



11th Annual Report 2011-12

A2Z Maintenance & Engineering Services Ltd.

Corporate Information

Board of Directors

Mr. Surender Kumar Tuteja	Independent Chairman
Mr. Amit Mittal	Managing Director
Mrs. Dipali Mittal	Whole Time Director
Mr. Rakesh Radheyshyam Jhunjhunwala	Director
Mr. Manish Gupta	Nominee Director
Mr. Brij Raj Singh	Nominee Director
(Alternate Director-Mr. Arjun Balan)	
Mr. Gaurav Mathur	Nominee Director
(Alternate Director-Mr. Supratim Banerjee)	
Mr. Vinod Sagar Wahi	Independent Director
Mr. Rajeev Thakore	Independent Director

Group Chief Financial Officer

Mr. Rakesh Gupta

Chief Executive Officer

Mr. Ashok Saini

Statutory Auditors

Walker, Chandio & Co
Chartered Accountants

Company Secretary cum Compliance Officer

Mr. Atul Kumar Agarwal

Registrar & Transfer Agent

M/s Alankit Assignments Limited
2E/21, Alankit House
Jhandewalan Extension
New Delhi 110 055
Ph: +91 11 42541234,
Fax: +91 11 42541967

Registered Office

O-116, 1st Floor, DLF Shopping Mall,
Arjun Marg, DLF Phase I, Gurgaon-122002
Haryana (India)

Corporate Office

Plot No. 44, Institutional Area,
Sector -32, Gurgaon-122001
Haryana (India)
website: www.a2zgroup.co.in

Bankers

1. State Bank of Patiala
2. Allahabad Bank
3. Axis Bank Limited
4. DBS Bank Limited
5. ICICI Bank Limited
6. IDBI Bank Limited
7. IndusInd Bank Limited
8. ING Vysya Bank Limited
9. Standard Chartered Bank
10. State Bank of India
11. State Bank of Hyderabad
12. State Bank of Travancore
13. State Bank of Mysore
14. The Hongkong and Shanghai Banking Corporation Limited
15. Union Bank of India
16. YES Bank Limited

TABLE OF CONTENTS	
CORPORATE INFORMATION	01
NOTICE OF AGM	03
DIRECTORS' REPORT	08
MANAGEMENT DISCUSSION & ANALYSIS	23
CORPORATE GOVERNANCE REPORT	26
AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS	35
STANDALONE FINANCIAL STATEMENTS	38
AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS	86
CONSOLIDATED FINANCIAL STATEMENTS	87

PLEASE NOTE THAT NO GIFT SHALL BE GIVEN IN THE ANNUAL GENERAL MEETING

Notice

Notice is hereby given that the 11th Annual General Meeting of the members of M/s. A2Z Maintenance & Engineering Services Limited will be held on Saturday, the 29th day of September, 2012 at 10.30 A.M at HSIIDC Hall, Phase-V, Udyog Vihar, Gurgaon-122016, Haryana, India to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and Profit and Loss Account for the year ended on that date along with the reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Surender Kumar Tuteja, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Ms. Dipali Mittal, who retires by rotation and being eligible, offers herself for reappointment.
4. To re-appoint the Auditors, M/s Walker, Chandio & Co., Chartered Accountants as Statutory Auditors of the Company and to authorize Board of directors to fix their remuneration.

SPECIAL BUSINESS

5. To consider and approve remuneration of Mr. Amit Mittal, Managing Director for the remaining tenure of his appointment i.e. 1st January, 2013 to 31st December, 2014 by way of passing following resolution as Special resolution:

"RESOLVED THAT subject to the approval of the Central government, if required and pursuant to the provisions of Section 198, 269, 309, 310 and such other applicable provisions of the Companies Act, 1956 read with and in accordance with the conditions specified in Schedule XIII of the said Act including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time of the said Act and all guidelines and modification as may be issued by the Central Government from time to time with regard to managerial remuneration and in terms of the Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded for the payment of remuneration at following terms and condition to Mr. Amit Mittal, the Managing Director of the Company for the remaining tenure of his appointment i.e. 1st January, 2013 to 31st December, 2014:

- a. Basic Salary: Rs. 7,32,600/- (Rupees Seven Lac Thirty Two Thousand Six Hundred only) for the period starting from 1st January 2013 to 31st December, 2014.
- b. Company shall give a House Rent Allowance @ 50% of the Basic Salary. The company shall also pay the electricity and maintenance charges of his residence.
- c. Medical Reimbursement: As per company rules for self and family.
- d. Conveyance: Company's Car with Driver for Official Use.
- e. Telephone: Mobile and Telephone Facility at the residence for office purpose.
- f. Leave Travel Allowance (LTA): As per company rules.

