



THE YASH BIRLA GROUP

Move ahead. Stay ahead

24th Annual Report 2009 - 2010



A large, stylized teal graphic consisting of two concentric curved lines that sweep from the left side of the page towards the top right, framing the title.

C O N T E N T

Notice 2

Directors' Report..... 13

Corporate Governance Report 18

Auditors' Report..... 29

Balance Sheet 33

Profit and Loss Account..... 34

Cash Flow Statement 35

Schedules forming part of the Accounts 36

BOARD OF DIRECTORS

Mr. Yashovardhan Birla	Chairman
Mr. Y. P. Trivedi	Independent Director
Mr. P. V. R. Murthy	Director
Mr. Rajesh V. Shah	Independent Director
Mr. Kalyan Bhattacharya	Whole Time Director & President
Mr. Upkar singh Kohli	Independent Director (Appointed with effect from 09.09.2009)

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. N. Nagesh

BANKERS

State Bank of India
Overseas Branch,
Jawahar Vyapar Bhavan,
1, Tolstoy Marg,
New Delhi - 110 001.

AUDITORS

DALAL & SHAH
Chartered Accountants
252, Veer Savarkar Marg,
Shivaji park, Dadar,
Mumbai - 400 028.

REGISTRARS

Alankit Assignments Limited
205-208, Anarkali Complex,
Jhandewalan Extention,
New Delhi - 110 055.

REGISTERED OFFICE

Industry House,
159, Churchgate Reclamation,
Mumbai, 400 020.

HEAD OFFICE

901, Bhikaji Cama Bhawan,
11, Bhikaji Cama Place,
New Delhi - 110 066.

FACTORY

Lal Tappar
P.O. Resham Mazri - 248 140
Dehradun,
Uttarakhand

WINDMILL

Varekwadi, Tal Patan
Distt. Satara
Maharashtra

NOTICE FOR TWENTY FOURTH ANNUAL GENERAL MEETING

NOTICE

Notice is hereby given that the Twenty Fourth Annual General Meeting of the members of BIRLA POWER SOLUTIONS LIMITED will be held on Thursday, 30th September, 2010 at 3.00 p. m. at Hall of Culture, Discovery of India Building, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and Profit & Loss Account of the Company for the period ended on that date and the reports of Directors and the Auditors thereon.
2. To declare dividend on Equity Shares for the year ended March 31, 2010.
3. To appoint a Director in place of Mr. P. V. R. Murthy who retires by rotation and being eligible offers himself for re - appointment.
4. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Thakur, Vaidyanath Aiyer & Co. Chartered Accountants, (Registration No. 000038N) be and are hereby appointed as the Statutory 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 in place of M/s. Dalal & Shah, Chartered Accountants, the retiring Auditors of the Company, who have expressed their unwillingness to be re-appointed as Statutory Auditors of the Company on their retirement at this Annual General Meeting.

RESOLVED FURTHER THAT the Statutory Auditors be paid such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Statutory Auditors, plus reimbursement of out of pocket expenses.”

SPECIAL BUSINESS

5. **To appoint Mr. Upkar Singh Kohli as a Director liable to retire by rotation:**

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 Section 257 and all other applicable provisions, if

any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Mr. Upkar Singh Kohli, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 136 of the Articles of Association of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

