

REPORT ON CORPORATE GOVERNANCE

1. Company Philosophy on Corporate Governance

The Company's philosophy on Corporate Governance envisages the attainment of the high level of transparency and accountability in the functioning of the Company and the conduct of its business internally and externally including its interaction with employees, Shareholders, customers, institutions and other lenders and places due emphasis on regulatory compliance.

2. Board of Directors

i) Composition of the Board

The present strength of the Board is Five Directors and Four of them are Non- Executive Directors. The composition of the Board is in conformity with Clause 49 of Listing Agreement. The Board is headed by Mr. Nitin Kumar Didwania, Non- Executive Chairman.

(ii) Board Meeting and Attendance:

The Board of Directors met five times during the year on 30-5-2011, 12-8-2011, 15-9-2011, 11-11-2011 and 14-2-2012.

Attendance of each Director at the Board Meetings and the last Annual General Meeting and number of other Directorships and Chairmanship / Memberships of Committees of each Director was as follows:

Name of Director	No. of Board Meetings attended	Attendance at Last AGM	Outside Company Directorships	Outside Committee position held as Member / Chairman	Executive / Non Executive/ Independent
Mr. Nitin Kumar Didwania	5	Absent	8 *	NIL	Non- Executive (Promoter Group)
Ms. Alpa Parekh	5	Present	NIL	NIL	Non- Executive (Non-Promoter Group)
Mr. Saurabh Sanghvi	5	Present	NIL	NIL	Executive Director w.e.f 1-11-2011
Mr. Ratan Moondra	3	Present	NIL	NIL	Non- Executive & Independent
Mr. S. S. Parkar	2	Absent	1 *	NIL	Non- Executive & Independent

* Directorships in Private Companies excluded.

As required by the Companies Act, 1956 and Clause 49 of the Listing Agreement, none of the Directors hold Directorships in more than 15 Public Companies or memberships of Board Committees (Audit / Shareholders Grievance Committees) and Chairmanship of more than 5 Board Committees.

BOARD COMMITTEES**3. Audit Committee****i) Committee Composition**

Audit Committee comprises of three Directors viz. Mr. Ratan Moondra, Mr. Saurabh Sanghvi and Ms. Alpa Parekh (Mr. Nitin Kumar Didwania ceased to be a member of the Audit Committee w.e.f 14-2-2012). All the members of the Audit Committee have accounting and financial management expertise. Mr. Ratan Moondra, Chartered Accountant, is the Chairman of the Audit Committee. All the members of the Committee are Non-Executive Directors except Mr. Saurabh Sanghvi and two thirds of them are Independent Directors.

ii) Meeting and Attendance

The Audit Committee has been constituted pursuant to the applicability of Clause 49 of the Listing Agreement on 29th June, 2010 and the Audit Committee meetings were held on 30-5-2011, 12-8-2011, 11-11-2011 and 14-2-2012. The attendance at Audit Committee meetings is as under:

Name of Member	No. of Audit Committee Meetings attended
Mr. Ratan Moondra	3
Mr. Nitin Kumar Didwania*	3
Mr. Saurabh Sanghvi	4
Ms. Alpa Parekh**	1

*ceased w.e.f 14-2-2012

** appointed w.e.f 14-2-2012 and has attended one meeting of the audit committee

The Company Secretary acts as the Secretary to the Audit Committee.

iii) Terms of Reference

The terms of reference of the Audit Committee are in accordance with Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. The functions of the Audit Committee include the following:

- a. Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the Statutory auditor and fixation of the audit fee.
- c. Approval of payment to Statutory auditors for any other services rendered by the Statutory auditors.

- d. Reviewing with the Management, the Annual financial statements before submission to the Board for approval, with particular reference to:
 - i) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of Clause (2AA) of section 217 of the Companies Act, 1956;
 - ii) Any changes in accounting policies and practices and the reasons for the same;
 - iii) Major accounting entries involving estimates based on the exercise of judgments by the management;
 - iv) Significant adjustments made in the financial statements arising out of audit findings;
 - v) Compliance with Accounting Standards;
 - vi) Compliance with Stock Exchange and other Legal requirements concerning the financial statements;
 - vii) disclosure of related party transactions.
- e. Also reviewing with the management, the quarterly and half yearly financial statements before submission to the Board for approval.
- f. Reviewing with the Management adequacy of the internal control systems.
- g. Reviewing with the Internal auditors any significant findings and follow-up thereon.
- h. Reviewing of area of operation of internal audit team and their performance.
- i. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- j. Reviewing with the Management performance of the Statutory Auditors and Internal Auditors.
- k. Reviewing the Management Discussion and Analysis of financial condition and results of operations.
- l. approval of appointment of Chief Financial Officer (CFO).
- m. Carrying out any other function as mentioned in the terms of reference of the Audit Committee.

