



KAMDHENU ISPAT LIMITED

Regd: off: L-311, Street No. 7, Mahipalpur Extention, New Delhi-110037
POSTAL BALLOT NOTICE
(Pursuant to Section 192 A of the Companies Act, 1956)

NOTICE

Notice is hereby given, to the Members of Kamdhenu Ispat Limited for passing the resolutions through Postal Ballot pursuant to Section 192 A of the Companies Act, 1956 read with Companies (Passing of Resolution by Postal Ballot) Rules, 2001 (including any statutory modification or re-enactment thereof for the time being in force):

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to Section 31 read with Section 77A (2) (a) of the Companies Act, 1956, Articles of Association of the Company be and is hereby altered by way of addition of the following new article 120 A after the existing article 120.

120A - Pursuant to Section 77A, 77B and other applicable provisions of the Companies Act, 1956, the Company may purchase its own shares or other specified securities whether or not they are redeemable and may make a payment out of its free reserves or out of its securities premium account or out of the proceeds of any shares or other specified securities, provided that, no buy back of any kind of shares or other specified securities shall be made out of the proceeds of an earlier issue of the same kind of shares or same kind of other specified securities or from such other sources as may be permitted by law on such terms, conditions and in such manner as may be prescribed by the law from time to time in respect of such purchase.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company, be and is hereby authorized to take such steps and actions and give such directions as may be in its absolute discretion deem necessary and to settle any question that may arise in this regard."

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

"RESOLVED THAT pursuant to the provisions of Section 163 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to keep the Register and Index of members, the Register and Index of Debenture holders, if any, the copies of Annual Returns prepared under Section 159 & 160 of the Companies Act, 1956, together with copies of certificates and documents required to be annexed thereto under section 160 & 161 of the Companies Act, 1956, at

the office of the Registrar and Transfer Agent of the Company, viz, Karvy Computershare Private Limited, 105-108, Arunachal Building., 19, Barakhamba Road, Cannought Place, New Delhi-110001 with effect from 1st June, 2009."

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company, be and is hereby authorized to take such steps and actions and give such directions as may be in its absolute discretion deem necessary and to settle any question that may arise in this regard."

3. To consider and, if deemed fit, to pass with or without modification(s), the following resolution 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. 1st April, 2008 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:

- 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,
- Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and
- 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, 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."

4. To consider and, if deemed fit, to pass with or without modification(s), the following resolution 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. 1st April, 2008 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, 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."

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

RESOLVED THAT pursuant to the provisions of Section 269 of the Companies Act, 1956 read with Schedule XIII and section 317 of the Companies Act, 1956 and subject to such other approvals including that of Central Government, if any, as may be required under the law, the consent of the Company be and is hereby accorded for re-appointment of Mr. Satish Kumar Agarwal as Managing Director of the Company for a period of 3 years w.e.f. 1-10-2009.

RESOLVED THAT pursuant to the provisions of Section 198, 309, 310, 311 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, 2008 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, 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. To consider and, if deemed fit, to pass with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 269 of the Companies Act, 1956 read with Schedule XIII and Section 317 of the Companies Act, 1956 and subject to such other approvals including that of Central Government, if any, as may be required under the law, the consent of the Company be and is hereby accorded for re-appointment of Mr. Sachin Agarwal as Whole Time Director of the Company for a period of 3 years w.e.f. 13-04-2010.

RESOLVED THAT pursuant to the provisions of Section 198, 309, 310, 311 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, 2008 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, 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**

Place: Gurgaon
Date: 20th May, 2009

Sd/-
(Sanjeev Kumar Bajaj)
Company Secretary

NOTES:

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, setting out the material facts is annexed hereto.

