

**JAS-ANZ**An Environment conscious company certified to
ISO 14001 Standard**HIMACHAL FUTURISTIC COMMUNICATIONS LTD.**8, Commercial Complex, Masjid Moth,
Greater Kailash - II, New Delhi - 110048, India

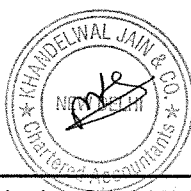
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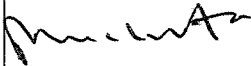
Web : www.hfcl.com

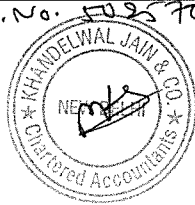
Email :

Himachal Futuristic Communications Limited				
Registered Office: 8, Electronics Complex, Chambaghat, Solan-173 213, Himachal Pradesh Corporate Identity Number (CIN) : L64200HP1987PLC007466				
Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results- Consolidated for the Financial year ended 31st March, 2016				
Statement on Impact of Audit Qualifications for the financial year ended 31st March, 2016 (Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016)				
(Rs. in Crores)				
I	Sl No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover/ Total Income	2645.82	2645.82
	2	Total Expenditure	2362.08	2362.08
	3	Net Profit /(Loss)	124.44	124.44
	4	Earnings per share	0.98	0.98
	5	Total Assets	2303.04	2303.04
	6	Total Liabilities	2303.04	2303.04
	7	Net worth	1077.06	1077.06
II	Audit Qualification (each audit qualification separately)			
	a. Details of Audit Qualification:			As per Annexure A
	b. Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion: Qualified Opinion			
	c. Frequency of qualification: Whether appeared first time/ repetitive/ since how long continuing: Repetitive , appearing since FY 2014-15			
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: As per Annexure A			
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:			
	i. Management's estimation on the impact of Audit Qualification : Not Assessable			



Page 1 of 3

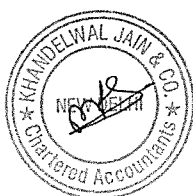
	ii. If management is unable to estimate the impact, reasons for the same: As per Annexure A			
	iii. Auditors' comments on (i) or (ii) above: <i>Qualifications and management response is self explanatory.</i>			
III	Signatories			
	 (Mahendra Nahata) Managing Director	For Khandelwal Jain & Co. Chartered Accountants FRN - 1050496  (Manish Singh) Partner	 (V R Jain) CFO	 (M P Shukla) Chairman- Audit Committee



Annexure A

HFCL Audit Qualifications on the Consolidated Financial Statements of FY 2015-16

Sr. No	Details of Audit Qualification(s)	Management's Views
1.	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.	Management Response: 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. Though the auditor has mentioned the maximum impact of Rs.60 Lakhs, however the management of the subsidiary company is discussing the matter with the concerned party for the payment of interest hence the impact is not ascertainable at present.
2.	Auditors in their Consolidated Audit Reports has stated that no adjustments has been made in Group's share of net profit/loss in respect of one of the Associate of the holding company	Management Response: As per the provisions of the Section 2(6) of the Companies act, 2013, one of the 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. In view of the above the impact is not assessable.



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