

Corporate Governance

Corporate Governance is a set of standards which aims to improve the Company's image, efficiency and effectiveness. It is the road map, which guides and directs the Board of Directors of the Company to govern the affairs of the Company in a manner most beneficial to all the Shareholders, the Creditors, the Government and the Society at large.

The status of implementation of Clause 49 of the Listing Agreement with the Stock Exchanges on Corporate Governance in the Company is as under: -

1. HFCL Philosophy on Corporate Governance

The cardinal principles of the Corporate Philosophy of HFCL on Corporate Governance can be summarised in the following words:

**“Transparency, professionalism and
Accountability
With an
Ultimate aim of value creation”**

HFCL Corporate Philosophy envisages complete transparency and adequate disclosures with an ultimate aim of value creation for all players i.e. the Stakeholders, the Creditors, the Government and the Employees.

2. Board of Directors

During the year 2009-2010, the Company has got a broad based Board of Directors with one Promoter Managing Director, three Non-Executive Independent Directors (one Non-Executive Chairman, one Nominee Director of IDBI, one Non-Executive Independent Director), one Non-Executive Director and two Wholtime Directors including one Director (Finance) and one Director (Operations). During the year under review, Shri Y S Choudhary who was appointed as Director (Operations) w.e.f. 31st January, 2009 has resigned from the Board and ceases to be a Director of the Company w.e.f. 30th May, 2009.

The members on the Board possess adequate experience, expertise and skills necessary to manage the affairs of the Company in the most efficient manner.

During the financial year ended 30th September, 2010, 15 Board Meetings were held on 30.05.2009, 30.06.2009, 31.07.2009, 31.08.2009, 12.09.2009, 31.10.2009, 27.11.2009, 27.01.2010, 16.02.2010, 26.03.2010, 30.03.2010, 14.05.2010, 06.08.2010, 14.08.2010 and 21.09.2010.

The last Annual General Meeting was held on 30th September, 2009.

The composition of the Board, attendance of Directors at the Board Meetings held during the year under review as well as in the last Annual General Meeting and the number of the other Directorships/Committee positions presently held by them are as under: -

Name	Category	No. of other present Directorships held	No. of Board Meetings		Attended last AGM (30/09/2009)
			Held	Attended	
Shri M P Shukla	NEID	2	15	14	YES
Shri Mahendra Nahata	PD [MD]	2	15	12	NO
Shri Arvind Kharabanda	WD	-	15	15	NO
Shri Y S Choudhary (ceased to be a Director w.e.f. 30.05.2009)	WD	1	0	0	N.A.
Dr. R M Kastia	NED	1	15	12	NO
Shri Y L Agarwal	NEID	3	15	13	YES
Shri R K Bansal, (IDBI Nominee)	NEID	6	15	13	NO

[PD - Promoter Director, NEID - Non-Executive Independent Director, NED-Non Executive Director, MD - Managing Director, WD - Wholtime Director]

Present Directorship in other Companies/Committee Position (including Himachal Futuristic Communications Ltd.)