In addition to the above remuneration, Mr. Amit Mittal shall also be entitled to the Commission @ of 1% on net profits of the Company in respect of each financial year determined in accordance with the relevant provisions of the Companies Act, 1956 to be paid on the basis of audited accounts every year.

Further Mr. Mittal shall also be entitled to Company's Contribution towards Provident Fund as per the Rules of the Company i.e. 12 % of the Salary which shall not be included in the computation of the ceiling on remuneration specified above.

"FURTHER RESOLVED THAT the board of directors of the company (which term shall also include Remuneration Cum Compensation Committee constituted by Board of directors) be and are hereby authorized to alter and/or vary the terms and conditions of the said remuneration including commission and perquisites payable from time to time as they may deem fit within the limits prescribed in schedule XIII to the act or any statutory amendment(s) or modification(s) thereto and if necessary."

"FURTHER RESOLVED THAT notwithstanding to the above in the event of loss or inadequacy of profits in any financial year, the remuneration payable to Mr. Amit Mittal, Managing Director shall be within limits mentioned in Section II of Part II of Schedule XIII to the Act as amended from time to time."

"FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper or expedient, to give effect to this resolution including filing and verifying the documents, affidavits, affixing the common seal of the Company wherever required in accordance with the provisions of the Article of Association of the Company and to appear before

the Central Government or any other authority including Registrar of Companies.”

6. To consider and approve remuneration of Ms. Dipali Mittal, Whole time Director for the remaining tenure of her appointment i.e. 1st April, 2013 to 31st March, 2015 by passing following resolution as special resolution:

“**RESOLVED THAT** pursuant to the provisions of section 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of Central Government if required or any other approval as may be required, the consent of members of the company be and is hereby accorded for payment of remuneration to Ms. Dipali Mittal in following manner for the period starting from 1st April, 2013 and ending upon 31st March, 2015:

a) Salary Rs. 1,60,000/- (Rupees One Lac Sixty Thousand only) per month with an annual increase of Rs. 20,000/- (Rupees Twenty Thousand only) falling due on 1st April of the following year.

b) Contribution to Provident Fund and Superannuation Fund and annuity fund, as per statutory provisions and as per the Company's policy.

c) Gratuity at the rate of 15 days salary for each completed year of service.

The terms referred in (b) & (c) shall not be included in the computation of limits of perquisites.

“**FURTHER RESOLVED THAT** the board of directors of the company (which term shall also include Remuneration Cum Compensation Committee constituted by Board of directors) be and are hereby authorized to alter and/or vary the terms and conditions of the said remuneration including perquisites payable from time to time as they may deem fit within the limits prescribed in Schedule XIII to the act or any statutory amendment(s) or modification(s) thereto and if necessary, as may be agreed between the Central Government and board of directors.”

“**FURTHER RESOLVED THAT** notwithstanding to the above in the event of loss or inadequacy of profits in any financial year, the remuneration payable to Ms. Dipali Mittal, Whole Time Director shall be within limits mentioned in Section II of Part II of Schedule XIII to the Act as amended from time to time.”

“**FURTHER RESOLVED THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper or expedient, to give effect to this resolution including filing and verifying the documents, affidavits, affixing the common seal of the Company wherever

required in accordance with the provisions of the Articles of Association of the Company and to appear before the Central Government or any other authority including Registrar of Companies.”

7. To Consider and if thought fit to approve authorization for appointment of Branch Auditors by passing following resolution as an Ordinary resolution;

“**RESOLVED THAT** pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956 and Articles of association of company, the board of Directors be and is hereby authorized to appoint Branch auditors for any branch office(s) of the Company opened or to be opened by the Company in India or abroad, in consultation with the Company's Auditors, any person(s) qualified to act as Branch Auditors within the provisions of Section 228 of the Act and to fix their remuneration.”

