

**TATA POWER DELHI DISTRIBUTION LIMITED**

**NOTICE**

NOTICE is hereby given that the Extra-Ordinary General Meeting of the members of Tata Power Delhi Distribution Limited will be held on Friday, the 4<sup>th</sup> December 2020 at 10:30 a.m. at TPDDL Smart Grid Lab, Dr. K.N. Katju Marg, Sector - 15, Rohini, adjacent to RG-05 Grid, Delhi - 110085, to transact the following business(es) at a shorter notice *[Through video conferencing as per relaxation given by Ministry of Corporate Affairs to hold Extra-Ordinary General Meeting through video conferencing (VC) or other audio visual means (OAVM) vide its General Circular No. 14/2020 dated 8<sup>th</sup> April 2020, due to COVID 19 pandemic]:*

**Special Business(es):**

**1. Increase in Authorised Share Capital of the Company and Alteration of Capital Clause of Memorandum of Association of the Company**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:-

**"RESOLVED** that pursuant to the provisions of section(s) 13, 61, 64 and other applicable provisions, if any of the Companies Act, 2013 ("the Act") (including any statutory modification(s) or re-enactment thereof for the time being in force) and the rules made thereunder, as amended from time to time and subject to the provisions of the Memorandum and Articles of Association of the Company and pursuant to the recommendation of the Board of Directors of the Company (hereinafter referred to as "the Board", which expression shall be deemed to include a Committee of Directors duly authorised in this behalf), consent of the members of the Company be and is hereby accorded for increasing the authorised share capital of the Company from the existing authorised share capital of ₹ 1,250,00,00,000/- (Rupees One Thousand Two Hundred and Fifty Crore only) divided into 75,00,00,000 (Seventy Five Crore) Equity Shares of ₹ 10/- (Rupees Ten Only) each aggregating to ₹ 750,00,00,000 (Rupees Seven Hundred and Fifty Crore only) and 5,00,00,000 (Five Crore), 12% Cumulative Redeemable Preference Shares of ₹ 100/- (Rupees Hundred Only) each aggregating to ₹ 500,00,00,000 (Rupees Five Hundred Crore only) to ₹ 1,750,00,00,000/- (Rupees One Thousand Seven Hundred and Fifty Crore only) divided into 125,00,00,000 (One Hundred Twenty Five Crore) Equity Shares of ₹ 10/- (Rupees Ten Only) each aggregating to ₹ 1,250,00,00,000 (Rupees One Thousand Two Hundred and Fifty Crore only) and 5,00,00,000 (Five Crore) 12% Cumulative Redeemable Preference Shares of ₹ 100/- (Rupees Hundred Only) each aggregating to ₹ 500,00,00,000 (Rupees Five Hundred Crore only) by creation of additional 50,00,00,000 (Fifty crore) Equity Shares of ₹ 10/- (Rupees Ten Only) each aggregating to ₹ 500,00,00,000 (Rupees Five Hundred Crore only) ranking pari-passu with the existing equity shares of the Company.

**FURTHER RESOLVED** that the existing Clause V of Memorandum of Association of the Company be and is hereby amended by substituting the same with the following Clause V:

**"V** The Authorised Share Capital of the Company is ₹ 1,750,00,00,000/- (Rupees One Thousand Seven Hundred and Fifty Crore only) divided into 125,00,00,000 (One Hundred Twenty Five Crore) Equity Shares of ₹ 10/- (Rupees Ten Only) each and 5,00,00,000 (Five Crore), 12% Cumulative Redeemable Preference Shares of ₹ 100/- (Rupees Hundred Only) each."

**FURTHER RESOLVED** that the Board of Directors ('the Board') [which term shall include any Committee authorised by the Board to exercise its powers including powers conferred on the Board by this resolution] of the Company be and is hereby authorised to do all such acts, deeds,

matters, things and take all such steps as may be necessary, proper, expedient or desirable for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto."

**2. Approval for Capitalization of reserves of the Company for issue of New Bonus Equity Shares at par amounting to ₹ 500 crore to the existing shareholders of the Company**

To consider and, if thought fit, to pass, the following resolution as an ordinary resolution:-

**"RESOLVED** that pursuant to the provisions of section 63 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the rules made thereunder, as amended from time to time and pursuant to the provisions of Article 132 of the Articles of Association of the Company and pursuant to the recommendation of the Board of Directors of the Company (hereinafter referred to as "the Board", which expression shall be deemed to include a Committee of Directors duly authorised in this behalf) and subject to such approvals, consents, permissions, conditions and sanctions as may be considered necessary from appropriate authorities and the terms and conditions, if any, consent of the members of the Company be and is hereby accorded for capitalization of a sum not exceeding ₹ 500 crore (Rupees Five Hundred Crore only) standing to the credit of the capital redemption reserve account of the Company, as may be considered necessary thereof, for the purpose of issue of New Bonus Equity Shares not exceeding 50 (fifty) crore of ₹ 10/- each at par, credited as fully paid-up equity shares to the holders of the existing equity shares of the Company in consideration of their shareholding i.e. 51% of total bonus equity shares to The Tata Power Company Limited, which holds 51% shares in the Company and 49% of total bonus equity shares to Delhi Power Company Limited, which holds 49% shares in the Company as per the Register of Members maintained by the Company/List of Beneficial Owners as received from National Securities Depository Limited (NSDL) on such date as may be fixed in this regard by the Board.

