

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 31st March, 2012, 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 Wholetime 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 31st March, 2012, five Board Meetings were held on 11.05.2011, 30.05.2011, 12.08.2011, 10.11.2011 and 13.02.2012. The last Annual General Meeting was held on 24th September, 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	Director Identification No.	Category	No. of other present Directorships held in public companies	No. of Board Meetings		Attended last AGM (24/09/2011)	Shareholdings in the Company
				Held	Attended		
Shri M P Shukla	00052977	NEID	2	5	5	YES	Nil
Shri Mahendra Nahata	00052898	PD [MD]	2	5	4	NO	73477
Shri Arvind Kharabanda	00052270	WD	–	5	5	YES	Nil
Dr. R M Kastia	00053059	NED	1	5	4	NO	Nil
Shri Y L Agarwal	00024770	NEID	3	5	5	YES	Nil
Shri R K Bansal (IDBI Nominee) (up to 27.02.2012)	00122506	NEID	7	5	4	NO	Nil
Shri S G Nadkarni (IDBI Nominee) (w.e.f. 28.02.2012)	03401830	NEID	-	0	0	NA	Nil

[NEID - Non-Executive Independent Director, PD - Promoter Director, MD - Managing Director, WD - Wholetime 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.	Audit	Chairman
			Himachal Futuristic Communications Ltd.	Share Transfer & Investors Grievance	Chairman
			Himachal Futuristic Communications Ltd.	Remuneration	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.	Audit	Member
			Himachal Futuristic Communications Ltd.	Share Transfer & Investors Grievance	Member
4.	Dr. R M Kastia	1. HTL Ltd.	Himachal Futuristic Communications Ltd.	Share Transfer & Investors Grievance	Member
			Himachal Futuristic Communications Ltd.	Remuneration	Member
			HTL Ltd.	Audit	Member
5.	Shri Y L Agarwal	1. HTL Ltd. 2. HFCL Kongsung Telecom Ltd. 3. Electronics Systems Punjab Ltd.	Himachal Futuristic Communications Ltd.	Audit	Member
			Himachal Futuristic Communications Ltd.	Remuneration	Member
6.	Shri R K Bansal (up to 27.02.2012)	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. 6. Lloyds Steel Industries Ltd. 7. NSDL Depository Ltd.	Himachal Futuristic Communications Ltd.	Audit	Member
			Himachal Futuristic Communications Ltd.	Remuneration	Member
			IDBI Federal Life Insurance Co. Ltd.	Audit	Member
			J K Lakshmi Cements Ltd.	Audit	Member
7.	Shri S G Nadkarni (w.e.f. 28.02.2012)	Nil	Himachal Futuristic Communications 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 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 ended 31st March, 2012:-

Name of Director	Status	No. of Meetings	
		Held	Attended
Shri M P Shukla	Chairman	4	4
Shri Y L Agarwal	Member	4	4
Shri Arvind Kharabanda	Member	4	4
Shri R K Bansal (up to 27.02.2012)	Member	4	3
Shri S G Nadkarni (w.e.f. 28.02.2012)	Member	-	-

During the financial year ended 31st March, 2012, the Audit Committee met four times on 30.05.2011, 12.08.2011, 10.11.2011 and 13.02.2012.

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

The Board of Directors of the Company has constituted a Remuneration Committee which is responsible for determining the Company's policy on specific remuneration package for Executive Directors including any compensation payment. The composition of Remuneration Committee are as under:-

Name of Director	Status
Shri M P Shukla	Chairman
Shri Y L Agarwal	Member
Shri R K Bansal (up to 27.02.2012)	Member
Dr. R M Kastia (w.e.f. 28.02.2012)	Member

The details of remuneration and perquisites paid to the Executive and Non-Executive Directors during the financial year 2011-12 are given below:-

