

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 disclosure 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 2008-2009, 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 and one Non-Executive Independent Director) and three Wholetime Directors including one Director (Finance) and one Director (Operations). During the year under review, Dr. R M Kastia ceased to be a wholetime director w.e.f. 1st February, 2009. Shri Y S Choudhary who was appointed as Director (Operations) w.e.f. 31st January, 2009 has ceased 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 31st March, 2009, 6 Board Meetings were held on 26.05.2008, 30.06.2008, 31.07.2008, 11.08.2008, 30.10.2008 and 31.01.2009. The last Annual General Meeting was held on 29th September, 2008.

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 (29/09/2008)
			Held	Attended	
Shri M P Shukla	NEID	3	6	6	NO
Shri Mahendra Nahata	PD[MD]	4	6	4	NO
Dr. R M Kastia (ceased to be a Wholetime Director w.e.f. 01.02.2009)	WD	5	6	5	YES
Shri Arvind Kharabanda	WD	2	6	5	YES
Shri Y L Agarwal	NEID	2	6	6	NO
Shri R K Bansal (IDBI Nominee)	NEID	3	6	5	NO
Shri Y S Choudhary (ceased to be a Director w.e.f. 30.05.2009)	WD	2	1	1	N.A.

[PD - Promoter Director, NEID - Non-Executive Independent Director, MD - Managing Director, WD - Wholetime 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 Infotel Ltd. 2. HFCL Satellite Communications Ltd. 3. HTL Ltd.	Himachal Futuristic Communications Ltd.	Remuneration	Chairman
			Himachal Futuristic Communications Ltd.	Audit	Chairman
			Himachal Futuristic Communications Ltd.	Share Transfer & Investors Grievance	Chairman
			HFCL Infotel Ltd.	Remuneration	Member
			HFCL Infotel Ltd.	Audit	Member
			HFCL Infotel Ltd.	Share Transfer & Investors Grievance	Member
			HFCL Satellite Communications Ltd.	Audit	Member
			HTL Ltd.	Audit	Member
2.	Shri Mahendra Nahata	1. HFCL Infotel Ltd. 2. HTL Ltd.	HFCL Infotel Ltd.	Audit	Member
3.	Dr. R M Kastia (ceased to be a Wholetime Director w.e.f. 01.02.2009)	1. HTL Ltd. 2. HFCL Infotel Ltd.	Himachal Futuristic Communications Ltd.	Share Transfer & Investors Grievance	Member
			HFCL Infotel Ltd.	Remuneration	Member
			HFCL Infotel Ltd.	Share Transfer & Investors Grievance	Chairman
4.	Shri Arvind Kharabanda	Nil	Himachal Futuristic Communications Ltd.	Audit	Member
			Himachal Futuristic Communications Ltd.	Share Transfer & Investors Grievance	Member
5.	Shri Y L Agarwal	1. Electronics Systems Punjab Ltd. 2. HFCL Kongsung Telecom Ltd.	Himachal Futuristic Communications Ltd.	Remuneration	Member
			Himachal Futuristic Communications Ltd.	Audit (w.e.f. 31 st July, 2008)	Member
6.	Shri R K Bansal	1. HFCL Infotel Ltd. 2. Madhya Pradesh State Industrial Development Corporation Ltd. 3. National Securities Depository Ltd.	Himachal Futuristic Communications Ltd.	Remuneration	Member
			Himachal Futuristic Communications Ltd.	Audit	Member
			HFCL Infotel Ltd.	Audit	Member
			Madhya Pradesh State Industrial Development Corporation Ltd.	Audit	Member
7.	Shri Y S Choudhary (ceased to be a Director w.e.f. 30.05.2009)	1. HTL Ltd. 2. Polymedicure Ltd.	HTL Ltd.	Audit	Member
			Polymedicure Ltd.	Remuneration	Member
			Polymedicure 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 requirement 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 and significant transactions and arrangements made by the material unlisted subsidiary company.

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 2008-09 :-

Name of Director	Status	No. of Meetings	
		Held	Attended
Shri M P Shukla	Chairman	6	6
Shri R K Bansal	Member	6	5
Shri Arvind Kharabanda	Member	6	5
Shri Y L Agarwal (w.e.f. 31 st July, 2008)	Member	3	3

During the period 01.04.2008 to 31.03.2009 the Audit Committee met six times on 26.05.2008, 30.06.2008, 31.07.2008, 11.08.2008, 30.10.2008 and 31.01.2009.