**FURTHER RESOLVED** that the Equity Shares of ₹ 10/- each to be allotted as New Bonus Equity Shares shall be subject to the terms and conditions contained in the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects and carry the same rights as the existing Equity Shares and shall be entitled to participate in full in any dividends and any other corporate action declared after the New Bonus Equity Shares are allotted.

**FURTHER RESOLVED** that these New Bonus Equity Shares shall be issued in dematerialized form, within the period prescribed or that may be prescribed in this behalf, from time to time.

**FURTHER RESOLVED** that the Board be and is hereby authorised to do all such acts, deeds, matters and things and give such directions as may be considered necessary or desirable and to settle all questions or difficulties whatsoever that may arise with regard to the issue and allotment of the New Bonus Equity Shares and determine all other terms and conditions of the issue of New Bonus Equity Shares as the Board may in its absolute discretion deem fit."

**NOTES:**

- (1) The relative explanatory statement pursuant to subsection (1) of section 102 of the Companies Act, 2013 (the Act) and the rules made thereunder, in regard to the business set out in item nos. 1 and 2 at this Extra-Ordinary General Meeting (EGM) is annexed hereto.
- (2) In view of the continuing Covid-19 pandemic, social distancing is a norm to be followed, Government of India, the Ministry of Corporate Affairs ("MCA") allowed conducting EGM

through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Accordingly, MCA vide its General Circular no. 33/2020 dated 28<sup>th</sup> September 2020, Circular No. 22/2020 dated 15<sup>th</sup> June 2020 read with Circular No. 14/2020 dated 8<sup>th</sup> April 2020 and Circular No. 17/2020 dated 13<sup>th</sup> April 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Extra-Ordinary General Meeting (“EGM”) through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Act and MCA Circulars, the EGM of the Company is being held through VC/OAVM. The detailed procedure for participation in EGM through VC /OAVM is as per note no. 17 and available at the Company’s website.

- (3) The Company has received consent from the members to conduct the EGM on shorter notice in accordance with section 101 of the Companies Act, 2013.
- (4) Corporate Shareholders are required to send a scanned copy (PDF/JPG Format) of its Board or governing body resolution/authorization etc., authorizing its representative to attend the EGM through VC/OAVM on its behalf and to vote in the meeting to be held through VC or OAVM.
- (5) In compliance with the aforesaid MCA Circulars, Notice of the EGM along with all relevant papers is being sent only through electronic mode to those Members whose email addresses are registered with the Company. Members may note that the Notice of EGM will also be available on the Company’s website <https://www.tatapower-ddl.com/>
- (6) Members attending the EGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- (7) Since the EGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
- (8) In case of joint holders attending the EGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the EGM.
- (9) Members seeking any information with regard to the accounts, are requested to write to the Company at an early date, at the email id i.e. [ajay.kalsie@tatapower-ddl.com](mailto:ajay.kalsie@tatapower-ddl.com) so as to enable the Management to keep the information ready at the EGM.
- (10) Members may obtain meeting link and password by sending scanned copy of: i) a signed request letter mentioning your name, folio number and complete address; and ii) self attested scanned copy of the PAN Card and any document (such as Driving License, Bank Statement, Election Card, Passport, AADHAR Card) in support of the address of the Member as registered with the Company; to the email address of the Company i.e. [ajay.kalsie@tatapower-ddl.com](mailto:ajay.kalsie@tatapower-ddl.com)
- (11) The Company will provide facility for audio visual participation in EGM Weblink/recording etc.
- (12) The Company ensures that all other compliances associated with the provisions relating to general meetings viz. making of disclosures, inspection of related documents/Register of Members/Register of Directors’ and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act 2013 and all other documents

referred to in the Notice, or authorizations for voting by bodies corporate, etc. as provided in the Act and the Articles of Association of the Company are made through electronic mode.

