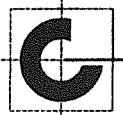


**JAS-ANZ**

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ISO 14001 Standard

HIMACHAL FUTURISTIC COMMUNICATIONS LTD.

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Web : www.hfcl.com

Email : secretarial@hfcl.com

HFCL/SEC/16-17/

May 10, 2016

The Secretary,
The National Stock Exchange of India Limited,
Exchange Plaza, 5th Floor
Plot no. C-1, Block G,
Bandra Kurla Complex, Bandra(East)
MUMBAI- 400 051

The Secretary
BSE Limited
27th Floor
Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI-400 001

Dear Sir,

Re: Outcome of the Board Meeting held on 10th May, 2016

Pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations"), we are enclosing herewith the following documents for the fourth quarter and year ended 31st March, 2016 as reviewed by the Audit Committee, which have been approved by the Board of Directors of the Company at its meeting held on 10th May, 2016:

- Standalone as well as Consolidated Annual Audited Financial Results for the financial year 2015-16, along with Auditors Report thereon.
- Form A (for Audit Report with unmodified opinion) for Standalone Financial Results and Form B (for Audit Report with modified opinion) for Consolidated Financial Results.

Arrangements have also been made to publish the Financial Results in the Newspapers.

The Board of Directors of the Company at its meeting held on 10th May, 2016, has also declared second Interim Dividend of Rs.3.25 per share on 80,50,000 Cumulative Redeemable Preference Shares (CRPS) of Rs.100/- each for the financial year 2015-16. The Board of Directors has fixed 23rd May, 2016 as the Record Date to determine the name of the Preference Shareholders eligible for interim dividend on CRPS as required under Regulation 42 of SEBI Regulations. The Interim dividend shall be paid within thirty days from the date of declaration to those Preference Shareholders, whose name shall appear in the Company's Register of Preference Shareholders as on 23rd May, 2016.

Pursuant to Regulation 30 of SEBI Regulations, the Board of Directors of the Company at its meeting held on 10th May, 2016, has approved the proposal for expansion/modernisation of existing capacities of manufacturing of optical fibre cables as per details given below:

- Existing capacity : 1,02,000 cable km/Annum
- Existing capacity utilization : 96%
- Proposed capacity addition : 48,000 cable km/Annum
- Period within which the proposed Capacity is to be added : By December 2016

- | | |
|------------------------|---|
| e. Investment required | : Rs. 20.80 Crore |
| f. Mode of financing | : Mix of term loan & internal accruals |
| g. Rationale | : Increase in demand of OFC in India as well as world Market. |

We would further like to state that debts of the Company were earlier restructured under Corporate Debt Restructuring (CDR) mechanism and as stipulated therein, the Lenders had the right to claim recompense from the Company at the time of its exit from CDR on account of various sacrifices & waivers made by them in the CDR Package. With the improved financial performance, the Company submitted its proposal for exit from CDR mechanism to Monitoring Institution (MI) i.e. IDBI Bank Limited. The MI has recommended recompense amount of Rs.148.47 crores on term and working capital loans. The same has been approved by CDR-EG vide their order dated March 22, 2016 subject to the approval from Company's Lenders. Subsequent to CDR –EG's approval, the recompense amount has been approved by some of the lenders and approval from remaining lenders is expected soon. Accordingly, the Board of Directors of the Company at their meeting held on 10th May, 2016 has approved the recompense amount of Rs.148.47 crores to exit from CDR mechanism.

The Board of Directors of the Company at its meeting held on 10th May, 2016, has decided to submit the quarterly/year to date standalone along with consolidated financial results from first quarter i.e. June 2016 quarter onwards.

This is for your information and record please.