6. ISSUE AND ALLOTMENT OF BONUS SHARES:

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

“RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 1956, Article 199 of the Articles of Association of the Company and in accordance with the Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“the Regulations”) and subject to such other necessary approvals, permissions and sanctions, as may be required and subject to such terms, conditions or modifications as may be specified while according such approvals, which terms, conditions or modifications may at the discretion of the Board be agreed to, the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee which the Board may constitute to exercise its powers, including powers conferred by this resolution), be and is hereby authorized to capitalize a sum not exceeding Rs. 35,58,81,182 out of the Company’s Share Premium Account or General Reserve Account or such other accounts as are permissible to be utilized for the purpose, as per the audited accounts of the Company for the financial year ended 31st March, 2010 and that the said amount be transferred to the Share Capital Account and be applied for the issue and allotment of upto 35,58,81,182 equity shares of Re. 1/- each as Bonus Shares credited as fully paid up, to the eligible members of the Company holding equity shares of Re. 1/- each whose names appear in the Company’s Register of Members on such date (“Record Date”) as the Board may determine, in the proportion of one new fully paid equity share of Re. 1/- each for every Five equity shares of Re. 1/- each held in the Company as on the Record Date and that the new bonus shares so issued and allotted shall be treated for all purposes as an increase of the nominal amount of the equity capital of the Company held by each such member and not as income.

RESOLVED FURTHER THAT:

- (a) the new equity shares of Re. 1/- each to be issued and allotted as bonus shares shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company and shall rank pari passu in all respects with and carry the same rights as the existing fully paid up equity shares of the Company.
- (b) the share certificates for bonus shares be delivered to the shareholders who hold the existing equity shares in physical form and the respective beneficiary accounts be credited with the Bonus Shares, for such shareholders who hold the existing equity shares in dematerialized form, within the prescribed period.
- (c) In case any member's holding in the Company is such that the member becomes entitled to a fraction of an equity share of the Company, the Company shall round off the said entitlement to the nearest integer.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the bonus shares so allotted on the Stock Exchanges where the securities of the Company are listed as per the provisions of the Listing Agreements with the Stock Exchanges concerned, the Regulations and other applicable laws.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may, in its absolute discretion, deem necessary, expedient, usual or proper and to settle all questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of the bonus shares without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto and for matters connected herewith or incidental hereto expressly by the authority of this resolution".

7. Issuance of Equity share warrants to the Promoter(s) on preferential allotment basis:

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

"RESOLVED THAT pursuant to the provisions of Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment(s) thereto or any statutory modification(s) or re-enactment thereof for the time being in force),

Securities and Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2009 ("SEBI Regulations") as in force, the regulations/guidelines, if any, issued by the Government of India, the Reserve Bank of India and any other applicable laws, rules and regulations (including any amendment(s) thereto or re-enactment(s) thereof for the time being in force) and the relevant provisions of the Memorandum and Articles of Association of the Company and Listing Agreement entered into by the Company with the stock exchanges where shares of the Company are listed, and subject to such approvals, consents, permissions and sanctions as may be required from the Government of India, the Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and any other relevant statutory, governmental authorities or departments, institutions or bodies ("Concerned Authorities") in this regard and further subject to such terms and conditions or modifications thereto as may be prescribed or imposed by any of the Concerned Authorities while granting such approvals, sanctions and permissions as may be necessary ("Approvals") and any such conditions and /or modifications as may be prescribed, stipulated or imposed by any such Approvals and / or which may be agreed to or considered necessary by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), the consent, permission and approval of the members of the Company be and is hereby accorded to the Board to create, issue, offer and allot, from time to time in one or more tranches, on a preferential allotment basis, upto 177933090 warrants to the Promoter, Promoter Group of the Company (hereinafter referred to as "allottees") entitling the warrant holders to be subscribe in one or more tranches for one equity share of the face value of Re.1/- each fully paid up at a price of calculated in accordance with Regulation 76(1) of Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 which shall be higher of the following

1. The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchanges during the six months preceding the relevant date.
- OR
2. 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.

BIRLA POWER SOLUTIONS LTD.

The allottees being as follows:

Sr. No.	Name of the Promoter	No. of Warrants
1.	Birla Bombay Pvt. Ltd.	44483272
2.	Godavari Corporation Pvt. Ltd.	44483272
3.	Shearson Investments And Trading Co. Pvt. Ltd.	44483273
4.	Nirved Traders Private Limited	44483273
	Total	177933090

RESOLVED FURTHER THAT:

- I. The Equity Shares to be issued and allotted by the Company on conversion of warrants in the manner aforesaid shall be subject to the provisions of the Memorandum and Articles of Association of the Company.
- II. The Equity Shares shall rank pari passu in all respects with the existing Equity Shares of the Company, including entitlement to dividend.

