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 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, 2011 (including any statutory modification or re-enactment thereof for the time being in force):

SPEICAL 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 the provisions of Section 269 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 such other approvals as may be necessary, consent of members of the company be and is hereby accorded for the reappointment of Mr. Satish Kumar Agarwal as Whole Time Director, to be designated as Managing Director of the Company for a period of three years beginning from 01.04.2014 and ending on 31.03.2017"

RESOLVED FURTHER 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 such other approvals as may be necessary, consent of members of the company be and is hereby accorded for the remuneration to be paid to Mr. Satish Kumar Agarwal, Managing Director of the Company for a period of three years with effect from 01.04.2014 on the terms and conditions as set out herein under:

I. Salary Rs.3,25,000/- per month. In addition to salary, Mr.Satish Kumar Agarwal shall be entitled to the following perquisites, benefits and allowances:

Part A:

Medical reimbursement, fees of clubs, electricity, gas, water, hard and soft furnishings, books, periodicals, journals and consumables. Cars facility 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.25,000/- per month, however perquisites provided in Part B shall not be included in the computation of ceiling of Rs.25,000/- per month.

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
- Encashment of earned leave at the end of the tenure

Other Terms

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

In the event of absence or inadequacy of profits, the aforesaid remuneration 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 any Executive Director or Company Secretary 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."

2. 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 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 such other approvals as may be necessary, consent of members of the company be and is hereby accorded for the reappointment of Mr. Sunil Kumar Agarwal as Whole Time Director of the Company for a period of three years beginning from 01.04.2014 and ending on 31.03.2017"

"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 such other approvals as may be necessary, consent of members of the company be and is hereby accorded for the remuneration to be paid to Mr. Sunil Kumar Agarwal, Whole Time Director of the Company for a period of three years with effect from 01.04.2014 on the terms and conditions as set out herein under:

I. Salary Rs.3,20,000/- per month. In addition to salary, Mr. Sunil Kumar Agarwal shall be entitled to the following perquisites, benefits and allowances:

Part A:

Medical reimbursement, fees of clubs, electricity, gas, water, hard and soft furnishings, books, periodicals, journals and consumables. Cars facility, 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.25,000/- per month, however perquisites provided in Part B shall not be included in the computation of ceiling of Rs.25,000/- per month.

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
- Encashment of earned leave at the end of the tenure

Other Terms

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

In the event of absence or inadequacy of profits, the aforesaid remuneration 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 any Executive Director or Company Secretary 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."

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 269 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 such other approvals as may be necessary, consent of members of the company be and is hereby accorded for the reappointment of Mr. Saurabh Agarwal as Whole Time Director of the Company for a period of three years beginning from 01.04.2014 and ending on 31.03.2017"

"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 such other approvals as may be necessary, consent of members of the company be and is hereby accorded for the remuneration to be paid to Mr. Saurabh Agarwal, Whole Time Director of the Company for a period of three years with effect from 01.04.2014 on the terms and conditions as set out herein under:

I. Salary Rs.3,00,000/- per month. In addition to salary, Mr.Saurabh Agarwal shall be entitled to the following perquisites, benefits and allowances:

Part A:

Medical reimbursement, fees of clubs, electricity, gas, water, hard and soft furnishings, books, periodicals, journals and consumables. Cars facility, 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.25,000/- per month, however perquisites provided in Part B shall not be included in the computation of ceiling of Rs.25,000/- per month.

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
- Encashment of earned leave at the end of the tenure

Other Terms

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

In the event of absence or inadequacy of profits, the aforesaid remuneration 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 any Executive Director or Company Secretary 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 269 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 such other approvals as may be necessary, consent of members of the company be and is hereby accorded for the reappointment of Mr. Sachin Agarwal as Whole Time Director of the Company for a period of three years beginning from 01.04.2014 and ending on 31.03.2017"

"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 such other approvals as may be necessary, consent of members of the company be and is hereby accorded for the remuneration to be paid to Mr. Sachin Agarwal, Whole Time Director of the Company for a period of three years with effect from 01.04.2014 on the terms and conditions as set out herein under:

I. Salary Rs.3,00,000/- per month. In addition to salary, Mr. Sachin Agarwal shall be entitled to the following perquisites, benefits and allowances:

Part A:

Medical reimbursement, fees of clubs, electricity, gas, water, hard and soft furnishings, books, periodicals, journals and consumables. Cars facility, 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.25,000/- per month; however perquisites provided in Part B shall not be included in the computation of ceiling of Rs.25,000/- per month.