Thanking you,

Yours faithfully,

For **Himachal Futuristic Communications Limited**



(Manoj Baid)

Associate Vice President (Corporate) &
Company Secretary

Encl.: as above

HIMACHAL FUTURISTIC COMMUNICATIONS LIMITED

Regd. Office : 8, Electronics Complex, Chambaghat, Solan-173213 (Himachal Pradesh)

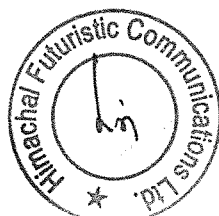
Tel. : (+911792) 231904, 231905, 230643, Fax No (+911792) 231902, e-mail: secretarial@hfcl.com

Website: www.hfcl.com / Corporate Identity Number (CIN): L64200HP1987PLC007466

STATEMENT OF STANDALONE & CONSOLIDATED AUDITED RESULTS FOR THE FOURTH QUARTER AND YEAR ENDED 31ST MARCH 2016

(Rs. In crores)

Sl. No.	Particulars	Three months ended	Preceding three months ended	Corresponding three months ended in the previous year	Financial year ended	Previous financial year ended	Consolidated results for the financial year ended	Consolidated results for the previous financial year ended
		March 31st 2016	December 31st 2015	March 31st 2015	March 31st 2016	March 31st, 2015	March 31st 2016	March 31st, 2015
		Audited	Unaudited	Audited	Audited	Audited	Audited	Audited
1	Income from operations							
	Net sales/income from Operations (Net of excise duty)	763.91	592.74	681.18	2,569.54	2,551.08	2,611.06	2,553.07
2	Expenses							
	a) Cost of materials/services consumed	554.55	306.02	432.37	1,544.06	1,768.98	1,568.37	1,770.81
	b) Purchases of stock-in-trade	54.32	54.03	46.98	238.78	72.51	252.19	72.51
	c) Changes in inventories of finished goods, work in progress and stock-in-Trade	(31.72)	25.59	(8.78)	(37.71)	(82.37)	(43.57)	(82.37)
	d) Employee benefits expenses	24.52	32.30	46.47	157.46	205.44	162.60	216.92
	e) Depreciation/Impairment and Amortisation expenses	5.80	6.30	7.24	24.91	33.93	26.33	34.21
	f) Other expenses	93.49	90.11	72.78	341.21	233.34	347.27	235.82
	g) Bad debts, advances & Miscellaneous balances written off (net)	6.09	(0.23)	23.05	6.06	58.72	6.06	58.72
	h) Loss on sales of Investment (net)	42.83	-	47.97	42.83	47.97	42.83	47.97
	Total Expenses	749.88	514.12	668.08	2,317.60	2,338.52	2,362.08	2,354.59
3	Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)	14.03	78.62	13.10	251.94	212.56	248.98	198.48
4	Other Income	10.37	2.76	9.49	21.94	20.05	34.74	157.51
5	Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)	24.40	81.38	22.59	273.88	232.61	283.72	355.99
6	Finance costs	11.15	11.22	13.16	44.92	42.70	47.82	44.38
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)	13.25	70.16	9.43	228.96	189.91	235.90	311.61
8	Exceptional items - expenses /(income)	148.47	-	-	109.95	-	109.95	-
9	Profit/(Loss) from ordinary activities before tax (7-8)	(135.22)	70.16	9.43	119.01	189.91	125.95	311.61
10	Tax expenses	(29.08)	15.46	(11.83)	26.90	26.74	28.41	26.75
	MAT credit Entitlement	29.08	(15.46)	11.85	(26.90)	(26.72)	(26.90)	(26.72)
11	Net Profit/(Loss) from ordinary activities after tax (9-10)	(135.22)	70.16	9.41	119.01	189.89	124.44	311.58
12	Extraordinary items - (expenses) /Income	-	-	-	-	-	-	-
13	Net Profit/(Loss) for the period (11+12)	(135.22)	70.16	9.41	119.01	189.89	124.44	311.58
14	Share of (profit) / loss of Associates	-	-	-	-	-	(1.72)	(12.29)
15	Minority interest	-	-	-	-	-	-	-
16	Net profit/(loss) after taxes, minority interest and share of profit/(loss) of associates (13-14-15)	(135.22)	70.16	9.41	119.01	189.89	126.16	323.87
17	Paid-up Equity Share Capital (Face value of Re.1/- each)	123.94	123.94	123.94	123.94	123.94	123.94	123.94
18	Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year	-	-	-	921.08	808.44	872.62	753.27
19	Earning per Share(face value of Re 1/- each) - (not annualised)							
	(a) Before Extraordinary items - Basic	(1.10)	0.56	0.07	0.92	1.49	0.98	2.57
	- Diluted	(1.10)	0.56	0.07	0.92	1.49	0.98	2.57
	(b) After Extraordinary items - Basic	(1.10)	0.56	0.07	0.92	1.49	0.98	2.57
	- Diluted	(1.10)	0.56	0.07	0.92	1.49	0.98	2.57



SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED								(Rs. In crores)
Sl. No.	Particulars	Three months ended	Preceding three months ended	Corresponding three months ended in the previous year	Financial year ended	Previous financial year ended	Consolidated results for the financial year ended	Consolidated results for the previous financial year ended
		March 31st 2016	December 31st 2015	March 31st 2015	March 31st 2016	March 31st, 2015	March 31st 2016	March 31st, 2015
		Audited	Unaudited	Audited	Audited	Audited	Audited	Audited
1	Segment Revenue							
	a. Telecom Products	136.36	143.94	151.89	604.78	565.74	662.93	567.92
	b. Turnkey Contracts and Services	627.55	448.80	529.29	1,964.76	1,985.34	1,964.76	1,985.35
	c. Others	-	-	-	-	-	0.05	0.05
	Total	763.91	592.74	681.18	2,569.54	2,551.08	2,627.74	2,553.32
	Less: Inter segment revenue	-	-	-	-	-	16.68	0.25
	Net Sales/Income from Operations	763.91	592.74	681.18	2,569.54	2,551.08	2,611.06	2,553.07
2	Segment Results Profit/(Loss) before tax and interest from each segment							
	a. Telecom Products	16.15	15.57	(1.80)	69.79	13.05	79.58	136.39
	b. Turnkey Contracts and Services	54.27	66.15	72.45	250.81	268.53	250.81	268.53
	c. Others	-	-	-	-	-	0.03	0.04
	Total	70.42	81.72	70.65	320.60	281.58	330.42	404.96
	Less: i. Interest	11.15	11.22	13.16	44.92	42.70	47.82	44.38
	ii. Other un-allocable expenditure net off	194.49	0.35	48.20	195.21	49.18	195.19	49.18
	iii Un-allocable income	-	(0.01)	(0.14)	(38.54)	(0.21)	(38.54)	(0.21)
	Total Profit before Tax	(135.22)	70.16	9.43	119.01	189.91	125.95	311.61
3	Capital Employed							
	a. Telecom Products	358.64	342.42	292.84	358.64	292.84	266.79	188.84
	b. Turnkey Contracts and Services	717.40	614.37	392.80	717.40	392.80	717.40	392.80
	c. Others	-	-	-	-	-	0.83	0.80
	Total capital employed in segments	1,076.04	956.79	685.64	1,076.04	685.64	985.02	582.44
	Add: Un-allocable corporate assets less liabilities	49.48	307.19	327.24	49.48	327.24	92.03	375.26
	Total capital employed in Company	1,125.52	1,263.98	1,012.88	1,125.52	1,012.88	1,077.05	957.70

Notes :

