



BHUSHAN STEEL LIMITED

Regd. Office : F-Block, 1st Floor, International Trade Tower,
Nehru Place, New Delhi-110 019

NOTICE OF POSTAL BALLOT

Dear Member(s),

NOTICE PURSUANT TO SECTION 192A(2) OF THE COMPANIES ACT, 1956.

NOTICE is hereby given pursuant to Section 192A(2) of the Companies Act, 1956, read with the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2011 that the enclosed resolutions for the purpose of Further Issue of Securities and revision in salary of executive directors to be passed as Special / Ordinary resolutions by way of Postal Ballot.

The Company is desirous of seeking your consent for such proposal as contained in the resolutions appended below. An explanatory statement pertaining to the said Resolutions setting out the material facts and the reasons therefor is annexed. The said Special / Ordinary Resolutions and the explanatory statement are being sent to you along with a Postal Ballot Form (The "Form") for your consideration. The Company has appointed Mr. R.S. Bhatia, Practicing Company Secretary, as the scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed on the Form and return the same duly completed, in the attached self addressed, Business Reply envelope (postage will be borne and paid by the Company) so as to reach scrutinizer on or before the close of the working hours, i.e. 5.00 P.M. on 30.01.2013.

E-Voting Option

We are pleased to offer E-Voting facility also as an alternate for our Individual Members (i.e. other than Corporate/FIs/FILs etc), which would enable you to cast your votes electronically, instead of Physical Postal Ballot form. E-Voting is optional. For this purpose, the Company has entered into an agreement with NSDL for facilitating e-Voting to enable the Shareholders to cast their votes electronically instead of dispatching Postal Ballot Form. Please carefully read and follow the instructions on e-Voting printed in this Notice. On completion of scrutiny of the Forms, the scrutinizer will submit his report to the Chairman of the Company. The Results of the Postal Ballot will be announced by the Chairman of the Company Sh. B.B. Singal or in his absence, by Sh. NeerajSingal, Vice Chairman and Managing Director or in his absence, by Sh. Nittin Johari, Whole-time Director on 02.02.2013, at 5.00 P.M. at the Registered Office of the Company.

SPECIAL BUSINESS:

ITEM NO. : 1

To consider and, if thought fit, to give assent or dissent to the following resolution as a Special Resolution:

FURTHER ISSUE OF SECURITIES:

"RESOLVED AS A SPECIAL RESOLUTION that pursuant to the provisions of Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof), including, without limitation, pursuant to the provisions of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("SEBI ICDR Regulations"), and in accordance with the provisions of the Memorandum and Articles of Association of the Company, Listing Agreement and all other applicable laws and regulations including the Foreign Exchange Management Act, 2000 ("FEMA"), Foreign Exchange Management (Transfer or issue of securities by a person resident outside India) Regulations, 2000 and Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme 1993, and such other statutes, notifications, clarifications, circulars, rules, regulations/guidelines, if any, prescribed by the Government of India (the "GOI"), the Securities and Exchange Board of India ("SEBI"), Reserve Bank of India (RBI), Stock Exchanges or any other relevant authority, as amended from time to time, to the extent applicable and subject to such approvals, consents, permissions and sanctions of SEBI, the Stock Exchanges, the RBI, Department of Industrial Policy and Promotion, Ministry of Commerce ('DIPP'), the Foreign Investment Promotion Board ('FIPB'), and all other authorities as may be required (the "Appropriate Authorities"), and subject to such conditions as may be prescribed or imposed while granting such approvals, consents, permissions and sanctions, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee (s) constituted / to be constituted by the Board to exercise its powers, including the powers conferred by this Resolution) to create, issue, offer and allot (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons including employees of the Company as may be permitted), through one or more public issue and/or on a private placement basis and/or preferential issue and/or any other kind of public issue and/or private placement as may be permitted under applicable law from time to time (including without limitation through a qualified institutions placement ("QIP") since the Company will be eligible to undertake such an offering pursuant to the provisions of Regulation 82(b) and Chapter VIII of the SEBI ICDR Regulations) in domestic and/or one or more international market (s), with or without a green shoe option, such number of Equity Shares and/or Preference Shares and/ Equity Shares through depository receipts including American Depository Receipt (ADRs), Global Depository Receipt (GDRs) and/or Convertible Bonds fully or partly paid up, Fully Convertible Debentures (FCDs), Partly Convertible Debentures (PCDs), Optionally Convertible Debentures (OCDs) and/or other securities convertible into Equity Shares at the option of the Company and/or holder (s) of such securities, and/or securities linked to Equity Shares and/or securities with or without detachable / non-detachable warrants with a right exercisable by the warrant holder to subscribe for the Equity Shares and/or warrants with an option exercisable by the warrant-holder to subscribe for Ordinary Shares and/or any instruments or securities representing either Equity Shares, secured premium notes and/or any other financial instruments which would be converted into / exchanged with equity shares at a later date (hereinafter referred to as the "Securities") as the Board at its sole discretion or in consultation with underwriters, merchant bankers, financial advisors or legal advisors may at any time decide, whether Rupee denominated or denominated in foreign currency, to any eligible investors (whether residents and/or non-resident and/or Qualified Institutional Buyers, including institutions / banks and/or incorporated bodies, Foreign Institutional Investors (FIIs) and/or individuals and/or mutual funds and/or insurance companies and/or pension funds and/or trustees and/or stabilizing agents and/or any other categories of investors and whether or not such investors are members of the Company) through issue of prospectus or placement documents or circulars or other permissible/requisite offer document, for an aggregate amount not exceeding US\$ 1000,000,000 (US\$ One Thousand Million) or its equivalent in one or more currencies, including premium, if any, and in such manner and on such price, terms and conditions as may be determined by the Board, in accordance with the provisions of the SEBI ICDR Regulations or other provisions of law as may be prevailing at the time; provided that in case of an issuance of Securities to qualified institutional buyers through a QIP, the price inclusive of premium of the equity shares so issued shall not be less than the price determined in accordance with the provisions of the SEBI ICDR Regulations, including a discount of up to 5% to the floor price or such other discount as may be permitted under Chapter VIII of the SEBI ICDR Regulations and approved by the Board."

"RESOLVED FURTHER THAT the Securities to be created, issued, offered and allotted shall be subject to the provisions of the 'Memorandum and Articles of Association' of the Company and the terms of the issue and the equity shares allotted in terms of this resolution shall rank paripassu in all respect with the existing Equity Shares of the Company. The number and/ or price of the Securities shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring."

"RESOLVED FURTHER THAT in addition to all applicable Indian laws, the Securities issued in pursuance of this resolution shall also be governed by all applicable laws and regulations of any jurisdiction outside India where they are listed or that may in any other manner apply to such securities or provided in the terms of their issue."

"RESOLVED FURTHER THAT in case of QIP pursuant to Chapter VIII of the SEBI ICDR Regulations, the allotment of Securities shall only be made to Qualified Institutional Buyers within the meaning of the SEBI ICDR Regulations and such Securities shall be fully paid-up and the allotment of such Securities shall be completed within 12 months from the date of this Resolution."

"RESOLVED FURTHER THAT the "Relevant Date" for pricing of the Securities, in case of an issuance of Securities to qualified institutional buyers through a QIP, for determination of minimum price for the issue of the Securities and/or shares arising out of conversion of Securities will be the date of meeting in which the Board decides to open the proposed issue of Securities, or, in case of Securities which are convertible or exchangeable with equity shares, either the date of the meeting in which the Board or the committee of directors duly authorized by the Board decides to open the issue of such convertible securities or the date on which the holders of convertible Securities become entitled to apply for equity shares."

"RESOLVED FURTHER THAT in case of an issuance of FCCBs/ADRs/GDRs, the relevant date for the determination of the issue price of the securities offered, shall be determined in accordance with the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, as may be amended from time to time."

"RESOLVED FURTHER THAT the Common Seal of the Company, if required to be affixed in India on any agreement, undertaking, deed or other document, the same be affixed in the presence of any one director of the Company in accordance with the Articles of Association of the Company."

"RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of ordinary shares or Securities or instruments representing the same, as described above, the Board/ Committee be and is hereby authorized on behalf of the Company, to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, to enter into arrangements for appointment of agencies for managing, underwriting, marketing, listing and trading of Securities issued, such as merchant bankers, lead managers, advisors, depository, custodian, registrar, stabilizing agent, paying and conversion agent, trustee and to issue any offer document (s), including but not limited to a prospectus or placement document within the meaning of the laws of India, to approve the final form of and to sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such issue (s) or allotment (s) as it may, in its absolute discretion, deem fit."

"RESOLVED FURTHER THAT, subject to applicable law, the Board/ Committee be and is hereby authorized to delegate all or any of the powers herein conferred, to any one or more Directors of the Company with power to delegate to any Officers of the Company to give effect to this resolution."

ITEM NO. : 2

To consider and, if thought fit, to give assent or dissent to the following resolution as an Ordinary Resolution:

INCREASE IN REMUNERATION OF SH. NEERAJ SINGAL, VICE-CHAIRMAN AND MANAGING DIRECTOR

"RESOLVED THAT in partial modification of Resolution No. 8 passed at the Annual General Meeting of shareholders of the Company held on 26th September, 2009 and in accordance with the provisions of Sections 309, 310 read with Section-I of Part-II of Schedule-XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the increase in the remuneration payable to Sh. Neeraj Singal as Vice Chairman and Managing Director w. e. f. 1st December, 2011 for the remaining period of his appointment as under:-

Salary : Rs 120.00 Lacs per annum.
Perquisite and Allowances : Rs 40.00 Lacs per annum.

In addition to above the Company will provide Car with chauffeur and Provident Fund as applicable. The other terms and conditions of his appointment as set out in Resolution No. 8 passed at the Annual General Meeting of shareholders of the Company held on 26th September, 2009 will remain unchanged."

ITEM NO. : 3

To consider and, if thought fit, to give assent or dissent to the following resolution as an Ordinary Resolution:

INCREASE IN REMUNERATION OF SH. NITTIN JOHARI, WHOLE-TIME DIRECTOR (FINANCE)

"RESOLVED THAT in partial modification of Resolution No. 4 passed by shareholders of the Company through Postal Ballot on 24th June, 2010 and in accordance with the provisions of Sections 309, 310 read with Section-I of Part-II of Schedule-XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the increase in the remuneration payable to Sh. Nitin Johari as Whole-Time Director w. e. f. 1st December, 2011 for the remaining period of his appointment as under:-

Salary including perquisites and allowances consists of Rs. 7,00,000/- p.m. in the scale of Rs. 7,00,000 -50,000-8,50,000.

In addition to above the Company will provide Car with chauffeur and Provident Fund as applicable. The other terms and conditions of his appointment as set out in Resolution No. 4 passed by shareholders of the Company through Postal Ballot on 24th June, 2010 will remain unchanged."

ITEM NO. : 4

To consider and, if thought fit, to give assent or dissent to the following resolution as an Ordinary Resolution:

INCREASE IN REMUNERATION OF SH. RAHUL SEN GUPTA, WHOLE-TIME DIRECTOR (TECHNICAL)

"RESOLVED THAT in partial modification of Resolution No. 5 passed by shareholders of the Company through Postal Ballot on 24th June, 2010 and in accordance with the provisions of Sections 309, 310 read with Section-I of Part-II of Schedule-XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the increase in the remuneration payable to Sh. Rahul Sen Gupta as Whole-Time Director w. e. f. 1st December, 2011 for the remaining period of his appointment as under:-

Salary including perquisites and allowances consists of Rs. 4,00,000/- p.m. in the scale of Rs. 4,00,000 -50,000-5,50,000.

In addition to above the Company will provide Car with chauffeur and Provident Fund as applicable. The other terms and conditions of his appointment as set out in Resolution No. 5 passed by shareholders of the Company through Postal Ballot on 24th June, 2010 will remain unchanged."

ITEM NO. : 5

To consider and, if thought fit, to give assent or dissent to the following resolution as an Ordinary Resolution:

INCREASE IN REMUNERATION OF SH. P. K. AGGARWAL, WHOLE-TIME DIRECTOR (COMMERCIAL)

"RESOLVED THAT in partial modification of Resolution No. 9 passed at the Annual General Meeting of shareholders of the Company held on 26th September, 2009 and in accordance with the provisions of Sections 309, 310 read with Section-I of Part-II of Schedule-XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the increase in the remuneration payable to Sh. P. K. Aggarwal as Whole-Time Director be increased w. e. f. 1st December, 2011 for the remaining period of his appointment as under:-

Salary including perquisites and allowances consists of Rs. 4,00,000/- p.m. in the scale of Rs. 4,00,000 -50,000-5,00,000.