4. Shareholders' / Investors' Grievance Committee

- (i) Investors' Grievances Committee comprises of Mr. Nitin Kumar Didwania, a Non-Executive Director, as Chairman, Mr. Saurabh Sanghvi (ceased as Chairman w.e.f. 1-11-2011) and Mr. Ratan Moondra, as the other members of the Committee.

The Shareholders' / Investors' Grievance Committee deals with various matters relating to:

- transfer / transmission of shares.
- issue of duplicate share certificates
- redressal of shareholders and Investors' grievances.
- Non- receipt of Annual Report
- all other matters related to shares.

(ii) Mr. Hanoz Chinoy, Company Secretary is designated as Compliance Officer of the Company.

(iii) The Company has received three complaints during the year ended on 31st March, 2012 and the same were duly redressed.

5. General Body Meetings

The date, time and venue of the last 3 Annual General Meetings of the Company is given below:

Financial Year ended	Date	Time	Venue	Details of Special business
31 st March, 2009	25-9-2009	12.00 Noon	701 Embassy Centre, Nariman Point, Mumbai- 400 021.	---
31 st March, 2010	25-9-2010	3.45 p.m.	Kilachand Conference Room, Indian Merchants' Chamber, IMC Building, IMC Marg, Churchgate, Mumbai- 400 020.	1. Appointment of Mr. Ratan Moondra as Director. 2. Appointment of Justice S. S. Parkar (Retd.) as Director.
31 st March, 2011	23-9-2011	3.00 p.m.	Sunflower II, Centre 1, 30th floor, World Trade Centre, Cuffe Parade, Mumbai- 400 005	---

Special business passed through Postal Ballot during the financial year ended 31st March, 2012:

- Appointment of Mr. Saurabh Sanghvi as Whole Time Director (WTD) of the Company w.e.f 1-11-2011.

6. Disclosures

- i) There were no transactions of material significance entered into by the Company with its Promoters, Directors or their relatives, the Management during the year that had potential conflict with interest of the Company, at large.
- ii) There was no default in compliance on any matter related to capital markets. Consequently, during the last three years neither any penalties were imposed nor strictures passed on the Company by Stock Exchanges, Securities and Exchange Board of India (SEBI) or any statutory authority.
- iii) **Board Disclosures on Risk Management:** The Board is kept informed about the risk management being followed by the Company from time to time. All the risks such as fire, marine, etc. have been adequately insured.
- iv) Mr. Nitin Kumar Didwania, Non-Executive Director holds 92,50,000 equity shares of Re. 1/- each.

7. **Means of Communication:** Quarterly, Half yearly and Annual Financial Results of the Company are sent to the Stock Exchange immediately after they have been approved by the Board. These results are published in the newspapers viz. "The Free Press Journal" and "Navshakti"

8. Additional Shareholders Information

Annual General Meeting

Date: 27th September, 2012

Day: Thursday

Time: 3.30 pm

Venue: Half Centrum, Centre 1, 1st Floor, World Trade Centre, Cuffe Parade, Mumbai- 400 005.

Financial Calendar (Tentative)

Financial year: 1st April, 2012 to 31st March, 2013

Results for the Quarter ending

- | | |
|---|---|
| - June 30, 2012 | : Second week of August, 2012 |
| - September 30, 2012 | : Second week of November, 2012 |
| - December 31, 2012 | : Second week of February, 2013 |
| - March 31, 2013 or Audited Results for the year ended 31 st March, 2013 | : Second week of May, 2013 or Audited Results by 30 th May, 2013 |
| - Annual General Meeting | : August / September, 2013 |

Book Closure

The dates of book closure are from 24th September, 2012 to 27th September, 2012 both days inclusive.