- The above Audited standalone and consolidated financial results of the Company for the fourth quarter and year ended 31st March, 2016 as reviewed by the Audit committee were approved by the Board of Directors at their meeting held on 10th May, 2016.
- The Board of directors of the Company at its meeting held on 10th May, 2016 has declared second interim dividend of Rs.3.25 per share on Cumulative Redeemable Preference Shares of Rs.100/- each.
- The Exceptional items consist of : (i) Impact of recompense amount on account of waivers under rework package of CDR - Rs.148.47 crores and (ii) Claims in regard to one of investment made in earlier years amounting to Rs.38.52 crores settled and recovered during the year.
- Debts of the Company were earlier restructured under Corporate Debt Restructuring (CDR) mechanism and as stipulated there-in, the lenders had the right to claim recompense from the Company at the time of its exit from CDR on account of various sacrifices & waivers made by them in the CDR package. With the improved financial performance, Company submitted its proposal for exit from CDR to the Monitoring Institution (MI), i.e. IDBI Bank Ltd. MI has recommended recompense amount of Rs.148.47 crores on term & working capital loans. The same has been approved by the CDR-EG vide their order dated 22nd March, 2016 subject to approval from Company's lenders. Subsequent to CDR-EG's approval, the recompense amount has been approved by some of the lenders and the approval is expected soon from the remaining. Accordingly, the Board of Directors of the Company at its meeting held on 10th May, 2016 has approved the recompense amount of Rs.148.47 crores to exit from CDR mechanism.
- Extract of Auditors' observations & Management Response:
i) Auditors in their Consolidated Audit Report has stated that one of the subsidiary has not made the provision for interest on short term borrowings amounting to Rs.60 lakhs (cumulatively Rs.120 lakhs) on account of pending settlement with lenders.
The provision for interest on short term borrowings has not been made by the subsidiary company since the term of interest payable on them are yet to be finalised and the discussion are in progress. Once the terms are finalized, the same will be accounted for in the books of accounts of subsidiary company.
ii) Auditors in their Consolidated Audit Report has stated that no adjustment has been made in respect of Group's share of net profit/loss in respect of one of the Associate of the holding company.
As per the provisions of the Section 2(6) of the Companies Act, 2013, one of entity qualifies to be an Associate and hence requires its financials to be consolidated with the Company's financials. However, the Group does not have any control over the business decisions or affairs of the said Associate. Moreover the said Associate has not yet furnished its financial statements for consolidation even after reminders.
- The figures of the last quarter ended 31st March, 2016 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year.
- The figures of the previous periods have been regrouped wherever necessary.

By order of the Board

Place : New Delhi
Date : 10th May, 2016



(Mahendra Nahata)
Managing Director
DIN 00052898

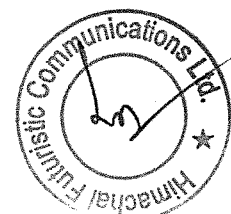
Statement of Assets and Liabilities

(Rs. in crores)

Sl. No.	Particulars	Standalone		Consolidated	
		As at year ended	As at previous year ended	As at year ended	As at previous year ended
		March 31st 2016	March 31st 2015	March 31st 2016	March 31st 2015
A	EQUITY AND LIABILITIES				
(1)	Shareholders Funds				
	(a) Share Capital	204.44	204.44	204.44	204.44
	(b) Reserve & Surplus	921.08	808.44	872.62	753.27
	(c) Money received against share warrants	-	-	-	-
	Sub-total - Shareholder's funds	1,125.52	1,012.88	1,077.06	957.71
(2)	Share application money pending allotment	-	-	-	-
(3)	Minority Interest	-	-	-	-
(4)	Non- Current Liabilities				
	(a) Long Term Borrowings	251.17	162.23	251.26	162.29
	(b) Deferred tax liabilities (net)	-	-	-	-
	(c) Other Long Term Liabilities	-	-	-	-
	(d) Long Term Provisions	11.02	13.78	12.68	15.98
	Sub-total - Non-current liabilities	262.19	176.01	263.94	178.27
(5)	Current Liabilities				
	(a) Short Term Borrowings	142.26	109.32	155.26	126.87
	(b) Trade Payables	470.03	307.08	523.27	325.65
	(c) Other Current Liabilities	231.32	180.73	274.42	221.68
	(d) Short Term Provisions	7.26	9.41	9.09	9.86
	Sub-total - Current liabilities	850.87	606.54	962.04	684.06
	TOTAL - EQUITY AND LIABILITIES	2,238.58	1,795.43	2,303.04	1,820.04
B	ASSETS				
(1)	Non Current Assets				
	(a) Fixed Assets	107.39	121.98	157.44	128.21
	(b) Non- Current Investments	176.50	295.84	202.05	271.65
	(c) Long Term Loans & Advances	2.44	2.09	2.69	2.80
	(d) Goodwill (on Consolidation of Subsidiary)	-	-	19.22	74.22
	(e) Deferred tax assets (net)	-	-	-	-
	(f) Other Non- Current Assets	-	-	-	-
	Sub-total - Non-current assets	286.33	419.91	381.40	476.88
(2)	Current Assets				
	(a) Current Investments	0.18	0.18	0.18	0.18
	(b) Inventories	259.87	236.04	276.19	236.10
	(c) Trade Receivables	1,118.64	367.42	1,118.28	365.64
	(d) Cash & Cash Equivalents	77.20	135.79	102.51	161.35
	(e) Short-term Loans & Advances	460.00	588.50	382.92	528.70
	(f) Other Current Assets	36.36	47.59	41.56	51.19
	Sub-total - Current assets	1,952.25	1,375.52	1,921.64	1,343.16
	TOTAL - ASSETS	2,238.58	1,795.43	2,303.04	1,820.04

