

## NOTICE

Notice is hereby given that the 17<sup>th</sup> Annual General Meeting of the Company will be held on Thursday, the 29<sup>th</sup> day of September; 2011 at 10.00 AM at Khasra no - 841/1(2-8) 847(2-16), behind Rajasthan Petrol Pump, Village Rajokari, Vasant Vihar, New Delhi-110038 to transact the following business:-

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2011, and the Profit and Loss Account for the year ended on that date together with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Saurabh Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Mahendra Kumar Doogar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. S. Singhal & Co., Chartered Accountants, having registration no. 001526C, with The Institute of Chartered Accountants of India, the retiring auditors, to hold office as auditors from the conclusion of this meeting until the conclusion of next Annual General Meeting at remuneration to be decided by the Board of Directors.

### SPECIAL BUSINESS

#### **5. Approval of the remuneration of Mr. Sunil Kumar Agarwal, Whole Time Director of the Company.**

As Special Resolution

“RESOLVED THAT pursuant to the provisions of Section 198, 309, 310 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and / or any statutory modification or re-enactment thereof from time to time and in force and subject to such other approvals as may be necessary, consent of the Company be and is hereby accorded for the salary to be paid to Mr. Sunil Kumar Agarwal, Whole Time Director of the Company for a period of 3 years w.e.f. 1<sup>st</sup> April, 2011 on the terms and conditions as set out herein under:

#### I. Salary

Rs. 225000/- per month

In addition to salary, Mr. Sunil Kumar Agarwal shall be entitled to the following perquisites, benefits and allowances:

#### Part A:

Company Leased Accommodation/House Rent Allowance up to 40% of the Salary, Electricity, Gas, Water, Hard and Soft Furnishings, Books, Periodicals, Journals and Consumables, Medical Reimbursement, Fees of Clubs.

#### Part B:

- a. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these singly or put together are not taxable under the Income-tax Act, 1961,
- b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and
- c. Encashment of earned leave at the end of the tenure

Part C:

Car of the Company with driver, telephone, internet and broadband facility at residence, however, the Company shall bill the charges relating to personal long distance calls and charges for using the car for private purposes.

The aforesaid perquisites, benefits and allowances shall be subject to ceiling of Rs. 100000/- per month, however perquisites provided in Part B shall not be included in the computation of ceiling.

Other Terms

- a. Notice Period: Six months, unless otherwise agreed by the Board.
- b. Severance Fees: No severance fee, unless otherwise agreed by the Board.

In the event of absence or inadequacy of profits, the aforesaid salary will be paid as the minimum remuneration, subject to the provisions of Section II of part II of Schedule XIII of the Companies Act, 1956 or such other amount as may be provided in Schedule XIII as may be amended from time to time or any equivalent statutory re-enactments thereof.

- II. Mr. Sunil Kumar Agarwal shall also be entitled to commission up to 1.50% of the Net Profits of the Company computed in the manner laid under sections 198, 349 and 350 of the Companies Act, 1956 subject to maximum remuneration limit as per section 198, 309 read with Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to amend / alter the terms and conditions relating to remuneration subject to the provision of Section 1, Part II of Schedule XIII and other applicable provisions of the Companies Act, 1956.

“RESOLVED FURTHER that Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may deemed to be necessary to give effect to this resolution.”

## **6. Approval of the remuneration of Mr. Saurabh Agarwal, Whole Time Director of the Company.**

As Special Resolution

“RESOLVED THAT pursuant to the provisions of Section 198, 309, 310 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and / or any statutory modification or re-enactment thereof from time to time and in force and subject to such other approvals as may be necessary, consent of the Company be and is hereby accorded for the salary to be paid to Mr. Saurabh Agarwal, Whole Time Director of the Company for a period of 3 years w.e.f. 1<sup>st</sup> April, 2011 on the terms and conditions as set out herein under:

I. Salary

Rs. 210000/- per month

In addition to salary, Mr. Saurabh Agarwal shall be entitled to the following perquisites, benefits and allowances:

Part A:

Company Leased Accommodation/House Rent Allowance up to 40% of the Salary, Electricity, Gas, Water, Hard and Soft Furnishings, Books, Periodicals, Journals and Consumables, Medical Reimbursement, Fees of Clubs,

Part B:

- a. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these singly or put together are not taxable under the Income-tax Act, 1961,

- b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and
- c. Encashment of earned leave at the end of the tenure

Part C:

Car of the Company with driver, telephone, internet and broadband facility at residence, however, the Company shall bill the charges relating to personal long distance calls and charges for using the car for private purposes.