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
- Encashment of earned leave at the end of the tenure

Other Terms

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

In the event of absence or inadequacy of profits, the aforesaid remuneration 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 any Executive Director or Company Secretary 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: 08.02.2014

Yogendra Dwivedi
Company Secretary

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 and section 192 A of the Companies Act, 1956, setting out the material facts is annexed hereto.

2. The Board of Directors at its meeting held on 8th February, 2014 has appointed Mr. Sanjeev Kumar Bajaj, 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 24th March, 2014, 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 after completion of the scrutiny and the results of postal ballot will be announce on 26th March, 2014, at the registered office of the Company at L-311, Street No. 7, Mahipalpur Extention, New Delhi-110037 at 10.00 A.M.

4. Voting shall be conducted only through Postal Ballot. Notice is being sent to all the members, whose names appear in the Register of Members / Records of Depositories as on 07.02.2014. Voting rights shall be reckoned on the paid up value of the equity shares registered in the name of the shareholders of the Company as on that date

5. 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 24nd March, 2014.

BY ORDER OF THE BOARD OF DIRECTORS
For KAMDHENU ISPAT LIMITED

Place: Gurgaon
Date: 08.02.2014

Yogendra Dwivedi
Company Secretary

Annexure to Notice

EXPLANATORY STATEMENT AND REASONS FOR THE PROPOSED RESOLUTIONS ACCOMPANYING THE NOTICE PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND SECTION 192 A OF THE COMPANIES ACT, 1956:

ITEM NO. 1

Mr. Satish Kumar Agarwal was appointed as Managing Director of the Company in the Annual General Meeting held on 27.09.2012. His term shall come to an end on 31.03.2014. The Board of Directors in their meeting held on 08.02.2014 have approved his re-appointment as Managing Director of the Company for a period of 3 years w.e.f. 01.04.2014 in terms of Section 269 read with Schedule XIII, Section 317 of the Companies Act, 1956.

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, therefore the approval of the members is sought through Special Resolution for a period of three years w.e.f. 01.04.2014. 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 08.02.2014. The disclosures as required under Schedule XIII of the Companies Act, 1956 is given below:

I. **GENERAL INFORMATION:**

1. Nature of Industry: Steel & Paint 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 2013	Year 2012	Year 2011
Total Income	59184	51870	41252
Total Expenses	54180	47675	37930
Profit / Loss After Tax	481	409	296
Paid up Equity	2340	2060	1901
Reserve & Surplus	6463	5814	5452
Basic EPS	2.07	2.08	1.50

5. Export Performance and net foreign exchange collaborations: The Company has not earned any foreign exchange during the financial year 2012-13, 2011-12, 2010-11.

II. **INFORMATION ABOUT THE APOINTEE :**

1. Background details:

   Mr. Satish Kumar Agarwal, aged 64 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 43 years of rich experience in Production, marketing, and administration and had been overall in-charge of the various companies, viz. M/s Mujaffarnagar Refactories 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 multifold.

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

   Mr. Satish Kumar Agarwal was paid a sum of Rs. 40.32 Lakhs per year for the financial year 2012-13, 2011-12, 2010.-11respectively.

   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 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 5.48 % 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:

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, 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. 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 2012-13 and shall also be included in the Annual Report for the year 2013-14.

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, 2011.

None of the Directors except Mr. Sunil Kumar Agarwal and Mr. Satish Kumar Agarwal, Mr. Saurabh Agarwal, Mr. Sachin 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. 2.

Mr. Sunil Kumar Agarwal was appointed as Whole Time Director of the Company in the Annual General Meeting held on 27.09.2012. His term shall come to an end on 31.03.2014. The Board of Directors in their meeting held on 08.02.2014 have approved his re-appointment as Whole Time Director of the Company for a period of 3 years w.e.f. 01.04.2014 in terms of Section 269 read with Schedule XIII, Section 317 of the Companies Act, 1956.

