



Reliance Energy Limited

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

NOTICE

Notice is hereby given that an Extraordinary General Meeting of the Members of **Reliance Energy Limited** will be held on Tuesday, the 19th day of July 2005 at 2.30 p.m. at Rangsharda Natyamandir, Bandra Reclamation, Bandra (West), Mumbai 400 050 to transact the following Special Business.

SPECIAL BUSINESS

To consider and if thought fit to pass, with or without modifications, the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to Section 81(1A) and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and enabling provisions of 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 appropriate authorities, (hereinafter collectively referred to as “the appropriate authorities”), and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and / or sanction (hereinafter referred to as “the requisite approvals”), 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 and/or Warrants entitling to apply for equity shares or other securities convertible into or exchangeable with equity shares (hereinafter referred to as the “Securities”) to be subscribed by domestic / foreign institutions, institutional investors, banks, mutual funds, insurance companies, bodies corporate, individuals or other entities, whether or not such investors are Members of the Company, under a preferential issue through offer letter and/or circular and/or information memorandum and/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 the equity shares so issued shall not be less than Rs. 573 (including a premium of Rs. 563) per equity share of Rs.10 each being the price with respect to the Relevant Date i.e. 19th June, 2005, as prescribed under the Guidelines for Preferential Issues contained in Chapter XIII of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 and the aggregate amount of the Securities so issued shall not exceed Rs. 1,750 crore.

RESOLVED FURTHER THAT the equity shares allotted in terms of this resolution shall rank pari passu in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised on behalf of the Company 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 the issue or allotment of aforesaid

Securities and listing thereof with the stock exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of any of the said Securities, utilisation of the issue proceeds 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 Chairman & Managing Director or any other Director(s) or officer(s) of the Company to give effect to the aforesaid resolution.”

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

By Order of the
Board of Directors

Mumbai, 23rd June, 2005

Ramesh Shenoy
Company Secretary

Notes:

- 1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a Member of the Company. The instrument appointing a proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.**
2. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 setting out material facts is annexed hereto.
3. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days except Sundays between 11.00 a.m. and 1.00 p.m., upto the date of the ensuing Extraordinary General Meeting.
4. Members / Proxies should fill the Attendance Slips for attending the Meeting. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification for attendance at the Meeting.
5. Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in order of the names will be entitled to vote.

ANNEXURE TO NOTICE

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956 to the item of special Business set out in the accompanying Notice dated 23rd June, 2005

The Electricity Act 2003 has ushered in comprehensive reforms in the power sector. The Central and State Governments have taken several follow up policy measures pursuant to the enactment of the said statute. The various progressive policy measures taken by these governments will contribute to the accelerated development of the power sector.

The Company plans to capture these emerging growth opportunities in the power sector and has a comprehensive plan to explore various opportunities in coal, gas, hydro and wind based generation projects as also in transmission, distribution and trading of power.

The Company, on its own and through special purpose vehicles, has initiated various actions to promote several projects in generation, transmission and distribution of power involving large project outlay.

In order to achieve the above objectives, and to strengthen its financial position, the Company plans to augment long term resources up to Rs. 1,750 crore. For this purpose, 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 / other securities convertible into / exchangeable with the equity shares of the Company, to AAA Project Ventures Private Limited ("AAA"), a company owned and controlled by Shri Anil D. Ambani and his associates, and to certain corporate body / institutional investors as per details given below, on a preferential allotment basis, in terms of the Guidelines for Preferential Issues contained in Chapter XIII of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 (hereinafter referred to as the "Preferential Issue Guidelines"), including any statutory modification or re-enactment thereof for the time being in force.

Shri Anil D Ambani was appointed Chairman of the Company on 18th January, 2003 by the Board of Directors of the Company and he assumed office as Chairman and Managing Director of the Company with effect from 21st April, 2003. In the short period since then, the Company has taken rapid strides in improving its operational and financial performance under the leadership of Shri Anil D. Ambani.

Shri Anil D. Ambani, has expressed his commitment to the Company's rapid growth and to maximize overall value for all shareholders. The Company is expected to immensely benefit with the financial expertise and acumen of Shri Anil D. Ambani. The issue of securities to the investors will strengthen the capital base, and will also lead to substantial increase in net worth and corresponding borrowing ability of the Company.