2. The Board of Directors at its meeting held on 20th May, 2009 has appointed Mr. Sachin Agarwal, Practising Company Secretary as the Scrutinizer to receive and scrutinize the completed Ballot Papers from the members. The Postal Ballot Form and self addressed business reply envelope are enclosed for use of the Members.
3. You are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed with the assent (for) or dissent (against), in the attached pre-paid envelope, so as to reach the scrutinizer on or before 22nd June, 2009, 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 of the Company of any Director of the Company after completion of the scrutiny and the results of postal ballot will be announce on 24th June, 2009, at the registered office of the Company at L-311, Street No. 7, Mahipalpur Extension, New Delhi-110037 at 5.00 P.M.
4. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered office of the Company during the office hours on all working days except Saturdays and Sundays between 11.00 a.m. and 1.00 p.m. up to 22nd June, 2009.

BY ORDER OF THE BOARD OF DIRECTORS
For **KAMDHENU ISPAT LIMITED**

Place: Gurgaon
Date: 20th May, 2009

Sd/-
(Sanjeev Kumar Bajaj)
Company Secretary

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. 1.

The Companies (Amendment) Act, 1999, has allowed a company to buy back its own Securities (including shares) subject to condition that Articles of Association of the Company authorizes to do so. The Articles of Association of your Company does not contain any provision / power to enable the Company itself and / or its Board of Directors, to buy back the Securities (including shares) of the Company. Alteration / amendment in the Articles of Association of the Company is, therefore, proposed to enable the Company and / or its Board of Directors to effectuate buy back of Securities (including shares) as per the provisions of Sections 77A, 77AA, 77B and other applicable provisions of the Companies Act, 1956.

The Articles of Association of the Company can be amended as per the provisions of Section 31 of the Companies Act, 1956, by passing a Special Resolution in General Meeting of the Company. However, Section 192 A of the Companies Act, 1956 and the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, provides an alternative forum to obtain Member's approval through Postal Ballot Process.

The board recommends the special resolution set out in item no. 1 of the notice for approval by the members. Your approval is sought by voting by Postal Ballot in terms of provisions of Section 192 A of the Companies Act, 1956 read with Companies (Passing of Resolutions by Postal Ballot) Rules, 2001.

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

ITEM NO. 2.

In terms of Section 163 of the Companies Act, 1956 ("the Act"), the company is required to maintain certain documents, e.g Register and Index of Members, Register and Index of Debenture holders, Annual Returns together with the certificates and documents required to be annexed thereto at its registered office. However Section 163 provides that these documents can be kept in any other place within the city, town or village in which the registered office of the Company is situated; if such other place is approved by the members at the general meeting by way of Special Resolution.

It is proposed to shift the aforesaid documents to the office of the Company's Registrar and Share Transfer Agent i.e Karvy Computershare Private Limited 105-108, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi 110001.

The board recommends the special resolution set out in item no. 2 of the notice for approval by the members. Your approval is sought by voting by Postal Ballot in terms of provisions of Section 192 A of the Companies Act, 1956 read with Companies (Passing of Resolutions by Postal Ballot) Rules, 2001.

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

ITEM NO. 3

The shareholders of the Company had approved in the AGM held on 28th September, 2008, re-appointment of Mr. Sunil Kumar Agarwal as Whole Time Director of the Company w.e.f.

1st January, 2008 for a period of 5 years. They had also approved in the same meeting monthly remuneration of Rs. 325000/- per month and commission @ 0.25% of the Net Profits of the Company to be computed in the manner laid under sections 198, 349 and 350 of the Companies Act, 1956 to be paid to him w.e.f. 1st April, 2008. Since the management intends to pay monthly remuneration of Rs. 325000/- as minimum remuneration, to Mr. Sunil Kumar Agarwal, even in case of inadequate or no profits, subject to the compliance of Section II of Part II of Schedule XIII of the Companies Act, 1956, the approval of the members is sought through Special Resolution for a period of three years w.e.f. 1-4-2008. The approval of the members is also sought to increase the commission up to 1.5% of the net profits of the Company to be 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.