The aforesaid perquisites, benefits and allowances shall be subject to ceiling of Rs. 90000/- per month, however perquisites provided in Part B shall not be included in the computation of ceiling.

Other Terms

- a. Notice Period: Six months, unless otherwise agreed by the Board.
- b. Severance Fees: No severance fee, unless otherwise agreed by the Board.

In the event of absence or inadequacy of profits, the aforesaid salary will be paid as the minimum remuneration, subject to the provisions of Section II of part II of Schedule XIII of the Companies Act, 1956 or such other amount as may be provided in Schedule XIII as may be amended from time to time or any equivalent statutory re-enactments thereof.

- II. Mr. Saurabh Agarwal shall also be entitled to commission up to 1.50% of the Net Profits of the Company computed in the manner laid under sections 198, 349 and 350 of the Companies Act, 1956 subject to maximum remuneration limit as per section 198, 309 read with Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to amend / alter the terms and conditions relating to remuneration subject to the provision of Section 1, Part II of Schedule XIII and other applicable provisions of the Companies Act, 1956.

“RESOLVED FURTHER that Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may deemed to be necessary to give effect to this resolution.”

**7. Approval of the remuneration of Mr. Satish Kumar Agarwal, Chairman & Managing Director of the Company.**

As Special Resolution

“RESOLVED THAT pursuant to the provisions of Section 198, 309, 310 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and / or any statutory modification or re-enactment thereof from time to time and in force and subject to such other approvals as may be necessary, consent of the Company be and is hereby accorded for the salary to be paid to Mr. Satish Kumar Agarwal, Chairman & Managing Director of the Company for a period of three years w.e.f. 1st April, 2011 on the terms and conditions as set out herein under:

I. Salary

Rs. 240000/- per month

In addition to salary, Mr. Satish Kumar Agarwal shall be entitled to the following perquisites, benefits and allowances:

Part A:

Company Leased Accommodation/House Rent Allowance up to 40% of the Salary, Electricity, Gas, Water, Hard and Soft Furnishings, Books, Periodicals, Journals and Consumables, Medical Reimbursement, Fees of Clubs,

Part B:

- a. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these singly or put together are not taxable under the Income-tax Act, 1961,
- b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and
- c. Encashment of earned leave at the end of the tenure

Part C:

Car of the Company with driver, telephone, internet and broadband facility at residence, however, the Company shall bill the charges relating to personal long distance calls and charges for using the car for private purposes.

The aforesaid perquisites, benefits and allowances shall be subject to ceiling of Rs. 110000/- per month, however perquisites provided in Part B shall not be included in the computation of ceiling.

Other Terms

- a. Notice Period: Six months, unless otherwise agreed by the Board.
- b. Severance Fees: No severance fee, unless otherwise agreed by the Board.

In the event of absence or inadequacy of profits, the aforesaid salary will be paid as the minimum remuneration, subject to the provisions of Section II of part II of Schedule XIII of the Companies Act, 1956 or such other amount as may be provided in Schedule XIII as may be amended from time to time or any equivalent statutory re-enactments thereof.

II. Mr. Satish Kumar Agarwal shall also be entitled to commission up to 1.50% of the Net Profits of the Company computed in the manner laid under sections 198, 349 and 350 of the Companies Act, 1956 subject to maximum remuneration limit as per section 198, 309 read with Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to amend / alter the terms and conditions relating to remuneration subject to the provision of Section 1, Part II of Schedule XIII and other applicable provisions of the Companies Act, 1956.