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 statement is 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 31.01.2009. The attendance of the members in the Remuneration Committee Meetings 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 2008-09 are given below:-

Name of Director	Salary	Allowances	Perks	Sitting Fee	Total
Rs.					
Category A - Executive Directors					
Shri Mahendra Nahata Managing Director	36,40,000	7,35,000	3,86,745	-	47,61,745
Dr. R M Kastia Wholetime Director (ceased to be a wholetime director w.e.f 01.02.2009)	34,20,000	20,52,000	10,21,740	-	64,93,740
Shri Arvind Kharabanda Director (Finance)	24,00,000	14,40,000	3,06,293	-	41,46,293
Category B - Nominee Director (Independent Director)					
Shri R K Bansal Director	-	-	-	55,000	55,000
Category C - Non-Executive Independent Directors					
Shri M P Shukla Chairman	-	-	-	1,00,000	1,00,000
Shri Y L Agarwal Director	-	-	-	50,000	50,000

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

Since the Company has defaulted in repayment of its debts for a continuous period of 30 days in the preceding financial year before the date of re-appointment of its Managing Director, Wholetime Director and Director (Finance), necessary applications for managerial remuneration have been made to the Central Government pursuant to section 198, 269, 309 & 311 along with applications under section 637B(a) of the Companies Act, 1956. The approval of the Central Government is awaited.

3.3 Details of pecuniary relationship/transactions of the Non-Wholetime Directors / their Firms & Companies vis-a-vis the Company during the year 2008-2009

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 subdivision 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 seven times during the year 2008-2009. 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	7	7
Shri Arvind Kharabanda	Member	7	6
Dr. R M Kastia	Member	7	7

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
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.
2005-2006	AGM	Mushroom Centre, Solan	28.09.2006	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
2007-2008	AGM	Delisting of Equity /Preference Shares from Stock Exchanges.	29.09.2008	3:00P.M.
2007-2008	EGM	Change of Name of the Company.	25.02.2008	11:00A.M.
2005-2006	AGM	1. Re-appointment of M.D., WDs and Director (Finance). 2. Increase in FII's Investment limit.	28.09.2006	11:00A.M.

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. Annual Reports, Shareholding Patterns & Un-Audited/ Audited Financial Results of the Company are posted on the SEBI EDIFAR website i.e. www.sebiedifar.nic.in. 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.

The Chairman of the Audit Committee did not attend the last Annual General Meeting (AGM). However, Director (Finance) who is a member of Audit Committee was present in the last AGM to answer the shareholders queries.

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** : 16th September, 2009 to 30th September, 2009 (both days inclusive)
2. **Date and venue of Annual General Meeting** : 30th September, 2009 at 11:00 A.M. at Mushroom Centre, Chambaghat, Solan (H.P.)
3. **Listing on Stock Exchanges in India** :

Bombay Stock Exchange Ltd.	Tel : +91-22-22721233	Fax : +91-22-22723121
Phiroze Jeejeebhoy Towers, Dalal Street Mumbai - 400 001		
National Stock Exchange of India Ltd.	Tel : +91-22-26598235	Fax : +91-22-26598237
Exchange Plaza, 5th Floor, Plot No.C/1 G Block, Bandra Kurla Complex Bandra (East) Mumbai - 400 051		
Ludhiana Stock Exchange Ltd.	Tel : +91-161-4612317	Fax : +91-161-2404748
Phiroze Gandhi Market Ludhiana - 141 008		
The Calcutta Stock Exchange Association Ltd.	Tel : +91-33-22104470	Fax : +91-33-22102223
7, Lyons Range Calcutta - 700 001		
Delhi Stock Exchange Ltd.	Tel : +91-11-23292417	Fax : +91-11-23292181
DSE House, 3/1, Asaf Ali Road New Delhi - 110 002		
4. **Status of Listing Fees** : Paid to Bombay Stock Exchange Ltd. & National Stock Exchange of India Ltd. for 2009-2010
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
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. **Website/Email** : www.hfcl.com / investor@hfcl.com
10. **CIN No.** : L64200HP1987PLC007466
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. Share Transfer in physical form and other communication regarding share certificates, demat 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

14. 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 2008-2009:

Number of transfer deeds	17
Number of Shares	3850

15. Investors complaints received during the year 2008-2009 :

Nature of Complaints	Received	Attended
Non Receipt of Shares (Transfers/ Transmissions/Exchange)	15	15
Non receipt of Annual Reports	3	3
Dematerialisation	4	4
Non receipt of dividend	1	1
Issue of duplicate shares	4	4
Others	2	2
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 year 2008-2009 except in cases which are constrained by disputes and legal impediments. There were no investor grievances remaining unattended/pending as at 31st March, 2009. The Board in its meeting held on 31st October, 2006 has designated Shri Manoj Baid, Company Secretary as the Compliance Officer.

