



BHUWALKA STEEL INDUSTRIES LIMITED

Regd. Office: 'Bhuwalka Centre', No.71, 3rd Cross,
Residency Road, Bangalore 560 025

POSTAL BALLOT

NOTICE PURSUANT TO SECTION 192A OF THE COMPANIES ACT, 1956

To The Members ,

Notice is hereby given pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 (including any statutory modifications or re-enactment thereof for the time being in force) that the resolution appended below is proposed to be passed by postal ballot for the purpose of Issuance of Bonus Shares by capitalization of the reserves.

The Company seeks the members' consent for the proposal contained in the resolution appended below. The Explanatory Statement pertaining to the said resolution setting out the material facts and the reasons thereof is annexed to the Notice.

The Postal Ballot Form for voting by you as a member of the Company is also enclosed.

The Company has appointed Mr. Govind Sultania, Practising Company Secretary, as Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

Members are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed, in the attached self-addressed, postage pre-paid envelope so as to reach the Scrutinizer **not later than close of working hours on Monday, 11th July 2011**. The Scrutinizer, after completion of the scrutiny will submit his report to the Chairman of the Company and the result of the voting by Postal Ballot will be announced on or before 13th July, 2011 at the Company's Registered Office. The results will also be put up on the Company's Notice Board, website and press advertisements. The resolution, if approved, will be taken as passed effectively on the date of declaration of result.

ORDINARY RESOLUTION

1. To consider and, if thought fit, to pass through Post Ballot, the following resolution as an Ordinary Resolution:

"RESOLVED THAT

- i. Pursuant to Articles of Association of the Company and recommendation of Board of Directors and subject to the guidelines issued by Securities & Exchange Board of India and subject to such consents and approvals as may be required from appropriate authorities, the consent of the members be and is hereby accorded to capitalize a sum of Rs. 5,18,72,490/- out of the General Reserves/Securities Premium Account or such other Reserve Account, as may be decided by the Board of Directors, for distribution among the holders of existing fully paid up equity shares of Rs. 10/- each of the Company whose name will appear in the Register of Members / Beneficial Owners' position of the Company on the record date to be fixed by the Board of Directors, as an increase of the amount of the share capital of the Company held by each such member, and not as income or in lieu of dividend, credited as 51,87,249 new fully paid equity shares of Rs. 10/- each as bonus shares in the proportion of one new equity bonus share of Rs. 10/- each for every one existing fully paid up equity share of Rs.10/- each held.

- ii. The new equity bonus shares of Rs.10/- each to be allotted as bonus shares shall be subject to the terms of Memorandum 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 equity shares of the Company and shall be entitled to participate in full in any dividend(s) to be declared after the bonus shares are allotted.
- iii. No letters of allotment shall be issued to the allottees of the new equity bonus shares and the share certificate(s) in respect of the new equity bonus shares shall be issued and dispatched to the allottees thereof within the period prescribed in this behalf, from time to time, by statute or applicable regulation or rule, except that the new equity bonus shares will be credited to the demat account of the allottees, who are holding the existing equity shares in electronic form.
- iv. The allotment of the new equity bonus shares to the extent that they relate to non-resident members of the Company, shall be subject to the approval, if any, of the Reserve Bank of India as may be necessary under the applicable law.
- v. For the purpose of giving effect to the aforesaid resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things whatsoever including settling any question, doubt or difficulties that may arise with regard to or in relation to the issue or allotment of the bonus shares and to accept on behalf of the Company, any conditions, modifications, alterations, changes, variations in this regard as prescribed by the statutory authority(ies) and which the Board in its discretion thinks fit and proper".

By Order of the Board

Place: Bangalore
Date : 6th June, 2011

Sd/-
Naveen K. Shenoy
Company Secretary

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

The proposal for bonus issue is made to provide more liquidity to the shares by increasing the available number of shares in the market and also to reward the members by allotting equal number of shares by way of bonus. By the issue of bonus shares, the total equity share capital will be increased from Rs. 5.19 Crores to Rs.10.37 Crores. The proposal for the bonus issue is beneficial to the members of the Company as well as to the Company. Therefore the board recommends passing of the resolution as a Ordinary Resolution.

The Directors of the Company may be deemed to be concerned or interested in the proposed resolution to the extent of their shareholding in the Company.

By Order of the Board

Place: Bangalore
Date : 6th June, 2011

Sd/-
Naveen K. Shenoy
Company Secretary

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POSTAL BALLOT

(Please read the instructions printed overleaf carefully before completing this form)

Postal Ballot No.

- 1) Name(s) of the Member(s)
(in block letters)
(including Joint holders, if any)
- 2) Registered Address of the
Sole/First named Member
- 3) Registered Folio No.
DPID No./ Client ID No.
(applicable to investors holding shares
In dematerialized form)
- 4) No. of shares held

I/We hereby exercise my/our vote in respect of the Ordinary Resolution to be passed through postal ballot for the business stated in the Notice dated 6th June,2011 of the Company by sending my/our assent or dissent to the said Resolution by placing tick mark (_/) at the appropriate column below:

Item No.	Description	No. of Shares	I / We assent to the Resolution (FOR)	I / We dissent to the Resolution (AGAINST)
01	Ordinary Resolution for issuance of Bonus Shares by capitalization of the reserves			

Place :

Date :

.....
Signature of the Member

Note: Last date for Receipt of Postal Ballot Form by the Scrutinizer: 11th July,2011.

INSTRUCTIONS

1. A Member desiring to exercise vote by postal ballot may complete this Postal Ballot Form and send it to the Scrutinizer in the enclosed postage pre-paid self-addressed envelope. Postage will be borne and paid by the Company. However, envelopes containing postal ballots, if deposited in person or sent by courier at the expense of the members, will also be accepted.
2. This form should be completed and signed by the Member (as per the specimen signature registered with the Company/Depository Participants). In case of joint holding, this form should be completed and signed by the first named Member and in his absence, by the next named Member.
3. In case of shares held by companies, trusts, societies, etc. the duly completed Postal Ballot Form should be accompanied by a certified true copy of Board Resolution/ Authority.
4. Consent must be accorded by recording the assent in the Column 'FOR' and dissent in the Column 'AGAINST' by placing a tick mark (✓) in the appropriate column.
5. Unsigned Postal Ballot Forms will be rejected.
6. A Member need not use all the votes nor needs to cast all the votes in the same way.
7. Duly completed Postal Ballot Form should reach the Scrutinizer not later than the close of working hours on **Monday, 11th July, 2011**. All Postal Ballot Forms received after this date will be strictly treated as if the reply from such Member has not been received.
8. A Member may request for a duplicate Postal Ballot Form, if so required. However, the duly filled in duplicate Postal Ballot Form should reach the Scrutinizer not later than the date specified at item No.7 above.
9. Members are requested not to send any other paper alongwith the postal ballot form in the enclosed postage prepaid self addressed envelope.
10. Voting rights shall be reckoned on the paid up value of the shares registered in the name of the Members as on 3rd June, 2011.
11. The scrutinizer's decision on the validity of a Postal Ballot Form will be final.
12. The results of the Postal Ballot will be declared at the Registered Office of the Company as specified in the Notice. The results will thereafter be published in newspapers for the information of the Members.