RESOLVED FURTHER THAT:

- I. The warrant holders shall be entitled to apply for and obtain in their sole discretion for every warrant, one equity share of Re. 1/- each fully paid up at a price calculated in accordance with Regulation 76(1) of Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, which option shall be exercised by the warrant holder at any time before the expiry of 18 months ("term of the warrants") of such issue by giving a notice of at least 10 days.
- II. The warrant holders are entitled to exercise the warrants in full or in part or may decline to exercise the option to convert the warrants, in which case the unexercised warrants shall be deemed to have lapsed at the end of their term,
- III. In consideration of the warrants being subscribed, the aforesaid allottees shall pay to the Company an amount representing 25 % of the issue price of the Equity Shares at the time of allotment of the Warrants. The balance 75% shall be payable at the time of allotment of the Equity shares pursuant to the exercise of the option of conversion of the warrants. The Board shall forfeit such amount in respect of any such warrants in respect of which the allottees do not exercise their option to convert the same into Equity Shares.
- IV. The warrant by itself shall not give the holder thereof any rights of the shareholders of the Company. Further, these warrants are non-

transferable and shall not be listed on the Stock Exchange(s).

- V. The Board shall be entitled to determine, vary, modify or alter any of the terms and conditions of the issue and allotment of Equity Shares and warrants, including reduction of the size of the issue, as it may deem expedient.

RESOLVED FURTHER THAT the Relevant Date for the preferential issue, in relation to the Warrants, for the purpose of determining the issue price of Equity Shares (to be allotted on exercise / conversion of the warrants) will be the date thirty days prior to the date of Annual General Meeting which is in accordance with Regulation 71 of Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all such actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient including in relation to the issue or allotment of aforesaid securities and (including the equity shares arising on exercise of the warrants) and listing thereof with the stock exchange(s) as appropriate and to resolve and settle all question, doubts and difficulties that may arise in the proposed issue, offer and allotment of any of the securities, utilization of the issue proceeds and to do all such acts, deeds and things in connection therewith or 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 authorized to delegate all or any of the powers herein conferred by this resolution to any Director or Directors or to any committee of Directors or any other officer or officers of the Company to give effect to the aforesaid resolution."

8. Increase in Authorised share capital of the Company and consequent amendment of the Memorandum of Association of the Company:

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

"RESOLVED THAT pursuant to the provisions of Sections 94 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the Authorized capital of the Company of

Rs.300,00,00,000 (Rupees Three Hundred crores only) divided into 300,00,00,000 (Three Hundred Crores) equity shares of Re. 1/- each be and is hereby increased to Rs. 425,00,00,000 (Rupees Four Hundred Twenty Five crores only) divided into 425,00,00,000 (Four Hundred Twenty Five crores) equity shares of Re. 1/- (Rupee one) each.”

“**RESOLVED FURTHER THAT** pursuant to Section 16 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following Clause V:

V. The Authorized Share Capital of the Company is Rs. 425,00,00,000 (Rupees Four Hundred Twenty Five crores) divided into 425,00,00,000 (Four Hundred and Twenty Five crores) equity shares of Re.1/- (Rupee one) each”

9. Amendment of the Articles of Association of the Company consequent to increase in Authorised share capital of the Company

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

“**RESOLVED THAT** pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the Articles of Association of the Company be and is hereby altered by substituting the existing Article 5 thereof by the following Article 5:

5. The Authorized Share Capital of the Company is Rs. 425,00,00,000 (Rupees Four Hundred and Twenty Five crores only) divided into 425,00,00,000 (Four Hundred and Twenty Five crores) equity shares of Re 1/- each with power to increase or reduce the capital subject to any preferential, qualified or special rights, privileges or conditions as may be thought fit and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Act.”