The Board of Directors and Remuneration Committee of the Company have approved the remuneration, subject to approval of the members of the Company, in their meeting held on 20th May, 2009. The disclosures as required under Schedule XIII of the Companies Act, 1956 is given below:

I. GENERAL INFORMATION:

1. Nature of Industry: Steel 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

(Rs. In Lakhs)

Particulars	Year 2008	Year 2007	Year 2006
Total Income	35592.83	29832.00	12423.87
Total Expenses	33597.41	28130.64	12022.41
Profit / Loss After Tax	1379.18	1123.40	257.02
Paid up Equity	1901.10	1901.10	621.10
Reserve & Surplus	4671.83	3470.69	652.91
Basic EPS	7.25	6.22	4.38

5. Export Performance and net foreign exchange collaborations: The Company has not earned any foreign exchange during the financial year 2007-08, 2006-07 and 2005-06.

II. INFORMATION ABOUT THE APPOINTEE

1. Background details:

Mr. Sunil Kumar Agarwal, aged 52 years, is one of the promoter 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 over 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. 15.00 Lakhs, 11.55 Lakhs and Rs. 6.00 Lakhs, for the financial year 2007-08, 2006-07 and 2005-06 respectively.
- 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 3.23% stake in the Company on individual basis as of date. 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 year 2008-09, wherein because of on going 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 2007-08 and shall also be included in the Annual Report for the year 2008-09.

The board recommends the special resolution set out in item no. 3 of the notice for approval by the members. Your

approval is sought by voting by Postal Ballot in terms of provisions of Section 192 A of the Companies Act, 1956 read with Companies (Passing of Resolutions by Postal Ballot) Rules, 2001.

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. 4.

The shareholders of the Company had approved in the AGM held on 28th September, 2008, re-appointment of Mr. Saurabh Agarwal as Whole Time Director of the Company w.e.f. 1st January, 2008 for a period of 5 years. They had also approved in the same meeting monthly remuneration of Rs. 300000/- per month and commission @ 0.20% of the Net Profits of the Company to be computed in the manner laid under sections 198, 349 and 350 of the Companies Act, 1956 to be paid to him w.e.f. 1st April, 2008. Since the management intends to pay monthly remuneration of Rs. 300000/- as minimum remuneration, to Mr. Saurabh Agarwal, even in case of inadequate or no profits, subject to the compliance of Section II of Part II of Schedule XIII of the Companies Act, 1956, the approval of the members is sought through Special Resolution for a period of three years w.e.f. 1-4-2008. The approval of the members is also sought to increase the commission up to 1.5% of the net profits of the Company to be 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. The Board of Directors and Remuneration Committee of the Company have approved the remuneration, subject to approval of the members of the Company, in their meeting held on 20th May, 2009. 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. Saurabh Agarwal, aged 33 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. 15.00 Lakhs, 9.90 Lakhs and Rs. 3.00 Lakhs, for the financial year 2007-08, 2006-07 and 2005-06 respectively.
- b. Mr. Saurabh Agarwal is managing the Company's manufacturing plant at Bhiwadi (Raj) and also heading the Paint Project of the Company besides being involved in the day to 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 of date. 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. 3.

- IV. DISCLOSURES: Please refer information as given in Explanatory statement to Item No. 3.

The board recommends the special resolution set out in item no. 4 of the notice for approval by the members. Your approval is sought by voting by Postal Ballot in terms of provisions of Section 192 A of the Companies Act, 1956 read with Companies (Passing of Resolutions by Postal Ballot) Rules, 2001.

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. 5

Mr. Satish Kumar Agarwal was appointed as Managing Director of the Company in the AGM held on 30th September, 2006. His term shall come to an end on 30th September, 2009. The Board of Directors in their meeting held on 20th May, 2009 have approved his re-appointment as Managing Director of the Company for a period of 3 years w.e.f. 1-10-2009 in terms of Section 269 read with Schedule XIII, Section 317 of the Companies Act, 1956.

