

ReLIANCE

Power

**Annual Report
2010-11**



Dhirubhai H. Ambani

(December 28, 1932 - July 6, 2002)

Reliance Group - Founder and Visionary

Profile

Reliance Power Limited (RPower) is a part of the Reliance Group, one of the leading business houses in India.

RPower is engaged in the development, construction and operation of power generation projects with a combined planned capacity of more than 35,000 MW, the largest portfolio of private power generation assets under development in India.

The Company has the unique distinction of securing three out of four Ultra Mega Power Projects (UMPPs) awarded by the Government of India on the basis of tariff based competitive bidding at Sasan in Madhya Pradesh, Krishnapatnam in Andhra Pradesh and Tilaiya in Jharkhand.

Our projects are diverse in geographic location, fuel source and offtake.

RPower strongly believes in clean green power and our projects are / will be using technologies with minimum environment impact.

Mission: Excellence in Power Generation

- To attain global best practices and become a leading power generating company.
- To achieve excellence in project execution, quality, reliability, safety and operational efficiency.
- To relentlessly pursue new opportunities, capitalizing on synergies in the power generation sector.
- To consistently enhance our competitiveness and deliver profitable growth.
- To practice highest standards of corporate governance and be a financially sound company.
- To be a responsible corporate citizen nurturing human values and concern for society.
- To improve the lives of local community in all our projects.
- To be a partner in nation building and contribute towards India's economic growth.
- To promote a work culture that fosters learning, individual growth, team spirit and creativity to overcome challenges and attain goals.
- To encourage ideas, talent and value systems and become the employer of choice.
- To earn the trust and confidence of all stakeholders, exceeding their expectations.
- To uphold the guiding principles of trust, integrity and transparency in all aspects of interactions and dealings.

Reliance Power Limited

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Plot No. 13 & 13C, Madhapur Village		
Hyderabad 500 081, Andhra Pradesh, India		
website : www.karvy.com		
Investor Helpdesk		
Toll free no (India) : 1800 4250 999		
Telephone no. : +91 40 4030 8000		
Fax no. : +91 40 2342 0859		
E-mail : rpower@karvy.com		
Post your request : http://kcpl.karvy.com/adag		

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be made by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with Karvy Computershare Private Limited.

17th Annual General Meeting on Tuesday, September 27, 2011 at 2.00 p.m. or soon after the conclusion of the Annual General Meeting of Reliance Communications Limited convened on the same day, whichever is later, at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020.

The Annual Report can be accessed at www.reliancepower.co.in

Letter to Shareowners



My dear fellow shareowners,

It gives me great pleasure to share with you the highlights of our Company's performance in the last one year.

As many of you might know, our first operating plant, phase-I of the 1,200 MW, coal based Rosa project located at Shahjahanpur in Uttar Pradesh, successfully completed its first year of operation in FY 2011. This resulted in the Company earning operating profit for the first time in its short history. You will be pleased to know that the plant is running successfully at a Plant Load Factor (PLF) of over 90 per cent in the last nine months.

At our last Annual General Meeting in September 2010, I had stated that we expect to become a 5,000 MW operating company by 2012. I am pleased to report that we are on track towards successfully achieving this milestone.

We expect to commission two of our coal-based projects, namely the 600 MW Rosa Phase II project, the 600 MW Butibori project at Nagpur, Maharashtra, and one unit of the 3,960 MW Sasan Ultra Mega Power Project (UMPP) at Singrauli, Madhya Pradesh, by 2012. Besides, we shall commission the open cycle phase of India's largest gas based power project, the 2,400 MW project at Samalkot, in the current financial year and the combined cycle phase by the next year. This will be a record since no gas based power project in India has come up in such a short period of time.

The year 2010-11 also heralded a new beginning in realizing our commitment towards clean, green power. We emerged as a successful bidder for a 100 MW Solar power project in a competitive bid conducted by NTPC Vidyut Vyapar Nigam (NVVN) under the auspices of the Jawaharlal Nehru National Solar Mission. We have signed the power purchase agreement with NVVN and commenced developmental work at our site near Jaisalmer, Rajasthan. The project will be commissioned in 2013. Upon completion, it will not only rank as India's largest solar project but also as one of the largest solar projects in the world. As part of our commitment towards the environment, we plan to build all our future coal based projects using state-of-the-art super-critical technology. Two of our super-critical projects - the 3,960 MW Sasan UMPP and the 3,960 MW Krishnapatnam UMPP became the world's largest power generation plant to be registered with Clean Development Mechanism Executive Board (CDM-EB) of United Nations Framework Convention on Climate Change (UNFCCC). The registration with CDM-EB allows the projects to earn Certified Emission Reduction (CER) credits. The projects will generate approximately 35 Million CERs for the initial 10 years of operation.