10. Reappointment of Mr. Kalyan Bhattacharya as Whole-time Director

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

“**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions of the Companies Act, 1956 (the Act), as amended from time to time, read with Schedule XIII to the Act,

the Company hereby approves of the reappointment and terms of remuneration of Mr. Kalyan Bhattacharya as Whole time Director of the Company for the period 1st November, 2010 to 31st October, 2013, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting, including remuneration to be paid in the event of loss or inadequacy of profits in any financial year, with liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Directors and Mr. Kalyan Bhattacharya.”

11. Change in place of keeping Registers and records

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

“**RESOLVED THAT** Pursuant to section 163 and other applicable provisions, if any of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), (the Act), the Company hereby approves that the registers and indexes of members and Debenture holders and copies of all Annual Returns prepared under Section 159 of the Act, together with the copies of the Certificates and documents required to be annexed thereto under Section 161 of the Act or any one or more of them, be kept at the Registered office of the Company and/or at the offices of M/s. Adroit Corporate Services Pvt. Limited, Registrar and share Transfer Agent of the Company at 19/20, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai- 400059”

By Order of the Board

Place : Mumbai
Dated : 30.08.2010

N. Nagesh
Company Secretary

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST REACH REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR COMMENCEMENT OF THE MEETING.
2. The Register of Members and the Share Transfer books of the Company will remain closed on 20th September, 2010
3. Members / Proxies are requested to bring their copies of Annual Report to the Meeting and attendance slip duly filled in for attending the meeting.

BIRLA POWER SOLUTIONS LTD.

4. Members desiring any information as regards the accounts are requested to write the Company at least 7 days before the date of the Meeting, so as to enable the Company to keep the information ready.
5. All documents referred in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days during normal working business hours up to the date of Annual General Meeting except on Saturdays, Sundays and other holidays.
6. Members are requested to intimate their Bank Account details, so that the same can be printed on the dividend warrant, to avoid the incidence of fraudulent encashment of the dividend warrant.
7. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
8. Consequent upon amendment in Section 205A of the Companies Act, 1956 and introduction of Section 205C, by the Companies (Amendment) Act, 1999, now the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund (IEP Fund). Members who have not encashed their dividend warrants, for the financial year ended 31st March, 2004 and onwards may approach the Company for revalidating the warrants or for obtaining duplicate warrants. It may also be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund as above, no claim can be made by the respective shareholders for the same.
9. Members are requested to send all communications relating to shares to the Company's Share Transfer Agents (Physical & Electronic) at the following address:
Alankit Assignments Limited
205-208, Anarkali Complex,
Jhandewalan Extension,
New Delhi - 110 055.

ANNEXURE TO THE NOTICE

(Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 4

Appointment of Statutory Auditors:

M/s. Dalal & Shah, Chartered Accountants, Mumbai, the present Auditors who retire at this Annual General Meeting has informed the Company that they do not wish to seek re-appointment as Statutory Auditors of the Company at the forthcoming Annual General Meeting.

Based on the recommendation of the Audit Committee, the Board of Directors proposes the appointment of M/s. Thakur,

Vaidyanath Aiyar & Co. Chartered Accountants, as the Statutory Auditors of the Company in place of M/s. Dalal & Shah, Chartered Accountants, the retiring Auditors of the Company, from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting.

M/s. Thakur, Vaidyanath Aiyar & Co. Chartered Accountants, have expressed their willingness to act as Statutory Auditors of the Company, if appointed, and have further confirmed that the said appointment would be in conformity with the provisions of Section 224 (1B) of the Companies Act, 1956.

The member's approval is being sought for the appointment of M/s. Thakur, Vaidyanath Aiyar & Co, Chartered Accountants, as the Statutory Auditors of the Company and to authorize the Board of Directors to determine the remuneration payable to the Statutory Auditors.