“RESOLVED FURTHER that Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may deemed to be necessary to give effect to this resolution.”

## **8. Approval of the remuneration of Mr. Sachin Agarwal, Whole Time Director of the Company.**

As Special Resolution

“RESOLVED THAT pursuant to the provisions of Section 198, 309, 310 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and / or any statutory modification or re-enactment thereof from time to time and in force and subject to such other approvals as may be necessary, consent of the Company be and is hereby accorded for the salary to be paid to Mr. Sachin Agarwal, Whole time Director of the Company for a period of 3 years w.e.f. 1st April, 2011 on the terms and conditions as set out herein under:

I. Salary

Rs. 210000/- per month

In addition to salary, Mr. Sachin Agarwal shall be entitled to the following perquisites, benefits and allowances:

Part A:

Company Leased Accommodation/House Rent Allowance up to 40% of the Salary, Electricity, Gas, Water, Hard and Soft Furnishings, Books, Periodicals, Journals and Consumables, Medical Reimbursement, Fees of Clubs,

Part B:

- a. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these singly or put together are not taxable under the Income-tax Act, 1961,
- b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and
- c. Encashment of earned leave at the end of the tenure

Part C:

Car of the Company with driver, telephone, internet and broadband facility at residence, however, the Company shall bill the charges relating to personal long distance calls and charges for using the car for private purposes.

The aforesaid perquisites, benefits and allowances shall be subject to ceiling of Rs. 90000/- per month, however perquisites provided in Part B shall not be included in the computation of ceiling.

Other Terms

- a. Notice Period: Six months, unless otherwise agreed by the Board.
- b. Severance Fees: No severance fee, unless otherwise agreed by the Board.

In the event of absence or inadequacy of profits, the aforesaid salary will be paid as the minimum remuneration, subject to the provisions of Section II of part II of Schedule XIII of the Companies Act, 1956 or such other amount as may be provided in Schedule XIII as may be amended from time to time or any equivalent statutory re-enactments thereof.

- II. Mr. Sachin Agarwal shall also be entitled to commission up to 1.50% of the Net Profits of the Company computed in the manner laid under sections 198, 349 and 350 of the Companies Act, 1956 subject to maximum remuneration limit as per section 198, 309 read with Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to amend / alter the terms and conditions relating to remuneration subject to the provision of Section 1, Part II of Schedule XIII and other applicable provisions of the Companies Act, 1956.

“RESOLVED FURTHER that Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may deemed to be necessary to give effect to this resolution.”

BY ORDER OF THE BOARD OF DIRECTORS  
For KAMDHENU ISPAT LIMITED

Date: 30<sup>th</sup> May, 2011  
Place: Gurgaon

(Satish Kumar Agarwal)  
Chairman & Managing Director

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A BLANK PROXY FORM IS ENCLOSED.
2. The Register of Members and Share Transfer Books of the Company shall remain closed on the Book Closure Dates, i.e., from 21<sup>st</sup> September 2011 to 29<sup>th</sup> September 2011 both days inclusive.
3. Members holding shares in the same name or same order of names under different folios are requested to send share certificates for consolidation of such shares to the Company.
4. Members desirous of obtaining any information/clarification concerning the accounts and operations of the Company are requested to address their questions in writing to the Company Secretary at least ten days before the Annual General Meeting, so that the information required may be made available at the Annual General Meeting.
5. Members/Proxy are requested to bring their copy of the Annual Report with them at the Meeting and to produce at the entrance, the admission slip, duly completed and signed, for admission to the meeting hall.
6. Details of Directors seeking appointment/re-appointment in forthcoming Annual General Meeting (in pursuance of Clause 49 IV (G) of the Listing Agreement) are given in the Corporate Governance Report.
7. The Explanatory Statement pursuant to section 173 (2) of the Companies Act, 1956 has been given in the Annexure to this Notice.