The details of the issue and other particulars as required in terms of the Preferential Issue Guidelines are given as under:

- (i) Securities to be issued:** The resolution set out in the accompanying Notice is an enabling resolution, entitling the Board to issue equity shares or other securities convertible into or exchangeable with the equity shares as may be deemed appropriate in the best interest of the Company.
- (ii) Pricing of Equity Shares/Warrants:** Each equity share of the face value of Rs. 10, including the equity shares arising out of the exercise of option attached to warrants, shall be issued at a price not being less than Rs.573 (including a premium of Rs.563) per equity share.

Such price has been arrived at with respect to the Relevant Date i.e. 19th June, 2005, as prescribed under the said Preferential Issue Guidelines.

- (iii) Terms of Warrants:** The Board may allot warrants at a price not being less than Rs.573 per warrant, which will entitle the holder to subscribe for one equity share of the face value of Rs.10, at a price not being less than Rs.573 (including a premium of Rs.563) per equity share of the Company against each warrant. An amount, as may be decided by the Board of Directors, not being less than 10% of the issue price (i.e. Rs.57.30 per warrant) shall be payable upon subscription of the warrants. The warrants would be allotted on the following terms:

- The holder of warrants will have an option to apply for and be allotted 1 (one) equity share of the Company per warrant any time after the date of allotment but on or before the expiry of 18 months from the date of allotment, in one or more tranches. In this connection, either the Company or the warrant holder will give an advance notice of at least ten days calling upon the other party to exercise / avail the aforesaid option specifying the number of warrants. The warrant holders will be liable to make the payment of balance sum per warrant for such number of warrants within 10 days of the service of the notice.
- Upon receipt of the payment as above, the Board (or a Committee thereof) shall allot one equity share per warrant by appropriating Rs.10 towards equity share capital and the balance amount paid against each warrant, towards the securities premium.
- If the entitlement against the warrants to apply for the equity shares is not exercised within the period specified in the notice referred hereinabove, the entitlement of warrant holders to apply for equity shares of the Company along with the rights attached thereto shall expire and any amount paid on such warrants shall stand forfeited.
- The warrant holders shall also be entitled to any future bonus/rights issue(s) of equity shares or other securities convertible into equity shares by the Company, in the same proportion and manner as any other shareholders of the Company for the time being.
- The warrant by itself do not give to the holder(s) thereof any rights of the shareholders of the Company.
- The equity shares issued as above shall rank pari passu in all respects with the then existing equity shares of the Company. The warrants and equity shares shall be subject to the Memorandum and Articles of Association of the Company.

(iv) Lock-in: The securities issued under the above Preferential Issue shall be locked-in for a period of one year from the date of allotment.

The lock-in on the shares allotted on exercise of option attached to warrants, if any, shall be reduced to the extent the warrants have already been locked-in.

(v) Particulars of subscribers: AAA Project Ventures Private Limited and other corporate body/institutional investors have agreed to subscribe to the equity shares/warrants under the said preferential issue, as per the details given below :

Sr. No.	Name of the proposed subscribers	Category	Number of Equity Shares
1	AAA Project Ventures Private Limited	Private Corporate Body	2,58,16,000
2	Jacob Ballas Capital India Private Limited	Private Corporate Body	20,000
3	The New York Life Investment Management India Fund II	Foreign Institutional Investor	3,80,000
4	Aranda Investments (Mauritius) Pte. Limited	Foreign Institutional Investor	34,00,000
5	GMO on behalf of Common Fund	Foreign Institutional Investor	7,432
6	GMO Emerging Markets Fund	Foreign Institutional Investor	3,64,911
7	GMO on behalf of President & Fellows of Harvard College	Foreign Institutional Investor	11,657
	Total		3,00,00,000

Any of the equity shares issued as above, that may remain unsubscribed for any reason whatsoever, may be offered and allotted by the Board in its absolute discretion to any other person/entity/investor within the same category/class, on the same terms and conditions.

(vi) **Shareholding Pattern:** The Shareholding pattern giving present position as also considering full allotment of equity shares arising out of the Securities issued as above, is given below:

