



HIMACHAL FUTURISTIC COMMUNICATIONS LTD.

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

UNAUDITED FINANCIAL RESULTS (PROVISIONAL) FOR THE SIXTH QUARTER ENDED 30th SEPTEMBER, 2010

(Rs. In Lacs)

Sl. No.	Particulars	Quarter Ended 30th September		Financial Year for Eighteen Months Ended 30th September	Financial Year Ended 31st March, 2009
		2010	2009	2010	
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Net Turnover/Income from Operations	5,052.86	4,322.42	31,143.21	13,909.90
2	Expenditure				
	a) (Increase)/Decrease in stock in trade	56.16	173.35	1,020.02	799.65
	b) Cost of Raw Material/services	2,022.56	2,089.43	15,656.82	6,630.48
	c) Purchase of Traded goods	2,096.31	638.37	7,011.95	3,442.07
	d) Staff Cost	439.16	419.51	2,711.66	2,141.17
	e) Depreciation and Amortisation	637.69	641.22	3,816.27	2,614.53
	f) Administrative and other Overheads	559.49	432.74	2,911.46	2,227.19
	g) Bad Debts, Advances & Miscellaneous balances written off (net)	637.33	(23.87)	6,889.78	28.93
	h) Liquidated damages	31.84	-	77.81	4,103.80
	i) Provision for Non moving inventories	342.00	-	990.42	229.41
	j) Provision for doubtful debts	-	-	-	11,120.44
	Total	6,822.54	4,370.75	41,086.19	33,337.67
3	Profit/(Loss) from operations before other income, Interest & exceptional items (1-2)	(1,769.68)	(48.33)	(9,942.98)	(19,427.77)
4	Other Income	254.90	36.83	1,279.76	544.11
5	Profit/(Loss) before interest & exceptional items (3+4)	(1,514.78)	(11.50)	(8,663.22)	(18,883.66)
6	Interest (net)	(147.56)	1,891.79	8,494.15	9,098.91
7	Profit/(Loss) after interest but before exceptional items (5-6)	(1,367.22)	(1,903.29)	(17,157.37)	(27,982.57)
8	Exceptional items (refer note No.6)	1,967.09	24.84	5,946.42	(3,642.98)
9	Profit/(Loss) from ordinary activities before tax (7+8)	599.87	(1,878.45)	(11,210.95)	(31,625.55)
10	Tax expenses	-	-	11.43	42.09
11	Net Profit/(Loss) from ordinary activities after tax (9-10)	599.87	(1,878.45)	(11,222.38)	(31,667.64)
12	Extraordinary items (net)	-	149.76	(38,891.74)	-
13	Net Profit/(Loss) for the period (11+12)	599.87	(1,728.69)	(50,114.12)	(31,667.64)
14	Paid-up Equity Share Capital (Face value of Rs.10/- each)	46,279.37	44,279.05	46,279.37	44,279.05
15	Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year	-	-	(91,603.78)	(38,552.66)
16	Earning per Share(Rs) -				
	(a) Before Extraordinary items - Basic	0.10	(0.42)	(2.59)	(7.27)
	- Diluted	0.10	(0.42)	(2.67)	(7.27)
	(b) After Extraordinary items - Basic	0.10	(0.42)	(11.00)	(7.27)
	- Diluted	0.10	(0.42)	(11.32)	(7.27)
17	Aggregate of public shareholding				
	- Number of shares	453,216,518	433,184,518	453,216,518	433,148,518
	- Percentage of shareholding	97.93	97.83	97.93	97.82
18	Promoters and promoter group shareholding				
	a) Pledged / encumbered : No. of Share	1,056,000	1,056,000	1,056,000	1,056,000
	- Percentage of share (as a % of the total shareholding of promoter and promoter group)	11.36	11.36	11.36	11.36
	- Percentage of share (as a % of the total share capital of the company)	0.23	0.24	0.23	0.24
	b) Non- encumbered : No. of Share	8,242,999	8,242,999	8,242,999	8,242,999
	- Percentage of share (as a % of the total shareholding of promoter and promoter group)	88.64	88.64	88.64	88.64
	- Percentage of share (as a % of the total share capital of the company)	1.78	1.86	1.78	1.86

Notes:

- The above results have been reviewed by the Audit Committee and taken on record by the Board of Directors at its meeting held on 15th November, 2010 and the Statutory Auditors have carried out Limited Review of the same.
- The ROC vide its order dated 4th May, 2010 has granted the permission of extension of six months to the Company to prepare the annual accounts for eighteen months up to 30th September, 2010 so as to take effect of ongoing financial restructuring. Accordingly Company is publishing un-audited financial results for the sixth quarter and financial year for eighteen months ended on 30th September, 2010.
- Since the Company has extended its Financial Year, the year to date figure for the current period for eighteen months have been given. However comparable figures for corresponding period have not been given as the previous Financial Year was for twelve months.
- The Auditors' comments in their report on the Annual Accounts for the year 08-09 have been addressed as under :

SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(Rs. In Lacs)

Sl. No.	Particulars	Quarter Ended 30th September		Financial Year for Eighteen Months Ended 30th September	Financial Year Ended 31st March, 2009
		2010	2009	2010	
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Segment Revenue				
	a) Telecom Products	4,429.92	1,888.96	20,365.04	9,283.81
	b) Turnkey Contracts and Services	622.94	2,433.46	10,778.17	4,626.09
	c) Others	-	-	-	-
	Total	5,052.86	4,322.42	31,143.21	13,909.90
	Less: Inter segment revenue	-	-	-	-
	Net Sales/Income from Operations	5,052.86	4,322.42	31,143.21	13,909.90
2	Segment Results Profit/(Loss) before tax and interest for each segment				
	a) Telecom Products	359.59	(636.21)	(4,942.49)	(21,080.68)
	b) Turnkey Contracts and Services	203.03	540.79	2,259.65	(1,303.00)
	c) Others	-	-	-	-
	Total	562.62	(95.42)	(2,682.84)	(22,383.68)
	Less: i) Interest	(147.56)	1,891.79	8,494.15	9,098.91
	ii) Other un-allocable expenditure net off un-allocable income	110.31	(108.76)	33.96	142.96
	Total Profit before Tax	599.87	(1,878.45)	(11,210.95)	(31,625.55)
3	Capital Employed				
	a) Telecom Products	9,373.25	6,422.53	9,373.25	6,882.87
	b) Turnkey Contracts and Services	6,553.95	6,440.22	6,553.95	5,877.02
	c) Others	-	-	-	-
	Total capital employed in segments	15,927.20	12,862.75	15,927.20	12,759.89
	Add: Un-allocable corporate assets less liabilities	(53,201.61)	(4,512.26)	(53,201.61)	1,016.51
	Total capital employed in Company	(37,274.41)	8,350.49	(37,274.41)	13,776.40

- The Company is in discussion with CDR lenders for further restructuring/ modification in the CDR package so that its account with lenders can be regularised.
 - The provision of interest has been made as per CDR approved package.
 - The Company has made adequate provisions for doubtful debts.
 - Company obtains the confirmations from sundry debtors, creditors, lenders etc. in ordinary course of business.
 - The Company has received approval from the Central Government for the appointment and payment of remuneration to whole time directors for the financial year 2007-08 and 2008-09. Since the Company has received the approval of the Central Government for a lesser amount than the actual remuneration paid to whole time directors for the aforesaid period, Rs.272.24 Lacs has been accounted for under the head exceptional item during the quarter under review. As the Company is in the process of making representation to the Central Government in the matter, the balance of Rs75.52 lacs continues to be shown as recoverable.
 - The Company is in process of determining the impairment loss, if any, on its assets, in terms of the AS-28, effect of which will be given on such determinations.
- As provided under CDR package, the company is providing interest on ballooning basis. The applicable rate on this basis is 15.50% p.a. during the year as compared to 14.25 % p.a. in the previous year.
 - (A) During the quarter under review the following items have been accounted for under the head of Exceptional items: (i) Writes back of liabilities of Rs.2106.69 Lacs on account of settlement of dues of one of the lender on one time settlement (OTS) basis. (ii) Gain of Rs.265.63 Lacs on Foreign Exchange on account of Foreign currency monetary items outstanding at the quarter end, which are valued at quarter end rate. (iii) Payments to the financial institution amounting to Rs.133 lacs towards guarantee obligation.
 - (B) The Company had settled its dues with Assets Reconstruction Company (India) Ltd (ARCIL) on One time settlement (OTS) basis and most of the commitments as per the OTS have been fulfilled. In view of this provision for interest on loan from ARCIL has not been made during the quarter under review. The effect of the settlement will be given in the accounts after completion of all obligations.
 - The Board of Directors of the Company at its meeting held on September 21, 2010 has given its approval to the proposed amalgamation of Sunvision Engineering Company Pvt. Ltd. into the Company subject to the various approvals of all concerned authorities. Subsequently the Company has filed necessary Petition under section 391-394 of the Companies Act, 1956 before the Hon'ble High Court of Himachal Pradesh. The Hon'ble High Court vide its Order dated 22nd October, 2010 has directed the Company to convene meetings of equity shareholders, preference shareholders, secured creditors and unsecured creditors for considering and approving the composite Scheme of Arrangement and Amalgamation. On receipt of final order from Hon'ble High Court sanctioning the Composite Scheme, the effect of reconstruction of the Company shall be given in the books of accounts of the Company w.e.f. the appointed date i.e. 1st January, 2010.
 - Status of investors' complaints during the quarter ended 30th September, 2010:-
Pending at the beginning : Nil; Received :5; Disposed of :5; Pending at the end : Nil.
Investors Relation Contact : investor@hfcl.com
 - Figures of the previous periods have been regrouped/rearranged wherever considered necessary.

Place: New Delhi
Date: 15th November, 2010

By order of the Board
(Mahendra Nahata)
Managing Director