S.No	Name of Director	Directorships (Name of Companies)*	Committee Position		
			Name of the Company	Committee	Position
1.	Shri M P Shukla	1. HFCL Satellite Communications Ltd. 2. HTL Ltd.	Himachal Futuristic Communications Ltd.	Remuneration	Chairman
			Himachal Futuristic Communications Ltd.	Audit	Chairman
			Himachal Futuristic Communications Ltd.	Share Transfer & Investors Grievance	Chairman
			HFCL Satellite Communications Ltd.	Audit	Member
			HTL Ltd.	Audit	Member
			HTL Ltd.	Remuneration	Member
2.	Shri Mahendra Nahata	1. HTL Ltd. 2. Infotel Broadband Services Ltd.	Infotel Broadband Services Ltd.	Audit	Member
3.	Shri Arvind Kharabanda	Nil	Himachal Futuristic Communications Ltd.	Share Transfer & Investors Grievance	Member
			Himachal Futuristic Communications Ltd.	Audit	Member
4.	Shri Y S Choudhary (ceased to be a Director w.e.f. 30.05.2009)	1. Poly Medicare Ltd.	Poly Medicare Ltd.	Remuneration	Member
			Poly Medicare Ltd.	Audit	Member
5.	Dr. R M Kastia	1. HTL Ltd.	Himachal Futuristic Communications Ltd.	Share Transfer & Investors Grievance	Member
			HTL Ltd.	Audit	Member
6.	Shri Y L Agarwal	1. Electronics Systems Punjab Ltd. 2. HFCL Kongsung Telecom Ltd. 3. HTL Ltd.	Himachal Futuristic Communications Ltd.	Remuneration	Member
			Himachal Futuristic Communications Ltd.	Audit	Member
7.	Shri R K Bansal	1. National Securities Depository Ltd. 2. IDBI Fortis Life Insurance Co. Ltd. 3. IDBI Gilts Ltd. 4. IDBI Asset Management Ltd. 5. IDBI Home Finance Ltd. 6. J K Lakshmi Cements Ltd.	Himachal Futuristic Communications Ltd.	Remuneration	Member
			Himachal Futuristic Communications Ltd.	Audit	Member
			IDBI Fortis Life Insurance Co. Ltd.	Audit	Member
			IDBI Gilts Ltd.	Audit	Member

* The directorship held by Directors as mentioned above does not include directorship of foreign companies, Section 25 companies and private limited companies, if any.

None of the Directors on the Board hold directorships in more than fifteen public companies and memberships in more than ten Committees and they do not act as Chairman of more than five Committees across all companies in which they are directors.

2.1 Information Placed before the Board

In addition to the matters which statutorily require Board's approval, the following matters as required under code on Corporate Governance are also regularly placed before the Board :-

- Minutes of Audit Committee Meetings, Remuneration Committee Meetings and Share Transfer & Investors Grievance Committee Meetings.
- Matters related to accident, dangerous

- happenings, material effluent and pollution problems etc., if any.
- Details of Joint Ventures / Collaboration agreements.
- Labour Relations.
- Disclosure of material related party transactions, if any, with potential for conflict of interest.
- Quarterly details of Foreign Exchange exposures and risk management strategies.
- Compliance with Regulatory and Statutory requirements including listing requirements and shareholders services.
- Details of show cause, demand, prosecution and penalty notices which are materially important.
- Any material default, in financial obligations to and by the Company or substantial non-payment of goods sold by the Company.
- Details of public or product liability, claims of substantial nature including any adverse judgments.
- Transactions involving substantial payments towards goodwill, brand equity or intellectual property.
- Sale of material nature of investments, subsidiaries and assets which are outside the normal course of business.
- Board minutes of the unlisted subsidiary companies.

3. Committees of the Board

In terms of the SEBI code on the Corporate Governance the Board of the Company has constituted the following Committees: -

- Audit Committee
- Remuneration Committee
- Share Transfer & Investors Grievance Committee

3.1 Audit Committee

The followings are the members and their attendance at the Committee Meetings during the year 2009-10:-

Name of Director	Status	No. of Meetings	
		Held	Attended
Shri M P Shukla	Chairman	8	8
Shri R K Bansal	Member	8	8
Shri Y L Agarwal	Member	8	8
Shri Arvind Kharabanda	Member	8	8

During the period 01.04.2009 to 30.09.2010, the Audit Committee met eight times on 30.05.2009, 30.06.2009, 31.07.2009, 31.08.2009, 31.10.2009, 27.01.2010, 14.05.2010 and 14.08.2010.

The broad terms of references of Audit Committee are as under: -

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending the appointment/re-appointment of external and internal auditors, tax auditors, fixation of statutory audit fees, internal audit fees and tax audit fees and also approval for payment of any other services.
- Review with management, the annual financial statements before submission to the Board.
- Review quarterly un-audited/audited financial results / quarterly review report.
- Review with management, performance of external and internal auditors, adequacy of internal control system.
- To do any internal investigations either departmentally or with the help of internal auditors or any other outside agency into matters where there is suspected fraud or irregularities.
- Discussions with external auditors before the audit commences about nature and scope of audit as well as have post audit discussions to ascertain any area of concern.