By order of the Board

Sd/-
(Atul Kumar Agarwal)
Company Secretary cum
Compliance Officer
Dated : August 23, 2012
Place : Gurgaon
Regd. Office: O-116, 1st Floor,
DLF Shopping Mall,
Arjun Marg, DLF Phase I,
Gurgaon-122002
Haryana (India)

Notes:

1. An explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in respect of the business set out in item no. 5, 6 & 7 above have been annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Proxies in order to be effective should be duly completed and signed in the form enclosed at the last page of Annual Report and must be received by the company not less than 48 hours before the schedule time of the meeting and in default, the instrument of proxy shall be treated as invalid. Proxies shall not have any right to speak at meeting.

3. As a measure of economy, copies of Annual Reports will not be distributed at the venue of Annual General Meeting of the Company. Members are requested to

bring their copies to the meeting.

4. Annual Report is also available at the website of the Company at www.a2zgroup.co.in in the Investor relations section.
5. The Register of members and Share Transfer books of the Company will remain closed from Monday, 24th September, 2012 to Saturday, 29th September, 2012 (both days inclusive).
6. Members who are holding shares in physical forms are requested to address all communication regarding registration of transfers, transmissions, sub-division, consolidation of shares or any other share related matters and/or change in address, or updation thereof to the Company's RTA. Members, whose shareholdings are in the electronic form are requested to direct change of address notifications and updation of bank account details to their respective depository participants. Any query related to dividend should be directed to the RTA of the Company.
7. Information regarding particulars of the directors seeking re-appointment requiring disclosure in terms of the Clause 49 of the Listing Agreement is annexed hereto.
8. In case of Body Corporate members, please furnish certified copy of Board/Governing Body Resolution in terms of Section 187 of the Companies Act, 1956 specifically authorizing the person attending the meeting in person as its representative or appointing a proxy; and that such authority must be conferred in advance, and not by ratifying its act subsequently by a Board/Governing Body Resolution.
9. Members having queries with regards to the Accounts are requested to address their queries to the Company mentioning : "AGM Queries- Kind Attn: Mr. Atul Kumar Agarwal, Company Secretary"

at least 10 days in advance of the meeting to enable the Management to keep the information ready at the meeting.

10. Members who hold shares in dematerialized form are requested to write their Client ID and DPID and those who hold shares in physical form are requested to write their Folio numbers in the attendance slip for attending the Meeting.
11. All documents referred to in the accompanying Notice and Annual accounts of the subsidiary companies whose annual accounts have been consolidated are open for inspection at the Registered Office of the Company during office hours on all working days between 11.00 A.M. and 1.00 P.M. up to the date of the Annual General Meeting.
12. As per the provisions of Companies Act, 1956, facility for making nominations is available for shareholders, in respect of shares held by them. Nomination Forms can be obtained from Registrar and Transfer Agents of the Company.
13. Members who have not yet encashed their dividend warrant(s) with respect to the dividend declared for the financial years 2010-11 are requested to make their claims without any delay to the Company's Registrar & Share Transfer Agent viz. M/s Alankit Assignments Limited. Pursuant to Sections 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956, all unclaimed/unpaid dividend pertaining to the Company remaining unpaid or unclaimed for a period of seven years from the date it became due for payment, would be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred nor shall any payment be made in respect of such claims.

Annexure to Notice

Brief resume of Directors retiring by rotation & proposed for Re-appointment:

Name of the Director	Mr. Surender Kumar Tuteja	Ms. Dipali Mittal
Date of Birth	15.06.1945	05.03.1973
Relationship with Other Directors	None	Wife of Managing Director of the Company
Date of Appointment	25.07.2008	01.02.2004
Education/Expertise/ Brief Profile	Mr. Tuteja, a fellow member of ICSI and post graduate in commerce, is an independent and non-executive Director. Mr Tuteja has an experience of approximately 43 years in serving various capacities in the Government, including as Secretary to the Government of India in the Department of Food and Public Distribution, as Secretary, Ministry of Small Scale Industries and Agro & Rural Industries, as Development Commissioner, Small Scale Industries, as Secretary, Public Enterprises Selection Board, as Principal Secretary, Industries and Commerce, as Principal Secretary, Finance, Government of Punjab, as Managing Director, Punjab State Industries Development Corporation Limited and as Chairman, Punjab State Electricity Board. Mr. Tuteja has also acted as a consultant to the World Bank.	Ms Mittal is working as Whole-time Director of the Company and providing her guidance in strategic decisions of the Company. She completed her MBA from the Indian Institute of Finance, New Delhi. She has varied industry experience and is involved in the accounting, financial and general management of the Company.
No. of Equity Shares held in the company	Nil	11,70,000
Directorship in other Public Ltd. Companies as on 31st March, 2012	<ol style="list-style-type: none"> 1. Adani Logistics Limited 2. Adani Enterprises Limited 3. Axis Private Equity Limited 4. Havells India Limited 5. Precision Pipes and Profiles Company Limited 6. Shree Renuka Energy Limited 7. Shree Renuka Sugar Limited 8. Small Industries Development Bank of India 9. SVIL Mines Limited 10. SML ISUZU Limited 11. Dawat Foods Limited 12. Trident Corporation Limited 13. Intas Pharmaceutical Limited 	A2Z Infrastructure Limited A2Z Waste Management Private Limited A2Z Infrservices Limited A2Z E Waste Management Limited A2Z Dataserv Limited
M e m b e r s h i p / Chairmanship in Committees of Other Public Ltd. Companies	SML ISUZU Limited-Chairman Audit Committee, Member- Share Transfer and Investor Grievance Committee Precision Pipes & Profiles Company Limited-Member, Audit Committee and Share Transfer and Investor Grievance Committee Adani Enterprises Limited- Member, Audit Committee and Share Transfer and Investor Grievance Committee Shree Renuka Sugars Limited-Member, Shareholders Investor Grievance Committee Axis Private Equity Limited-Chairman, Audit Committee Intas Pharmaceuticals Limited-Chairman, Audit Committee	Nil

Explanatory statement pursuant to section 173(2) of the Companies Act, 1956.

For item No 5

Mr. Amit Mittal was re-appointed as Managing Director in the Board Meeting of the Company held on 14th November, 2009 on recommendation of Remuneration Committee and remuneration was approved. Since in terms of Schedule XIII of the Companies Act remuneration cannot be approved for a period more than three years, the Remuneration cum Compensation Committee in its meeting held on 13th August, 2012 has approved and recommended remuneration mentioned above to Mr. Amit Mittal for the remaining period of his tenure i.e. 1st January, 2013 to 31st December, 2014. The board members have approved the same in its adjourned meeting held on 23rd August, 2012 and are hereby recommending for members approval by way of special resolution.

Mr. Amit Mittal, aged about 44 years, is the Managing Director of the Company. Mr. Mittal has been a Director of the Company since February 1, 2004. Mr. Mittal obtained his B. Tech degree in civil engineering from the Indian Institute of Technology, Roorkee in 1988 and has approximately 25 years of experience in project management and execution in the Power, Oil and Infrastructure sectors. Mr. Mittal is responsible for the management of the overall operations of the Company and the Group. He is also the Managing director of A2Z Infrastructure Limited, a direct subsidiary of the Company.

The above mentioned remuneration is within the limit as prescribed under Schedule XIII of the Companies Act, 1956.

The said remuneration of Mr. Amit Mittal as the Managing Director of the Company requires approval of the members by way of Special Resolution. The resolution is accordingly recommended for member's approval.

Mr. Amit Mittal, himself and Ms. Dipali Mittal being wife of Mr. Amit Mittal are interested in the above said resolution. None of the other directors is in any way, concerned or interested in the said resolution.

The Board of Directors of the Company recommends the resolution set out in item No. 5 of the notice for the approval of the shareholders.

For item No 6

Ms. Dipali Mittal, aged about 39 years is an MBA in finance from Indian Institute of Finance, New Delhi. She has varied industry experience and is involved in the accounting, financial and general management of the Company's Finance.

In the meeting of the Board of Directors held on 18th March, 2010, Ms. Dipali Mittal was appointed as Whole time Director of the Company for a Period of 5 (five) years w.e.f. 1st April, 2010 to 31st March, 2015 and her remuneration was approved for the period of 3 (Three) years i.e. from 1st April, 2010 to 31st March, 2013. Since her term as whole time director is up to 31st March,

2015, approval of members is required to approve the remuneration of Ms. Dipali Mittal, Whole Time Director, for remaining tenure of her appointment.

The Remuneration cum Compensation Committee in its meeting held on 13th August, 2012 has approved and recommended the remuneration of Ms. Dipali Mittal as stated above for the remaining tenure of her appointment i.e. 1st April, 2013 to 31st March, 2015. The Board of directors approved and recommended the same for members approval in its adjourned meeting held on 23rd August, 2012.

