

## 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, 2013, 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 31<sup>st</sup> March, 2013, five Board Meetings were held on 30.05.2012, 21.07.2012, 20.08.2012, 02.11.2012 and 28.01.2013. The last Annual General Meeting was held on 28<sup>th</sup> September, 2012.

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 (28/09/2012)	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	5	NO	73477
Shri Arvind Kharabanda	00052270	WD	-	5	5	YES	Nil
Dr. R M Kastia	00053059	NED	1	5	5	NO	Nil
Shri Y L Agarwal	00024770	NEID	3	5	5	YES	Nil
Shri S G Nadkarni (IDBI Nominee)	03401830	NEID	-	5	4	NO	Nil

[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.)**

Sr.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. Reliance Jio Infocomm Ltd.	Reliance Jio Infocomm 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 S G Nadkarni	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 Chairmen 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 31<sup>st</sup> March, 2013:-

Name of Director	Status	No. of Meetings	
		Held	Attended
Shri M P Shukla	Chairman	5	5
Shri Y L Agarwal	Member	5	5
Shri Arvind Kharabanda	Member	5	5
Shri S G Nadkarni (w.e.f. 30.05.2012)	Member	4	4

During the financial year ended 31<sup>st</sup> March, 2013, the Audit Committee met five times on 30.05.2012, 21.07.2012, 20.08.2012, 02.11.2012 and 28.01.2013.

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, cost 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 following are members and their attendance at the Committee Meeting held during the financial year ended 31<sup>st</sup> March, 2013:-

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

The details of remuneration and perquisites paid to the Executive and Non-Executive Directors during the financial year 2012-13 are given below:-

Name of Director	Salary	Allowances	Perks	Contribution to PF	Sitting Fee	Total
	(in Rs.)					
<b>Category A - Executive Directors</b>						
Shri Mahendra Nahata Managing Director	4728000	2008920	7101565*	567360	-	14405845
Shri Arvind Kharabanda Director (Finance)	2880000	1728000	943890	345600	-	5897490
<b>Category B – Nominee Director (Independent Director)</b>						
Shri S G Nadkarni Director	-	-	-	-	50,000	50,000
<b>Category C – Non-Executive Independent Directors/ Non-Executive Directors</b>						
Shri M P Shukla Chairman	-	-	-	-	1,05,000	1,05,000
Shri Y L Agarwal Director	-	-	-	-	65,000	65,000
Dr. R M Kastia Director	-	-	-	-	1,10,000	1,10,000

\* Includes payment of Rs.48,00,000/- of Leave Travel Allowance of earlier years.

The non-executive directors were paid sitting fee of Rs.5000/- for every Board / Committee meeting attended by them up to 2<sup>nd</sup> November, 2012. The Board of Directors of the Company has increased the payment of sitting fees from Rs.5000/- to Rs.10000/- (excluding service tax) w.e.f. 3<sup>rd</sup> November, 2012.

During the year under review, the Company has paid remuneration of Rs.2,03,03,335/- to Shri Mahendra Nahata, Managing Director and Shri Arvind Kharabanda, Director (Finance). The Company required the approval of Central Government for payment of remuneration of Rs.27,25,770/- to Shri Mahendra Nahata during the period 1<sup>st</sup> April, 2012 to 30<sup>th</sup> September, 2012 and Rs.14,86,641/- to Shri Arvind Kharabanda during the period 1<sup>st</sup> April, 2012 to 31<sup>st</sup> May, 2012. Since the Central Government has not given its approval for remuneration paid to above Wholetime Directors for the part financial year ended 31<sup>st</sup> March, 2013, Rs.42,12,411/- 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 2012-2013

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 31<sup>st</sup> March, 2013, the Share Transfer & Investors Grievance Committee met five times on 18.07.2012, 01.10.2012, 10.12.2012, 10.01.2013 and

23.01.2013. 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	4
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
2011-2012	AGM	Mushroom Centre, Solan	28.09.2012	11:00 A.M.
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.