- Review the Company's financial and risk management policies.
- To look into the reasons for substantial defaults in the payment to the depositors, debentureholders, shareholders and creditors.
- Review of the use/application of money raised through Public/Rights/Preference Issue.
- Shri Mahendra Pratap Shukla, Non-Executive Independent Director is the Chairman of the Committee. The Company Secretary acts as Secretary to the Committee.

3.2 Remuneration Committee

During the year under review, the Remuneration Committee met on 31.08.2009. Attendance of

the members in the Remuneration Committee Meeting are as under:-

Name of Director	Status	No. of Meetings	
		Held	Attended
Shri M P Shukla	Chairman	1	1
Shri Y L Agarwal	Member	1	1
Shri R K Bansal	Member	1	1

This Committee is responsible for determining the Company's policy on specific remuneration package for Executive Directors including any compensation payment.

The details of remuneration and perquisites paid to the Executive and Non-Executive Directors during the year 2009-10 are given below:-

Name of Director	Salary	Allowances	Perks	Sitting Fee	Total
Rs.					
Category A - Executive Directors					
Shri Mahendra Nahata Managing Director	48,38,400	11,02,500	8,24,716	-	67,65,616
Shri Arvind Kharabanda Director (Finance)	31,36,000	16,80,000	5,59,307	-	53,75,307
Category B - Nominee Director (Independent Director)					
Shri R K Bansal Director	-	-	-	1,15,000	1,15,000
Category C - Non-Executive Independent Directors					
Shri M P Shukla Chairman	-	-	-	1,55,000	1,55,000
Shri Y L Agarwal Director	-	-	-	1,10,000	1,10,000
Dr. R M Kastia Director	-	-	-	1,00,000	1,00,000

The non-executive directors are paid sitting fee of Rs.5000/- for every Board / Committee meeting attended by them.

The remuneration paid to Shri Mahendra Nahata, Managing Director of the Company as shown under item no. 3.2 of Report on Corporate Governance was subject to approval from the Central Government. The Company has already received approval from the Central Government for the re-appointment and payment of remuneration to Shri Mahendra Nahata, Managing Director for the period 1st October, 2006 to 30th September, 2009. Since the Company has received the approval of Central Government for a lesser amount than the actual remuneration paid to Managing Director for the period, i.e. from 1st April, 2009

to 30th September, 2009 Rs. 17,83,797/- has been charged to Profit & Loss Account and excess remuneration of Rs. 4,40,714/- continue to be shown as recoverable. The Company has already filed necessary application for re-appointment and payment of remuneration to Shri Mahendra Nahata, Managing Director for the period 1st October, 2009 to 30th September, 2012. The remuneration of Rs. 45,41,105/- paid to Shri Mahendra Nahata from 1st October, 2009 to 30th September, 2010 is subject to approval from Central Government. However amount paid to him towards remuneration has not been charged to Profit & Loss Account for the period

1st October, 2009 to 30th September, 2010 which shall be done after receipt of approval from the Central Government.

The remuneration paid to Shri Arvind Kharabanda, Director (Finance) of the Company as shown under item no. 3.2 of Report on Corporate Governance was subject to approval from the Central Government. The Company has already received approval from the Central Government for the re-appointment and payment of remuneration to Shri Arvind Kharabanda, Director (Finance) for the period 1st June, 2007 to 31st May, 2010. Since the Company has received the approval of Central Government for a lesser amount than the actual remuneration paid to Director (Finance) for the period i.e. 1st April, 2009 to 31st May, 2010, Rs. 30,50,833/- has been charged to Profit & Loss Account and excess remuneration of Rs. 23,24,474/- continue to be shown as recoverable. The Company has already filed necessary application for re-appointment and payment of remuneration to Shri Arvind Kharabanda, Director (Finance) for the period 1st June, 2010 to 31st May, 2012. The remuneration of Rs.16,51,200/- paid to Shri Arvind Kharabanda from 1st June, 2010 to 30th September, 2010 is subject to approval from Central Government. However amount paid to him towards remuneration has not been charged to Profit and Loss Account, which shall be done after receipt of approval from the Central Government.

