) comprising 25,00,00,000 Equity Shares of Rs.10 each, 155,00,00,000 Redeemable Preference Shares of Rs. 10 each, 80,00,000 Equity Shares of Rs. 10 each, with differential rights (differential rights as to dividend, voting or otherwise) and 4,20,00,000 Unclassified Shares of Rs. 10 each; with the power to the Board to decide on the extent of variation in such rights and to classify and re-classify from time to time such shares into any class of shares."

Thereafter, the Resolution was put to vote by show of hands and was passed unanimously.

14. **Alteration in Articles of Association**

Dr. M G Joshi proposed and Shri Shailesh Mahadevia seconded the following Resolution as a Special Resolution:

RESOLUTION NO. 13

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the existing Articles of Association be and are hereby altered in the manner and to the extent set out below :

That after existing Article 7, following new Article shall be inserted:

7a : Buy Back of Shares

Notwithstanding anything contained in these articles, the Board of Directors may, when and if thought fit, buy-back such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions, and in accordance with the provisions of Sections 77A, 77AA and 77B of the Act or any Statutory Modification thereto and such other regulations and guidelines as may be issued in this regard.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all such actions and do all such things as may be necessary from time to time for giving effect to the above resolution and matters incidental thereto."

Thereafter, the Resolution was put to vote by show of hands and was passed unanimously.

At this stage Shri Anil D Ambani, Chairman and Managing Director announced that the Board of Directors of the Company have decided to buy-back equity shares of the Company at a price not exceeding Rs. 525 per equity share from open market

through the Stock Exchange, Mumbai and the National Stock Exchange of India Limited and the amount to be deployed for the purpose shall not exceed Rs. 350 crore.

15. **Issue of Preference Shares**

Shri Anoop Kumar Seth proposed and Shri Manoj Alimchandani seconded the following Resolution as a Special Resolution:

RESOLUTION NO. 14

"RESOLVED THAT in accordance with the provisions of Sections 80, 81 and all 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 enabling provisions in the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to any approval, consent, permission and/or sanction of the Central Government, Reserve Bank of India and any other appropriate authorities, institutions or Bodies (hereinafter collectively referred to as "the appropriate authorities"), and subject to the conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, consents, permissions and/or sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as the "Board") and / or a duly authorized Committee thereof for the time being exercising the powers conferred by the Board in that behalf, the consent and approval be and is hereby accorded to the Board, to create, offer, issue and allot, from time to time in one or more tranches, Preference Shares of the face value of Rs. 10 each subject to an aggregate face value not exceeding Rs.1,500 crore at such price or prices either at par or at premium and on such terms as to dividend and/or redemption premium, (hereinafter for brevity's sake referred to as "Preference Shares") as the Board at its sole discretion may at any time or times hereafter decide, to the Members, Bodies Corporate, Employees, Indian Financial Institutions, Banks, Mutual Funds, Non-Resident Indians, Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs), Trusts, individuals and any other person whether member of the Company or not, through public issue, rights issue, private placement, exchange of Shares, conversion of loans or otherwise, by any one or more or a combination of the above modes / methods or otherwise, at such price or prices and at such premium and premia, as the Board or Committee thereof may in its absolute discretion think fit, whether in consultation or otherwise with the lead managers, underwriters, advisors and such other persons, and on such terms and conditions as to redemption period, dividend, redemption premium, manner of redemption and fixing of record date or book closure and related or incidental matters and all such other terms as are provided in the offerings.

RESOLVED FURTHER THAT the Board or Committee thereof be and is hereby authorised, on or before redemption of the Preference Shares issued pursuant to this resolution, to issue fresh shares up to the nominal amount of the shares redeemed or about to be redeemed as if those shares had never been issued to persons and in a manner and on terms referred to hereinabove.

RESOLVED FURTHER THAT such of these Preference Shares to be issued or re-issued as are not subscribed may be disposed of by the Board or Committee thereof in favour of and to such persons and in such manner and on such terms as the Board or Committee in its absolute discretion may think to be in the interest of and beneficial to the Company including offering or placing them with the Members, Bodies Corporate, Employees, Indian Financial Institutions, Banks, Mutual Funds, Non-Resident Indians, Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs), Trusts, individuals and any other person whether

member of the Company or not or otherwise as the Board or Committee thereof may in its absolute discretion decide.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board or Committee thereof be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer / issue, allotment, utilisation of the proceeds and redemption of the issue of the Preference Shares and further to finalise and execute all documents and writings as may be necessary or desirable as the Board or Committee may deem fit without being required to seek any further consent or approval of Members or otherwise, to the end and intent that the Members 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 and Managing Director or any one or more Whole-time Directors or officers of the Company to give effect to the aforesaid resolution.”

Thereafter, the Resolution was put to vote by show of hands and was passed unanimously.

At this stage, the Chairman vacated the Chair and requested Shri Amitabh Jhunjunwala, Director, to conduct the next item of the Notice. The same was unanimously approved by the members by show of hands. Shri Amitabh Jhunjunwala assumed the Chair and conducted the following Business:

16. **Revision in remuneration of Shri Anil D Ambani, Chairman and Managing Director and Shri Satish Seth, Executive Vice-Chairman**

Shri K S Shetty proposed and Shri D K Srivastava seconded the following Resolution as an Ordinary Resolution:

RESOLUTION NO. 15

"RESOLVED that in partial modification of Resolution Nos. 7 and 8 passed by the Members at the 74th Annual General Meeting held on 9th June, 2003 approving the appointment and terms of remuneration of Shri Anil D Ambani as Chairman and Managing Director and Shri Satish Seth as Executive Vice Chairman and in accordance with the provisions of Sections 198, 269, 309, 310 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the variation in the terms of remuneration of Shri Anil D Ambani as Chairman and Managing Director and Shri Satish Seth as Executive Vice Chairman for the remaining period of their respective tenure of office, effective 1st April, 2004 as set out in the supplemental agreement to be entered into with each of them.

RESOLVED FURTHER THAT all other terms and conditions of appointment of Shri Anil D Ambani and Shri Satish Seth, as approved earlier by the Members, shall remain unchanged.”

Thereafter, the Resolution was put to vote by show of hands and was passed unanimously.

At this stage Shri Amitabh Jhunjhunwala vacated the Chair and Shri Anil D Ambani, Chairman occupied the Chair.

There being no other business to transact, the meeting ended with a vote of thanks to the Chair at 2.00p.m.

Chairman

Place : Mumbai
Dated: 3rd July, 2004