Name of Director	Salary	Allowances	Perks	Contribution to PF	Sitting Fee	Total
	(in Rs.)					
Category A - Executive Directors						
Shri Mahendra Nahata Managing Director	33,12,000	8,10,696	6,52,739	3,97,440	-	51,72,875
Shri Arvind Kharabanda Director (Finance)	28,80,000	17,28,000	4,39,533	3,45,600	-	53,93,133
Category B – Nominee Director (Independent Director)						
Shri R K Bansal Director	-	-	-		35,000	35,000
Category C – Non-Executive Independent Directors/ Non Executive Directors						
Shri M P Shukla Chairman	-	-	-		70,000	70,000
Shri Y L Agarwal Director	-	-	-		45,000	45,000
Dr. R M Kastia Director	-	-	-		40,000	40,000

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 and 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. Since the Central Government has not given its approval for remuneration paid to above Wholetime Directors for the financial year ended 31st March, 2012, Rs.1,05,66,008/- has not been charged to Profit & Loss Account and shown as recoverable.

3.3 Details of pecuniary relationship/transactions of the Non-Wholetime Directors/ their Firms & Companies vis-a-vis the Company during the financial year 2011-2012

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. During the financial year ended 31st March, 2012, the Share Transfer & Investors Grievance Committee met five times on 24.05.2011, 23.09.2011, 16.12.2011, 16.01.2012 and 31.03.2012. 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	5	5
Dr. R M Kastia	Member	5	3
Shri Arvind Kharabanda	Member	5	5

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
2010-2011	AGM	Electronics Complex, Chambaghat, Solan	24.09.2011	11:00 A.M.
2009-2010	AGM	Mushroom Centre, Solan	30.03.2011	11:00 A.M.
2009-2010	Court Convened meeting (CCM) 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.

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

YEAR	AGM/ EGM	SUBJECT MATTER OF SPECIAL RESOLUTIONS	DATE	TIME
2010-2011	AGM	Issue and allotment of Equity Shares to Financial Institution/ Banks pursuant to Corporate Debt Restructuring	24.09.2011	11:00 A.M.
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.

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. Secretarial Audit

(i) Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates, on half-yearly basis, have been issued by a Company Secretary in-Practice for due compliance of share transfer formalities by the Company.

(ii) A Company Secretary in-Practice carried out a reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Service (India) Limited (“Depositories”) and the total issued and listed capital. The audit confirms that the total issued/paid-up capital

is in agreement with the aggregate of the total number of shares in physical form and total number of shares in dematerialised form (held with Depositories).

8. 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.

9. 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.

10. 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.

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

Nil

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

Risk assessment and minimization procedure is being formulated.

13. 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** : 24th September, 2012 to 28th September, 2012
(both days inclusive)
2. **Date and venue of Annual General Meeting** : 28th September, 2012 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 2012-2013
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
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. 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 2011-2012:

Number of transfer deeds	9
Number of Shares	1020

16. Investors complaints received during the financial year 2011-2012:

Nature of Complaints	Received	Attended
Non receipt of Annual Reports	5	5
Non-receipt of dividend	8	8
Dematerialisation of shares	1	1
Issue of Duplicate shares	1	1
Reduction of Capital	8	8
Others	6	6
Total	29	29

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 2011-2012 except in cases which are constrained by disputes and legal impediments. There were no investor grievances remaining unattended/pending as at 31st March, 2012. 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, 2012:

No. of Equity held (Rs.)	No. of Shareholders	% of Shareholders	Shares Amount (Rs.)	% of Shareholdings
Up to 5000	276301	97.444	143125960	11.548
5001 – 10000	3805	1.342	28566295	2.305
10001 – 20000	1652	0.583	23811300	1.921
20001 – 30000	594	0.209	14864805	1.199
30001 – 40000	215	0.076	7657692	0.618
40001 – 50000	170	0.059	7931452	0.640
50001 – 100000	308	0.109	22893171	1.847
100001 & above	319	0.113	988730659	79.777
Shares in Transit	185	0.065	1795860	0.145
TOTAL	283549	100.000	1239377194	100.000

