



Notice of Postal Ballot

To the Shareholder(s),

Notice is hereby given pursuant to Section 192A of the Companies Act, 1956 (the "Act"), read with the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2001 ("Rules") for the consent of the Members of Zenith Birla (India) Limited for the proposed Special Resolutions set out below, which is sought to be obtained by means of Postal Ballot. The Explanatory Statement stating all material facts and the reasons for the proposed resolutions is also appended hereto for your consideration.

SPECIAL BUSINESS:

1. RAISING OF FUNDS THROUGH FURTHER ISSUE OF SECURITIES:

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

"RESOLVED THAT pursuant to and in accordance with the provisions of Section 81 (1), 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 (the "Act") and all other applicable laws and regulations including the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Transfer or Issue of Security by a person Resident outside India) Regulations, 2000, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subject to any required approval, consent, permission and / or sanction of the Ministry of Finance (Department of Economic Affairs) and of Ministry of Industry (Foreign Investment Promotion Board/ Secretariat for Industrial Assistance) and all other Ministries / Departments of the Government of India and the Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and / or any other competent authorities and pursuant to the Securities and Exchange Board of India guidelines/regulations, the Reserve Bank of India Guidelines, the relevant provisions of the Memorandum and Articles of Association of the Company and the provisions of the Listing Agreement(s) with Stock Exchanges on which the shares of the Company are listed (including any amendment thereto or re-enactment of all or any of the aforesaid) and subject to all such approvals, permissions, sanctions and consents, if any, as may be required under applicable laws and regulations and of concerned authorities, bodies and agencies and subject to such conditions and modifications as may be prescribed by any of the above said authorities, bodies and agencies, and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof which the Board may have or may hereafter constitute, to which all or any of the powers hereby conferred on the Board by this Resolution, have been or may hereafter at any time be delegated), the consent, authority and approval of the Company be and is hereby accorded to the Board to create, offer, issue and allot (with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons as may be permitted), from time to time in one or more tranches, whether rupee denominated or denominated in foreign currency, in consultation with the Lead Manager(s) and/or Underwriter(s) and/or other advisor(s), (i) Foreign Currency Convertible Bonds and/or other Securities including debentures convertible, at the option of the Company and/or entitling the holder thereof to apply and convert at his option into equity shares, and/or (ii) other securities convertible into or exchangeable with or linked to equity shares, and/or (iii) securities with or without detachable Warrants with a right exercisable by the warrant holder to subscribe for equity shares, and/or (iv) Warrants with a right or option exercisable by the warrant holder to convert or subscribe to equity shares, and/or (v) equity shares, preference shares or other convertible/non convertible securities of the Company, through public issue, right issue, Global Depository Receipts, American Depository Receipts, Qualified Institutions Placement, private offerings or through depository receipt mechanism, participatory notes or otherwise (all hereinafter collectively referred to as the "Securities") and/or any combination of securities in domestic and/or one or more international markets to any person including promoters, existing shareholder(s), employee(s), Indian Public, Qualified Institutional Buyer(s), domestic institution(s), institutional investor(s), bank(s), mutual fund(s), companies, bodies corporate or other entities, individuals or other persons (collectively referred to as the "Investors"), whether residents and/or non-residents and/or strategic investors and/or corporate bodies and whether or not such investors are members of the Company, as may be permitted under applicable laws and regulations, of an aggregate amount not exceeding Rs. 350 crores or equivalent thereof in one or more foreign currency, inclusive of such premium as may be fixed on such Securities by offering the Securities through public offer and/or offer letter and/or placement document and/or circular and/or information memorandum and/or such other documents writings, and/or on private placement basis and/or a combination thereof in such manner, on such terms and conditions and at such time or times as may be determined by the Board in its absolute discretion, with power to settle details as to the form and terms of issue of the Securities and all other terms, conditions and matters connected therewith including to accept any modifications thereto or therein as may be required by concerned authorities and/or persons involved with any such issue of Securities subject, however, to all applicable laws and regulations.