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

YEAR	AGM/ EGM	SUBJECT MATTER OF SPECIAL RESOLUTIONS	DATE	TIME
2011-2012	AGM	Re-appointment of Shri Mahendra Nahata, Managing Director  Re-appointment of Shri Arvind Kharabanda, Director (Finance)	28.09.2012	11:00 A.M.
2010-2011	AGM	Issue and allotment of Equity Shares to Financial Institutions/ 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.

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. Attention of the members is drawn to the disclosures of transactions with related parties set out in note no. 42 of the Standalone Financial Statements forming part of the Annual Report.

**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 Services (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. CEO AND CFO certification**

The Managing Director, Director (Finance) and Chief Finance Officer give annual certifications on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement.

**9. Whistle Blower Policy**

The Board of Directors of the Company in its meeting held on 30<sup>th</sup> 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.

**10. 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](http://www.hfcl.com) contains Annual Reports, Financial Results, Shareholding Pattern etc. All periodical compliance filings like shareholding pattern, corporate governance report etc. are filed electronically on NSE Electronic Application Processing System (NEAPS) and BSE Corporate Compliance and Listing Centre. Management Discussions and Analysis forms part of the Directors’ Report, which is posted to the Shareholders of the Company.

**11. 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.

**12. Shares/Convertible Instruments held by Non-Executive Directors**

Nil

**13. Extent to which mandatory requirements have not been complied with**

**The procedure for risk assessment and minimization of risks is yet to be finalized.**

**14. 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** : 16<sup>th</sup> September, 2013 to 20<sup>th</sup> September, 2013  
(both days inclusive)
2. **Date and venue of Annual General Meeting** : 30<sup>th</sup> September, 2013 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 2013-2014
5. **Listing of Global Depository Receipts on Stock Exchanges outside India** : The London Stock Exchange Plc  
10, Paternoster Square  
London EC4M 7LS  
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 : +91-1792-230642/44  
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. **Plant Locations** : Electronics Complex  
Chambaghat  
Solan - 173 213 (H.P.)  
Tel : +91-1792-230642/44  
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** : Economic Times, 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, 1<sup>st</sup> Floor, 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 2012-2013:**

Number of transfer deeds	2
Number of Shares	560

**16. Investors complaints received during the financial year 2012-2013:**

Nature of Complaints	Received	Attended
Non receipt of Annual Reports	5	5
Non-receipt of dividend	4	4
Dematerialisation of shares	1	1
Issue of Duplicate shares	1	1
Reduction of Capital	12	12
Others	6	6
<b>Total</b>	<b>29</b>	<b>29</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 2012-2013 except in cases which are constrained by disputes and legal impediments. There were no investor grievances remaining unattended/pending as at 31<sup>st</sup> March, 2013. The Board in its meeting held on 31<sup>st</sup> October, 2006 has designated Shri Manoj Baid, Company Secretary as the Compliance Officer.

**17. Distribution of shareholdings as on 31st March, 2013:**

No. of Equity held (Rs.)	No. of Shareholders	% of Shareholders	Shares Amount (Rs.)	% of Shareholdings
Up to 5000	261928	97.205	137677415	11.108
5001 – 10000	3920	1.455	29463631	2.377
10001 – 20000	1767	0.656	25492849	2.057
20001 – 30000	632	0.234	15638496	1.262
30001 – 40000	243	0.090	8664487	0.699
40001 – 50000	170	0.063	7976543	0.644
50001 – 100000	321	0.119	23680080	1.911
100001 & above	315	0.117	988116933	79.727
Shares in Transit	164	0.061	2666760	0.215
<b>TOTAL</b>	<b>269460</b>	<b>100.000</b>	<b>1239377194</b>	<b>100.000</b>