None of the Directors are concerned or interested in the said resolution.

The Board recommends the resolution as mentioned in Item no. 4 of the notice.

Item No. 5

To appoint Mr. Upkar Singh Kohli as a Director liable to retire by rotation:

Mr. Upkar Singh Kohli was appointed by the Board on 09.09.2009 as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 (the 'Act') read with Article 136 of the Articles of Association of the Company.

In terms of the provisions of Section 260 of the Act, Mr. Upkar Singh Kohli would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with deposit of Rs. 500/- for proposing the candidature of Mr. Upkar Singh Kohli for the office of Director of the Company under the provisions of Section 257 of the Act.

Mr. Upkar Singh Kohli is not disqualified from being appointed as Director in terms of Section 274 (1)(g) of the Act. The Company has received the requisite Form DD-A from Mr. Upkar Singh Kohli, in terms of the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003, confirming his eligibility for such appointment.

None of the Directors is, except Mr. Upkar Singh Kohli in any way, concerned or interested in the said resolutions.

The Board recommends the resolution as mentioned in Item no. 5 of the notice.

Item No. 6

Issue and allotment of Bonus Shares:

On 30th August, 2010, the Board has, subject to the approval of the members of the Company, approved the issue of

bonus shares in the ratio of 1:5 i.e. ONE new fully paid up equity share of Re. 1/- each for every FIVE fully paid up equity shares of Re. 1/- each held in the Company, to the eligible members of the Company as on the Record Date to be fixed by the Board for this purpose. The Bonus Shares shall be issued pursuant to the applicable provisions of the Companies Act, 1956, Article 199 of the Articles of Association of the Company, the Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subject to such other approvals, if any required, after capitalizing the required sum from the Company's Share Premium Account/General Reserve Account/or such other accounts as are permissible to be utilized for the purpose. The Bonus Shares so allotted shall rank pari passu in all respect and shall carry the same rights as the existing fully paid up equity shares of the Company. In case any member's holding in the Company is such that the member becomes entitled to a fraction of an equity share of the Company, the Company shall round off the said entitlement to the nearest integer.

The Directors of the Company may be deemed to be concerned or interested in the issue of the bonus shares to the extent of their respective shareholding in the Company.

The Board recommends the resolution as mentioned in Item no.6 of the notice.

Item No. 7

Issuance of equity share warrants to the promoter(s) on preferential allotment basis:

The existing paid up capital of the Company is 1,77,93,30,910 Equity shares of Rs.1/- each. The promoters' holding is 7,18,84,320 Equity shares consisting 4.04%. In order to increase the holding of the promoters, it is proposed that the Company issue convertible warrants upto 10% of the existing capital which is 17,79,33,090 (Seventeen Crores Seventy Nine Lacs Thirty Three Thousand Ninety) to the Promoter and Promoter Group of the Company on a Preferential basis. The proposed preferential issue is in accordance with the Guidelines for Preferential Issue contained in Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, entitling the warrant holders to apply for equivalent number of fully paid equity shares of the Company having a face value of Re. 1 per share.

The issue of equity shares will be at a price not less than the higher of the following:

- (i) the average of the weekly high and low of the closing prices of the Company's shares quoted on Exchanges during the six months preceding the 'Relevant Date'.
- OR
- (ii) The average of the weekly high and low of the closing prices of the Company's shares quoted on Exchanges,

during the two weeks preceding the 'Relevant Date'.

The 'Relevant Date' for determining the issue price of the equity shares will be the date thirty days prior to the date of Annual General Meeting which is in accordance with Regulation 71 of Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

An upfront payment of 25% of the price of warrant shall be paid by the allottees before the allotment of the convertible warrants and the same will be adjusted against the issue price of the respective equity shares at the time of conversion.