Listing and ISIN

The Company's ISIN is INE379J01029 and the shares of the Company are listed and traded on Bombay Stock Exchange Limited (BSE) under the scrip code 512 229 and the name of the scrip is VERITAS.

The Annual Lising fees for the Financial year 2012 -2013 have been paid to BSE. The Company has paid custodial fees for the year 2012-2013 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited on the basis of number of folios of shareholders for their shares held in the electronic form.

9. Stock Market Data: Monthly High, Low price during each month and volume of Company's shares during the financial year 2011- 2012 on BSE

Month	Share Prices		Volume	
	High (Rs.)	Low (Rs.)	No. of shares	No. of Trades
Apr-11	273.35	215.65	1488	86
May-11	220.00	186.85	450	42
Jun-11	186.00	164.60	186	22
Jul-11	167.90	148.35	260	29
Aug-11	180.65	153.00	692	39
Sep-11	269.00	184.25	555	61
Oct-11	274.35	211.35	439	52
Nov-11	207.15	170.20	191	31
Dec-11	168.00	144.10	217	18
Jan-12	142.00	123.00	143	28
Feb-12	158.90	123.00	80	28
Mar-12	230.40	162.05	572	96

10. a) Distribution of Shareholding as on 31st March, 2012

Shareholding (in terms of nominal value)		Shareholders		Share Amount	
From	To	Number	% of Total	Rupees	% of Total
1	5000	368	92.000	112930.00	0.466
5001	10000	7	1.750	70000.00	0.289
10001	20000	2	0.500	35000.00	0.145
20001	30000	1	0.250	30000.00	0.124
30001	40000	4	1.000	153600.00	0.634
40001	50000	3	0.750	141000.00	0.582
50001	100000	2	0.500	125000.00	0.516
100001	And above	13	3.250	23542470.00	97.244
Total		400	100.000	24210000.00	100.000

b) Distribution of Shareholding according to category of shareholders as on 31st March, 2012

Categories	No. of shares	Amount (in Rs.)	% to Total
Promoters	1,62,13,100	1,62,13,100	66.97
Directors (Independent)	NIL	N.A	N.A
Financial Institutions/ Banks	NIL	N.A	N.A
Mutual Funds / UTI	NIL	N.A	N.A
NRIs / OCBs / Foreign Corporate Bodies	40,00,280	40,00,280	16.52
Other Body Corporates	14,76,621	14,76,621	6.10
Indian Public	25,19,999	25,19,999	10.41
Total	2,42,10,000	2,42,10,000	100

11. Dematerialization of Shares:

As on 31st March, 2012 1,74,29,330 Equity Shares representing 72 % of the total equity capital of the Company were held in dematerialized form.

12. Address for Correspondence:

Registered Office: 701 Embassy Centre,
Nariman Point,
Mumbai- 400 021.

Compliance Officer: Mr. Hanoz Chinoy is the Compliance Officer.

E-mail ID: corp@veritasindia.net

Shareholders may contact the Company's Registrar and Share Transfer Agents at the following address:

Universal Capital Securities Private Limited
(Formerly known as "Mondkar Computers Private Limited")

Corporate Off: 21, Shakil Niwas,
Opp. Satya Saibaba Temple,
Mahakali Caves Road,
Andheri (E),
Mumbai- 400 093.

Tel Nos. 022- 28207203 / 5 Tele fax. 022- 28207207
Email: ravi@unisec.in

13. Declaration by Board Members and Senior Management to the Compliance of Code of Conduct in pursuance of Clause 49 (D) (ii) of the Listing Agreement

It is hereby declared that all the Board Members and Senior Management personnel of the Company have affirmed to the Board of Directors, their compliance with the Code of Conduct of the Company pursuant to Clause 49 (D) (ii) of the Listing Agreement. The Company has obtained a Certificate from Mr. Girish Zaveri, Chief Financial Officer (CFO) of the Company stating therein that the Company has complied with all the requirements as stipulated in Clause 49 V of the Listing Agreement executed with the Stock Exchange.

For and on Behalf of the Board of Directors

Sd/-

PLACE: Mumbai

DATE: 27th August, 2012

(Nitin Kumar Didwania)
CHAIRMAN