Sl.No.	Name of the shareholder	Pre-issue shareholding		Post-issue shareholding	
		No. of Shares	%	No. of Shares	%
A	Promoters Group				
1	Reliance Power Ventures Limited	7,56,39,240	38.74	7,56,39,240	33.57
2	Reliance Industrial and Investment Holdings Limited	1,36,22,707	6.97	1,36,22,707	6.05
3	Reliance Industries Limited	15,51,649	0.79	15,51,649	0.69
4	Reliance Capital Limited	1,19,95,139	6.14	1,19,95,139	5.32
	Total - (A)	10,28,08,735	52.64	10,28,08,735	45.63
B	Proposed Allottees				
1	AAA Project Ventures Private Limited	-	-	2,58,16,000	11.46
C1	Jacob Ballas Capital India Private Limited	-	-	20,000	0.01
2	Other Corporate Bodies	11,40,128	0.58	11,40,128	0.50
	Total - (C)	11,40,128	0.58	11,60,128	0.51
D	Foreign Holdings - FIIs				
1	The New York Life Investment Management India Fund II	-	-	3,80,000	0.17
2	Aranda Investments (Mauritius) Pte. Limited	-	-	34,00,000	1.51
3	GMO on behalf of Common Fund	-	-	7,432	0.00
4	GMO Emerging Markets Fund	-	-	3,64,911	0.16
5	GMO on behalf of President & Fellows of Harvard College	-	-	11,657	0.01
6	Other FIIs	3,42,65,948	17.54	3,42,65,948	15.21
7	Overseas corporate bodies / NRIs/ GDRs	31,26,329	1.60	31,26,329	1.39
	Total (D)	3,73,92,277	19.14	4,15,56,277	18.45
E	Domestic Financial Institutions	4,00,00,034	20.48	4,00,00,034	17.75
F	Banks and Mutual Funds	22,16,878	1.13	22,16,878	0.98
G	Indian Public	1,17,64,747	6.03	1,17,64,747	5.22
	Grand Total	19,53,22,799	100.00	22,53,22,799	100.00

Notes:

1. The Company shall complete the allotment of securities in terms of the resolution set out in the accompanying Notice on or before the expiry of 15 days from the date of passing the Resolution.
2. Currently, 0.5% Foreign Currency Convertible Bonds (FCCBs) aggregating US \$ 11.59 million are outstanding which in the event of conversion up to 25th September, 2007 at a pre-determined price of Rs. 245 per equity share, will result in allotment of further 22,86,230 equity shares.
3. The Company has also issued Zero Coupon FCCBs aggregating US\$ 178.058 million. These FCCBs are convertible into Equity Shares at a pre-determined price of Rs. 1,006.92 per equity share, any time up to 24th February, 2009. Conversion of these FCCBs would result in issue of further 79,99,984 equity shares.
4. The Company has also outstanding warrants entitling the warrant holders to apply for 1,11,228 equity shares, at a pre-determined price of Rs. 640 per equity share, any time up to 1st October, 2005.
5. The above shareholding pattern shall stand correspondingly changed consequent to the above.

Shri Anil D. Ambani, the Chairman & Managing Director of the Company, is the Director and a member of AAA Project Ventures Private Limited, amongst others, to whom the above equity shares / warrants convertible into equity shares under preferential issue are proposed to be allotted, and accordingly may be deemed to be concerned or interested in the said resolution to that extent. Except him, none of the other directors of the Company is, in any way, concerned or interested in the said resolution.

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

By Order of the
Board of Directors

Mumbai, 23rd June, 2005

Ramesh Shenoy
Company Secretary



Reliance Energy Limited

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

Please fill Attendance Slip and hand it over at the entrance of the meeting venue

I hereby record my presence at the Extraordinary General Meeting of the Members of the Company held on Tuesday, 19th July, 2005 at 2.30 a.m at Rangsharda Natyamandir, Bandra Reclamation, Bandra (West), Mumbai 400 050.

Folio No.		DP ID No.*		Client ID No.*	
-----------	--	------------	--	----------------	--

No. of Shares	
---------------	--

Name and Address of the Member

* Applicable for investors holding shares in electronic form.

Signature of Member/Proxy



Reliance Energy Limited

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

PROXY FORM

I/We _____ of _____ in the district of _____ being a Member/Members of the above named Company, hereby appoint _____ of _____ in the district of _____ or failing him/her _____ of _____ as my/our Proxy to attend and vote for me/us and on my/our behalf at the Extraordinary General Meeting of the Company, to be held on Tuesday, 19th July , 2005 at 2.30 p.m or at any adjournment thereof.

Client ID *	
-------------	--

DP ID No.*	
------------	--

Folio No.	
-----------	--

No. of Shares	
---------------	--

Signed this _____ day of _____ 2005.



Signature

* Applicable for investors holding shares in electronic form.

Note: The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.

BOOK POST

To,

If undelivered please return to :

Karvy Computershare Private Limited

Unit : Reliance Energy Limited

46, Avenue 4, Street No. 1, Banjara Hills

Hyderabad - 500 034, India

Tel : +91-40 23320666, 23320711, 23323031, 23323037

Fax : +91-40 23323058