

A **Asit C. Mehta** Group Company

Asit C. Mehta Financial Services Ltd

28th Annual Report
2011-2012

FINANCIAL HIGHLIGHTS

(₹ In Lakh)

| | 2011-12 | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 | 2005-06 | 2004-05 | 2003-04 | 2002-03 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Net worth* | 1,097 | 1,151 | 1,201 | 1,128 | 1,129 | 1,153 | 1,075 | 762 | 611 | 601 |
| Borrowings | 1,216 | 327 | 289 | 240 | 181 | 173 | 63 | 9 | 164 | 269 |
| Net Fixed Assets (including revaluation) | 4,621 | 4,704 | 1,148 | 1,107 | 1,120 | 1,042 | 869 | 488 | 534 | 616 |
| Investments | 1,547 | 605 | 605 | 605 | 306 | 331 | 306 | 311 | 311 | 310 |
| Book value per share -Rs | 22.15 | 23.24 | 24.24 | 22.75 | 22.80 | 23.27 | 21.71 | 22.14 | 17.75 | 17.49 |
| Gross Income | 165 | 89 | 177 | 263 | 482 | 702 | 694 | 290 | 406 | 306 |
| Operating and Other expenses | 226 | 118 | 90 | 228 | 444 | 490 | 424 | 140 | 416 | 417 |
| Profit Before Tax | (61) | (29) | 87 | 35 | 38 | 212 | 270 | 150 | (10) | (111) |
| Profit After Tax | (54) | (50) | 101 | 35 | 31 | 210 | 252 | 150 | 13 | (170) |
| Equity Dividend per share - Rs | - | - | 0.50 | 0.75 | 1.00 | 2.50 | 2.00 | - | - | - |

*excluding revaluation reserve

Green Initiative

The Ministry of Corporate Affairs (MCA) has initiated 'Green Initiative' in Corporate Governance by allowing paperless compliances by companies. In accordance with circulars issued by MCA, companies can send notices, annual reports and other documents to their members by e-mail. Your Company requests its Members, to support the 'Green Initiative' as responsible citizens.

The Company proposes to send future communication (including annual reports) to the Members to their e-mail addresses registered with the Depository Participants (DP) / the Company.

Members, holding shares in demat form, are requested to register / update their e-mail id with their DPs.

Members, holding shares in physical form, are requested to register their e-mail id with the Company by sending an e-mail addressed to 'investorservices@nucleusservices.com' giving their details of shareholding with name, address and folio number.

ASIT C. MEHTA FINANCIAL SERVICES LIMITED

BOARD OF DIRECTORS : **ASIT C. MEHTA** – Chairman
DEENA A. MEHTA
KIRIT H. VORA
VIJAY G. LADHA – (Chairman – Audit Committee)
DR. R. KRISHNAMURTHY
D. SUNDERAJAN

Registered Office : 'Nucleus House', Saki-Vihar Road,
Andheri (East), Mumbai – 400072

Auditors : M/s Manek & Associates
Chartered Accountants

Bankers : Bank of India

Share Transfer Agent : Link Intime India Private Limited
C 13 Pannalal Mills Compound, LBS Marg,
Bhandup W, Mumbai 400 078

| Contents | Page Nos. |
|---|------------------|
| Notice | 2 |
| Directors' Report | 3 - 4 |
| Management Discussion and Analysis Report | 5 |
| Statement pursuant to Section 212 | 6 |
| Report on Corporate Governance | 7 - 12 |
| Auditor's Report | 13 - 15 |
| Balance Sheet | 16 |
| Statement of Profit and Loss | 17 |
| Cash Flow Statement | 18 |
| Significant Accounting Policies and Notes on Accounts | 19 - 28 |
| Consolidated Financial Statements | 29 - 45 |

28th Annual General Meeting
on Wednesday, 26th September, 2012 at the Registered Office of the Company at Nucleus House,
Opp. L & T Gate No 7, Saki-Vihar Road, Andheri (East), Mumbai - 400072