BY ORDER OF THE BOARD OF DIRECTORS  
For KAMDHENU ISPAT LIMITED

Date : 30<sup>th</sup> May, 2011  
Place : Gurgaon

(Satish Kumar Agarwal)  
Chairman & Managing Director

## **Annexure to Notice**

### **EXPLANATORY STATEMENT AND REASONS FOR THE PROPOSED RESOLUTIONS ACCOMPANYING THE NOTICE PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:**

#### **ITEM NO. 5.**

#### **Approval of the remuneration of Mr. Sunil Kumar Agarwal, Whole Time Director of the Company**

The shareholders of the company has passed special resolution through postal ballot dated 24.06.2009 for payment of monthly remuneration of Rs 325000/- per month and commission @1.5% of the net profit of the Company to be computed in the manner laid under sections 198, 349 and 350 of the Companies Act, 1956 to Mr. Sunil Kumar Agarwal w.e.f 01.04.2008 for three years i. e upto 30.03.2011. The said three years have been expired on 31-03-2011 and therefore the said terms of remuneration required to be approved by the shareholders of the Company

The approval of the members as per the sections 198, 349 and 350 of the Companies Act, 1956, subject to maximum remuneration limit as per section 198, 309 read with Schedule XIII of the Companies Act, 1956. The Board of Directors and Remuneration Committee of the Company have approved the remuneration, subject to approval of the members of the Company. The disclosures as required under Schedule XIII of the Companies Act, 1956 is given below:

#### **I. GENERAL INFORMATION:**

1. Nature of Industry: Steel, Paint and Service Industry
2. Date or Expected date of Commencement of commercial production: Not applicable (Company is an existing company.)
3. In case of new companies, expected date commencement of activities as per project approved by financial institution appearing in the prospectus: Not applicable.
4. Financial Performance based on given indicators

Particulars	Year 2011	Year 2010	Year 2009
Total Income	38591.16	37136.93	38738.88
Total Expenses	38306.66	36943.37	38618.20
Profit for the year	284.50	193.56	120.68
Paid up Equity	1901.11	1901.11	1901.11
Reserve & Surplus	5451.88	5167.37	4973.81
Basic EPS (Rs.)	1.50	1.02	0.63

5. Export Performance and net foreign exchange collaborations: The Company has not earned any foreign exchange during the financial year 2010-11, 2009-10 and 2008-09.

#### **II. INFORMATION ABOUT THE APPOINTEE**

##### **1. Background details:**

Mr. Sunil Kumar Agarwal, aged 53 years, is one of the promoters of Kamdhenu Ispat Limited. Having done his B.E. (Chemical) from H.B.T.I, Kanpur, Mr. Sunil Kumar Agarwal started his career as an entrepreneur and has gained rich experience in the production and commerce involving steel industry for around 25 years. He is heading the marketing department of the Company and he, visualizing the company's growth through franchisee arrangement, has been strategizing the franchisee alliance with the competent companies in the regional steel market. With his keen understanding of the market dynamics, he has been charting the growth of the Company in other business verticals such as Plywood, PVC / UPVC through mobilizing manufacturing units, across the country, to join "Kamdhenu" and gaining better market foothold in the construction industry.

##### **2. Past remuneration, Recognition or awards, job profile and his suitability.**

- a. Mr. Sunil Kumar Agarwal was paid a sum of Rs. 37.80 Lakhs for each of the last three financial years i.e. 2010-11, 2009-10 and 2008-09.
- b. Mr. Sunil Kumar Agarwal has rich experience and deep knowledge about the steel industry and has immensely contributed to the growth of the Company by his incisive and broad based knowledge of steel industry.

##### **3. Remuneration Proposed: As stipulated in the resolution.**

4. Comparative remuneration profile with respect to the Industry, size of the Company, profile of the position and person:

Mr. Sunil Kumar Agarwal has helped steer the growth of the Company. Taking into account financial position of the Company, trend in the industry, his qualification and experience, the terms of his remuneration as set out in the resolution are considered to be just, fair and reasonable.

5. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial person, if any.