3.3 Details of pecuniary relationship/transactions of the Non- Wholetime Directors / their Firms & Companies vis-a-vis the Company during the year 2009-2010

Nil

3.4 Share Transfer & Investors Grievance Committee

The Committee consists of one Non-Executive Independent Director, one Non Executive Director and one Wholetime Director and is chaired by the Non-Executive Independent Director. This Committee looks into transfer and transmission of shares/debentures/bonds etc., issue of duplicate share certificates, consolidation and sub-division of shares and investors' grievances. This Committee particularly looks into the investors

grievances and oversees the performance of the Share Department /Share Transfer Agent and to ensure prompt and efficient investors' services. The Committee met eight times during the year 2009-2010. The followings are the members and their attendance at the Committee Meetings: -

Name of Director	Status	No. of Meetings	
		Held	Attended
Shri M P Shukla	Chairman	8	8
Dr. R M Kastia	Member	8	8
Shri Arvind Kharabanda	Member	8	8

More details on share transfers, investors' complaints etc. are given in the shareholder information section of this report.

The Board has delegated powers of share transfer to Shri Manoj Baid, Company Secretary to expedite the process of share transfer work.

4. General Body Meetings

Location and time where General Meetings held in the last 3 years is given below:

YEAR	AGM/ EGM	LOCATION	DATE	TIME
2009-2010	Court Convened meeting of Equity Shareholders	Mushroom Centre, Solan	26.11.2010	10:00 A.M.
2009-2010	Court Convened meeting of Preference Shareholders	Mushroom Centre, Solan	26.11.2010	11:30 A.M.
2009-2010	Court Convened meeting of Secured Creditors	Mushroom Centre, Solan	26.11.2010	02:30 P.M.
2009-2010	Court Convened meeting of Unsecured Creditors	Mushroom Centre, Solan	26.11.2010	03:30 P.M.
2008-2009	AGM	Mushroom Centre, Solan	30.09.2009	11:00 A.M.
2007-2008	AGM	Mushroom Centre, Solan	29.09.2008	03:00 P.M.
2007-2008	EGM	Mushroom Centre, Solan	25.02.2008	11:00 A.M.
2006-2007	AGM	Mushroom Centre, Solan	27.12.2007	11:00 A.M.

The following resolutions were passed as Special Resolutions in previous three years AGMs/ EGMs

YEAR	AGM/ EGM	SUBJECT MATTER OF SPECIAL RESOLUTIONS	DATE	TIME
2008-2009	AGM	Re-appointment of Shri Mahendra Nahata, Managing Director.	30.09.2009	11:00 A.M.
2007-2008	AGM	Delisting of Equity /Preference Shares from Stock Exchanges.	29.09.2008	3:00 P.M.
2007-2008	EGM	Change of Name of the Company.	25.02.2008	11:00 A.M.

No Special resolution was put through postal ballot in the last AGM.

5. Disclosures on materially significant related party transactions with Promoters, Directors, Management, their Subsidiaries or Relatives etc., which may have potential conflict with the interest of the Company at large

None of the materially significant transactions with any of the related parties were in conflict with the interest of the Company.

6. Non-compliance by Company, penalties, strictures imposed on the Company by Stock Exchanges / Securities and Exchange Board of India (SEBI) etc. in the last 3 years

None.

7. Whistle Blower Policy

The Board of Directors of the Company in its meeting held on 30th January, 2006 has adopted Whistle Blower Policy, a non mandatory requirement as a measure of good governance and also to ensure better transparency. This Policy has been circulated to employees of the Company and is also available on Company's Website. No

employee of the Company is denied access to the Audit Committee.

8. Means of Communications

This is being done through quarterly / half yearly and annual results, which are being published in premier English and Hindi daily newspapers. Press releases are also issued simultaneously. The Company's website www.hfcl.com contains Annual Reports, Financial Results etc. Management Discussions and Analysis forms part of the Directors' Report, which is posted to the shareholders of the Company.