ASIT C. MEHTA FINANCIAL SERVICES LIMITED

ASIT C MEHTA FINANCIAL SERVICES LIMITED

Registered Office: 'Nucleus House', Saki Vihar Road, Andheri (E), Mumbai 400 072

Notice

Notice is hereby given that the TWENTY EIGHT ANNUAL GENERAL MEETING of the Members of Asit C. Mehta Financial Services Limited will be held at the Registered Office of the Company at Nucleus House, Opp. L & T Gate No 7, Saki-Vihar Road, Andheri (East), Mumbai - 400072 at 5.00 p.m. on Wednesday, 26th September, 2012 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt Audited Balance Sheet as at 31st March, 2012 and Statement of Profit and Loss for the year ended on that date and the Report of the Directors' and Auditors thereon.
2. To appoint a Director in place of Mr. D Sunderajan who retires by rotation and being eligible, offers himself for re-election.
3. To appoint a Director in place of Dr. Radhakrishnamurthy who retires by rotation and being eligible, offers himself for re-election.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

REGISTERED OFFICE

Nucleus House,
Saki- Vihar Road, Andheri (East),
Mumbai - 400 072

Mumbai, May 29th, 2012

FOR AND ON BEHALF OF THE BOARD

ASIT C. MEHTA
CHAIRMAN

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing a proxy in order to be effective should be duly filled, stamped, signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. The details under clause 49 of the Listing Agreement with the BSE Ltd, in respect of a Director seeking re-election at the Annual General Meeting are given in the Corporate Governance Report.
3. The Register of Members and Share Transfer Books will remain closed from 20th September, 2012 to 26th September, 2012 (both days inclusive).
4. Section 109A of the Companies Act, 1956 provides for Nomination by the shareholders of the Company in prescribed Form 2B. Shareholders are requested to avail this facility.
5. Since the Company's shares are in compulsory demat trading, to ensure better service and elimination of risk of holding shares in physical form, we request shareholders holding shares in physical form to dematerialize their shares in demat form.
6. Any member(s) seeking further information on the Accounts / Operations of the Company are requested to send their queries in writing to the Company at its Registered Office (and marked to the attention of Company Secretary) at least one week in advance of the Meeting so as to enable the Management to keep the information ready. Replies will be provided only at the meeting.
7. Members / proxies should bring their Attendance slip duly filled in for attending the meeting. Members are also requested to bring their copies of the Company's Annual Report.
8. Members are requested to notify immediately any change in their addresses to the Registered Office.
9. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and had issued circulars stating that the service of notice/documents including Annual Report can be sent by e-mail. Pursuant to these circulars, members are requested to provide their E-Mail IDs to the Company or their Depository participant (for the shares held in demat mode), as the case may be, for serving of documents/correspondences by e-mode.

REGISTERED OFFICE

Nucleus House,
Saki- Vihar Road, Andheri (East),
Mumbai - 400 072

Mumbai, May 29th, 2012

FOR AND ON BEHALF OF THE BOARD

ASIT C. MEHTA
CHAIRMAN

Directors' Report to the Shareholders

Your Directors present the 28th Annual Report together with the audited accounts of the Company for the year ended 31st March, 2012.

1. FINANCIAL RESULTS:

₹ in lacs

| | STANDALONE | | CONSOLIDATED | |
|---|------------|----------|--------------|-----------|
| | 2011 -12 | 2010 -11 | 2011-12 | 2010 - 11 |
| Income from Operations | 157.02 | 61.83 | 319.77 | 318.55 |
| Other Income | 7.56 | 27.81 | 13.02 | 16.88 |
| Total Income | 164.58 | 89.64 | 332.79 | 335.43 |
| Profit before depreciation, interest and tax | 115.89 | 41.98 | 34.61 | (86.41) |
| Less: Depreciation | 21.68 | 25.39 | 47.58 | 67.16 |
| Interest | 155.17 | 45.09 | 183.68 | 70.93 |
| Tax Expense / (Credit) | (7.10) | 21.33 | (8.10) | 14.96 |
| Profit / (Loss) After Tax | (53.85) | (49.83) | (188.54) | (239.46) |
| Profit / (loss) of share in Associate concern | NA | NA | (317.03) | (77.86) |
| Profit after tax and share in Associate concern | NA | NA | (505.57) | (317.32) |
| Add: Balance brought forward | 37.55 | 87.38 | (63.38) | 253.94 |
| Balance available for appropriation | (16.30) | 37.55 | (568.95) | (63.38) |
| Which the Directors have appropriated as: | | | | |
| Adjusted against General Reserve | 16.30 | - | 265.93 | - |
| - Balance to be carried forward | - | 37.55 | (303.02) | (63.38) |

2. DIVIDEND

The Board of Directors does not recommend any dividend.