Mr. Sunil Kumar Agarwal owns 6.09% stake in the Company on individual basis as on 31-03-2011. He has pecuniary relationship with the company as Promoter and Whole Time Director of the Company. He is brother of Mr. Satish Kumar Agarwal, Chairman and Managing Director of the Company.

### III. OTHER INFORMATION:

Reason for inadequate profit, steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms.

The Company has been adequately profitable for the last several years with the exception of the last few years because of ongoing slow down and impairment to the profit of the Company due to sales promotion expenses/schemes to establish new paint division of the Company in the market, the Company is not adequately profitable.

While the results of the Company were impacted by certain one off incidents, the business model of the Company continues to be strong and sustainable and will continue to derive profitability. The Company has taken appropriate steps to ensure profitability in future.

### IV. OTHER DISCLOSURES:

The shareholders are being informed of the remuneration package by way of explanatory statement as given above.

The disclosures regarding remuneration package of the Board of Directors were made in the Corporate Governance Report for the year 2010-11.

The board recommends the special resolution set out in item no. 5 of the notice for approval by the members.

None of the Directors except Mr. Sunil Kumar Agarwal and Mr. Satish Kumar Agarwal are interested or concerned in the proposed resolution.

This explanatory statement together with accompanying notice may also be regarded as an abstract under section 302 of the Companies Act, 1956.

### Item No. 6.

#### **Approval of the remuneration of Mr. Saurabh Agarwal, Whole Time Director of the Company**

The shareholders of the company has passed special resolution through postal ballot dated 24.06.2009 for payment of monthly remuneration of Rs 300000/- per month and commission @1.5% of the net profit of the Company to be computed in the manner laid under sections 198, 349 and 350 of the Companies Act, 1956 to Mr. Saurabh Agarwal w.e.f 01.04.2008 for three years i. e upto 30.03.2011. The said three years have been expired on 31-03-2011 and therefore the said terms of remuneration required to be approved by the shareholders of the Company

The approval of the members as per the sections 198, 349 and 350 of the Companies Act, 1956, subject to maximum remuneration limit as per section 198, 309 read with Schedule XIII of the Companies Act, 1956. The Board of Directors and Remuneration Committee of the Company have approved the remuneration, subject to approval of the members of the Company. The disclosures as required under Schedule XIII of the Companies Act, 1956 is given below:

- I. GENERAL INFORMATION: Please refer information as given in Explanatory statement to Item No. 5.
- II. INFORMATION ABOUT THE APOINTEE :

1. Background details:

Mr. Saurabh Agarwal, aged 36 years, holds B.E. (Mechanical) degree from R.V. College of Engineering, Bangalore. He has been associated with Kamdhenu Ispat Limited since 1998 in different capacities and went on to become whole time director of the Company in 2003. He was instrumental in Company's backward integration through installation of induction furnace at the Company's plant. Due to his consistent efforts, today the company is discovering and using new process, designs and enabling technology to design products and services as per consumer's needs.

2. Past remuneration, Recognition or awards, job profile and his suitability.

- a. Mr. Saurabh Agarwal was paid a sum of Rs. 35.28 Lakhs for each of the last three financial years i.e. 2010-11, 2009-10 and 2008-09.
- b. Mr. Saurabh Agarwal is managing the Company's manufacturing plant at Bhiwadi (Raj) and also heading the Paint Project of the Company besides involved in the day to day affairs of the Company.

3. Remuneration Proposed: As stipulated in the resolution.

4. Comparative remuneration profile with respect to the Industry, size of the Company, profile of the position and person:

Mr. Saurabh Agarwal is working rigorously for the growth of the Company. His experience and management skills have been proved valuable for the growth of the Company. Taking into account financial position of the Company, trend in the industry, his qualification and experience, the terms of his remuneration as set out in the resolution are considered to be just, fair and reasonable.

5. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial person, if any.

Mr. Saurabh Agarwal owns 1.45% stake in the Company on individual basis as on 31-03-2011. He has pecuniary relationship with the company as Whole Time Director of the Company. He is son of Mr. Satish Kumar Agarwal, Chairman and Managing Director of the Company.