18. Categories of Shareholding as on 31st March, 2012:

S. No.	Category	Shares	%
A	Promoters Holding		
1	Indian Promoters	479299214	38.67259
2	Foreign Promoters	-	-
	Sub Total	479299214	38.67259
B	Public Shareholding		
1	Institutional Investors		
a)	Mutual Funds & UTI	59480	0.00480
b)	Banks, Financial Institutions, Insurance Companies (Central/State Government Institutions/Non-Government Institutions)	248001938	20.01021
c)	Foreign Institutional Investors	17992932	1.45177
	Sub Total	266054350	21.46678
2	Non Institutional Investors		
a)	Private Corporate Bodies	230116518	18.56711
b)	Indian Public	258350666	20.84520
c)	NRIs	3295232	0.26588
d)	Any Other		
i)	Foreign Banks	1705	0.00014
ii)	Trusts	142469	0.01149
iii)	OCBs	43000	0.00347
iv)	Shares in transit	1795860	0.14490
C	Shares held by Custodian and against which depository receipts have been issued	278180	0.02244
GRAND TOTAL (A+B+C)		1239377194	100.00000

19. Top ten ordinary shareholders of the Company as on 31st March, 2012:

Sr. No.	Name of Shareholders	No. of Shares held	%
1.	NextWave Communications Private Limited	234765000	18.942
2.	ANM Enginnering & Works Private Limited	234765000	18.942
3.	IDBI Bank Limited	150945122	12.179
4.	Oriental Bank of Commerce	82825353	6.683
5.	Reliance Industrial Investments and Holdings Limited	48532764	3.916
6.	Maryada Barter Private Limited	13283645	1.072
7.	State Bank of India	13211382	1.066
8.	Infotel Telecom Infrastructure Private Limited	11068876	0.893
9.	Santosh Industries Limited	9240702	0.746
10.	Carwin Mercantiles Private Limited	8618298	0.695

20. Dematerialisation of shares:

The Company's shares are compulsorily traded in dematerialised form as per SEBI Guidelines. As on 31st March, 2012, 99.92% of the equity shares have been dematerialised.

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

Outstanding GDRs as on 31st March, 2012 represent 2,78,180 equity shares (0.02 %).

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

Month	NSE (in Rs.)		NIFTY INDEX	
	Highest	Lowest	Highest	Lowest
April, 2011	20.00	11.90	5944.45	5693.25
May, 2011	20.80	15.00	5775.25	5328.70
June, 2011	21.35	13.80	5657.90	5195.90
July, 2011	17.70	15.40	5740.40	5453.95
August, 2011	16.20	11.15	5551.90	4720.00
September, 2011	13.90	11.00	5169.25	4758.85
October, 2011	14.35	10.70	5399.70	4728.30
November, 2011	14.70	10.75	5326.45	4639.10
December, 2011	12.25	10.25	5099.25	4531.15
January, 2012	14.45	10.50	5217.00	4588.05
February, 2012	15.60	13.30	5629.95	5159.00
March, 2012	14.45	11.00	5499.40	5135.95

23. Stock Codes: BSE : 500183 , NSE : HFCL

24. Financial Calendar (tentative and subject to change) 2012-2013:

Financial Reporting for the first quarter ending 30th June, 2012 : **Second week of July, 2012**

Financial Reporting for the second quarter and half year ending 30th September, 2012 : **Second week of November, 2012**

Financial Reporting for the third quarter ending 31st December, 2012 : **Second week of February, 2013**

Audited Accounts for the year ending 31st March, 2013 : **Last week of May, 2013**

Annual General Meeting for the year ending 31st March, 2013 : **September, 2013**

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, 2012.

sd/-

(Mahendra Nahata)
Managing Director

Date : 20th August, 2012

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, 2012, 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. 12 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, 2012 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: 20th August, 2012