**18. Categories of Shareholding as on 31<sup>st</sup> March, 2013:**

S. No.	Category	Shares	%
<b>A</b>	<b>Promoters Holding</b>		
1	Indian Promoters	479299214	38.67259
2	Foreign Promoters	-	-
	<b>Sub Total (A)</b>	<b>479299214</b>	<b>38.67259</b>
<b>B</b>	<b>Public Shareholding</b>		
1	Institutional Investors		
a)	Mutual Funds & UTI	718576	0.05798
b)	Banks, Financial Institutions, Insurance Companies (Central/ State Government Institutions/Non-Government Institutions)	232344004	18.74684
c)	Foreign Institutional Investors	9436718	0.76141
	<b>Sub Total (B1)</b>	<b>242499298</b>	<b>19.56623</b>
2	<b>Non Institutional Investors</b>		
a)	Private Corporate Bodies	250876610	20.24215
b)	Indian Public	259868899	20.96770
c)	NRI's	3704339	0.29889
d)	Any Other		
i)	Foreign Banks	1705	0.00014
ii)	Trusts	138469	0.01117
iii)	OCBs	43000	0.00347
iv)	Foreign National	720	0.00005
v)	Clearing Members	2666760	0.21517
	<b>Sub Total (B2)</b>	<b>517300502</b>	<b>41.73874</b>
	<b>Total Public Shareholding (B = B1+B2)</b>	<b>759799800</b>	<b>61.30497</b>
<b>C</b>	<b>Shares held by Custodian and against which depository receipts have been issued</b>	<b>278180</b>	<b>0.02244</b>
	<b>GRAND TOTAL (A+B+C)</b>	<b>1239377194</b>	<b>100.00000</b>



**19. Top ten ordinary shareholders of the Company as on 31<sup>st</sup> March, 2013:**

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	67184711	5.421
5.	Reliance Industrial Investments and Holdings Limited	48532764	3.916
6.	State Bank of India	13211382	1.066
7.	MKJ Enterprises Limited	12748634	1.029
8.	Maryada Barter Private Limited	12120256	0.978
9.	Infotel Telecom Infrastructure Private Limited	11068876	0.893
10.	Galaxo Finance (P) Limited	10818298	0.873

**20. Dematerialisation of shares:**

The Company's shares are compulsorily traded in dematerialised form as per SEBI Guidelines. As on 31<sup>st</sup> March, 2013, 99.95% 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 31<sup>st</sup> March, 2013 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, 2012	12.50	10.95	5378.75	5154.30
May, 2012	13.55	10.35	5279.60	4788.95
June, 2012	12.50	10.80	5286.25	4770.35
July, 2012	14.10	11.30	5348.55	5032.40
August, 2012	12.75	10.50	5448.60	5164.65
September, 2012	11.75	10.50	5735.15	5215.70
October, 2012	12.40	10.75	5815.35	4888.20
November, 2012	11.60	9.95	5885.25	5548.35
December, 2012	11.25	9.80	5965.15	5823.15
January, 2013	11.15	9.40	6111.80	5935.20
February, 2013	9.55	8.10	6052.95	5671.90
March, 2013	9.95	6.85	5971.20	5604.85

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

**24. Financial Calendar (tentative and subject to change) 2013-2014:**

Financial Reporting for the first quarter ending 30<sup>th</sup> June, 2013 : **Second week of July, 2013**

Financial Reporting for the second quarter and half year ending 30<sup>th</sup> September, 2013 : **Second week of November, 2013**

Financial Reporting for the third quarter ending 31<sup>st</sup> December, 2013 : **Second week of February, 2014**

Audited Accounts for the year ending 31<sup>st</sup> March, 2014 : **Last week of May, 2014**

Annual General Meeting for the year ending 31<sup>st</sup> March, 2014 : **September, 2014**

## 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, 2013.

Date : 23<sup>rd</sup> August, 2013

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 31<sup>st</sup> March, 2013, 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. 13 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. 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: 23<sup>rd</sup> August, 2013