9. Code of conduct for Board Members and Senior Management Personnel

The Company has adopted a Code of Conduct for Directors and Senior Management Personnel and the same has been posted on the Company's website. The Directors and the Senior Management Personnel affirm the Compliance of the Code annually. A certificate to this effect is attached to this Report duly signed by the Managing Director.

10. Shares/Convertible Instruments held by Non-Executive Directors

Nil

11. Extent to which mandatory requirements have not been complied with

Risk assessment and minimization procedure is being formulated.

12. Extent to which non mandatory requirements have been complied with

i) Remuneration Committee has been formed as reported earlier in this report.

ii) The Company has formulated a Whistle Blower policy and the same has been brought to the notice of all the employees and posted on the Company's website.

SHAREHOLDERS' INFORMATION

1. **Dates of Book Closing** : 15th March, 2011 to 30th March, 2011 (both days inclusive)
2. **Date and venue of Annual General Meeting** : 30th March, 2011 at 11:00 A.M. at Mushroom Centre, Chambaghat, Solan (H.P.)
3. **Listing on Stock Exchanges in India** : Bombay Stock Exchange Ltd. *
Phiroze Jeejeebhoy Towers
Dalal Street , Mumbai - 400 001
Tel : +91-22-22721233
Fax : +91-22-22723121

National Stock Exchange of India Ltd.*
Exchange Plaza, 5th Floor
Plot No.C/1, G Block
Bandra Kurla Complex
Bandra (East) Mumbai - 400 051
Tel : +91-22-26598235
Fax : +91-22-26598237
4. **Status of Listing Fees** : Paid for 2010-2011
5. **Listing on Stock Exchanges outside India** : The London Stock Exchange Plc
10, Paternoster Square
London EC 4 M7LS
Tel : 0044-2077971000
Fax : 0044-2075886057

Luxembourg Stock Exchange
11, Avenue de la Porte-Neuve
BP.165 L - 2011, Luxembourg
Grand Duchy of Luxembourg
Tel : 00352-4779361
Fax : 00352-477936204
6. **Registered office** : 8, Electronics Complex,
Chambaghat
Solan - 173 213 (H.P.)
Tel : +91-1792-230643/44
Fax : +91-1792-231902

* The trading in Company's equity shares at Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) has been suspended temporarily on 8th February, 2011 to give effect to reduction in face value and paid up value of equity shares of the Company from Rs. 10/- per share to Re.1/- per share as per the Composite Scheme of Arrangement and Amalgamation between Sunvision Engineering Company Private Limited (SECPL), its Shareholders, Optionally Convertible Debenture (OCD) Holder and Himachal Futuristic Communications Limited (HFCL) and its Shareholders, sanctioned by the Hon'ble High Court of Himachal Pradesh at Shimla on 5th January, 2011. The CDSL & NSDL have already given the effect of reduction in equity share capital in the individual account of beneficiaries on 25th February, 2011 and 26th February, 2011 respectively. The Company has already filed application with both NSE & BSE for the re-commencement of trading of its equity shares. We hope that trading of equity shares of the Company will resume at both the Stock Exchanges shortly.

- 7. Corporate Office** : 8, Commercial Complex,
Masjid Moth, Greater Kailash - II
New Delhi - 110 048
Tel : +91-11-30882624
Fax : +91-11-30689013
- 8. Works** : Electronics Complex
Chambaghat
Solan - 173 213 (H.P.)
Tel : +91-1792-230643/44
Fax : +91-1792-231902
- Cable Division
L 35-37, Industrial Area, Phase - II
Verna Electronic City
Salcete, Goa - 403 722
Tel : +91-832-6697000
Fax : +91-832-2783444
- 9. CIN NO.** : L64200HP1987PLC007466
- 10. Website/Email** : www.hfcl.com
secretarial@hfcl.com / investor@hfcl.com
- 11. Name of News Papers in which results are generally published** : Indian Express, Jansatta, Dainik Tribune
- 12. Depositories** : National Securities Depository Ltd.
4th Floor, 'A' Wing, Trade World
Kamla Mills Compound
Senapati Bapat Marg, Lower Parel
Mumbai - 400 013
Tel : +91-22-24994200
Fax : +91-22-24972993
- Central Depository Services (India) Ltd.
Phiroze Jeejeebhoy Towers
28th Floor, Dalal Street
Mumbai - 400 023
Tel : +91-22-22723333
Fax : +91-22-22723199
- 13. ISIN NO.** : INE548A01028
- 14. Share Transfer in physical form and other communication regarding share certificates, dividends and change of address etc., to be sent to:**
- M/s. MCS Ltd.
F-65, Okhla Industrial Area, Phase -II
New Delhi-110 020
- Tel : +91-11-41406149
Fax : +91-11-41709881
Email: admin@mcsdel.com

