

Notice Pursuant to Section 192A of the Companies Act, 1956

Notice is hereby given pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001 to transact the following special business by the Members of Reliance Energy Limited by passing Resolution through Postal Ballot:

Raising of Funds through Issue of securities in the international markets

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

- (a) 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 securities of the Company are listed and subject to any guidelines, regulations, approval, consent, permission 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 such conditions as may be prescribed by any one of them while granting any such approval, consent, permission, and / or sanction (hereinafter referred to as "the requisite approvals"), 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 issue, offer and allot, in international offerings any securities including Global Depository Receipts and / or American Depository Receipts convertible into equity shares, preference shares whether Cumulative or Non-Cumulative / Redeemable / Convertible at the option of the Company and / or at the option of the holders of the security and / or securities linked to equity shares / preference shares and / or any instrument or securities representing convertible securities such as convertible debentures, bonds or warrants convertible into equity shares / preference shares (hereinafter referred to as "Securities") to be subscribed by foreign investors / institutions and / or corporate bodies, mutual funds, banks, insurance companies, trusts and / or individuals or otherwise, whether or not such persons / entities / investors are Members of the Company, whether in Indian currency or foreign currency. Such issue and allotment shall be made at such time or times in one or more tranche or tranches, at par or at such price or prices, and on such terms and conditions including with the differential rights as to dividend, voting or otherwise and in such manner as the Board may, in its absolute discretion think fit, in consultation with the Lead Managers, Underwriters, Advisors or other intermediaries; provided however that the issue of Securities as above shall not result in increase of the issued and subscribed equity share capital of the Company by more than 1,00,00,000 equity shares of the face value of Rs. 10 each.
- (b) RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue of Securities may have all or any terms or combination of terms including as to conditions in relation to payment of interest, additional interest, premia on redemption, prepayment and any other debt service payments whatsoever, and all such matters as are provided in Securities offerings of this nature including terms for issue of such Securities or variation of the conversion price of the Security during the tenure of the Securities and the Company is also entitled to enter into and execute all such arrangements as the case may be with any lead managers, managers, underwriters, bankers, financial institutions, solicitors, advisors, guarantors, depositories, custodians and other intermediaries in such offerings of Securities and to remunerate all such agencies including the payment of commissions, brokerage, fees or payment of their remuneration for their services or the like, and also to seek the listing of such Securities on one or more Stock Exchanges including international Stock Exchanges, wherever permissible.
- (c) RESOLVED FURTHER THAT the Company may enter into any arrangement with any agency or body authorised by the Company for the issue of Securities in registered or bearer form with such features and attributes as are prevalent in capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the international practice and regulations, and under the forms and practices prevalent in securities markets.
- (d) RESOLVED FURTHER THAT the Securities issued in foreign markets shall be deemed to have been made abroad and / or in the market and / or at the place of issue of the Securities in the international market and may be governed by applicable laws.
- (e) RESOLVED FURTHER THAT the Board or any Committee thereof be and is hereby authorised to issue and allot such number of shares as may be required to be issued and allotted upon conversion of any Securities referred to in paragraph (a) above or as may be necessary in accordance with the terms of the offering, all such shares being pari passu with the then existing shares of the Company in all respects.
- (f) RESOLVED FURTHER THAT such of these Securities to be issued as are not subscribed may be disposed of by the Board to such persons and in such manner and on such terms as the Board in its absolute discretion thinks fit in the best interest of the Company and as is permissible at law.
- (g) RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of Securities or instruments representing the same, as described in paragraph (a) above, the Board or any Committee thereof be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may at its discretion deem necessary or desirable for such purpose, including without limitation the entering into of underwriting, marketing and depository arrangement and institution / trustees / agents and similar agreements and to remunerate the Managers, underwriters and all other agencies / intermediaries by way of commission, brokerage, fees and the like as may be involved or connected in such offerings of securities, with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue or allotment as it may in its absolute discretion deem fit.
- (h) RESOLVED FURTHER THAT for the purpose aforesaid, the Board be and is hereby authorised to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilisation of the issue proceeds including but without limitation to the creation of such

mortgage / charges under Section 293(1)(a) of the said Act in respect of the aforesaid Securities either on pari passu basis or otherwise or in the borrowing of loans as it may 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 the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

- (i) 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 Whole-time Director or any other Officer or Officers of the Company to give effect to the aforesaid resolution."

Registered Office :
Reliance Energy Centre
Santa Cruz (E)
Mumbai 400 055
Dated: 18th April, 2004

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

Ramesh Shenoy
Company Secretary

Notes:

1. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 setting out material facts is annexed hereto.
2. The Board of Directors 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.
3. 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 20th May, 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 Ballot will be announced by 21st May, 2004 at the Registered Office of the Company.
4. 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 20th May, 2004.

ANNEXURE TO NOTICE

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956 to the accompanying Notice dated 18th April, 2004

Raising of Funds through Issue of securities in the international markets

The Company needs to augment long term resources to strengthen its financial position, to meet its growth objectives, to invest in the areas of generation, transmission, distribution and trading of power including the modernisation and expansion of the Company's existing power stations and distribution and transmission networks and in other infrastructure sectors and for such other purposes as may be permitted from time to time under the relevant guidelines. It is accordingly proposed to issue securities in the international markets as contemplated in the resolution set out above, as may be decided by the Board and found to be expedient and in the interests of the Company.

The detailed terms and conditions of the Issue as and when made will be determined by the Board of Directors in consultation with the Merchant Bankers, Lead Managers, Advisors, Underwriters and other experts in accordance with the terms of approval of the Government of India, Reserve Bank of India, Financial Institutions who have lent or agreed to lend monies for the Company's projects and such other authorities as may be required.

The proposed international issue of Securities as above may be made in one or more tranches, which may result in an increase of the issued and subscribed equity and/or Preference share capital of the Company by not more than 1,00,00,000 equity shares of the face value of Rs. 10 each of the Company. The issue price of the securities to be issued in the proposed offerings will be determined by the Board of Directors at the time of the offer depending on the then prevailing market conditions. The Securities will be listed on such international / Indian Stock Exchanges as the Board may be advised.

Section 81 of the Companies Act, 1956, provides, inter alia, that where it is proposed to increase the Subscribed Share Capital of the Company by allotment of further shares, such further shares shall be offered to the persons who at the date of the offer are holders of the Equity Shares of the Company, in proportion to the capital paid up on those shares as of that date unless the Shareholders decide otherwise. The Listing Agreements executed by the Company with the various Stock Exchanges also provide that the Company shall issue or offer in the first instance all Securities to the existing Equity Shareholders of the Company unless the Shareholders decide otherwise. The Special Resolution seeks the consent of the Shareholders authorising the Board of Directors to make the proposed issue of Securities and in the event it is decided to issue Securities convertible into Equity and/or Preference Shares, to issue to the holders of such Convertible Securities in such manner and such number of Equity and / or Preference Shares on conversion as may be required to be issued in accordance with the terms of the issue.

This Special Resolution gives (a) adequate flexibility and discretion to the Board to finalise the terms of the issue, in consultation with the Lead Managers, Underwriters, Legal Advisors and experts or such other authority or authorities as need to be consulted including in relation to the pricing of the Issue which will be a free market pricing and may be at premium or discount to the market price in accordance with the normal practice and (b) powers to issue and market any securities issued pursuant to the international offer including the power to issue such Securities in such tranche or tranches with / without voting rights or with differential voting rights.

The Board of Directors recommends the resolution set out in the accompanying Notice for the approval of the Members.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

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Mumbai 400 055
Dated: 18th April, 2004

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

Ramesh Shenoy
Company Secretary