

NOTICE OF POSTAL BALLOT

Dear Shareholder (s),

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

As per Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, as amended from time to time, the Company has an option to seek the approval of shareholders to any resolution through Postal Ballot, instead of getting it passed at a General Meeting. Thus, your consideration and approval is sought for the following Special Resolutions for the appointment of Mrs. Ritu Goel and Mrs. Upasana Goel as President-Human Resources and President-Planning, respectively of Life Cycle & Software Division of the Company. The Explanatory Statement under Section 173(2) of the Companies Act, 1956, for the draft Resolution, is also appended therewith.

The Company has appointed Mr. Nagesh Kumar of M/s. Nagesh Behl & Co., Chartered Accountants, who has given his consent to act as a Scrutinizer, as the scrutinizer to conduct the postal ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed on the Postal Ballot Form and return the completed form in the enclosed self-addressed postage pre-paid envelope so as to reach the Scrutinizer on or before December 30, 2010 and no later than 6 p.m. on December 30, 2010, the last date for the receipt of the completed postal ballot forms.

The Scrutinizer will submit his report to the Chairman of the Board after completion of the scrutiny and the result of the postal ballot will be announced on or after January 05, 2011 at the registered office of the Company. The results of the Postal Ballot shall also be announced thereafter through newspaper advertisement.

Place : Gurgaon
Date : November 13, 2010

By Order of the Board.
For **KLG Systel Limited**

Encl:- 1. Postal Ballot Form
2. Postage Prepaid Envelope

(**Ramesh Chander**)
Company Secretary

**POSTAL BALLOT
DRAFT RESOLUTION**

To consider and, if thought fit, to pass the following resolutions:

ITEM NO. 1 (As Special Resolution)

"RESOLVED THAT pursuant to the provisions of the Section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 and rules and regulations thereunder, or any statutory modification (s) or any amendment or substitution or re-enactment thereof and subject to the approval of Central Government, consent of the Company be and is hereby accorded to the appointment of and payment of remuneration to Mrs. Ritu Goel, a relative of Company's Directors Mr. Kumud Goel and Mr. K. L. Goel, as President-Human Resources of Life Cycle & Software Division of the Company on the following terms and conditions:

1.	Monthly Salary			
a.	Basic	:	Rs.	1,50,000/-
b.	H.R.A	:	Rs.	75,000/-
	Total	:	Rs.	2,25,000/-
2.	Statutory Contributions			
	Employer's Contribution towards Provident Fund	:	Rs.	18,000/-
3.	Monthly Total (1+2)	:	Rs.	2,43,000/-
4.	Additional Benefits			
a	PL Encashment	:	Rs.	1,25,000/-
b	Medical Leave Encashment	:	Rs.	30,000/-
5.	Total Additional Benefits (4)	:	Rs.	1,55,000/-
6.	Gross Annual Total (3x12+5)	:	Rs.	30,71,000/-

Resolved further that Mrs. Ritu Goel shall be also entitled for an annual increment upto 25% as recommended by the controlling officer.

Resolved further that Mr. Kumud Goel, Managing Director, Mr. K.L. Goel, Executive Chairman and Mr. Ramesh Chander, Company Secretary be and are hereby severally authorised to take all such steps and do or cause to be done all such acts, deeds and things as may be necessary, incidental and/or proper to give effect to the above resolution and matters incidental thereto."

ITEM NO. 2 (As Special Resolution)

"RESOLVED THAT pursuant to the provisions of the Section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 and rules and regulations thereunder, or any statutory modification (s) or any amendment or substitution or re-enactment thereof and subject to the approval of Central Government, consent of the Company be and is hereby accorded to the appointment of and payment of remuneration to Mrs. Upasana Goel, a relative of Company's Directors Mr. Kumud Goel and Mr. K. L. Goel, as President-Planning of Life Cycle & Software Division of the Company on the following terms and conditions:

1.	Monthly Salary			
a.	Basic	:	Rs.	1,50,000/-
b.	H.R.A	:	Rs.	75,000/-
	Total	:	Rs.	2,25,000/-
2.	Statutory Contributions			
	Employer's Contribution towards Provident Fund	:	Rs.	18,000/-
3.	Monthly Total (1+2)	:	Rs.	2,43,000/-
4.	Additional Benefits			
a	PL Encashment	:	Rs.	1,25,000/-
b	Medical Leave Encashment	:	Rs.	30,000/-
5.	Total Additional Benefits (4)	:	Rs.	1,55,000/-
6.	Gross Annual Total (3x12+5)	:	Rs.	30,71,000/-

Resolved further that Mrs. Upasana Goel shall be also entitled for annual increment upto 25% as recommended by the controlling officer.

Resolved further that Mr. Kumud Goel, Managing Director, Mr. K.L. Goel, Executive Chairman and Mr. Ramesh Chander, Company Secretary be and are hereby severally authorised to take all such steps and do or cause to be done all such acts, deeds and things as may be necessary, incidental and/or proper to give effect to the above resolution and matters incidental thereto."

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

ITEM NO. 1 & 2

As per the provisions of the Section 314(1B) of the Companies Act, 1956 no relative of Director shall hold any office or place of profit in the Company which carries a total monthly remuneration not less than of Rs. 50,000/- per month except with the prior approval of Shareholders by way of Special Resolution and the approval of Central Government. The Board of Directors at their meeting held on November 13, 2010, on the recommendation by Selection Committee, appointed Mrs. Ritu Goel and Mrs. Upasana Goel (relatives of Company's Directors Mr. Kumud Goel and Mr. K. L. Goel) as President-Human Resources and President-Planning, respectively of Life Cycle & Software Division of the Company and approve the payment of Salary along with the other perquisite and allowances, subject to the approval of Shareholders by way of Special Resolution and the approval of Central Government.

Mrs. Ritu Goel is Master of Arts from Punjab University. She has about 10 years of rich experience in Business Development, Management and Business Strategies. She has worked with Jaldi.com for around three years in the area of Business Development.

Mrs. Upasana Goel is a Post Graduate in Arts and has about 11 years of rich experience in the field of Planning and Strategy. She has been associated with the Company for the last 5 years as a Director and has played an important role at the strategic level of Management.

Accordingly, the Board of Directors recommend the resolutions as set out in item no. 1 & 2 of accompanying Notice for the approval of the shareholders as Special Resolution. Your approval is sought by voting by Postal Ballot in terms of the provisions of Section 192A of the Companies Act, 1956 read with the provisions of the Companies (Passing of Resolution by Postal Ballot) Rules, 2001.

None of Directors, except Mr. K. L. Goel and Mr. Kumud Goel shall be deemed to be concerned or interested in the Resolutions.