The management intends to pay monthly remuneration of Rs. 345000/- 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, therefore the approval of the members is sought through Special Resolution for a period of three years w.e.f. 01.04.2014. 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 08.02.2014. 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. 1.

II. INFORMATION ABOUT THE APPOINTEE

1. Background details:

Mr. Sunil Kumar Agawal, aged 56 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 29 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 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, per year, for the financial year 2012-13, 2011-12, 2010-11 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 5.54% 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.

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

II. **DISCLOSURES:** Please refer information as given in Explanatory statement to Item No. 1.

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, 2011.

None of the Directors except Mr. Sunil Kumar Agarwal and Mr. Satish Kumar Agarwal, Mr. Saurabh Agarwal, Mr. Sachin 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. 3.

Mr. Saurabh Agarwal was appointed as Whole Time Director of the Company in the Annual General Meeting held on 27.09.2012. His term shall come to an end on 31.03.2014. The Board of Directors in their meeting held on 08.02.2014 have approved his re-appointment as Whole Time Director of the Company for a period of 3 years w.e.f. 01.04.2014 in terms of Section 269 read with Schedule XIII, Section 317 of the Companies Act, 1956.

The management intends to pay monthly remuneration of Rs. 325000/- 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, therefore the approval of the members is sought through Special Resolution for a period of three years w.e.f. 01.04.2014. 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 08.02.2014. 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. 1.

II. **INFORMATION ABOUT THE APOINTEE :**

1. Background details:

Mr. Saurabh Agarwal, aged 39 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. Now he is also heading the paint division of the company.

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

a. Mr. Saurabh Agarwal was paid a sum of Rs. 35.28 Lakhs per year for the financial year 2012-13, 2011-12, 2010-11.

b. Mr. Saurabh Agarwal is managing the Company's paint manufacturing plant at Chopanki besides involved in the day to affairs of the Company.

c. Remuneration Proposed: As stipulated in the resolution.

d. 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.

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

Mr. Saurabh Agarwal owns 2.46% 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 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. 1.

IV. **DISCLOSURES:** Please refer information as given in Explanatory statement to Item No. 1.

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, 2011.

None of the Directors except Mr. Sunil Kumar Agarwal and Mr. Satish Kumar Agarwal, Mr. Saurabh Agarwal, Mr. Sachin 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

Mr. Sachin Agarwal was appointed as Whole Time Director of the Company in the Annual General Meeting held on 27.09.2012. His term shall come to an end on 31.03.2014. The Board of Directors in their meeting held on 08.02.2014 have approved his re-appointment as Whole Time Director of the Company for a period of 3 years w.e.f. 01.04.2014 in terms of Section 269 read with Schedule XIII, Section 317 of the Companies Act, 1956.

The management intends to pay monthly remuneration of Rs. 325000/- 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, therefore the approval of the members is sought through Special Resolution for a period of three years w.e.f. 01.04.2014. 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 08.02.2014. 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. 1.

II. **INFORMATION ABOUT THE APOINTEE :**

1. Background details:

   Mr. Sachin Agarwal, aged 36 years, is a qualified engineer in Industrial Engineering & Management and also done Master in Business Administration (MBA) from United Kingdom. He started his career in the year 2002 with Kamdhenu Ispat Limited and became whole time director of the Company in 2007. He has over 12 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. 35.28 Lakhs per year for the financial years 2012-13, 2011-12, 2010-11.

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

b. Remuneration Proposed: As stipulated in the resolution.

c. 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.

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

Mr. Sachin Agarwal owns 2.66% 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. 1.

IV. **DISCLOSURES:** Please refer information as given in Explanatory statement to Item No. 1.

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, 2011.

None of the Directors except Mr. Sunil Kumar Agarwal and Mr. Satish Kumar Agarwal, Mr. Saurabh Agarwal, Mr. Sachin 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

Place: Gurgaon
Date: 08.02.2014

Yogendra Dwivedi
Company Secretary