RESOLVED FURTHER THAT in the event of issue of Securities by way of Global Depository Receipts and/or American Depository Receipts and/or Foreign Currency Convertible Bonds, the relevant date on the basis of which floor price for the underlying shares shall be determined, shall be the date as specified under the applicable law or regulation.

RESOLVED FURTHER THAT the relevant date for determination of the floor price of the equity shares that may be issued by way of Qualified Institutions Placement pursuant to Chapter VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, is as follows:

- (i) in case of allotment of equity shares, the date of the meeting in which the Board decides to open the proposed issue;
- (ii) in case of allotment of eligible convertible securities, either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares.

RESOLVED FURTHER THAT the pricing of the securities and the pricing of any equity shares issued upon the conversion of the securities shall be made subject to and in compliance with the applicable laws and regulations.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid Securities may have such features and attributes or any terms or combination of terms in accordance with international practices to provide for the tradability and free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever including terms for issue of additional Equity Shares, with or without conversion rights, with or without voting rights or variation of the conversion price of the Securities during the duration of the Securities and the Board be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose off such of the Securities that are not subscribed.

RESOLVED FURTHER THAT without prejudice to the generality of the foregoing, the Board be and is hereby authorized to prescribe with respect to the aforesaid issue of the Securities all or any of the terms or any combination of terms thereof in accordance with local and/or international practice including but not limited to conditions in relation to offer, issue and allotment of the Securities, payment of interest, dividend, premium and redemption or early redemption of Securities, debt service payments and any other payments whatsoever, voting rights and all such terms as are provided in domestic and/or international offerings of this nature including terms for such issue, or variation of the price or period of conversion of any Securities into equity shares or issue of equity shares during the duration of the Securities or terms pertaining to early redemption of Securities and/or conversion into equity shares.

RESOLVED FURTHER THAT in the event any of the Securities are issued in international / foreign capital market, the issue of such Securities shall be deemed to have been made abroad in the market and/or at the place of issue of such Security in the international market and shall be governed by the applicable domestic/foreign laws and regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot Equity Shares pursuant hereto and/or as may be required to be issued and allotted upon conversion of any of the Securities referred to above or as may be necessary in accordance with the terms of offering thereof and all Equity Shares so issued and allotted shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the existing Shares of the Company unless otherwise specified in the relevant terms.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution and any offer, issue and allotment of Securities, the Board be and is hereby authorized to take all such actions, give such directions and to do all such acts, deeds and things as may be necessary, desirable or incidental thereto and matters connected therewith including without limitation, appointment of such Consultants, Lead Managers, Underwriters, Guarantor(s), Depositories, Custodian(s), Registrar(s), Agent(s), Authorised Representatives, Trustee(s), banker(s), Lawyer(s), Merchant Banker(s) and any other Advisor(s), Professional(s) and intermediaries as may be required and to pay them such fees, commission and other expenses as it deems fit and enter into or execute all such agreement(s)/arrangement(s), MOU(s)/placement agreement(s)/underwriting agreement(s)/deposit agreement(s)/trust deeds/subsidiary agreement/payment and conversion agency agreement/ or any other agreement(s) or document(s) with any such agencies, list the securities in domestic and/or international stock exchange(s), authorizing any director(s) or any officer(s) of the Company, to sign for and on behalf of

the Company offer document(s), agreement(s), arrangement(s), applications, authority letter or any other related paper(s)/document(s), give any undertaking(s), affidavit(s), certificate(s), declaration(s) that he/she may in his/her absolute discretion deem fit including without limitation the authority to amend or modify such document(s).

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of its powers to any Director or Committee of Directors/Company Secretary / other persons authorized by the Board to give effect to the aforesaid resolutions.”

2. ISSUANCE OF EQUITY SHARE WARRANTS OF THE COMPANY TO THE PROMOTER AND PROMOTER GROUP 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 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 1,08,10,000 (One Crore Eight Lakhs Ten Thousand) warrants to the Promoter and Promoter Group of the Company (hereinafter referred to as “allottees”) entitling the warrant holders to subscribe in one or more tranches for one equity share of the face value of Rs.10/- 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 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.

