

## 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

The Board composition is in compliance with the Clause 49 of the Listing Agreement. As on 31<sup>st</sup> March, 2011, Company had six Directors on the Board. More than fifty percent of the Board comprised of Non-Executive Directors. Out of six Directors, three are Non-Executive Independent Directors, one Non-Executive Director and two Wholtime Directors including one Promoter Managing Director. The Chairman of the Board is Non-Executive Independent Director.

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 for six months ended 31st March, 2011, six Board Meetings were held on 15.10.2010, 15.11.2010, 29.01.2011, 10.02.2011, 14.02.2011 and 28.02.2011. The last Annual General Meeting was held on 30th March, 2011.

The attendance of Directors at the Board Meetings held during the financial 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 in public companies	No. of Board Meetings		Attended last AGM (30/03/2011)
			Held	Attended	
Shri M P Shukla	NEID	2	6	4	YES
Shri Mahendra Nahata	PD [MD]	2	6	5	NO
Shri Arvind Kharabanda	WD	-	6	6	YES
Dr. R M Kastia	NED	1	6	4	NO
Shri Y L Agarwal	NEID	3	6	5	YES
Shri R K Bansal, (IDBI Nominee)	NEID	5	6	4	NO

[NEID - Non-Executive Independent Director, PD - Promoter Director, MD - Managing Director, WD - Wholtime Director, NED-Non Executive 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	Chairman
			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.	Dr. R M Kastia	1. HTL Ltd.	Himachal Futuristic Communications Ltd.	Share Transfer & Investors Grievance	Member
			HTL Ltd.	Audit	Member
5.	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
6.	Shri R K Bansal	1. National Securities Depository Ltd. 2. IDBI Federal Life Insurance Co. Ltd. 3. IDBI Asset Management Ltd. 4. J K Lakshmi Cements Ltd. 5. Investor Services of India Ltd.	Himachal Futuristic Communications Ltd.	Remuneration	Member
			Himachal Futuristic Communications Ltd.	Audit	Member
			IDBI Federal Life Insurance Co. Ltd.	Audit	Member
			J K Lakshmi Cements 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 Venture / 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 financial year for six months ended 31st March, 2011:-

Name of Director	Status	No. of Meetings	
		Held	Attended
Shri M P Shukla	Chairman	3	3
Shri R K Bansal	Member	3	2
Shri Y L Agarwal	Member	3	3
Shri Arvind Kharabanda	Member	3	3

During the period 01.10.2010 to 31.03.2011, the Audit Committee met three times on 15.11.2010, 14.02.2011 and 28.02.2011.

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 reports.
- 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 financial year under review, the Remuneration Committee met on 15.11.2010. 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 financial year 2010-11 are given below:-

Name of Director	Salary	Allowances	Perks	Sitting Fee	Total
	(in ₹)				
<b>Category A - Executive Directors</b>					
Shri Mahendra Nahata Managing Director	17,74,080	4,43,205	2,71,344	-	24,88,629
Shri Arvind Kharabanda Director (Finance)	26,88,000	14,40,000	2,94,598	-	44,22,598
<b>Category B – Nominee Director (Independent Director)</b>					
Shri R K Bansal Director	-	-	-	35,000	35,000
<b>Category C – Non-Executive Independent Directors/ Non Executive Directors</b>					
Shri M P Shukla Chairman	-	-	-	45,000	45,000
Shri Y L Agarwal Director	-	-	-	45,000	45,000
Dr. R M Kastia Director	-	-	-	25,000	25,000

The non-executive directors are paid sitting fee of ₹ 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. Since the Central Government has not given its approval for remuneration paid to Managing Director for the period, i.e. from 1st October, 2010 to 31st March, 2011, ₹ 24,88,629/- has not been charged to Profit & Loss Account and shown as recoverable.

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 also subject to approval from the Central Government. The Company has not yet received approval from the Central Government for the period 1st June, 2010 to 31st May, 2012. In view of the above, amount paid to him towards remuneration during the financial year under review, has not been charged to Profit and Loss Account and shown as recoverable.

### 3.3 Details of pecuniary relationship/transactions of the Non - Wholtime Directors/ their Firms & Companies vis-a-vis the Company during the financial year 2010-2011

Nil

### 3.4 Share Transfer & Investors Grievance Committee

The Committee consists of one Non-Executive Independent Director, one Non Executive Director and one

Wholtime 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 on 27th December, 2010. The followings are the members and their attendance at the Committee Meeting: -

Name of Director	Status	No. of Meetings	
		Held	Attended
Shri M P Shukla	Chairman	1	1
Dr. R M Kastia	Member	1	1
Shri Arvind Kharabanda	Member	1	1

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/CCM	LOCATION	DATE	TIME
2009-2010	AGM	Mushroom Centre, Solan	30.03.2011	11:00 A.M.
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.