15. Share Transfer System:

Shares sent for physical transfers are generally registered and returned within a period of 15 days from the date of receipt if the documents are clear in all respects. The Share Transfer & Investors Grievance Committee meets as often as required.

The Total Number of shares transferred in physical form during the year 2009-2010:

Number of transfer deeds	21
Number of Shares	5480

16. Investors complaints received during the year 2009-2010 :

Nature of Complaints	Received	Attended
Non Receipt of Shares (Transfers/Transmissions/Exchange)	8	8
Non receipt of Annual Reports	12	12
Dematerialisation	2	2
Non-receipt of dividend	8	8
Issue of duplicate shares	4	4
Others	6	6
Total	40	40

The Company has attended to the investor's grievances/correspondence within a period of 15 days from the date of receipt of the same during the year 2009-2010 except in cases which are constrained by disputes and legal impediments. There were no investor grievances remaining unattended/pending as at 30th September, 2010. The Board in its meeting held on 31st October, 2006 has designated Shri Manoj Baid, Company Secretary as the Compliance Officer.

17. Distribution of shareholdings as on 30th September, 2010:

No. of Equity held (Rs.)	No. of Shareholders	% of Shareholders	Shares Amount (Rs.)*	% of Shareholdings
Up to 5000	313932	97.337	170742031	17.205
5001 – 10000	4581	1.421	34278463	3.454
10001 – 20000	1884	0.584	27230254	2.744
20001 – 30000	659	0.204	16483429	1.661
30001 – 40000	259	0.080	9155427	0.923
40001 – 50000	179	0.056	8387239	0.845
50001 – 100000	341	0.106	24773100	2.496
100001 & above	310	0.096	698599112	70.395
Shares in Transit	375	0.116	2746282	0.277
TOTAL	322520	100.000	992395337	100.000

* Since the Scheme of Arrangement and Amalgamation has been made effective from 1st January, 2010 i.e. "appointed date", 47,00,00,000 & 5,96,01,640 equity shares allotted on 10th February, 2011 to equity shareholders and OCD holders respectively of erstwhile Sunvision Engineering Company Private Limited have been included in the total equity share capital amount as mentioned above.

18. Categories of Shareholding as on 30th September, 2010 :

S. No.	Category	Shares	%
A	Promoters Holding		
1	Indian Promoters *	479298999	48.29718
2	Foreign Promoters	-	-
	Sub Total	479298999	48.29718
B	Public Shareholding		
1	Institutional Investors		
a)	Mutual Funds & UTI	8380	0.00084
b)	Banks, Financial Institutions, Insurance Companies (Central/State Government Institutions/Non-Government Institutions)	714380	0.07199
c)	Foreign Institutional Investors	8258650	0.83219
	Sub Total	8981410	0.90502
2	Non Institutional Investors		
a)	Private Corporate Bodies *	203485570	20.50449
b)	Indian Public	293346646	29.55946
c)	NRIs	4091076	0.41224
d)	Any Other		
i)	Foreign Banks	1705	0.00017
ii)	Trusts	119469	0.01204
iii)	OCBs	46000	0.00464
iv)	Shares in transit	2746282	0.27673
C	Shares held by Custodian and against which depository receipts have been issued	278180	0.02803
GRAND TOTAL (A+B+C)		992395337	100.00000

* Since the Scheme of Arrangement and Amalgamation has been made effective from 1st January, 2010 i.e. "appointed date", 47,00,00,000 & 5,96,01,640 equity shares allotted on 10th February, 2011 to equity shareholders and OCD holders respectively of erstwhile Sunvision Engineering Company Private Limited have been included in the promoters shareholding and private corporate bodies shareholding respectively.