The allottees being as follows:

Promoter and Promoter Group:

S. No.	Name of Promoter	No. of Warrants
1.	Godavari Corporation Pvt. Ltd.	36,03,333
2.	Asian Distributors Pvt. Ltd.	36,03,333
3.	Shearson Investments and Trading Co. Pvt. Ltd.	36,03,334
	TOTAL	1,08,10,000

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 Rs. 10/- 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 shareholder 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 declaration of results of Postal Ballot 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 and incidental thereto as the Board in its absolute discretion deems 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.”

3. AMENDMENT IN OBJECT CLAUSE 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 a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 17 and other applicable provisions, if any, of the Companies Act, 1956, the Object Clause of the Memorandum of Association of the Company be and is hereby amended/ re-organised as follows:

- (i) Insertion of following sub-clause in Clause III of the Memorandum of Association of the Company as new sub-clause no 48:
 48. To carry on the activity and/or business of power generation by undertaking projects/installation of windmills, wind turbine generators, solar energy generators or any other eco-friendly power generation systems using resources- natural or otherwise; distribution, transmission, sale, purchase and or deal in power/electricity; and to purchase, acquire, lease, hire or procure in any manner whatsoever land, plant & machinery, equipments, transmission systems, sub-stations or the like to undertake any of the above activities.
- (ii) The present sub-clause no. 48 and 49 of Clause III of the Memorandum of Association of the Company be renumbered / re-organised and now read as sub-clause no. 49 and 50 respectively.

RESOLVED FURTHER THAT the Board of Directors of the Company and / or any other person authorised by the Board in this regard be and is hereby severally authorised to do all such acts and things as may be necessary, desirable or expedient for giving effect to this resolution and to settle any question or dispute that may arise in relation thereto."

4. COMMENCEMENT OF NEW BUSINESS

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 149(2A) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby given to the Board of Directors to commence any or all of the business and activities specified in newly numbered sub-clause 48 of the Clause III (Object Clause) of the Memorandum of Association of the Company, as and when it deems fit.

RESOLVED FURTHER THAT the Board of Directors of the Company and / or any other person authorised by the Board in this regard be and is hereby severally authorised to do all such acts and things as may be necessary, desirable or expedient for giving effect to this resolution and to settle any question or dispute that may arise in relation thereto."

By order of the Board

**Place: Mumbai
Date: 13th August, 2010**

**Zenith Birla (India) Limited
Managing Director**

Notes:

1. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 setting out material facts is annexed hereto.
2. The Board of Directors has appointed Shri Rakesh Kapur, Practising Company Secretary as the Scrutinizer to conduct the voting through postal ballot, in a fair and transparent manner and to receive and scrutinize the completed Ballot Papers from the Members. The Postal Ballot Form and the self-addressed business reply envelope are enclosed for use of Members.
3. You are requested to carefully read the instructions printed in the Postal Ballot Form and return the said Postal Ballot Form (no other form or photocopy of the Postal Ballot Form is permitted) duly completed with the assent (for) or dissent (against), in the attached pre – paid envelope, so as to reach the Scrutinizer on or before 7th October, 2010 to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member.
The Scrutinizer will submit his report to the Chairman after completion of the scrutiny and the results of postal ballot will be announced on 12th October, 2010, at the Registered Office of the Company at Dalamal House, 1st Floor, 206 J.B. Marg, Nariman Point, Mumbai 400 021.

The said date of declaration of the result of the Postal Ballot will be taken as the date of passing of the Resolutions.

Explanatory Statement

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 1- Raising of Funds through further issue of securities:

It is proposed to raise funds by further issue of shares/securities by way of and through issuance of shares/foreign currency convertible bonds/share warrants/equity linked securities/ADRs/GDRs as may be permitted under applicable laws and regulations and as may be deemed necessary and beneficial to the Company in the due course of time. The proceeds of the issue are proposed to be utilized towards Company's long term working capital requirements, capital expenditure for expansion and modernization activities and other corporate purposes.