**III. OTHER INFORMATION:** Please refer information as given in Explanatory statement to Item No. 5.

**IV. DISCLOSURES:** Please refer information as given in Explanatory statement to Item No. 5.

The board recommends the special resolution set out in item no. 6 of the notice for approval by the members.

None of the Directors except Mr. Saurabh Agarwal, Mr. Sachin Agarwal and Mr. Satish Kumar Agarwal, are interested or concerned in the proposed resolution.

This explanatory statement together with accompanying notice may also be regarded as an abstract under section 302 of the Companies Act, 1956.

**Item No. 7**

**Approval of the remuneration of Mr. Satish Kumar Agarwal, Chairman & Managing Director of the Company**

The shareholders of the company has passed special resolution through postal ballot dated 24.06.2009 for payment of monthly remuneration of Rs 350000/- per month and commission @1.5% of the net profit of the Company to be computed in the manner laid under sections 198, 349 and 350 of the Companies Act, 1956 to Mr. Satish Kumar Agarwal w.e.f 01.04.2008 for three years i. e upto 30.03.2011. The said three years have been expired on 31-03-2011 and therefore the said terms of remuneration required to be approved by the shareholders of the Company

The approval of the members as per the sections 198, 349 and 350 of the Companies Act, 1956, subject to maximum remuneration limit as per section 198, 309 read with Schedule XIII of the Companies Act, 1956. The Board of Directors and Remuneration Committee of the Company have approved the remuneration, subject to approval of the members of the Company. The disclosures as required under Schedule XIII of the Companies Act, 1956 is given below:

- I. GENERAL INFORMATION: Please refer information as given in Explanatory statement to Item No. 5.
- II. INFORMATION ABOUT THE APOINTEE :

1. Background details:

Mr. Satish Kumar Agarwal, aged 61 years, is founder and Promoter Director of the Company. He holds a degree in B.E(Mech.) (Gold Medalist) from Banaras Hindu University. He started his career in the year 1970 and has over 38 years of rich experience in Production, marketing, and administration and had been overall in-charge of the various companies, viz. M/s Mujaffarnagar Refractories Pvt. Ltd., M/s Vikas Refractories Pvt. Ltd, before incorporating Kamdhenu Ispat Limited in the year 1994 to manufacture CTD / TMT Bars in Bhiwadi. (Raj). He is the Managing Director of the Company since its incorporation and under his guidance the Company has grown from a small manufacturing unit to a major player in the domestic steel market.

2. Past remuneration, Recognition or awards, job profile and his suitability.

Mr. Satish Kumar Agarwal was paid a sum of Rs. 40.32 Lakhs for each of the last three financial .i.e. 2010-11, 2009-10 and 2008-09.

Mr. Satish Kumar Agarwal looks after the overall management and administration of Company under the supervision and direction of the Board of Directors. He has led the Company from its nescient stage and has propelled its growth. He visualized the growth of the Company through diversification of the product-portfolio, brand promotion, franchisee business model. The brand "KAMDHENU" is now synonyms to Quality in the steel sector across the country because of his hard work and dedication.

3. Remuneration Proposed: As stipulated in the resolution.

4. Comparative remuneration profile with respect to the Industry, size of the Company, profile of the position and person:

Mr. Satish Kumar Agarwal served the Board of the Company since inception. His skills and vast experience places him in a correspondingly equal position in the Steel industry. He has streamlined the business process and operation of the Company and he has been strategic management persona. He has been instrumental in bringing significant growth in volume of business since inception of the Company. Taking into account financial position of the Company, trend in the industry, his qualification and experience, the terms of his remuneration as set out in the resolution are considered to be just, fair and reasonable.

5. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial person, if any.

Mr. Satish Kumar Agarwal owns 6.74 % stake in the Company on individual basis as on 31-03-2011. He is a Founder / Promoter and has been the Managing Director of the Company since inception. He has pecuniary relationship with the company as Promoter and Managing Director of the Company.