- (13) The Company ensures that the EGM through VC or OAVM facility allows two way videoconferencing or webex for the ease of participation of the members and the participants are allowed to pose questions concurrently or given time to submit questions in advance at the e-mail address of the Company i.e. [ajay.kalsie@tatapower-ddl.com](mailto:ajay.kalsie@tatapower-ddl.com)
- (14) The facility to the members for joining the meeting shall be kept open for at least 15 minutes before the time scheduled to start the meeting and shall not be closed till the expiry of 15 minutes after such scheduled time. The facility of participation at the EGM through VC/OAVM will be made available to all members.
- (15) A proxy is allowed to be appointed under section 105 of the Act to attend and vote at a general meeting on behalf of a member who is not able to attend personally. Since the EGM will be held through VC or OAVM, where physical attendance of members in any case has been dispensed with, there is no requirement for appointment of proxies. Accordingly, the facility of appointment of proxies by members will not be available for this EGM. However, in pursuance of section 112 and section 113 of the Act, representatives of the members may be appointed for the purpose of participation and voting in the meeting to be held through VC or OAVM.
- (16) The confidentiality of the password and other privacy issues associated with the designated email address shall be strictly maintained by the Company at all times. Due safeguards with regard to authenticity of email address(es) and other details of the members shall also be taken by the Company.
- (17) The meeting will be conducted through audio visual means (Webex). Members may participate in the meeting through the following link: <https://tatapowerddl.webex.com/tatapowerddl/j.php?MTID=mfb453a42ed2bad8a8b2b805398db8ccc>  
Password (if prompted) is: Tatapower
- (18) Disclosures with regard to the manner in which framework available for use by the members and clear instructions on how to access and participate in the meeting are clearly mentioned in this EGM Notice. 9818100670 is the helpline number for those shareholders who need assistance with using the technology before or during the meeting.

- (19) The Chairman may decide to conduct voting by show of hands, unless a demand for poll is made by any member, in accordance with section 109 of the Companies Act 2013 and the rules made thereunder.

Delhi, 25<sup>th</sup> November 2020  
Corporate Identity No. :  
U40109DL2001PLC111526

**Registered Office:**  
NDPL House, Hudson Lines,  
Kingsway Camp, Delhi 110 009  
Tel:01166112222  
Fax No: 01127468042  
email: TPDDL@tatapower-ddl.com  
Website: <http://www.tatapower-ddl.com/>

By order of the Board  
For **Tata Power Delhi Distribution Limited**

**Sd/-**  
**(Ajay Kalsie)**  
**Company Secretary**  
Membership No. ACS 13810

**ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT**

As required by section 102 of the Companies Act, 2013 (the Act), the following explanatory statement sets out all material facts relating to the business mentioned under item nos. 1 and 2 of the accompanying notice dated 25<sup>th</sup> November 2020.

**Item no. 1 & 2:**

From FY 2008-09 to FY 2011-12, there was a substantial increase in power purchase cost and also during the same period there was a deferment/ delay in the tariff order. To fund the increased power purchase cost, Discoms approached lenders to fund it but lenders refused to fund as the financial ratios mainly Debt Equity Ratio (D/E) touched to beyond the standard norm.

To bring the financial ratio within standard, there was a need felt to induce more share capital. Proposal was sent to Delhi Govt and in FY 2011-12, it was decided to increase share capital by ₹ 500 crore for each Discom. After approval from Delhi Government, the Preference Shares were issued under section 80 of the Companies Act, 1956 (now replaced by the Companies Act, 2013) in FY13.

Over time, since the financial condition of Tata Power Delhi Distribution Limited (TPDDL) improved, in 2018-19, to reduce the burden of higher rate of dividend for the Preference Shares as compared to rate of interest on debt, it was decided to redeem the Preference Share Capital (PSC). (The coupon rate was 12% dividend on Preference Shares excluding tax and around 14.50% including DDT as against around 9% rate of interest on loan gross of tax and around 7.20% net of tax, resulting into 7.30% saving in cost for the consumers as this is a cost ultimately borne by consumers).

Based on this, the shareholders redeemed the Preference Shares and amount of ₹ 500 crore was paid back to the shareholders in FY19 by the Company.

As per Para C of second proviso to section 55(2) of the Companies Act 2013 (relevant section given below), there is a mandatory requirement to create Capital Redemption Reserve Account in case any entity chose to redeem the Preference Shares.

(c) where such shares are proposed to be redeemed out of the profits of the company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve, to be called the Capital Redemption Reserve Account, and the provisions of this Act relating to reduction of share capital of a company shall, except as provided in this section, apply as if the Capital Redemption Reserve Account were paid-up share capital of the company;

Hence, Capital Redemption Reserve Account with ₹ 500 crore was created in FY19.

As per section 55(4) of the Companies Act, 2013:- the said Capital Redemption Reserve Account can only be used to issue the Bonus Shares to shareholders. No other use of redemption reserve is permitted.

“The capital redemption reserve account may, notwithstanding anything in this section, be applied by the company, in paying up unissued shares of the company to be issued to members of the company as fully paid bonus shares.”