The detailed terms and conditions for offer will be determined in consultation with the Advisors, Lead Managers, Underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and other relevant factors.

As per Section 81(1A) of the Companies Act, 1956, whenever it is proposed to increase the issued capital of a Company by allotment of further shares, such further shares shall be offered to the existing shareholders of such Company unless the shareholders by way of Special Resolution decide otherwise. As the Special Resolution proposed in the Item no. 1 of the Notice results in the issue of shares/securities of the Company to members and /or non-members of the Company, consent of the shareholders is being sought pursuant to the provisions of Section 81(1), 81 (1A) and other applicable provisions of the Companies Act, 1956 and the clauses of Listing Agreement executed by the Company with Stock Exchanges where the Equity Shares of the Company are listed.

Your Directors recommend the resolution for your approval.

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

Item no. 2- Issuance of equity share warrants of the Company to the Promoter(s) and Promoters Group on preferential allotment basis:

It is proposed to allot upto 1,08,10,000 (One Crore Eight Lakhs Ten Thousand) equity share warrants to the Promoter and Promoter Group of the Company on a Preferential basis. The proceeds of the issue are proposed to be utilized to part finance Company's capital expenditure for expansion and modernization activities and working capital requirements for the expansion and modernization projects. The proposed preferential issue is in accordance with the Regulations 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 Rs. 10 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 declaration of results of Postal Ballot 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 shall give rise (on conversion/ exercise of right) to not more than 1,08,10,000 (One Crore Eight Lakhs Ten Thousand) Equity Shares of Rs. 10/- 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 shares to be issued shall be subject to the lock in period as set out in the Regulations. 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:

The funds raised through the proposed issue of equity share Warrants shall be used for meeting Company's long term working capital requirements, capital expenditure for expansion and modernization activities and other corporate purposes, as may be required from time to time.

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

Promoter and Promoter Group intends to subscribe upto 1,08,10,000 (One Crore Eight Lakhs Ten Thousand) Equity Share Warrants. The names of the Promoter and Promoter Group and the number of warrants agreed to be subscribed by them are provided in the resolution.

iii. **Pre and Post Shareholding Pattern:**

The shareholding pattern of the Company, before and after the preferential issue assuming allotment of equity shares upon full conversion of all the Warrants, shall be as under:

Category	Pre-Issue Shareholding Pattern*		Shareholding Pattern post conversion of Warrants*	
	No. of Shares	% of holding	No. of Shares	% of holding
A. Promoter and Promoter Group	27113736	25.08	37923736	31.89
B. Public Shareholding				
Financial Institutions/Bank/Mutual Funds	358354	0.33	358354	0.30
Foreign Institutional Investors	2400000	2.22	2400000	2.02
Bodies Corporate	16385312	15.16	16385312	13.78
Resident Individuals	18213106	16.85	18213106	15.32
Clearing Member	773876	0.72	773876	0.65
NRI	227523	0.21	227523	0.19
Trusts	952	0.00	952	0.00
Shares underlying GDRs	42627060	39.43	42627060	35.85
Total	108099919	100.00	118909919	100.00

Based on the beneficiary positions in the shares of the Company as of 12th August, 2010, as provided by the Depositories. Post-Issue Shareholding Pattern may change due to change in the beneficiary position.

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
Godavari Corporation Pvt. Ltd.	5787438	5.35	9390771	7.90
Asian Distributors Pvt. Ltd.	2939178	2.72	6542511	5.50
Shearson Investments and Trading Co. Pvt. Ltd.	9502661	8.79	13105995	11.02

The aforesaid proposed allottees belong to promoter and Promoter Group. The issue of equity shares as aforesaid will not result in any change in the Management/Control of the Company.

vi. **Lock-in-requirements:**

In terms of the SEBI Regulations for Preferential Issues, the Equity Shares allotted on exercise of the option of conversion of the Warrants proposed to be allotted to the Promoter and Promoter Group shall be locked-in for a period of three years from the date of their allotment or such other period as prescribed in the SEBI Regulations, provided that in any case, not more than 20% of the total capital of the Company, including capital brought in by way of preferential issue, shall be subject to lock-in of three years from the date of allotment.