To complement our fast-track execution of power projects, we also plan to develop our coal mines at an accelerated pace. With the approval of the mine plan of 40 million tonne capacity at our Tilaiya mines, we are on track to become India's largest

integrated power and coal mining company in the next five years. We have also purchased 100 per cent economic interest in three mines in Indonesia to augment our domestic coal resources and move towards self-sufficiency in coal. This is particularly important in today's business environment where shortage of fuel has become one of the biggest bottlenecks in the sector, thus allowing us to maintain a competitive edge over our rivals.

You will be pleased to know that the Company has also started drilling work in one of our Coal Bed Methane (CBM) blocks in Sohagpur, Madhya Pradesh. We believe that our CBM blocks would produce sufficient gas to power a capacity of up to 2,000 MW in the future.

Performance Review

A snapshot of the Company's consolidated financial performance during FY10-11 is provided below for your reference:

Total income of ₹ 1,918.03 crore as compared to ₹ 843.38 crore in the previous year.

Net profit of ₹ 760.44 crore as compared to ₹ 683.89 crore in the previous year.

Earnings Per Share (EPS) (basic and diluted) of ₹ 2.94 as compared to ₹ 2.85 in the previous year.

Corporate Governance

RPower has always maintained the best governance standards and practices by adopting, as is the norm for all constituent companies of the Group, the "Reliance Group - Corporate Governance Policies and Code of Conduct". These Policies and Code prescribe a set of systems, processes and principles, which conform to the highest international standards and are reviewed periodically to ensure their continuing relevance, effectiveness and responsiveness to the needs of investors, both local and global, and all other stakeholders.

Social Commitments

We are developing a large portfolio of projects which require substantial use of natural resources such as land, water and minerals. We take adequate care in designing our power generation plants in a manner that optimizes the utilization of land, thereby bringing down the aggregate land requirement and minimizing the potential for disruption and displacement of local communities. We are also adopting cleaner technologies related to power generation that reduce the consumption of fuel and water required for plant operations, thereby conserving a precious natural resource and contributing to a greener and healthier environment.

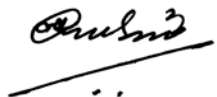
Letter to Shareowners

Many of the areas in which we are implementing projects are not very well developed and it will always be our mission to contribute towards improving the quality of life of the communities living in these areas. Indeed, we believe that our success in executing large-scale generation projects is critically dependent on following a participatory development-oriented approach that strengthens our bond with the local population.

In order to achieve these objectives, we have made significant outlays in healthcare, education and livelihood opportunities for local communities.

Our Commitment

Our founder, the legendary Shri Dhirubhai Ambani, gave us a simple mantra: to aspire to the highest global standards of quality, efficiency, operational performance and customer care. We remain committed to upholding that vision. Dhirubhai exhorted us to think big. With your continued support, we will think bigger. Indeed not just bigger but better, creating ever greater value for all our stakeholders.



Anil Dhirubhai Ambani
Chairman

Notice

Notice is hereby given that the 17th Annual General Meeting of the Members of Reliance Power Limited will be held on Tuesday, September 27, 2011 at 2.00 p.m. or soon after the conclusion of the Annual General Meeting of Reliance Communications Limited convened on the same day, whichever is later, at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020, to transact the following business:

Ordinary Business

1. To consider and adopt the audited Balance Sheet as at March 31, 2011, the Profit and Loss Account for the financial year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri S L Rao, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Dr V K Chaturvedi, who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint Auditors and to fix their remuneration and in this regard, to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT M/s. Chaturvedi & Shah, Chartered Accountants (Firm Registration No. 101720W) and M/s. Price Waterhouse, Chartered Accountants (Firm Registration No. 301112E) be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as shall be fixed by the Board of Directors."