Disclosure in compliance with Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2016

- 80,50,000 6.5% Cumulative Redeemable Preference Shares (CRPS) issued by the Company have been assigned the rating of BBB – by the India Ratings & Research Private Limited.
- The Company has paid declared dividend on CRPS in time. The last dividend payment was made on 17.11.2015. The next dividend due in March, 2016 will be paid in May 2016 after its declaration by the Board of Directors. The 25% of CRPS will be redeemed in the financial year 2018 and 75% will be redeemed in financial year 2019.
- Net worth as on March 31, 2016: Rs.1125.52 crores.
- Net Profit after Tax for the year ended March 31, 2016: Rs.119.01 crores.
- Earnings per shares (EPS) as on March 31, 2016: Basic EPS Rs.0.92 and Diluted EPS Rs.0.92.
- Outstanding 6.5% Cumulative Redeemable Preference Shares: 80,50 000 CRPS of Rs.100/- each.



KHANDELWAL JAIN & CO.

CHARTERED ACCOUNTANTS

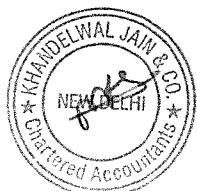
BRANCH OFFICE :
221, HANS BHAWAN
BAHADUR SHAH ZAFAR MARG,
NEW DELHI-110 002

Tel : 23370091, 23370892, 23378795
Fax : 23378794
Website : www.kjco.net
E-mail : delhi@kjco.net

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS HIMACHAL FUTURISTIC COMMUNICATIONS LIMITED

1. We have audited the accompanying Statement of Standalone Financial Results of HIMACHAL FUTURISTIC COMMUNICATIONS LIMITED ("the Company") for the year ended 31st March, 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of the related financial statements which are in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement.
2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement. An Audit includes examining, on a test basis, evidence supporting amounts disclosed in the Statement. An Audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the significant accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
3. In our opinion and to the best of our information and according to the explanations given to us, the statement:
 - (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
 - (ii) gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net profit and other financial information of the Company for the year ended 31st March, 2016.



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4. The Statement includes the results for the Quarter ended 31st March, 2016 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For KHANDELWAL JAIN & CO.

Chartered Accountants

Firm Registration No. 105049W



Manish Singhal

Partner

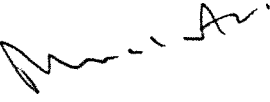
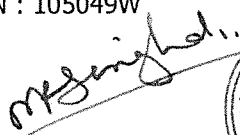
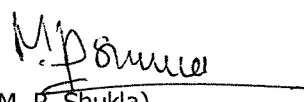
Membership No: 502570



Place: New Delhi

Dated: 10th May, 2016

FORM A (for audit report with unmodified opinion)