The said Warrants shall be converted within a period not exceeding eighteen months from the date of allotment of the Warrants, in one or more tranches, in accordance with the SEBI Regulations and other relevant guidelines as may be prevailing at the time of allotment of shares, and that the Warrants so issued or allotted give rise (on allotment or conversion/ exercise of right) to not more than 17,79,33,090 (Seventeen Crores Seventy Nine Lacs Thirty Three Thousand Ninety) Equity Shares of Re. 1/- each fully paid-up.

If the entitlement against the warrants to apply for the equity shares is not exercised within the specified period of 18 months, such entitlement shall lapse and the amount paid on allotment of such warrants shall stand forfeited pro-rata.

The proposed allottees have given a letter to apply for the allotment of warrants when they are issued.

The warrants and the shares issued shall be subject to the lock in period as set out in the Regulations. The proposed allottees have not sold any shares of the Company during the last six months from the relevant date. However the locked in equity shares may be transferred to and amongst the Promoter and Promoter group subject to conditions of lock-in in the hands of transferees for the remaining period and after complying with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as may be applicable.

Disclosures pursuant to SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009:

i. Object of Issue:

In order to augment the long term resources of the Company for meeting the Working Capital requirements and to assist in the expansion plans of the Company at the least possible issue costs it was thought fit to issue share warrants on preferential basis.. The proceeds of the proposed preferential allotment of warrants will go to strengthen the net worth of the Company.

ii. Intention of the Promoter and Promoter Group to subscribe to the issue:

Promoter and Promoter Group intends to subscribe to 17,79,33,090 (Seventeen Crores Seventy Nine Lacs

BIRLA POWER SOLUTIONS LTD.

Thirty Three Thousand Ninety) equity share warrants. The names of the Promoter and Promoter Group and the number of warrants agreed to be subscribed by them are provided elsewhere in the Notice.

iii. Pre and Post Shareholding Pattern:

The Shareholding Pattern of the Company before and after the proposed preferential allotment is furnished hereunder:

Category of Shareholder	Pre-issue Shareholding pattern	Percentage	Shareholding post-conversion of warrant	Percentage
Promoters Group				
Birla Bombay Private Limited	8201740	0.46	52685012	2.69
Godavari Corporation Pvt. Ltd.	16429970	0.92	60913242	3.11
Shri Yashovardhan Birla	2008000	0.11	2008000	0.10
Shearson Investments and Trading Co. Pvt. Ltd.	31198000	1.75	75681273	3.87
Nirved Traders Pvt. Ltd.	14046610	0.79	58529883	2.99
Total Shareholding of Promoter and Promoter Group (A)	71884320	4.04	249817410	12.76
Public shareholding				
Mutual Funds/ UTI	4000	0.00	4000	0.00
Financial Institutions / Banks	5418470	0.30	5418470	0.28
Foreign Institutional Investors	12000	0.00	12000	0.00
Bodies Corporate	157228847	8.84	157228847	8.03
Individuals				
Individuals - i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	426602537	23.98	426602537	21.80
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	39905738	2.24	39905738	2.04
NRI	16069928	0.90	16069928	0.82
Trust	12720	0.00	12720	0.00
Total Public Shareholding (B)	645254240	36.26	645254240	32.97
Shares held by Custodians and against which Depository Receipts have been issued (C)	1062192350	59.70	1062192350	54.27
TOTAL	1779330910	100.00	1957264000	100.00

iv. Proposed time within which the allotment shall be completed:

As required under the SEBI Regulations, the allotment of warrants shall be completed within 15 days of the date of passing of the above resolution. Provided that where the allotment is pending on account of pendency of any approval from any regulatory authority or Central Government, the allotment would be completed within 15 days from the date of such approval.

v. Identity of the Allottees:

Name of the proposed allottees	Pre-Issue Equity Shareholding		Post-Issue Equity Shareholding	
	No. of Shares	% of holding	No. of Shares	% of holding
Birla Bombay Private Limited Registered Office: Industry house, 159, churchgate Reclamation, Mumbai- 400020	8201740	0.46	52685012	2.69