Special Business

5. **Issue of equity shares to the Qualified Institutional Buyers**

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

"a) RESOLVED THAT pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (the Act) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into with the Stock Exchanges and subject to the provisions of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR"), the provisions of the Foreign Exchange Management Act, 1999 and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, applicable rules, regulations, guidelines or laws and/or any approvals, consents, permissions or sanctions 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 approvals, consents, permissions and/or sanctions (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 equity shares/fully convertible debentures/partly convertible debentures/non convertible debentures with warrants/any other securities (other than warrants), which are convertible into or exchangeable with equity shares on such date as may be determined by the Board but not later than 60 months from the date of allotment (collectively referred

to as "QIP Securities"), to the Qualified Institutional Buyers (QIBs) as per the SEBI ICDR, whether or not such QIBs are Members of the Company, on the basis of placement document(s), at such time or times in one or more tranches, at par or at such price or prices, and on such terms and conditions and in such manner as the Board may, in its absolute discretion determine, in consultation with the Lead Managers, Advisors or other intermediaries, provided however that the aggregate amount raised by issue of QIP Securities as above shall not result in increase of the issued and subscribed equity share capital of the Company by more than 25 per cent of the then issued and subscribed equity shares of the Company.

- b) RESOLVED FURTHER THAT the relevant date for the determination of applicable price for the issue of the QIP Securities shall be the date on which the Board of the Company decides to open the proposed issue, or the date on which the holder of the securities which are convertible into or exchangeable with equity shares at a later date becomes entitled to apply for the said shares, as the case may be ("Relevant Date").
- c) RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of equity 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, as may be provided under the terms of the issue and in the offering document.
- d) RESOLVED FURTHER THAT such of these Securities to be issued as are not subscribed may be disposed off by the Board to such persons and in such manner and on such terms as the Board in its absolute discretion thinks fit in accordance with the provisions of law.
- e) RESOLVED FURTHER THAT the issue to the holders of the Securities with equity shares underlying such securities shall be *inter alia*, subject to suitable adjustment in the number of shares, the price and the time period etc., in the event of any change in the equity capital structure of the Company consequent upon any merger, amalgamation, takeover or any other re-organisation or restructuring in the Company.
- f) 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 be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may at its absolute discretion, deem necessary or desirable for such purpose, including without limitation the entering into of underwriting, marketing 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 with 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.
- g) 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/hypothecation/charge on the Company's assets 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

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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.

- h) 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 any other Officer(s)/Authorised Representative(s) of the Company to give effect to the aforesaid resolution."

6. Raising of Resources through Issue of Securities in the International Markets

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

- "a) RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (the Act) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements with the Stock Exchanges and subject to the provisions of the applicable rules, regulations, guidelines or laws and/ or any approvals, consents, permissions or sanctions 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 approvals, consents, permissions or sanctions (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/ Redeemable / Convertible at the option of the Company and / or 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 Depository receipts underlying equity shares / preference shares, (hereinafter referred to as the "Securities") to be subscribed by foreign / domestic investors / institutions and / or corporate bodies / entities including mutual funds, banks, insurance companies and / or individuals or otherwise, whether or not such persons / entities/ investors are Members of the Company, whether in one or more currency, such issue, offer and allotment to be made at such time or times in one or more tranches, at par or at such price or prices, and on such terms and conditions and in such manner as the Board may, in its absolute discretion thinks 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 an increase in the issued and subscribed equity share capital of the Company by more than 25 per cent of the then issued and subscribed equity shares.

- 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 other terms 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 duration 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 commission, 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 arrangements 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 domestic and / or international practice and regulations and under the norms and practices prevalent in securities markets.
- d) RESOLVED FURTHER THAT the Board and/or an agency or body authorised by the Board may issue Depository Receipt(s) or Certificate(s) or Shares, representing the underlying securities issued by the Company in registered or bearer form with such features and attributes as are prevalent in Indian and/or International capital markets for the instruments of this nature and to provide for the tradability or free transferability thereof, as per the Indian/International practices and regulations and under the norms and practices prevalent in the Indian/ International markets.
- e) 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 the applicable laws.
- f) RESOLVED FURTHER THAT the Board or any Committee thereof be and is hereby authorised to issue, offer 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, as may be provided under the terms of the issue and in the offering document.
- g) RESOLVED FURTHER THAT such of these Securities to be issued as are not subscribed may be disposed off 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.
- h) 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 absolute discretion deem necessary or desirable for such purpose, including without limitation the entering into of underwriting, marketing and Depository arrangements with 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 with such offerings of Securities, with power on behalf of the

Notice

Company to settle any questions, difficulties or doubts that may arise in regard to any such issue, offer or allotment as it may in its absolute discretion deem fit.