1.	Name of the Company	Himachal Futuristic Communications Ltd.
2.	Annual Financial Statements for the year ended	31 st March, 2016
3.	Type of Audit observations	Unmodified
4.	Frequency of observation	Not Applicable
5.	To be signed by –	
	• CEO/Managing Director	 (Mahendra Nahata) Managing Director
	• CFO	 (V R Jain) Chief Financial Officer
	• Auditor of the Company	For Khandelwal Jain & Co. Chartered Accountants FRN : 105049W  (Manish Singhal) M. No. 502570 Partner 
	• Audit Committee Chairman	 (M P Shukla) Chairman- Audit Committee

KHANDELWAL JAIN & CO.

CHARTERED ACCOUNTANTS

BRANCH OFFICE :
221, HANS BHAWAN
BAHADUR SHAH ZAFAR MARG,
NEW DELHI-110 002

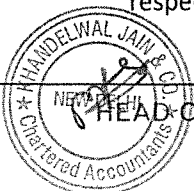
Tel : 23370091, 23370892, 23378795
Fax : 23378794
Website : www.kjco.net
E-mail : delhi@kjco.net

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS HIMACHAL FUTURISTIC COMMUNICATIONS LIMITED

1. We have audited the accompanying Statement of Consolidated Financial Results of HIMACHAL FUTURISTIC COMMUNICATIONS LIMITED ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, for the year ended 31st March, 2016 ("the Statement"), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement, which is the responsibility of the Holding Company's Management and approved by the Board of Directors, has been prepared on the basis of the related consolidated financial statements which are in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement.
2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement. An Audit includes examining, on a test basis, evidence supporting amounts disclosed in the Statement. An Audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the significant accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
3. (a) We did not audit the financial statements of two subsidiaries whose financial statements information reflect total assets of Rs. 24,390,913 as at 31st March, 2016, total revenues of Rs. 470,624 and net cash flows amounting to Rs. 328,173 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion is based solely on the report of the other auditors.

(b) We have relied on the unaudited financial statements of one jointly controlled entity whose financial statements reflect total assets of Rs. 304,101,672 as at 31st March, 2016, total revenues of Rs. 626,801,953 and net cash flows amounting to Rs. 63,832,513 for the year ended on that date and one associate wherein the group's share of profit (net) aggregate Rs. 6,690,000. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts included in respect of these associates is based solely on such unaudited financial statements.



HEAD OFFICE : 6-B & C, PIL COURT, 6TH FLOOR, 111, M. KARVE ROAD, CHURCH GATE, MUMBAI-400 020
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12-B, BALDOTA BHAWAN, 5TH FLOOR, 117, MAHARSHI KARVE ROAD MUMBAI-400 020
PH. : 4311 6000 (MULTIPLE LINES) FAX : (91-22) 4311 6060 E-MAIL : kjco@vsnl.com

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Our opinion on the statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the unaudited financial statements certified by the Management.

4. (a) *In the case of the subsidiary, HTL Ltd., the Subsidiary has not made the provision of interest on short term borrowings amounting to Rs. 6,000,000 (Cumulatively Rs. 12,000,000) on account of pending settlement with the lenders. Accordingly, finance cost would have been increased by Rs. 6,000,000 and profit for the year reduced by Rs. 6,000,000 and shareholders' fund would have been reduced by Rs. 12,000,000.*

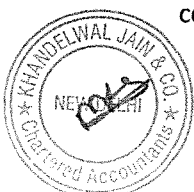
(b) In respect of investment in one of the associate of the Holding Company, where the Holding Company has significant influence in terms of section 2(6) of the Companies Act, 2013, no adjustment has been made in respect of Group's share of net profit/loss, as the financial statements/information of the associate has not yet been received by the holding company and not furnished to us.