The shareholders of the Company in the AGM held on 29th September, 2008 had approved monthly remuneration of Rs. 350000/- to Mr. Satish Kumar Agarwal and commission @ 0.30% of the Net Profits of the Company to be computed in the manner laid under sections 198, 349 and 350 of the Companies Act, 1956 to be paid w.e.f. 1st April, 2008. Since the management intends to pay monthly remuneration of Rs. 350000/- as minimum remuneration, to Mr. Satish Kumar Agarwal, even in case of inadequate or no profits, subject to the compliance of Section II of Part II of Schedule XIII of the Companies Act, 1956, the approval of the members is sought through Special Resolution for a period of three years w.e.f. 1-4-2008. The approval of the members is also sought to increase the commission up to 1.5% of the net profits of the Company to be 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. The Board of Directors and Remuneration Committee of the Company have approved the remuneration, subject to approval of the members of the Company, in their meeting held on 20th May, 2009. 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. Satish Kumar Agarwal, aged 60 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.

- a. Mr. Satish Kumar Agarwal was paid a sum of Rs. 19.50 Lakhs, 11.55 Lakhs and Rs. 6.00 Lakhs, for the financial year 2007-08, 2006-07 and 2005-06 respectively.

- b. Mr. Satish Kumar Agarwal looks after the over all 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 3.04 % stake in the Company on individual basis as of date. 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. 3.

IV. DISCLOSURES: Please refer information as given in Explanatory statement to Item No. 3.

The board recommends the special resolution set out in item no. 5 of the notice for approval by the members. Your approval is sought by voting by Postal Ballot in terms of provisions of Section 192 A of the Companies Act, 1956 read with Companies (Passing of Resolutions by Postal Ballot) Rules, 2001.

None of the Directors except 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. 6

Mr. Sachin Agarwal was appointed as Whole Time Director of the Company in the EGM held on 14th May, 2007 w.e.f 14th April, 2007. His term shall come to an end on 13th April, 2010. The Board of Directors in their meeting held on 20th May, 2009 have approved his re-appointment as Whole Time Director of the Company for a period of 3 years w.e.f. 13-04-2010 in terms of Section 269 read with Schedule XIII, Section 317 of the Companies Act, 1956.

The shareholders of the Company in the AGM held on 29th September, 2008 had approved monthly remuneration of Rs. 300000/- to Mr. Sachin Agarwal and commission @ 0.20% of the Net Profits of the Company to be computed in the manner laid under sections 198, 349 and 350 of the Companies Act, 1956 to be paid to him w.e.f. 1st April, 2008. Since the management intends to pay monthly remuneration of Rs. 300000/- as minimum remuneration, to Mr. Sachin Agarwal, even in case of inadequate or no profits, subject to the compliance of Section II of Part II of Schedule XIII of the Companies Act, 1956, the approval of the members is sought through Special Resolution for a period of three years w.e.f. 1-4-2008. The approval of the members is also sought to increase the commission up to 1.5% of the net profits of the Company to be 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. The Board of Directors and Remuneration Committee of the Company have approved the remuneration, subject to approval of the members of the Company, in their meeting held on 20th May, 2009. 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.

III. INFORMATION ABOUT THE APOINTEE :

1. Background details:

Mr. Sachin Agarwal, aged 32 years, is a qualified engineer in Industrial Engineering & Management and also done Management Post Graduate (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. 14th April, 2007. He has over 7 years of experience in marketing, quality control.

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

a. Mr. Sachin Agarwal was paid a sum of Rs. 14.47 Lakhs, 2.28 Lakhs for the financial year 2007-08 and 2006-07 respectively.

b. 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. 3.

IV. DISCLOSURES: Please refer information as given in Explanatory statement to Item No. 3.

The board recommends the special resolution set out in item no. 6 of the notice for approval by the members. Your approval is sought by voting by Postal Ballot in terms of provisions of Section 192 A of the Companies Act, 1956 read with Companies (Passing of Resolutions by Postal Ballot) Rules, 2001.

None of the Directors except Mr. Saurabh Agarwal, 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**

Sd/-

Place: Gurgaon
Date: 20th May, 2009

(Sanjeev Kumar Bajaj)
Company Secretary