3. OPERATIONAL REVIEW

On a Standalone basis, the gross earnings rose to Rs 164.58 lacs from Rs 89.64 lacs. During the year the Company raised Rs 1000 lacs as a Term Loan and invested Rs 963 lacs in the debentures of a group / associate concern. The year ended with a loss of Rs 53.85 lacs as compared to Rs 49.83 lacs in the previous year. The overseas wholly-owned subsidiary was voluntarily dissolved resulting in a loss of Rs 2.42 lacs. The Company is exploring the efforts for offering the Office premises on rental basis to banks / insurance Companies / Corporate(s) and had also participated in tenders which were unsuccessful.

On a consolidated basis, the gross revenues were steady at Rs 319 lacs and loss after tax was at Rs 188.54 lacs as against Rs 239.46 lacs in the previous year. Adding the share in loss of the associate concern of Rs 317 lacs (previous year Rs 78 lacs), the overall consolidated loss aggregated to Rs 505.57 lacs as against loss of Rs 317.32 lacs in the previous year. The wholly-owned subsidiary engaged in to ITeS services suffered a loss of Rs 141 lacs mainly on account of poor sales orders and non realization of sums from debtors due to litigation which increased the borrowings thereby increasing the finance costs. Due to difficult market condition, the Associate also sustained a loss which resulted in the share of loss from an associate concern at Rs 317 lacs in the consolidated financials.

4. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors to the best of their knowledge and belief confirm that:

- in preparation of the annual accounts, the applicable accounting standards have been followed by the Company;
- appropriate accounting policies have been selected and applied consistently and such judgments and estimates have been made that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at 31st March, 2012 and of the profit of the Company for the year ended on that date;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- the annual accounts have been prepared on a 'going concern' basis.

5. Fixed Deposits

The Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under.

6. INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956

a) Conservation of energy, Technology absorption and adoption:

The operations of your Company involve low energy consumption. Energy conservation efforts are being pursued on a continuous basis. Close monitoring of power consumption is maintained to minimize wastage and facilitate optimum utilization of energy. The Company has not imported any technology nor incurred any expenditure on research and development of technology.

b) Particulars of employees:

The Company had no employee covered in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

Foreign exchange earnings and outgo: ₹ Nil

8. MANAGEMENT DISCUSSION AND ANALYSIS

The "Management Discussion and Analysis Report" is furnished separately and forms part of this Directors' Report.

9. CORPORATE GOVERNANCE

A report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the BSE Ltd, is annexed hereto and forms part of the Annual Report.

10. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Company's Articles of Association, Prof. D Sunderajan and Dr.. R Krishnamurthy retires by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-election.

The information on the particulars of the Directors seeking re-appointment as required under clause 49 of the Listing Agreement has been given in the Report on Corporate Governance.

11. SUBSIDIARY COMPANIES

In terms of General Circulars Nos 2/2011 and 3/2011 dated 8.2.2011 and 21.2.2011 respectively issued by the Ministry of Corporate Affairs under section 212(8) of the Companies Act, 1956 granting general exemption from attaching financials of the subsidiaries the same are not attached. These financials will be kept open for inspection by any shareholder at the registered office of the Company and will also be placed before the ensuing Annual General Meeting.

The relevant financial data of the subsidiaries have been furnished under 'Details of Subsidiaries' forming part of this Annual Report.

12. CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Accounting Standards 21 and 23 issued by the Institute of Chartered Accountants of India, the consolidated financial statement incorporating the operation of the Company, its subsidiary and associate concern have been attached hereto which forms part of the Annual Report.

13. AUDITORS

The Company's Auditors, Manek & Associates as the Statutory Auditor would retire at the ensuing Annual General Meeting and confirmed their eligibility and willingness to accept the office of the auditors, if reappointed. The Audit Committee and the Board recommends their reappointment.

14. APPRECIATION

The Directors thank the banker and shareholders for their continued support to the Company. The Directors also look forward for the continuing support from the shareholders.