16. Distribution of shareholdings as on 31st March, 2009 :

No. of Equity held	No. of Shareholders	% of Shareholders	Shares Amount (Rs.)	% of Shareholdings
Upto 5000	259961	71.573	505829130	11.424
5001 – 10000	52391	14.425	422018070	9.531
10001 – 20000	26156	7.201	411600910	9.296
20001 – 30000	8781	2.418	227516820	5.138
30001 – 40000	3837	1.057	139061190	3.141
40001 – 50000	3731	1.027	178718090	4.036
50001–100000	4647	1.279	346463050	7.824
100001& above	3423	0.942	2180779460	49.250
Shares in Transit	283	0.078	15950250	0.360
TOTAL	363210	100.000	4427936970	100.000

17. Categories of Shareholding as on 31st March, 2009 :

S. No.	Category	Shares	%
A	Promoters Holding		
1	Indian Promoters	9298999	2.10007
2	Foreign Promoters	-	-
	Sub Total	9298999	2.10007
B	Public Shareholding		
1	Institutional Investors		
a)	Mutual Funds & UTI	40380	0.00912
b)	Banks, Financial Institutions, Insurance Companies (Central/State Government Institutions/Non-Government Institutions)	6982795	1.57699
c)	Foreign Institutional Investors	4357813	0.98416
	Sub Total	11380988	2.57027
2	Non Institutional Investors		
a)	Private Corporate Bodies	119601049	27.01056
b)	Indian Public	295696223	66.77968
c)	NRIs	4713859	1.06457
d)	Any Other		
i)	Foreign Banks	1705	0.00039
ii)	Trusts	101469	0.02292
iii)	OCBs	58200	0.01314
iv)	Shares in transit	1595025	0.36022
C	Shares held by Custodian and against which depository receipts have been issued	346180	0.07818
	GRAND TOTAL(A+B+C)	442793697	100.00000

18. Dematerialisation of shares:

The Company's shares are compulsorily traded in dematerialised form as per SEBI Guidelines. As on 31st March, 2009, 99.77% of the equity shares have been dematerialised.

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

Outstanding GDRs as on 31st March, 2009 represent 346180 Shares (0.08 %). The 31918000 Zero Coupon Premium Bonds are convertible at option of lender if the Company opts for non-payment of premium of 8.5% p.a.

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

Month	N S E		NIFTY INDEX	
	Highest	Lowest	Highest	Lowest
April, 2008	22.75	18.05	5230.75	4628.75
May, 2008	22.85	18.50	5298.85	4801.90
June, 2008	20.50	14.70	4908.80	4021.70
July, 2008	19.45	12.70	4539.45	3790.20
August, 2008	18.70	14.90	4649.85	4201.85
September, 2008	16.20	9.05	4558.00	3715.05
October, 2008	12.70	5.95	4000.50	2252.75
November, 2008	9.00	6.40	3240.55	2502.90
December, 2008	10.15	6.50	3110.45	2570.70
January, 2009	13.45	7.80	3147.20	2661.65
February, 2009	8.80	7.45	2969.75	2677.55
March, 2009	9.70	6.65	3123.35	2539.45

21. **Stock Codes:** BSE : **500183** , NSE : **HIMACHLFUT**, CSE : **10018008**, LSE : **HIMF**, DSE : **08015**

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

Financial Reporting for the first quarter ending June 30, 2009 : **Last week of July, 2009.**

Financial Reporting for the second quarter and half year ending September 30, 2009 : **Last week of October, 2009.**

Financial Reporting for the third quarter ending December 31, 2009 : **Last week of January, 2010.**

Audited Accounts for the year ending March 31, 2010 : **Last week of June, 2010.**

Annual General Meeting for the year ending March 31, 2010 : **September, 2010.**

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, 2009.

Date : 31st August, 2009

sd/-
(Mahendra Nahata)
Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
HIMACHAL FUTURISTIC COMMUNICATIONS LTD

1. We have examined the compliance of conditions of Corporate Governance by **Himachal Futuristic Communications Limited** (“the Company”) for the year ended 31st March 2009, 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 Investor Grievance Committee, there were no investor grievance remaining unattended/ pending for more than 30 days as at 31st March 2009 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.
CHARTERED ACCOUNTANTS

(AKASH SHINGHAL)
Partner
Membership No. : 103490

Place: New Delhi
Date: 31st August, 2009