In addition to above the Company will provide Car with chauffeur and Provident Fund as applicable. The other terms and conditions of his appointment as set out in Resolution No. 9 passed at the Annual General Meeting of shareholders of the Company held on 26th September, 2009 will remain unchanged."

By Order of the Board
For Bhushan Steel Limited
Sd/-

(O.P. Davra)
Vice President (Corporate Affairs) &
Company Secretary

Place: New Delhi

Date : 25.12.2012

Notes

1. The Explanatory Statement pursuant to Section 173(2) and Section 192A of the Companies Act, 1956 setting out material facts is annexed hereto.
2. In compliance with provisions of Section 192A of the Act read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, the Company is pleased to offer e-voting facility as an alternate, for the Shareholders of the Company. For this purpose, the Company has entered into an agreement with NSDL for facilitating e-voting to enable the Shareholders to cast their votes electronically instead of dispatching Postal Ballot Form. E-voting is optional.

The instructions for Shareholders for e-voting are as under:

(a) In case of Shareholders' receiving e-mail from NSDL

- (i) Open e-mail and open PDF file viz; "Bhushan Steel e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login
- (iv) Put user ID and password as initial password noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.
- (vii) Select "EVEN" of Bhushan Steel Limited
- (viii) Now you are ready for e-Voting as Cast Vote page opens
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(b) In case of Shareholders' receiving Postal Ballot Form by Post:

- (i) Initial password is provided as below/at the bottom of the Postal Ballot Form.

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xi) above, to cast vote.
3. Kindly note that the Shareholders can opt only one mode of voting, i.e., either by Physical Ballot or e-voting. If you are opting for e-voting, then do not vote by Physical Ballot also and vice versa. However, in case Shareholders cast their vote by Physical Ballot and e-voting, then voting done through valid Physical Ballot shall prevail and voting done by e-voting will be treated as invalid.
 4. The voting period ends on the close of the working hours, i.e. 5.00 P.M. on 30.01.2013. The e-voting module shall also be disabled by NSDL for voting thereafter.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

ITEM NO. 1

Pursuant to the provisions of Section 81(1A) of the Companies Act, 1956, as amended, any offer or issue of securities in the Company to persons other than the Members of the Company requires prior approval of the Members by way of Special Resolution. The Listing Agreement executed by the Company with the Stock Exchanges also provide that the Company shall, in the first instance, offer all securities for subscription pro rata to the Shareholders, unless the Shareholders in a general meeting decide otherwise.

In order to meet the long-term fund requirements of the Company for expansion and/or modernization of existing business, development of infrastructure for future growth (organic as well as inorganic), capital expenditure, working capital requirements, repayment of debts/indebtedness and for other approved general corporate objectives from time to time, and to augment the Company's capital base and financial position, it is proposed to raise financial resources through the issue of Securities in the Domestic/International markets for an amount not exceeding US\$ 1000,000,000 (US\$ One Thousand Million), or its equivalent in one or more currencies, in one or more tranches, in such form, on such terms, in such manner, at such price or prices and at such time as may be considered appropriate by the Board, to the various categories of investors in the domestic/International markets, as set out in the Resolution at Item No. 1 of the Notice. This is an enabling resolution and the company will issue new securities, subject to the necessary compliances.

The detailed terms and conditions of the issue as and when made, will be determined / finalized by the Board of Directors / Committee in consultation with the Legal Advisors, Merchant Bankers, Lead Managers, Underwriters and other experts in accordance with the applicable provisions of Law.

Your Directors recommended the resolution set out at item no. 1 of the Notice for the approval of the Members pursuant to the provisions of Section 81(1A) of the Act.