The above remuneration is within the limit as prescribed under Schedule XIII of the Companies Act, 1956.

The said remuneration of Ms. Dipali Mittal as the Whole Time Director of the Company requires approval of the members by way of Special Resolution. The resolution is accordingly recommended for member's approval.

Ms. Dipali Mittal, herself and Mr. Amit Mittal being Husband of Ms. Dipali Mittal are interested in the above said resolution. None of the other directors is in any way, concerned or interested in the said resolution.

The Board of Directors of the Company recommends the resolution set out in item No. 6 of the notice for the approval of the shareholders.

For Item No. 7

In terms of section 228 of the Companies Act, 1956 where a company has branch office, the accounts of that branch shall be audited either by Company's Statutory Auditor or by another auditor possessing qualifications prescribed under section 226. In case of branch(s) situated outside India, any of the above or an accountant qualified to act as auditor in the country concerned can be appointed as Branch Auditor.

Our Company is presently having a branch office in Kampala, Uganda and is under process of opening another branch office in Zambia for the global expansion of business. In near future to expand the business operations the company may open branches in various other countries as well. Since members approval is required for appointment of branch auditors, Members of the company are hereby requested to authorize board of directors to appoint branch auditors in consultation with the auditors of the company for various branches of the Company opened or to be opened by the Company in India or abroad and to fix their remuneration.

Members are requested to pass the resolution set in item No. 7 of the notice as ordinary resolution.

None of the directors is directly or indirectly interested in the above said resolution.

By order of the Board

Dated : August 23, 2012
Place : Gurgaon

Sd/-
(Atul Kumar Agarwal)
Company Secretary cum
Compliance Officer

Directors' Report

To,
The Members,

Your directors have pleasure in presenting the 11th Annual Report on the affairs of the Company together with the Audited Accounts for the Financial Year ended on 31st March, 2012.

1. FINANCIAL RESULTS & PERFORMANCE:

The Operating and financial results on Standalone and Consolidated basis for the financial year ended 31st March, 2012 are as follows:

(Rs. in Million)

	Standalone		Consolidated	
	2011-12	2010-11	2011-12	2010-11
Particulars	Current Year	Previous Year	Current Year	Previous Year
Revenue from Operations	9,682.31	11,073.44	13,522.98	13,491.29
Add: Other Income	83.55	89.86	105.11	105.61
Total Income	9,765.86	11,163.30	13,628.09	13,596.90
Profit before Interest, Tax & Depreciation	955.08	2,059.28	889.81	2,192.06
Less: Interest	559.75	530.15	745.34	618.28
Profit before Tax & Depreciation	395.33	1,529.13	144.47	1,573.78
Less: Depreciation/Amortisation	69.90	111.84	192.79	194.71
Profit/(Loss) before Tax & Extra Ordinary Items	325.43	1,417.29	(48.32)	1,379.07
Less : Tax Expenses	128.09	476.94	130.62	498.27
Net Profit/(Loss) after Tax but before Extraordinary item	197.34	940.35	(178.94)	880.80
Less: Previous Period Item	-	-	(2.05)	-
Less : Extraordinary Item	-	86.83	-	86.83
Net Profit/(Loss) after Tax & before Minority Interest	197.34	853.52	(176.89)	793.97
Less: Share in Minority Interest	-	-	2.58	22.79
Net Profit/(Loss) after Tax & Minority Interest	197.34	853.52	(179.47)	771.18
Balance brought forward from previous year	2,866.21	2,249.70	2,746.89	2,217.52
Net Profit available for appropriation	3,063.55	3,103.22	2,567.42	2,988.70

Standalone:

- During the year under review, the Company has achieved total income of Rs. 9,765.86 Million as against Rs. 11,163.30 Million in the previous year. The company has made net profit after tax and extraordinary item of Rs. 197.34 Million as against Rs. 853.52 Million in the previous year.
- The Net Worth of the Company has increased to Rs. 11,584.20 Million as at the end of the current year from Rs. 11,386.86 Million as at the end of the previous year.
- The Debt Equity ratio of the Company has gone up to 0.54 as at the end of the current year as compared to 0.29 as at the end of the previous year.