FOR AND ON BEHALF OF THE BOARD

ASIT C. MEHTA
CHAIRMAN

Mumbai, 29th May, 2012

ASIT C. MEHTA FINANCIAL SERVICES LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Business Review:

The Company operates through its wholly-owned Indian subsidiary and a associate concern. The thrust of the business is to hold strategic control / investment in group companies. The Company also earns revenues from letting out of properties to group concerns and income from dividends / interest. As a consequence, the performance of the Company is directly related to the performance of its investment income of the Company consisting of dividends, interest and rent.

The Company's wholly-owned Indian subsidiary - Nucleus GIS And ITES Ltd (NGIL) is engaged into ITes / BPO services. NGIL's performance for the year 2011-12 was unsatisfactory as the Company reported a loss after tax of (₹) 141 lacs.

Financial Performance:

- A) Consolidated Financial Results for the year ended 31st March, 2012 as shown in Table below is of the Company, its wholly-owned two subsidiaries.

Summarized Consolidated financials (₹) in lacs

| Segment Revenue | | | Segment Results Profit / (Loss) after depreciation and interest | | |
|------------------------|---------|---------|--|----------|----------|
| | 2010-11 | 2011-12 | | 2010-11 | 2011-12 |
| ITeS | 287.56 | 178.24 | ITeS | (153.41) | (138.11) |
| Investments Activities | 30.98 | 141.54 | Investments Activities | (71.59) | (58.53) |
| Unallocable | 16.88 | 13.02 | Unallocable | 0.49 | - |

- B) Standalone Financial Results:

The following table gives an overview of the Standalone financials of the Company

(Unconsolidated):

(₹) in lacs

| Particulars | 2010 -11 | 2011 - 12 |
|--------------------------|----------|-----------|
| Revenues from Operations | 61.83 | 157.00 |
| Other Income | 27.81 | 7.57 |
| Total revenue | 89.64 | 164.57 |
| Total Expenditure | 118.14 | 225.53 |
| Profit before Tax | (28.50) | (60.96) |
| Profit after tax | (49.82) | (53.85) |

The Share Capital remained unchanged. There were no additions to Fixed Assets. During the year the new investments made were of Rs 963 lacs and investment realized was Rs 19.70 lacs. Fresh borrowings made were of Rs 1000 lacs.

Opportunities, Threats, risks and concerns

The Company's income is mainly from investments made in the group companies which comprise dividends and debenture interest. Any adverse impact on the industries of which the securities are held by the Company, will have a direct bearing on the investment income. Also, slowdown in the growth of Indian economy and /or volatility in the financial market could adversely affect the performance. The Company also earns rental income from letting properties to its group companies. Risk persists for non occupation of these premises. The Company will explore the opportunity to offer the premises to others.

The performance of its wholly-owned subsidiary - Nucleus GIS And ITES Ltd (NGIL) which is engaged into ITes Services would depend on the growth of ITes industry. The WOS operates in BFSI vertical (mainly insurance) which represents a mature and large BPO market opportunity.

The market for BPO services continues to remain competitive. The Company believes that the overall market size is very large and it has competitive position due to deep domain expertise in insurance and banking vertical coupled with list of satisfied customers and good track record.

The outlook of the Associate would largely depend on the volatility of the Stock Markets, which has direct correlation with the prospect of economic growth and political stability. The Associate extensively operates in the Capital Market which is subject to extensive regulation. Besides, it has witnessed intense competition, fall in the brokerage rates and entry of certain big players. The volatility in FII flows would remain the key catalyst for the trend in the Capital market.

Internal Control systems and their adequacy

The Company continues to have in place adequate and proper systems of internal control commensurate with the nature and size of its operations. The Company also continues to avail the services of external firm for conducting internal audits at periodic intervals. The Audit Committee meets at regular intervals and reviews inter alia the internal checks and their accuracy.

Human Resources

The relations with the employees (including that of its subsidiary) remained cordial.