**III. OTHER INFORMATION:** Please refer information as given in Explanatory statement to Item No. 5.

**IV. DISCLOSURES:** Please refer information as given in Explanatory statement to Item No. 5.

The board recommends the special resolution set out in item no. 7 of the notice for approval by the members.

None of the Directors except Mr. Satish Kumar Agarwal, Mr. Saurabh Agarwal, Mr. Sachin Agarwal and Mr. Sunil Kumar Agarwal, are interested or concerned in the proposed resolution.

This explanatory statement together with accompanying notice may also be regarded as an abstract under section 302 of the Companies Act, 1956.

**Item No. 8**

**Approval of the remuneration of Mr. Sachin Agarwal, Whole Time Director of the Company**

The shareholders of the company has passed special resolution through postal ballot dated 24.06.2009 for payment of monthly remuneration of Rs 300000/- per month and commission @1.5% of the net profit of the Company to be computed in the manner laid under sections 198, 349 and 350 of the Companies Act, 1956 to Mr. Sachin Kumar Agarwal w.e.f 01.04.2008 for three years i. e upto 30.03.2011. The said three years have been expired on 31-03-2011 and therefore the said terms of remuneration required to be approved by the shareholders of the Company

The approval of the members as per the sections 198, 349 and 350 of the Companies Act, 1956, subject to maximum remuneration limit as per section 198, 309 read with Schedule XIII of the Companies Act, 1956. The Board of Directors and Remuneration Committee of the Company have approved the remuneration, subject to approval of the

members of the Company. The disclosures as required under Schedule XIII of the Companies Act, 1956 is given below:

- I. GENERAL INFORMATION: Please refer information as given in Explanatory statement to Item No. 3.
- II. INFORMATION ABOUT THE APOINTEE :

1. Background details:

Mr. Sachin Agarwal, aged 33 years, is a qualified engineer in Industrial Engineering & Management and also done MBA from United Kingdom. He started his career in the year 2002 with Kamdhenu Ispat Limited and became whole time director of the Company w.e.f. 14<sup>th</sup> April, 2007. He has over 10 years of experience in marketing and quality control.

2. Past remuneration, Recognition or awards, job profile and his suitability.

Mr. Sachin Agarwal was paid a sum of Rs. 35.28 Lakhs for each of the last three financial year .i.e. 2010-11, 2009-10 and 2008-09.

Mr. Sachin Agarwal looks after the marketing operations of the Bhiwadi unit of the Company

3. Remuneration Proposed: As stipulated in the resolution.

4. Comparative remuneration profile with respect to the Industry, size of the Company, profile of the position and person:

Mr. Sachin Agarwal is providing valuable support to the Company and he is involved in the Strategic planning and implementation of the policies of the Company. Taking into account financial position of the Company, trend in the industry, his qualification and experience, the terms of his remuneration as set out in the resolution are considered to be just, fair and reasonable.

5. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial person, if any.

Mr. Sachin Agarwal owns 1.46% stake in the Company on individual basis as of date. He has pecuniary relationship with the company as Whole Time Director of the Company. He is a son of Mr. Satish Kumar Agarwal, Chairman and Managing Director of the Company.

III. **OTHER INFORMATION:** Please refer information as given in Explanatory statement to Item No. 5.

IV. **DISCLOSURES:** Please refer information as given in Explanatory statement to Item No. 5.

The board recommends the special resolution set out in item no. 6 of the notice for approval by the members.

None of the Directors except Mr. Sachin Agarwal, Mr. Saurabh Agarwal and Mr. Satish Kumar Agarwal are interested or concerned in the proposed resolution.

This explanatory statement together with accompanying notice may also be regarded as an abstract under section 302 of the Companies Act, 1956.

BY ORDER OF THE BOARD OF DIRECTORS  
For KAMDHENU ISPAT LIMITED

Date : 30<sup>th</sup> May, 2011  
Place : Gurgaon

(Satish Kumar Agarwal)  
Chairman & Managing Director