



# HIMACHAL FUTURISTIC COMMUNICATIONS LTD.

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

## UNAUDITED FINANCIAL RESULTS (PROVISIONAL) FOR THE QUARTER ENDED 31<sup>ST</sup> DECEMBER, 2007

(Rs. in Crores)

| Sl. No. | Particulars   | Third Quarter Ended 31st December |               | Nine Months Ended 31st December |               | Financial Year Ended 31st March, 2007 |
|---------|---|-----------------------------------|---------------|---------------------------------|---------------|---------------------------------------|
|         |   | 2007                              | 2006          | 2007                            | 2006          |                                       |
|         |   | (Unaudited)                       | (Unaudited)   | (Unaudited)                     | (Unaudited)   |                                       |
| 1       | <b>Net Turnover/Income from Operations</b>                            | <b>89.51</b>                      | <b>318.29</b> | <b>291.17</b>                   | <b>792.27</b> | <b>1,139.05</b>                       |
| 2       | Other Income  | 0.13                              | 0.57          | 0.84                            | 1.39          | 5.67                                  |
| 3       | Expenditure<br>(Increase)/Decrease in stock in trade                  | 3.02                              | (10.83)       | 5.25                            | (0.96)        | 10.65                                 |
|         | Cost of Raw Material/services   | 50.49                             | 114.44        | 93.27                           | 261.60        | 380.21                                |
|         | Purchase of Traded goods  | 9.33                              | 136.51        | 125.57                          | 340.23        | 475.17                                |
|         | <b>Gross Profit</b>   | <b>26.67</b>                      | <b>78.17</b>  | <b>67.08</b>                    | <b>191.40</b> | <b>273.02</b>                         |
|         | Staff Cost  | 6.83                              | 5.67          | 18.11                           | 18.29         | 24.80                                 |
|         | Administrative and other Overheads                                    | 9.41                              | 11.08         | 23.56                           | 30.22         | 65.49                                 |
|         | Royalty   | 1.09                              | 1.04          | 3.27                            | 2.18          | 2.99                                  |
|         | <b>EBIDTA</b>   | <b>9.47</b>                       | <b>60.95</b>  | <b>22.98</b>                    | <b>142.10</b> | <b>185.41</b>                         |
| 4       | Interest and Finance Charges  | 17.95                             | 10.40         | 50.56                           | 30.28         | 39.60                                 |
| 5       | Depreciation and Amortisation   | 6.42                              | 5.64          | 19.46                           | 18.49         | 26.08                                 |
| 6       | <b>Profit before Tax &amp; Non recurring Extra ordinary items</b>     | <b>(14.90)</b>                    | <b>44.91</b>  | <b>(47.04)</b>                  | <b>93.33</b>  | <b>119.73</b>                         |
| 7       | Provision for Taxation/FBT including for earlier years                | 0.14                              | 0.10          | 0.24                            | 0.37          | 8.57                                  |
| 8       | <b>Profit after tax and before Non recurring Extra ordinary items</b> | <b>(15.04)</b>                    | <b>44.81</b>  | <b>(47.28)</b>                  | <b>92.96</b>  | <b>111.16</b>                         |
| 9       | Extra ordinary and non recurring items (net)                          | 3.18                              | (0.51)        | 5.98                            | 0.55          | 1.12                                  |
| 10      | <b>Net Profit after Non recurring and Extra ordinary items</b>        | <b>(18.22)</b>                    | <b>45.32</b>  | <b>(53.26)</b>                  | <b>92.41</b>  | <b>110.04</b>                         |
| 11      | Paid-up Equity Share Capital (Face value of Rs.10 each)               | 442.78                            | 436.04        | 442.78                          | 436.04        | 442.78                                |
| 12      | Reserves excluding Revaluation Reserve                                | -                                 | -             | -                               | -             | 136.51                                |
| 13      | Earning per Share(Rs) - Basic   | (1.23)                            | 1.02          | (1.29)                          | 2.22          | 2.57                                  |
|         | - Diluted   | (1.23)                            | 1.00          | (1.29)                          | 2.18          | 2.57                                  |
| 14      | Aggregate of public shareholding                                      |                                   |               |                                 |               |                                       |
|         | - Number of shares  | 433,139,518                       | 425,873,518   | 433,139,518                     | 425,873,518   | 432,618,318                           |
|         | - Percentage of shareholding  | 97.82%                            | 97.67%        | 97.82%                          | 97.67%        | 97.70%                                |

## SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(Rs. in Crores)

| Particulars   | Third Quarter Ended 31st December |               | Nine Months Ended 31st December |               | Financial Year Ended 31st March, 2007 |
|---|-----------------------------------|---------------|---------------------------------|---------------|---------------------------------------|
|   | 2007                              | 2006          | 2007                            | 2006          |                                       |
|   | (Unaudited)                       | (Unaudited)   | (Unaudited)                     | (Unaudited)   |                                       |
| a. Telecom Products   | 58.79                             | 137.42        | 173.97                          | 429.09        | 547.04                                |
| b. Turnkey Contracts and Services                               | 30.72                             | 179.15        | 117.20                          | 338.19        | 564.16                                |
| c. Others   | -                                 | 1.72          | -                               | 24.99         | 27.85                                 |
| <b>Total</b>  | <b>89.51</b>                      | <b>318.29</b> | <b>291.17</b>                   | <b>792.27</b> | <b>1,139.05</b>                       |
| Less: Inter segment revenue                                     | -                                 | -             | -                               | -             | -                                     |
| <b>Net Turnover/Income from Operations</b>                      | <b>89.51</b>                      | <b>318.29</b> | <b>291.17</b>                   | <b>792.27</b> | <b>1,139.05</b>                       |
| <b>Segment EBITA</b>  |                                   |               |                                 |               |                                       |
| a. Telecom Products   | 2.24                              | 12.36         | (1.64)                          | 49.84         | 37.39                                 |
| b. Turnkey Contracts and Services                               | 2.70                              | 35.62         | 10.46                           | 72.54         | 114.99                                |
| c. Others   | -                                 | 0.48          | -                               | 0.61          | 0.78                                  |
| <b>Total</b>  | <b>4.94</b>                       | <b>48.46</b>  | <b>8.82</b>                     | <b>122.99</b> | <b>153.16</b>                         |
| Less: i. Interest and Finance charges                           | 17.95                             | 10.40         | 50.56                           | 30.28         | 39.60                                 |
| ii. Other un-allocable expenditure net off un-allocable income  | 1.89                              | (6.85)        | 5.30                            | (0.62)        | (6.17)                                |
| <b>Profit before Tax and non recurring extra ordinary items</b> | <b>(14.90)</b>                    | <b>44.91</b>  | <b>(47.04)</b>                  | <b>93.33</b>  | <b>119.73</b>                         |
| <b>Capital Employed</b>   |                                   |               |                                 |               |                                       |
| a. Telecom Products   | 365.09                            | 618.82        | 365.09                          | 618.82        | 615.09                                |
| b. Turnkey Contracts and Services                               | 93.93                             | 169.81        | 93.93                           | 169.81        | 259.22                                |
| c. Others   | -                                 | 4.75          | -                               | 4.75          | 5.42                                  |
| Total capital employed in segments                              | 459.02                            | 793.38        | 459.02                          | 793.38        | 879.73                                |
| Add: Un-allocable corporate assets less liabilities             | 127.18                            | (166.98)      | 127.18                          | (166.98)      | (219.92)                              |
| <b>Total capital employed in Company</b>                        | <b>586.20</b>                     | <b>626.40</b> | <b>586.20</b>                   | <b>626.40</b> | <b>659.81</b>                         |

### Notes :

1 The above results have been reviewed by the Audit Committee and taken on record by the Board of Directors at its meeting held on 28<sup>th</sup> January, 2008.

#### 2a Audit Qualifications:

- Interest free loan of Rs.66.57 lacs and Rs.200.00 lacs given to subsidiary companies during the year in excess of the limits prescribed under section 372A of the Companies Act, 1956.
- The Company has in terms of the CDR package, provided for interest on ballooning basis @ 3% per annum instead of on YTM basis i.e. @ 8.5% per annum, whereby the profit for the year is higher by Rs.109,692,672/-(Cumulative amount Rs. 229,401,404)
- Balances of some of sundry debtors, creditors, lenders and loans and advances are subject to confirmation.

#### b Management Comments:

- The amount given as temporary accommodation was received back in subsequent and during the year respectively.
- The provision of interest has been made as per CDR approved package.
- Company obtains the confirmations in ordinary course of business.

3 As per the Audited accounts of the Company for the Financial year 2006-07 duly adopted by the shareholders in the Annual General Meeting held on 27/12/2007, the accumulated losses of the Company as at the end of the financial year have resulted in erosion of more than fifty percent of its peak net worth during the immediately preceding four financial years. The company is in the process to comply with the formalities as provided in section 23 of Sick Industrial Companies (Special Provisions) Act, 1985.

4 Status of investors complaints during the quarter ended 31st December, 2007 : Pending at the beginning Nil; Received 2; Disposed off 2; Pending at the end Nil

Investors Relation Contact : investor@hfcl.com

5 Figures of the previous periods have been regrouped/rearranged wherever considered necessary .

Place: New Delhi  
Date : 28<sup>th</sup> January, 2008

By Order of the Board  
**(MAHENDRA NAHATA)**  
Managing Director