Further, the entire pre-preferential allotment shareholding of the proposed allottees, shall also be under lock-in from the relevant date upto a period of six months from the date of preferential allotment.

vii. **Other terms of issue of Warrants**

- The proposed allottee of the Warrants shall on or before the date of allotment of Warrants, pay an amount equivalent to at least 25% of the total consideration per Warrant.
- The holder(s) of each Warrant will be entitled to apply for and obtain allotment of one equity share against such Warrant at any time after the date of allotment of warrants but on or before the expiry of 18 months from the date of allotment of warrants, in one or more tranches. At the time of exercise of entitlement, the Warrant holder shall pay the balance of the consideration towards the subscription to each equity share.
- If the entitlement against the Warrants to apply for equity shares is not exercised within the aforesaid period, the entitlement of the Warrant holders to apply for the equity shares of the Company along with the rights attached thereto shall expire and any amount paid on such Warrants shall stand forfeited.
- Upon receipt of the requisite payment as above, the Board (or a Committee thereof) shall allot one equity share against each Warrant by appropriating Rs.10/- per equity share towards equity share capital and the balance amount paid against each Warrant towards the securities premium amount.
- The Warrant by itself till converted into equity shares, does not give to the holder(s) thereof any rights of shareholder of the Company.
- The equity shares issued as above shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the existing fully paid up equity shares of the Company.

The allotment of Warrants does not require making of a public offer in terms of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. The aforesaid allottee(s) shall be required to comply with the relevant provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable, consequent to the allotment of shares on conversion of Warrants as proposed above.

In view of the above, it is proposed to issue upto 1,08,10,000 (One Crore Eight Lakhs Ten Thousand) number of Warrants (convertible into equivalent number of equity shares of Rs. 10/- each fully paid-up) to the Promoter and Promoter Group, on a preferential basis, at a price including premium determined in accordance with the criteria given under the SEBI Regulations.

A copy of the certificate from the Statutory Auditors of the Company, M/s. Thakur, Vaidyanath Aiyar & Co., Chartered Accountants, certifying that the issue of the Warrants is being made in accordance with the requirements of SEBI Regulations for Preferential Issues, will be available for inspection at the Registered Office of the Company situated at Dalamal House, 1st Floor, 206 J.B. Marg, Nariman Point, Mumbai 400 021, during the office hours on all working days (except Saturdays) between 11.00 a.m. and 1.00 p.m. upto 7th October, 2010.

The consent of the Shareholders is being sought pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956, if any, and in terms of the provisions of the Listing Agreements executed by the Company with the Stock Exchanges in India where the Company's shares are listed.

The Board recommends the resolution for your approval. None of the Directors, except Shri Yashovardhan Birla, are interested in the said resolution.

3. **Amendment in Object Clause of the Memorandum of Association of the Company:**

The concept of power generation through installation of Wind Turbine Generators (WTGs) is comparatively a low cost project having a very short gestation period and an eco-friendly source of energy, which runs on free natural resource.

In view of the above, your Company proposes to take up the activity of power generation, and therefore, it is proposed to amend the Object Clause of the Memorandum of Association by inserting a suitable sub-clause as detailed in the proposed Special Resolution.

Your Directors recommend the resolution for your approval. None of the Directors of the Company are in any way, concerned or interested in the said resolution.

4. **Commencement of New Business**

The provisions of Section 149(2A)(a) of the Companies Act, 1956, require approval of shareholders by means of a Special Resolution for commencing any business listed under the Objects Clause of the Memorandum of Association of the Company.

As detailed in item no. 3 above, the Company proposes to commence the activities and/or business of power generation, initially by installation/purchase and commissioning of Wind Turbine Generators.

Your Directors recommend the resolution for your approval. None of the Directors of the Company are in any way, concerned or interested in the said resolution.

By order of the Board

Place: Mumbai
Date: 13th August, 2010

Zenith Birla (India) Limited
Managing Director