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

YEAR	AGM/ EGM	SUBJECT MATTER OF SPECIAL RESOLUTIONS	DATE	TIME
2009-2010	AGM	Re-appointment of Shri Arvind Kharabanda, Director (Finance)	30.03.2011	11:00 A.M.
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 other than BSE & NSE	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. The Company's website www.hfcl.com contains Annual Reports, Financial Results, Shareholding Pattern 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** : 19th September, 2011 to 24th September, 2011  
(both days inclusive)
  
2. **Date and venue of Annual General Meeting** : 24th September, 2011 at 11:00 A.M. at  
Electronics Complex, 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, 5<sup>th</sup> 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 2011-2012
  
5. **Listing of Global Depository Receipts  
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) which was 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 ₹10/- per share to ₹1/- per share as per the Composite Scheme of Arrangement and Amalgamation sanctioned by the Hon'ble High Court of Himachal Pradesh at Shimla on 5th January, 2011 has already resumed at both the Stock Exchanges w.e.f. 9th March, 2011.

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.  
4<sup>th</sup> 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. Tel : +91-11-41406149  
F-65, Okhla Industrial Area, Phase -I Fax : +91-11-41709881  
New Delhi-110 020 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 financial year 2010-2011:**

Number of transfer deeds	7
Number of Shares	620

**16. Investors complaints received during the financial year 2010-2011 :**

Nature of Complaints	Received	Attended
Non receipt of Annual Reports	6	6
Non-receipt of dividend	1	1
Non trading of shares	14	14
Others	2	2
<b>Total</b>	<b>23</b>	<b>23</b>

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 financial year 2010-2011 except in cases which are constrained by disputes and legal impediments. There were no investor grievances remaining unattended/pending as at 31st March, 2011. 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 31st March, 2011:**

No. of Equity held (₹)	No. of Shareholders	% of Shareholders	Shares Amount (₹)	% of Shareholdings
Up to 5000	307427	97.374	167312386	16.859
5001 – 10000	4484	1.420	33647162	3.390
10001 – 20000	1854	0.587	26849056	2.705
20001 – 30000	642	0.203	16091789	1.622
30001 – 40000	243	0.077	8591351	0.866
40001 – 50000	172	0.055	8042188	0.810
50001 – 100000	338	0.107	24518316	2.471
100001 & above	310	0.098	697503269	70.285
Shares in Transit	249	0.079	9839820	0.992
<b>TOTAL</b>	<b>315719</b>	<b>100.000</b>	<b>992395337</b>	<b>100.000</b>

**18. Categories of Shareholding as on 31st March, 2011:**

S. No.	Category	Shares	%
<b>A</b>	<b>Promoters Holding</b>		
1	Indian Promoters	479298999	48.29718
2	Foreign Promoters	-	-
	<b>Sub Total</b>	<b>479298999</b>	<b>48.29718</b>
<b>B</b>	<b>Public Shareholding</b>		
<b>1</b>	<b>Institutional Investors</b>		
a)	Mutual Funds & UTI	10880	0.00110
b)	Banks, Financial Institutions, Insurance Companies (Central/State Government Institutions/Non-Government Institutions)	706630	0.07121
c)	Foreign Institutional Investors	9718061	0.97925
	<b>Sub Total</b>	<b>10435571</b>	<b>1.05156</b>
<b>2</b>	<b>Non Institutional Investors</b>		
a)	Private Corporate Bodies	192089082	19.35610
b)	Indian Public	296427507	29.86990
c)	NRIs	3836504	0.38659
<b>d)</b>	<b>Any Other</b>		
i)	Foreign Banks	1705	0.00017
ii)	Trusts	141469	0.01426
iii)	OCBs	46500	0.00469
iv)	Shares in transit	9839820	0.99152
<b>C</b>	<b>Shares held by Custodian and against which depository receipts have been issued</b>	278180	0.02803
<b>GRAND TOTAL (A+B+C)</b>		<b>992395337</b>	<b>100.00000</b>



**19. Dematerialisation of shares:**

The Company's shares are compulsorily traded in dematerialised form as per SEBI Guidelines. As on 31st March, 2011, 99.90% 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 31st March, 2011 represent 2,78,180 equity shares (0.03 %). The 1,95,07,000 Zero Coupon Premium Bonds (ZCPBs) along with premium on ZCPBs are to be converted into 23,01,93,089 equity shares pursuant to Rework Package approved by the CDR Empowered Group on 9th February, 2011.

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

Month	NSE (in ₹)		NIFTY INDEX	
	Highest	Lowest	Highest	Lowest
October, 2010	11.75	10.65	6284.10	5937.10
November, 2010	16.75	10.75	6338.50	5690.35
December, 2010	12.50	10.00	6147.30	5721.15
January, 2011	11.70	9.40	6181.05	5416.65
February, 2011	10.25	9.10	5599.25	5177.70
March, 2011	13.35	7.90	5872.00	5348.20

**22. Stock Codes: BSE : 500183 , NSE : HFCL**

**23. Financial Calendar (tentative and subject to change) 2011-2012:**

Financial Reporting for the first quarter ending 30th June, 2011 : **Second week of August, 2011**

Financial Reporting for the second quarter and half year ending 30th September, 2011 : **Second week of November, 2011**

Financial Reporting for the third quarter ending 31st December, 2011 : **Second week of February, 2012**

Audited Accounts for the year ending 31st March, 2012 : **Last week of May, 2012.**

Annual General Meeting for the year ending 31st March, 2012 : **September, 2012.**

# 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 31st March, 2011.

**Date : 12th August, 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 31st March, 2011, 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 31st March, 2011 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: 12th August, 2011