5. (a) In the case of the subsidiary, HTL Ltd., the Subsidiary has become a Sick Industrial Company due to erosion of its net worth and its current liabilities exceed its current assets by Rs. 1499,445,000 (Previous year Rs. 1,079,975,000) as on balance sheet date. Further, the Company has overdue loans from Government of India amounting to Rs. 62,420,000 (Previous year: Rs. 62,420,000) and interest accrued and due thereon of Rs. 271,588,000 (Previous year: Rs 256,566,000). These factors, along with other matters as set forth in the said notes, raise doubt that the Company will be able to continue as a going concern. The Company is in the process of restructuring/revival of its business under the aegis of BIFR and during the year, the company has set up a manufacturing plant for manufacture of optical fiber cables and Fiber-to-home cables. In view of the above, the financial statements have been prepared on a going concern basis. Our report is not qualified in respect of this matter.

(b) In the case of the subsidiary, HTL Ltd., the Subsidiary has paid remuneration to managerial personnel during the year for which approval of central government is yet to be obtained. Our report is not qualified in respect of this matter.

6. In our opinion and to the best of our information and according to the explanations given to us, *subject to paragraph 4 above* and based on the consideration of the reports of the other auditors referred to in paragraph 3 above, the statement:

- (i) Includes the results of subsidiaries HTL Ltd., Moneta Finance Pvt. Ltd. and HFCL Advance Systems Pvt. Ltd.; Associates Microwave Communications Ltd., Exicom Tele-systems Ltd., HFCL Bezeq Telecom Ltd., Polixel Security Systems Pvt. Ltd. and Jointly control entity Dragon Wave HFCL India Pvt. Ltd.



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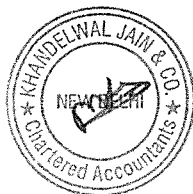
- (ii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- (iii) *Subject to paragraph 4 above*, gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the consolidated net profit and other financial information of the Company for the year ended 31st March, 2016.

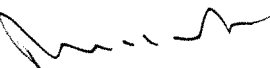
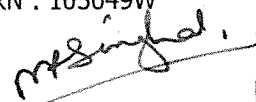
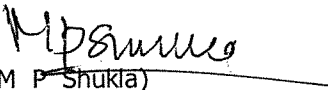
7. The Statement includes the results for the Quarter ended 31st March, 2016 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For KHANDELWAL JAIN & CO.**Chartered Accountants****Firm Registration No. 105049W****Manish Singhal****Partner****Membership No: 502570****Place: New Delhi****Dated: 10th May, 2016**

FORM B (for consolidated audit report with modified opinion)

1.	Name of the Company	Himachal Futuristic Communications Ltd.
2.	Annual Financial Statements for the year ended	31 st March, 2016
3.	Type of Audit qualification	Qualified
4.	Frequency of qualification	Since financial year 2014-15
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	i) Auditors in their Consolidated Audit Report has stated that one of the subsidiary has not made the provision for interest on short term borrowings amounting to Rs.60 lakhs (cumulatively Rs.120 lakhs) on account of pending settlement with lenders. <u>Management Response:</u> The provision for interest on short term borrowings has not been made by the subsidiary company since the term of interest payable on them are yet to be finalised and the discussion are in progress. Once the terms are finalized, the same will be accounted for in the books of accounts of subsidiary company. ii) Auditors in their Consolidated Audit Report has stated that no adjustment has been made in Group's share of net profit/loss in respect of one of the Associate of the holding company. <u>Management Response:</u> As per the provisions of the Section 2(6) of the Companies Act, 2013, one of entity qualifies to be an Associate and hence requires its financials to be consolidated with the Company's financials. However, the Group does not have any control over the business decisions or affairs of the said Associate. Moreover the said Associate has not yet furnished its financial statements for consolidation even after reminders. The Management response will be included in the Directors' Report.
	Additional comments from the board/audit committee chair:	-



5.	To be signed by – • CEO/Managing Director • CFO • Auditor of the Company • Audit Committee Chairman	 (Mahendra Nahata) Managing Director  (V R Jain) Chief Financial Officer For Khandelwal Jain & Co. Chartered Accountants FRN : 105049W  (Manish Singhal) M. No. 502570 Partner  (M P Shukla) Chairman- Audit Committe 
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