ASIT C. MEHTA FINANCIAL SERVICES LIMITED
STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO SUBSIDIARY COMPANY

| | | |
|---|--|---|
| 1 | Name of the Company | Nucleus GIS And ITES Limited |
| 2 | Financial Year of the Subsidiary Company | 31st March, 2012 |
| 3 | (a) Number of Shares held in the Subsidiary Company | 30,00,000 fully paid equity shares of Rs. 10/- each |
| | (b) Percentage of the shareholding in a Subsidiary Company | 100% |
| 4 | Total Issued Share Capital of the Subsidiary Company. | ₹ 3,00,00,000 |
| 5 | Net Aggregate amount of subsidiary's Profit / (Loss) not dealt within the Holding company's accounts | |
| | (a) For the year ended 31st March, 2012 | ₹ (1,39,94,788) |
| | (b) For the previous financial years since they became Company's Subsidiary. | ₹ (2,31,36,921) |
| 6 | The net aggregate amounts of Profits / (Losses) of the Subsidiaries which have been dealt with in the accounts of the Holding Company: | |
| | (a) For the year ended 31st March, 2011 | Nil |
| | (b) For the previous financial years since they became Company's Subsidiary. | Nil |

For and on behalf of the Board

Mumbai,
Dated : 29th May, 2012

Asit C Mehta
Chairman

Kirit H. Vora
Director

Tushar Kapadia
Company Secretary

DETAILS OF SUBSIDIARY

(₹ in lakhs)

Summary of financial performance of the subsidiary for the year ended 31st March, 2012

| Subsidiary | Nucleus GIS And ITES Ltd |
|---|--------------------------|
| Particulars | |
| Capital | 300.00 |
| Reserves (Debit Balance of Profit and Loss A/c) | 371.32 |
| Total Assets | 306.53 |
| Total Liabilities | 306.53 |
| Investments | |
| Total Income / Turnover | 180.79 |
| Profit / (Loss) before tax | (140.94) |
| Tax charge / (credit) | (0.99) |
| Profit / (Loss) after tax | (139.95) |
| Proposed dividend | Nil |

ASIT C. MEHTA FINANCIAL SERVICES LIMITED
CORPORATE GOVERNANCE REPORT

As per Clause 49 of the Listing Agreement entered into with Stock Exchanges, the Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2012.

I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The Company is committed to observance of good corporate governance practices in the business dealings encompassing its stakeholders. The Company endeavors to ensure higher degree of transparency, control, accountability and responsibility in all areas of operations. The Company believes that good corporate governance practices enable the management to direct and control the affairs of the Company in an efficient manner and to achieve its ultimate goal of maximizing value for all its stakeholders.

II. BOARD OF DIRECTORS:

A. Composition of Board

The composition of the Board of Directors of the Company is governed by the provisions of the Companies Act, 1956, the Articles of Association of the Company and Clause 49 of the Listing Agreement with The Bombay Stock Exchange Ltd. As at 31st March, 2012, the strength of the Board of Directors was six non-executive members including promoter group / independent directors. The composition of the Board is compliant with the requirements of clause 49(I)(A) - i.e., more than 50% of the directors are non-executive and more than 33% of the directors are independent directors.

The table below gives the composition of your Board and the number of outside directorships held and number of memberships/chairmanships of Board Committees of other Companies held by each of the Directors.

| Name & Designation | Category | No. of Board Meetings held | No. of Board Meetings attended | No. of Directorships in other companies | No. of Committee positions held in Other companies 9.9.2011 | | Attendance at the AGM held on |
|--------------------------------|--|----------------------------|--------------------------------|---|---|----------|-------------------------------|
| | | | | | Member | Chairman | |
| Mr. Asit C. Mehta, Chairman | Promoter and Non-Executive Director | 5 | 5 | 7 | 1 | Nil | Yes |
| Mrs. Deena A. Mehta, Director | Promoter and Non-Executive Director | 5 | 5 | 9 | 2 | Nil | Yes |
| Mr. Kirit H. Vora, Director | Non-Executive and non independent Director | 5 | 4 | 9 | 1 | Nil | Yes |
| Mr. Vijay Ladha, Director | Independent and Non-Executive Director | 5 | 4 | 1 | Nil | Nil | No |
| Dr. R. Krishnamurthy, Director | Independent and Non-Executive Director | 5 | 3 | 1 | Nil | Nil | No |
| Dr. D Sunderajan | Independent and Non-Executive Director | 5 | 4 | 1 | Nil | Nil | No |

None of the directors of your company hold directorship in more than 15 public companies or is a member of more than 10 committees or is the Chairman of more than 5 committees across all the companies in which they are directors.