Consolidated:

- The Consolidated total income of the Company for the current financial year is Rs. 13,628.09 Million as against Rs. 13,596.90 Million in the previous year. The Company on consolidated basis has made a Loss after minority interest and extra ordinary items of Rs. 179.47 Million as against Profit of Rs. 771.18 Million in the previous year.
- The consolidated Net Worth of the Company has come down to Rs. 11,086.99 Million as at the end of the current year from Rs. 11,520.98 Million as at the end of previous year.
- The consolidated Debt Equity ratio of the Company has gone up to 1.02 as at the end of the current year compared to 0.41 as at the end of previous year.

2. DIVIDEND

Since the magnitude of the profits of the company is not very high your directors have decided to plough back the profits and not to declare dividend for this financial year.

3. TRANSFER TO RESERVE

Since no dividend is recommended for the current year, no amount is required to be transferred to reserve this year.

4. NATURE OF OPERATIONS

Leveraging our years of experience in providing Facility Management Services (FMS) and Engineering, Procurement and Construction (EPC) services, the Company, is now expanding into being an Infrastructure company that is building businesses with annuity revenue streams in the areas of Clean and Green energy.

In the EPC business, our main area of operation is the Power Distribution segment, though we also provide services in the Power Transmission segment, to Power Generation companies and to other verticals such as Telecommunication. In the Power Distribution segment, we are helping build power lines to bring power to areas which lack electricity. We are also helping to reduce the Technical and Commercial losses.

Additionally, we are now building businesses that include the following: (i) generating power from renewable energy sources such as biomass and fuel derived from household waste (Renewable Energy Generation); (ii) providing municipal solid waste (MSW) management services which involve collection of waste and its scientific processing and disposal like recycling, manufacturing of organic compost and green fuel such as Refused Derived Fuel (RDF) & subsequent disposal of remnants; and (iii) developing information technology (IT) solutions for power utilities (Power IT Solutions).

Through multiyear contracts, the MSW and Renewable Energy Generation businesses should provide stable revenue streams in the years to come.

Our business operations are geographically spread across India and conducted through the Company and its direct and indirect subsidiaries.

5. CAPITAL STRUCTURE

The paid up Share Capital of the company is Rs. 741.78 Million (approximately) divided into 7,41,77,694 Fully Paid-up Equity Shares of Rs. 10 each. There is no change in the paid up share capital during the year.

6. ALTERATION IN MEMORANDUM & ARTICLES OF ASSOCIATION

There was no alteration in the Memorandum and Articles of Association of the Company during the year.

7. BOARD OF DIRECTORS

a) Composition of Board:

The Board comprises of Nine (9) Directors and Two (2) Alternate Directors with a Non- executive Independent Chairman, Two (2) Executive Directors, one of whom is Managing Director, Four (4) Non-executive Non Independent Director and Two (2) Non Executive Independent Directors.

b) Change in Composition of Board:

During the year under review, Mr. Anshuman Goenka, Alternate Director to Mr. Brij Raj Singh vacated the office of director on 25th July, 2011 on the return of Mr. Brij Raj Singh in the state of Haryana where the meetings of board of directors are ordinarily held and Mr. Arjun Balan has been appointed as an Alternate Director to Mr. Brij Raj Singh on 29th day of August, 2011 by the Board of Directors.

c) Retirement by Rotation

In accordance with requirements of the Companies Act, 1956 and Articles of Association of Company, Mr. Surender Kumar Tuteja and Ms. Dipali Mittal, Directors are liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers themselves for re-appointment.

8. PAYMENT OF COMMISSION TO NON EXECUTIVE DIRECTORS

The members of the Company in their meeting held on 7th December, 2010 authorized the Board of Directors of the Company to approve the payment of commission to Directors, being not in the whole-time employment of the Company or not the Managing Director, for three years commencing from Financial Year 2010-11 for an amount not exceeding one percent of the net profits of the Company over and above the sitting fee subject to availability of adequate profits in Company.

As the company is having profits, the Board in its meeting held on 12th May, 2012 has approved payment of commission of Rs. 1,000,000 (One Million) each to Mr. Surender Kumar Tuteja, Mr. Vinod Sagar Wahi, and Mr. Rajeev Thakore, Non Executive / Independent Directors of the Company, in aggregate amounting to Rs. 3 Million within the overall limit of 1% of net profits, for the Financial Year ended 31st March, 2012.