19. Dematerialisation of shares:

The Company's shares are compulsorily traded in dematerialised form as per SEBI Guidelines. As on 30th September, 2010, 99.78% of the equity shares have been dematerialised.

20. Outstanding GDRs / ADRs or any Convertible Instruments, conversion date and any likely impact on equity:

Outstanding GDRs as on 30th September, 2010 represent 2,78,180 equity shares (0.03 %). The 3,04,44,000 Zero Coupon Premium Bonds are convertible at option of lender if the Company opts for non-payment of premium of 8.5% p.a.

21. Stock Market Price Data on NSE and NIFTY Index:

Month	NSE (in Rs.)		NIFTY INDEX	
	Highest	Lowest	Highest	Lowest
April, 2009	10.55	7.95	3517.25	2965.70
May, 2009	14.00	8.55	4509.40	3478.70
June, 2009	17.50	11.80	4693.20	4143.25
July, 2009	13.00	9.25	4669.75	3918.75
August, 2009	14.70	11.20	4743.75	4353.45
September, 2009	14.30	12.60	5087.60	4576.60
October, 2009	13.35	10.35	5181.95	4687.50
November, 2009	11.40	9.70	5138.00	4538.50
December, 2009	11.85	9.95	5221.85	4943.95
January, 2010	15.40	11.10	5310.85	4766.00
February, 2010	17.45	13.00	4992.00	4675.40
March, 2010	14.20	11.60	5329.55	4935.35
April, 2010	14.10	11.80	5399.65	5160.90
May, 2010	12.40	9.85	5278.70	4786.45
June, 2010	13.05	9.90	5366.75	4961.05
July, 2010	11.70	9.95	5477.50	5225.60
August, 2010	13.15	10.00	5549.80	5348.90
September, 2010	13.05	10.55	6073.50	5403.05

22. Stock Codes: BSE : **500183** , NSE : **HIMACHLFUT**, (proposed new code: **HFCL**)

23. Financial Calendar (tentative and subject to change) 2009-2010:

Financial Reporting for the first quarter ending 31st December, 2010 : **Second week of February, 2011.**

Financial Reporting for the second and last quarter ending 31st March, 2011 : **Second week of May, 2011**

Audited Accounts for the year ending March 31, 2011 : **Last week of August, 2011.**

Annual General Meeting for the year ending March 31, 2011 : **September, 2011.**

DECLARATION REGARDING COMPLIANCE OF CODE OF CONDUCT

I, Mahendra Nahata, Managing Director of Himachal Futuristic Communications Ltd. hereby declare that all Board Members and Senior Management Personnel have affirmed compliance of the Code of Conduct as on 30th September, 2010.

Dated : 28th February, 2011

sd/-
(Mahendra Nahata)
Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of
HIMACHAL FUTURISTIC COMMUNICATIONS LIMITED

1. We have examined the compliance of conditions of Corporate Governance by Himachal Futuristic Communications Limited (“the Company”) for the period ended 30th September, 2010, as stipulated in clause 49 of the Listing Agreement of the said with various Stock Exchanges (hereinafter referred to as “the agreement”).
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and based on our review and to the best of our information and according to the explanations given to us and *subject to the comments given in the item no. 11 of the Corporate Governance Report*, we certify that the conditions of the Corporate Governance as stipulated in the Clause 49 of the agreement have been complied with in all material aspects by the Company.
4. As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Share Transfer and Investors Grievance Committee, there were no investor grievance remaining unattended/ pending for more than 30 days as at 30th September, 2010 against the Company except in cases which are constrained by disputes and legal impediments.
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For KHANDELWAL JAIN & CO.
Firm Registration No. 105049W
Chartered Accountants

(Akash Shinghal)
Partner
Membership No.: 103490

Place: New Delhi
Date: 28th February, 2011