Necessary information as required by Annexure 1A to Clause 49 of the Listing agreement is placed before the Board.

B. Meetings of the Board:

During the financial year ended 31st March, 2012, five meetings of the Board were held i.e. 21st May, 2011, 30th May, 2011, 10th August, 2011, 14th November, 2011, and 14th February, 2012.

The information required under Annexure - 1 to clause 49 of the listing agreement was placed before the Board with current status update. Agenda was sent in advance to the Board members. To enable the Board discharge its responsibilities effectively, the Chairman briefs the Board at each meeting on the overall performance of the Company.

C. Directors seeking re-appointment :

Dr. R. Krishnamurthy and Mr. D Sunderajan retire by rotation and being eligible offer themselves for reappointment. Brief resumes of these directors are given below:

ASIT C. MEHTA FINANCIAL SERVICES LIMITED

| | | |
|---|--|--|
| Particulars | Dr. R Krishnamurthy | Mr. D. Sunderajan |
| Age (in years) | 60 | 73 |
| Date of appointment | 31st January, 2006 | 19th April, 2006 |
| Qualification | LLB; Ph.D | B. Tech; M E |
| Expertise in specific functional area | Industrial Relations and Human Resource Management | Electronic Applications and Corporate Management |
| Directorships held in other Public Companies | NIL | Nucleus GIS And ITES Ltd |
| Memberships of Committees of Other Public companies | NIL | NIL |
| No. of shares held in the company | 1000 | NIL |

D. Code of Conduct:

All the Directors and senior management personnel have affirmed compliance with the Code of Conduct/Ethics as approved and adopted by the Board of Directors and a declaration to that effect signed by the Chairman is attached and forms part of this report.

E. CEO / CFO Certification:

The CEO/CFO certification for the year ended 31st March, 2012 has been annexed at the end of this report.

III. AUDIT COMMITTEE:

The Audit Committee of the Board of Directors has been constituted in line with the provisions of Section 292A of the Companies Act, 1956, read with Clause 49 of the Listing Agreement. The Committee meets at least four times a year and the maximum gap between two meetings is not more than four months.

A. Composition of the Audit Committee:

The composition of the Audit Committee as on 31st March, 2012 is as follows:

| Name | Designation | Category |
|--------------------|-------------|--------------------------------------|
| Mr. Vijay Ladha | Chairman | Non-Executive & Independent Director |
| Mr. Kirit H Vora | Member | Non-Executive Director |
| Dr R Krishnamurthy | Member | Non-Executive & Independent Director |

B. Meetings of the Audit Committee:

During the financial year ended 31st March, 2012 four Audit Committee meetings were held on 30th May, 2011, 10th August, 2011, 14th November, 2011, and 14th February, 2012. The details of the number of meetings attended by its members are given below:

| Members of the Audit Committee | No. of meetings held | No. of meetings attended |
|--------------------------------|----------------------|--------------------------|
| Mr. Vijay G. Ladha | 4 | 3 |
| Dr R Krishnamurthy | 4 | 2 |
| Mr. Kirit H Vora | 4 | 3 |

Besides the above meetings, another meeting of the Audit Committee was held on 29th May, 2012 at which the Audited Accounts for the year ended 31st March, 2012, were placed for review.

The Chairman and the Internal Auditor are permanent invitees to the Audit Committee meetings. The Statutory Auditors are also invited to attend the meetings. The Company Secretary acts as a Secretary of the Audit Committee.

C. Role of the Audit Committee:

The Audit committee is responsible for overseeing the Company's financial reporting process, reviewing with the management, the financial statements and adequacy of internal audit function and to discuss significant internal audit findings. The Committee also, inter alia, covers the matters mentioned under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, besides other terms as may be referred to by the Board of Directors.

D. Subsidiary Companies:

The Company had two wholly-owned subsidiaries, the details of which are as follows:

| Sr. No. | Name of the subsidiary | Status |
|---------|------------------------------|--------------------------------------|
| 1 | Nucleus GIS Inc. | Overseas Subsidiary |
| 2 | Nucleus GIS And ITES Limited | Non-listed Indian subsidiary Company |

The Audit Committee reviewed the financial statements of these subsidiaries. (Nucleus GIS Inc was dissolved during the year)