



HIMACHAL FUTURISTIC COMMUNICATIONS LTD.

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

UNAUDITED FINANCIAL RESULTS (PROVISIONAL) FOR THE FIRST QUARTER ENDED 31ST DECEMBER, 2010

(Rs. In Lacs)

Sl. No.	Particulars	First Quarter Ended 31st December		Financial Year For 18 Months Ended 30th September
		2010	2009	2010
		(Unaudited)	(Unaudited)	(Unaudited)
1.	Net Turnover/Income from Operations	4,392.35	5,746.36	31,143.21
2.	Expenditure			
	a) (Increase)/Decrease in stock in trade	16.46	(306.19)	1,020.02
	b) Cost of Raw Material/services	1,098.66	2,469.56	15,661.99
	c) Purchase of Traded goods	2,351.36	2,272.16	7,011.95
	d) Staff Cost	386.21	519.69	2,715.40
	e) Depreciation and Amortisation	651.34	642.53	3,903.28
	f) Administrative and other Overheads	541.21	460.71	4,089.33
	g) Bad Debts, advances & Miscellaneous balances written off (net)	0.78	(14.22)	6,852.49
	h) Liquidated damages	60.36	-	77.81
	i) Provision for Non moving inventories	390.53	-	990.42
	j) Provision for doubtful debts	-	-	-
	Total	5,496.91	6,044.24	42,322.69
3.	Profit/(Loss) from operations before other income, Interest & exceptional items (1-2)	(1,104.56)	(297.88)	(11,179.48)
4.	Other Income	418.33	94.89	1,733.33
5.	Profit/(Loss) before interest & exceptional items (3+4)	(686.23)	(202.99)	(9,446.15)
6.	Interest (net)	1,417.44	2,214.61	8,515.29
7.	Profit/(Loss) after interest but before exceptional items (5-6)	(2,103.67)	(2,417.60)	(17,961.44)
8.	Exceptional items (Refer note no. 5)	3,950.96	541.46	5,946.42
9.	Profit/(Loss) from ordinary activities before tax (7+8)	1,847.29	(1,876.14)	(12,015.02)
10.	Tax expenses	-	11.43	15.98
11.	Net Profit/(Loss) from ordinary activities after tax (9-10)	1,847.29	(1,887.57)	(12,031.00)
12.	Extraordinary items (net)	-	-	(38,891.74)
13.	Net Profit/(Loss) for the period (11+12)	1,847.29	(1,887.57)	(50,922.74)
14.	Paid-up Equity Share Capital	9,923.95	44,279.05	9,923.95
	Face value of Re.1/- each		Face value of Rs.10/- each	Face value of Re.1/- each
15.	Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year	-	-	3,348.03
16.	Earning per Share(Rs) -			
	(a) Before Extraordinary items - Basic	0.17	(0.46)	(1.87)
	- Diluted	0.17	(0.46)	(1.87)
	(b) After Extraordinary items - Basic	0.17	(0.46)	(7.56)
	- Diluted	0.17	(0.46)	(7.56)
17.	Aggregate of public shareholding			
	- Number of shares	453,216,518	433,216,518	453,216,518
	- Percentage of shareholding	45.67	97.84	45.67
18.	Promoters and promoter group shareholding			
	a) Pledged/encumbered : No. of share	1,056,000	1,056,000	1,056,000
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0.22	11.36	0.22
	- Percentage of shares (as a % of the total share capital of the company)	0.11	0.24	0.11
	b) Non-encumbered: No. of share	478,242,999	8,242,999	478,242,999
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	99.78	88.64	99.78
	- Percentage of shares (as a % of the total share capital of the company)	48.19	1.86	48.19

Notes:

- The Company's last financial year was extended by six months from 31st March, 2010 to 30th September, 2010. Accordingly the Company has made Unaudited Financial Results for the first quarter ended 31st December, 2010 in the current financial year 2010-2011. The above results have been reviewed by the Audit Committee and taken on record by the Board of Directors at its meeting held on 14th February, 2011 and the Statutory Auditors have carried out Limited Review of the same.
- The Auditors' comments in their report on the Annual Accounts for the year 08-09 and in the Limited Review Report of the Quarter under review have been addressed as under:
 - 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 re-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 i.e. remuneration approved by the Central Government has been accounted for during the financial year ended 30th September, 2010. As the Company is in the process of making representation to the Central Government in the matter, the balance remuneration Rs.75.52 lacs continues to be shown as recoverable. The Company has already filed the necessary applications with the Central Government for the re-appointment and payment of remuneration to whole time directors for the Financial Year 2009-10 and onwards which is under their consideration.
 - 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. The Company has submitted fresh restructuring proposal which has already been recommended by the lenders to the empowered group of CDR Cell.

SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(Rs. In Lacs)

Sl. No.	Particulars	First Quarter Ended 31st December		Financial Year For 18 Months Ended 30th September
		2010	2009	2010
		(Unaudited)	(Unaudited)	(Unaudited)
1.	Segment Revenue			
	a) Telecom Products	1,398.87	3,757.42	20,365.04
	b) Turnkey Contracts and Services	2,993.48	1,988.94	10,778.17
	c) Others	-	-	-
	Total	4,392.35	5,746.36	31,143.21
	Less: Inter segment revenue	-	-	-
	Net Sales/Income from Operations	4,392.35	5,746.36	31,143.21
2.	Segment Results Profit/(Loss) before tax and interest for each segment			
	a) Telecom Products	2,757.72	272.09	(5,000.91)
	b) Turnkey Contracts and Services	260.11	319.19	2,295.18
	c) Others	-	-	-
	Total	3,017.83	591.28	(2,705.73)
	Less: i) Interest	1,417.44	2,214.61	8,515.29
	ii) Other un-allocable expenditure net off un-allocable income	(246.90)	252.81	794.00
	Total Profit before Tax	1,847.29	(1,876.14)	(12,015.02)
3.	Capital Employed			
	a) Telecom Products	11,471.26	8,229.15	9,363.14
	b) Turnkey Contracts and Services	6,036.75	6,940.19	6,589.18
	c) Others	-	-	-
	Total capital employed in segments	17,508.01	15,169.34	15,952.32
	Add: Un-allocable corporate assets less liabilities	5,246.73	(9,384.69)	5,369.66
	Total capital employed in Company	22,754.74	5,784.65	21,321.98

- The Hon'ble High Court of Himachal Pradesh at Shimla has sanctioned the Composite Scheme of Arrangement and Amalgamation " Scheme" between Sunvision Engineering Company Private Limited (SECPL), its Shareholders & Optionally Convertible Debenture holder ("OCD holder") and Himachal Futuristic Communications Limited (HFCL) and its Shareholders vide its order passed on 5th January, 2011. The aforesaid Order has been filed with the Registrar of Companies (RoC), Punjab, Himachal Pradesh and Chandigarh in the prescribed Form no 21 both by HFCL and SECPL and RoC has issued a certificate confirming the registration of the aforesaid Court Order on 14th January, 2011 i.e. "effective date". With the registration of the aforesaid Court Order on 14th January, 2011 (effective date), SECPL stands amalgamated into HFCL w.e.f. 1st January, 2010 (Appointed date).
 - Consequent upon the said scheme becoming effective, the Company's issued, subscribed and paid up equity share capital stands reduced from Rs. 462,79,36,970/- divided into 46,27,93,697 equity shares of Rs. 10/- each to Rs. 46,27,93,697/- divided into 46,27,93,697 equity shares of Re. 1/- each by reduction in face value and paid up value from Rs. 10/- per share to Re. 1/- per share. The Registrar of Companies (RoC), Punjab, Himachal Pradesh & Chandigarh, has also issued a necessary certificate under Section 103(4) of the Companies Act, 1956 on 14th January, 2011 confirming the reduction in equity share capital of the Company. Further, pursuant to the said Scheme becoming effective, the Board of Directors of the Company at its meeting held on 10th February, 2011 has allotted 47,00,00,000 and 5,96,01,640 equity shares of Re. 1/- each credited as fully paid up to the Shareholders and Optionally Convertible Debenture Holders respectively of erstwhile SECPL.
 - Upon the Scheme becoming effective, "Business Reconstruction Account" has been prepared as under:

Particular	Dr.	Cr.
Reduction of Equity share Capital		41,651.43
Securities Premium Account		98,633.96
Capital Reserve		2,917.67
Capital Redemption reserve		1,400.00
Debenture redemption reserve		2,500.00
Amalgamation Reserve		970.00
Securities Premium Account on Account of issue of Equity shares to the equity shareholders of SECPL		47,705.00
Securities Premium Account on Account of issue of Equity shares to the OCD holders of SECPL		6,403.98
Profit & Loss Account (As on 30-09-2010)	199,912.98	
Balance retained in Security Premium Account*	2,269.06	
	202,182.04	202,182.04

(Rs. In Lacs)

Particular	Dr.	Cr.
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Securities Premium Account		98,633.96
Capital Reserve		2,917.67
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Debenture redemption reserve		2,500.00
Amalgamation Reserve		970.00
Securities Premium Account on Account of issue of Equity shares to the equity shareholders of SECPL		47,705.00
Securities Premium Account on Account of issue of Equity shares to the OCD holders of SECPL		6,403.98
Profit & Loss Account (As on 30-09-2010)	199,912.98	
Balance retained in Security Premium Account*	2,269.06	
	202,182.04	202,182.04

*After giving the above effect, there is no balance left in the Business Reconstruction Account.

- Pursuant to aforesaid order, the above effects of the Scheme have been incorporated in the books of accounts for the financial period ended 30th September, 2010 as the Scheme is effective from the appointed date i.e. 1st January, 2010. The results for this quarter have been prepared after considering the same effect.
 - Figures of the quarter ended 31st December, 2010 includes financials of amalgamated company hence the figures of the corresponding quarter for the period ended 31st December, 2009 are not comparable to that extent.
 - The aggregate of public shareholding and promoter and promoter group shareholdings has been changed considering that the Scheme has been made effective from 1st January, 2010 though, allotment of shares consequent upon amalgamation has been made on 10th February, 2011.
- 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.3995.30 Lacs on account of settlement of dues of one of the creditor on one time settlement (OTS) basis. (ii) loss of Rs.14.34 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.30 lacs towards guarantee obligation.
 - Status of investors' complaints during the quarter ended 31st December, 2010:- Pending at the beginning : Nil; Received :6; Disposed of :6; Pending at the end : Nil. Investors Relation Contact : investor@hfcl.com
 - Figures of the previous periods have been regrouped/rearranged wherever considered necessary.

By order of the Board

(Mahendra Nahata)
Managing Director