As per Section 63 (1) of the Companies Act 2013, a Company may issue fully paid-up bonus shares to its members, out of—

- (i) its free reserves;
- (ii) the securities premium account; or
- (iii) the capital redemption reserve account

In view of the above provision, TPDDL is planning to utilise the said redemption reserve by issuing the Bonus Shares to the existing shareholders of the Company to the tune of ₹ 500 crore.

It may be noted that this is merely a book entry only and does not involve any cash outgo/ payment from the shareholders.

As per Article 132(1) of the Articles of Association of the Company-

“The Company in General Meeting may, upon the recommendation of the Board resolve:

- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts or to the credit of the Profit and Loss Account, or otherwise available for distribution;”

Further, as per Article 132(3) of the Articles of Association of the Company

“Any share premium account and any capital redemption reserve fund may, for the purpose of this regulation, only be applied in the paying up of unissued share to be issued to members of the Company as fully paid bonus shares.”

Presently, the existing Authorised Share Capital of the Company is ₹1,250,00,00,000/- (Rupees One Thousand Two Hundred and Fifty Crore only) divided into 75,00,00,000 (Seventy Five Crore) Equity Shares of ₹10/- (Rupees Ten Only) each aggregating to ₹ 750,00,00,000 (Rupees Seven Hundred and Fifty Crore only) and 5,00,00,000 (Five Crore), 12% Cumulative Redeemable Preference Shares of ₹ 100/- (Rupees Hundred Only) each aggregating to ₹ 500,00,00,000 (Rupees Five Hundred Crore only). The existing Paid-up Share Capital of the Company is ₹ 552,00,00,000/- (Rupees Five Hundred and Fifty Two crore only) divided into 55,20,00,000 (Fifty Five Crore Twenty lakh) Equity Shares of ₹ 10/- (Rupees Ten Only) each.

Based on the approval of Delhi Government vide its letter no. F.6/14/Power/E.Shares/2020/4127 dated 12<sup>th</sup> November 2020, the Board of Directors have also approved increase in the Authorised Share Capital of the Company to ₹ 1,750,00,00,000 (Rupees One Thousand Seven Hundred and Fifty Crore only) by creation of additional 50,00,00,000/- (Fifty Crore Only) Equity Shares of ₹ 10/- each. In view of the above, it is considered necessary to amend Clause (V) of the Memorandum of Association for increasing the Authorised Share Capital from ₹ 1250 Crore to ₹ 1750 Crore.

Further, considering the outstanding reserves of the Company, the Board of Directors have also approved, capitalisation of reserves of ₹ 500 Crore standing to the credit of the capital redemption reserve account of the Company as on such date as may be decided by the Board and issue of 50 (fifty) crore New Bonus Equity Shares of ₹ 10 (ten) each at par in 51:49 ratio to The Tata Power Company Limited (“Tata Power”) and Delhi Power Company Limited (“DPCL”), respectively in proportion to their existing shareholdings in the Company (i.e. 51 % to Tata Power and 49 % to DPCL).

These shares shall rank pari-passu in all respects with and carry the same rights as the existing fully paid equity shares of the Company.

In compliance with the applicable provisions of the Companies Act, 2013, the proposal for increase in Authorised Share Capital of the Company and amendment in capital clause of Memorandum of Association AND capitalization of reserves of the Company for issue of New Bonus Equity Shares at par amounting to ₹ 500 Crore to the existing shareholders of the Company, are now being placed before the members for their consideration and approval.

The proposed bonus shares to the existing shareholders of the Company shall be in accordance the provisions of the Companies Act 2013 and the rules made thereunder and Articles of Association of the Company and Memorandum of Association of the Company.

The Record Date for determining the eligibility of the Shareholders to receive the said Bonus Shares has been fixed by Board as 25<sup>th</sup> November 2020.

The Board recommends the resolution(s) at item nos. 1 and 2 of the accompanying notice for (i) increase in Authorised Share Capital of the Company and amendment in capital clause of Memorandum of Association AND (ii) capitalization of reserves of the Company for issue of New Bonus Equity Shares at par amounting to ₹ 500 crore to the existing shareholders of the Company, by the members of the Company.

None of the Directors, key managerial personnel or their respective relatives is concerned or interested, financial or otherwise, in the resolutions set out at item nos. 1 and 2 of the accompanying notice.

By order of the Board  
For **Tata Power Delhi Distribution Limited**

Delhi, 25<sup>th</sup> November 2020  
Corporate Identity No.  
U40109DL2001PLC111526  
**Registered Office:**  
NDPL House, Hudson Lines,  
Kingsway Camp, Delhi 110009  
Tel:01166112222 Fax No:01127468042  
email: TPDDL@tatapower-ddl.com  
Website: <http://www.tatapower-ddl.com/>

Sd/-  
**(Ajay Kalsie)**  
**Company Secretary**  
Membership No. ACS 13810