- i) 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 / charge 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.
- j) 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 or any other Officer(s) / Authorised Representative(s) of the Company to give effect to the aforesaid resolution."

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 387 and all other applicable provisions, if any, read with Schedule XIII to the Companies Act, 1956 (the Act), (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to such sanctions, approvals as may be necessary, consent of the Company be and is hereby accorded to the appointment of Shri Ramaswami Kalidas as the Manager of the Company for a period of 5 (five) years commencing from May 27, 2011, on the terms and conditions including the remuneration as set out in the Agreement to be entered into between the Company and Shri Ramaswami Kalidas, a draft whereof was placed before this meeting, which 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 powers conferred by this resolution) to alter and vary the terms and conditions including remuneration for the said appointment and/or agreement, as may be agreed between the Board and Shri Ramaswami Kalidas, so as not to exceed the limits specified in Schedule XIII to the Act or any amendments thereto.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the currency of tenure of the appointment of Shri Ramaswami Kalidas as the Manager, the remuneration and perquisites as may be agreed be paid or granted to him as minimum remuneration and perquisites provided that the total remuneration by way of salary, perquisites and other allowances shall not exceed the applicable ceiling limit in terms of Schedule XIII to the Act as may be amended from time to time or any equivalent statutory re-enactment thereof, for the time being in force.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts, deeds, matters and things and take all such steps as may be deemed to be necessary, consequential, proper or expedient to give effect to this resolution."

By order of the Board of Directors
Ramaswami Kalidas
Company Secretary and Manager

Registered office:
H Block, 1st Floor
Dhirubhai Ambani Knowledge City
Navi Mumbai 400710
May 27, 2011

Notes

1. **A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll, instead of herself/ himself and the proxy need not be a member of the Company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting.**
2. Corporate Members are requested to send a duly certified copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the Meeting.
3. Members/Proxies should fill in the Attendance Slip for attending the Meeting and bring their Attendance Slip along with their copy of the annual report to the Meeting.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Members who hold shares in electronic form are requested to write their DP ID and Client ID numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting to facilitate identification of membership at the Meeting.
6. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays between 11.00 a.m. and 1.00 p.m. up to the date of the Meeting. The certificate from the Auditors of the Company confirming the compliance of the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 with respect to the Company's ESOS Plans will be available for inspection at the Meeting.
7. The Company's Register of Members and Transfer Books will remain closed from Monday, September 19, 2011 to Tuesday, September 27, 2011 (both days inclusive).
8. Non-resident Indian members are requested to inform Karvy Computershare Private Limited immediately on:
 - a. the change in the residential status on return to India for permanent settlement.
 - b. the particulars of the bank accounts maintained in India with complete name, branch, account type, account number and address of the bank, if not furnished earlier.
9. Re-appointment of Directors: At the ensuing Meeting, Shri S L Rao and Dr V K Chaturvedi, directors of the Company retire by rotation and being eligible offer themselves for re-appointment. The details pertaining to Shri S L Rao and Dr Chaturvedi required to be provided pursuant to the requirements of Clause 49 of the listing agreement are furnished in the statements on Corporate Governance forming part of this Annual Report.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Transfer Agent, Karvy Computershare Private Limited.
11. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website www.reliancepower.co.in under the section 'Investor Relations'.

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12. Members are advised to refer to the section titled "Investor Information" provided in this Annual Report.
13. Members are requested to fill in and send the Feedback Form provided in the 'Investor Relations' section on the Company's website www.reliancepower.co.in to aid the Company in its constant endeavour to enhance the standards of service to investors.
14. Pursuant to Circular No. SEBI/CFD/DIL/LA/2/2007/26/4 dated April 26, 2007, issued by the Securities and Exchange Board of India, the statement containing the salient features of the balance sheet, profit and loss account, cash flow statement and auditors' report (Abridged Financial Statements), is sent to the members, along with the Abridged Consolidated Financial Statements. Any member interested in obtaining a copy of the full Annual Report, may write to the Registrar and Transfer Agent of the Company.
15. An Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, relating to special business to be transacted at the Meeting is annexed hereto.
16. Green initiative in Corporate Governance: The Ministry of Corporate Affairs (MCA) has vide its circular dated April 29, 2011 stated that service of notice / documents including Annual Report to the members can be made by e-mail. To support this green initiative of the MCA, members who have not yet registered their e-mail addresses are requested to do so (i) in respect of the electronic holdings through their concerned depository participants and (ii) in respect of the physical holdings to Karvy Computershare Private Limited.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 to the accompanying Notice dated May 27, 2011.