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

ITEM NO. 2

Taking into consideration the prevalent norms in the Industry, experience and exposure of Sh. Neeraj Singal, the revision sought for is in respect of the salary, perquisites and allowances w.e.f. 1st December, 2011 for the remaining period of his term of appointment, as recommended by the remuneration committee of the Board of Directors and Board of Directors vide resolution dated 14.11.2011 and an abstract and Memorandum of Concern/ Interest dated 19.11.2011 for the above mentioned revision has already been sent to the shareholders.

Sh. Neeraj Singal is an executive Director on the Board and holds the position of Vice-Chairman and Managing Director of the Company. He has over 24 years of experience in the steel industry. He is responsible for overseeing all operational aspects of the Company and is actively involved in planning of expansion projects.

Except Sh. Neeraj Singal and Sh. B. B. Singal, being father of Sh. Neeraj Singal none of the other Directors of the Company is, in any way, concerned or interested in the Increase of Remuneration of the said Director.

Your Directors recommend the Resolution set out at Item No. 2 of the Notice for your approval.

ITEM NO. 3:

Taking into consideration the prevalent norms in the Industry, experience and exposure of Sh. Nittin Johari, the revision sought for is in respect of the salary, perquisites and allowances w.e.f. 1st December, 2011 for the remaining period of his term of appointment, as recommended by the remuneration committee of the Board of Directors and Board of Directors vide resolution dated 14.11.2011 and an abstract and Memorandum of Concern/ Interest dated 19.11.2011 for the above mentioned revision has already been sent to the shareholders.

Sh. Nittin Johari is an executive Director on the Board and holds the position of Whole-time Director (Finance) of the Company. He is a fellow member of the ICAI. He has experience of nearly 26 years in areas including corporate finance, management information systems, budgeting, accounting and indirect taxation. He is responsible for financial management, treasury, foreign exchange management and financial accounting functions of the Company, alongside legal matters including income taxation.

Except Sh. Nittin Johari, none of the other Directors of the Company is, in any way, concerned or interested in the Increase of Remuneration of the said Director.

Your Directors recommend the Resolution set out at Item No. 3 of the Notice for your approval.

ITEM NO. 4

As per the prevalent norms in the Industry, experience and exposure of Sh. Rahul Sen Gupta, the revision sought for is in respect of the salary, perquisites and allowances w.e.f. 1st December, 2011 for the remaining period of his term of appointment, as recommended by the remuneration committee of the Board of Directors and Board of Directors vide resolution dated 14.11.2011 and an abstract and Memorandum of Concern/ Interest dated 19.11.2011 for the above mentioned revision has already been sent to the shareholders.

Sh. Rahul Sen Gupta is an executive Director on the Board and holds the position of Whole-time Director (Technical) of the Company. He has nearly 31 years of experience in the steel industry. He is responsible for functional areas, planning, project conceptualization and technology evaluation.

Except Sh. Rahul Sen Gupta, none of the other Directors of the Company is, in any way, concerned or interested in the Increase of Remuneration of the said Director.

Your Directors recommend the Resolution set out at Item No. 4 of the Notice for your approval.

ITEM NO 5

As per the prevalent norms in the Industry, experience and exposure of Sh. P. K. Aggarwal, the revision sought for is in respect of the salary, perquisites and allowances w.e.f. 1st December, 2011 for the remaining period of his term of appointment, as recommended by the remuneration committee of the Board of Directors and Board of Directors vide resolution dated 14.11.2011 and an abstract and Memorandum of Concern/ Interest dated 19.11.2011 for the above mentioned revision has already been sent to the shareholders.

Sh. P. K. Aggarwal is an executive Director on the Board and holds the position of Whole-time Director (Commercial) of the Company. He is a fellow member of the ICAI. He has more than 30 years of experience in accounts and corporate finance. He is responsible for the overseeing of commercial and legal matters involving the Company, including in particular indirect taxation disputes.

Except Sh. P. K. Aggarwal, none of the other Directors of the Company is, in any way, concerned or interested in the Increase of Remuneration of the said Director.

Your Directors recommend the Resolution set out at Item No. 5 of the Notice for your approval.

**By Order of the Board
For Bhushan Steel Limited**

**Sd/-
(O.P. Davra)**

**Vice President (Corporate Affairs) &
Company Secretary**

Place: New Delhi

Date : 25.12.2012