Item No. 5

Issue of equity shares to the Qualified Institutional Buyers

The Company, a member of the Reliance Group, is engaged in developing, constructing and operating power projects in different parts of the Country. The Company on its own and through its subsidiaries has a planned portfolio of more than 35,000 MW of power generation capacity, both operational as well as under development. In order to part finance such a large portfolio of power projects and to enhance its global competitiveness and ability to compete with the peer groups in the domestic and international markets, the Company needs to strengthen its financial position and net worth by augmenting its long term resources.

For the above purposes as also for meeting the requirements for general corporate purposes, as may be decided by the Board from time to time, it is proposed to seek the enabling authorisation of the Members of the Company in favour of the Board of Directors ("Board"), without the need of any further approval from the Members, to undertake the Qualified Institutional Placement ("QIP") with the Qualified Institutional Buyers ("QIB"), in accordance with the provisions of Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time ("SEBI ICDR"), as set out in the resolution at Item No. 5 of the accompanying Notice.

In view of the above, the Board may, in one or more tranches, issue and allot equity shares / fully convertible debentures / partly convertible debentures / non convertible debentures with warrants / any other securities, which are convertible into or exchangeable with equity shares on such date(s) as may be determined by the Board but not later than 60 months from the date of allotment (collectively referred to as "QIP Securities"). The QIP Securities proposed to be issued by the Board shall be subject to the provisions of the SEBI ICDR including the pricing, which will not be less than the average of the weekly high and low of the closing prices of the related shares quoted on the stock exchanges during the two weeks preceding the Relevant Date. The Relevant Date for the determination of applicable price for the issue of the QIP Securities shall be the date of allotment of the QIP Securities by the Board pursuant to the applications received by the Company.

For the reasons aforesaid, an enabling resolution is therefore proposed to be passed to give adequate flexibility and discretion to the Board to finalise the terms of the issue. The QIP Securities issued pursuant to the offering would be listed on the Indian stock exchanges.

The proposed issue of QIP Securities as above may be made in one or more tranches such that the aggregate amount raised by issue of QIP Securities shall not result in the increase of the issued and subscribed equity share capital of the Company on the

relevant date by more than 25 per cent of the then issued and subscribed equity shares of the Company as on the Relevant Date.

The QIP Securities issued pursuant to the offer, if necessary, may be secured by way of mortgage / hypothecation on the Company's assets as may be finalized by the Board in consultation with the Security Holders / Trustees in favour of Security Holders/ Trustees for the holders of the said securities. The security that may have to be created for the purposes of this issue, as above may come within the purview of Section 293(1) (a) of the Companies Act, 1956. Necessary approval has already been accorded by Members of the Company for creation of such Security(s) at the meeting held on September 1, 2007.

Section 81 of the Companies Act, 1956 and Listing Agreement entered into with the Stock Exchanges, provide, *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 on 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 Members decide otherwise. The Special Resolution seeks the consent and authorization of the Members to the Board of Directors to offer and issue the QIP Securities, in consultation with the Lead Managers, Legal Advisors and other intermediaries to offer and issue the QIP Securities to any persons, whether or not they are members of the Company.

The Board of Directors accordingly recommends the special resolution set out at Item No. 5 of the accompanying Notice for the approval of the Members.

None of the Directors and the Manager of the Company are, in any way, concerned or interested in the said resolution, except to the extent of their shareholding in the Company.

Item No. 6

Raising of Resources through Issue of Securities in the International Markets

The Company on its own and through its subsidiaries has a planned portfolio of more than 35,000 MW of power generation capacity, both operational as well as under development. In order to part finance such large portfolio of power projects and to enhance its global competitiveness and ability to compete with the peer groups, the Company needs to strengthen its financial position and net worth by augmenting long term resources. To achieve the significant competitive advantages, through easy access to large amounts of international capital, with extended maturities, at optimal costs, the Company may need to issue Securities in the international markets, as contemplated in the resolution at Item No.6 of the accompanying Notice and as may be decided by the Board and found to be expedient and in the interest of the Company.