

**HIMACHAL FUTURISTIC COMMUNICATIONS LIMITED**

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

Tel. : (+911792) 230644 Fax No (+911792) 231902, E-mail: secretarial@hfcl.com

**Website: www.hfcl.com / Corporate Identity Number (CIN): L64200HP1987PLC007466**
**STATEMENT OF STANDALONE & CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE 2016**

(Rs. in Crore)

Sl. No.	Particulars	Standalone		Consolidated
		Three months ended	Corresponding three months ended in the previous year	Three months ended
		June 30th 2016	June 30th 2015	June 30th 2016
		Unaudited	Unaudited	Unaudited
<b>1</b>	<b>Income from operations</b>			
	Net sales/income from Operations (Net of excise duty)	503.99	625.37	536.14
<b>2</b>	<b>Expenses</b>			
	a) Cost of materials/services consumed	295.01	363.24	320.35
	b) Purchases of stock-in-trade	11.95	57.31	11.95
	c) Change in inventories of finished goods, work-in progress and stock-in trade	24.48	(8.14)	22.54
	d) Employee benefits expenses	34.10	60.06	37.19
	e) Depreciation and Amortisation expenses	4.29	6.35	5.65
	f) Other expenses	74.72	63.00	76.86
	g) Bad debts, advances & Miscellaneous balances written off (net)	0.08	0.12	0.08
	<b>Total Expenses</b>	<b>444.63</b>	<b>541.94</b>	<b>474.62</b>
<b>3</b>	<b>Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)</b>	<b>59.36</b>	<b>83.43</b>	<b>61.52</b>
<b>4</b>	<b>Other Income</b>	<b>4.65</b>	<b>3.83</b>	<b>6.24</b>
<b>5</b>	<b>Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>64.01</b>	<b>87.26</b>	<b>67.76</b>
<b>6</b>	<b>Finance costs</b>	<b>17.83</b>	<b>16.11</b>	<b>19.47</b>
<b>7</b>	<b>Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>46.18</b>	<b>71.15</b>	<b>48.29</b>
<b>8</b>	<b>Exceptional items - expenses /(income)</b>	<b>-</b>	<b>(38.25)</b>	<b>-</b>
<b>9</b>	<b>Profit/(Loss) from ordinary activities before tax (7-8)</b>	<b>46.18</b>	<b>109.40</b>	<b>48.29</b>
<b>10</b>	<b>Tax expenses</b>	<b>10.61</b>	<b>24.60</b>	<b>10.61</b>
	MAT credit Entitlement	(10.61)	(24.60)	(10.61)
<b>11</b>	<b>Net Profit/(Loss) from ordinary activities after tax (9-10)</b>	<b>46.18</b>	<b>109.40</b>	<b>48.29</b>
<b>12</b>	<b>Extraordinary items - (expenses) /Income</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>13</b>	<b>Net Profit/(Loss) for the period (11+12)</b>	<b>46.18</b>	<b>109.40</b>	<b>48.29</b>
<b>14</b>	<b>Share of profit / (loss) of Associates</b>	<b>-</b>	<b>-</b>	<b>1.27</b>
<b>15</b>	<b>Minority Interest</b>	<b>-</b>	<b>-</b>	<b>0.51</b>
<b>16</b>	<b>Net profit/(loss) after taxes, minority interest and share of profit/(loss) of associates (13+14-15)</b>	<b>46.18</b>	<b>109.40</b>	<b>49.05</b>
<b>17</b>	<b>Other Comprehensive Income / (Loss)</b>	<b>1.27</b>	<b>(0.12)</b>	<b>1.08</b>
<b>18</b>	<b>Total Comprehensive Income/ (Loss) (16+17)</b>	<b>47.45</b>	<b>109.28</b>	<b>50.13</b>
<b>19</b>	<b>Paid-up Equity Share Capital (Face value of Re.1/- each)</b>	<b>123.94</b>	<b>123.94</b>	<b>123.94</b>
<b>20</b>	<b>Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>21</b>	<b>Earning per Share( face value of Re 1/- each) - (not annualised)</b>			
	(a) Before Extraordinary items - Basic	0.36	0.87	0.38
	- Diluted	0.36	0.87	0.38
	(b) After Extraordinary items - Basic	0.36	0.87	0.38
	- Diluted	0.36	0.87	0.38



**SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED**

(Rs. in Crore)

Sl. No.	Particulars	Standalone		Consolidated
		Three months ended	Corresponding three months ended in the previous year	Three months ended
		June 30th 2016	June 30th 2015	\
		Unaudited	Unaudited	Unaudited
<b>1</b>	<b>Segment Revenue</b>			
	a. Telecom Products	119.84	164.54	151.99
	b. Turnkey Contracts and Services	384.15	460.83	384.15
	c. Others	-	-	-
	<b>Total</b>	<b>503.99</b>	<b>625.37</b>	<b>536.14</b>
	Less: Inter segment revenue	-	-	-
	<b>Net Sales/Income from Operations</b>	<b>503.99</b>	<b>625.37</b>	<b>536.14</b>
<b>2</b>	<b>Segment Results Profit /(Loss) before tax and interest from each segment</b>			
	a. Telecom Products	9.30	22.19	13.05
	b. Turnkey Contracts and Services	55.56	65.05	55.56
	c. Others	-	-	-
	<b>Total</b>	<b>64.86</b>	<b>87.24</b>	<b>68.61</b>
	Less: i. Interest	17.83	16.11	19.47
	ii. Other un-allocable expenditure net off	1.09	0.13	1.09
	iii Un-allocable income	(0.24)	(38.40)	(0.24)
	<b>Total Profit before Tax</b>	<b>46.18</b>	<b>109.40</b>	<b>48.29</b>
<b>3</b>	<b>Capital Employed</b>			
	a. Telecom Products	440.83	427.56	359.26
	b. Turnkey Contracts and Services	676.69	445.10	676.69
	c. Others	-	-	0.50
	<b>Total capital employed in segments</b>	<b>1,117.52</b>	<b>872.66</b>	<b>1,036.45</b>
	Add: Un-allocable corporate assets less liabilities	(154.13)	(0.96)	(121.82)
	<b>Total capital employed in Company</b>	<b>963.39</b>	<b>871.70</b>	<b>914.63</b>





Notes :

1. The above unaudited standalone and consolidated financial results of the Company for the first quarter ended 30th June, 2016 as reviewed by the Audit committee were approved by the Board of Directors at their meeting held on 22nd August, 2016.
2. The Company has adopted Indian Accounting Standards (Ind AS) from 1st April 2016 with a transition date of 1st April, 2015. The consolidated financial results have been prepared in accordance with Ind AS as prescribed under Section 133 of Companies Act, 2013 read with Rule 3 of the Companies ( Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standard) Amendment Rules, 2016. The unaudited results of the quarter ended 30th June 2015 are also Ind AS compliant.
3. The format for unaudited quarterly results as prescribed in SEBI's circular CIR/CFD/CMD/15/2015 dated 30th November, 2015 has been modified to comply with requirements of SEBI's circular dated 5th July 2016, Ind AS and Schedule III to the Companies Act, 2013 applicable to companies that are required to comply with Ind AS.

4. Reconciliation of the Net Profit for the corresponding quarter ended 30th June, 2015 as previously reported (Prepared under the previously applicable Indian Generally Accepted Accounting Principal referred to as IGAAP) vis-à-vis Ind AS is as below:

	(Rs. in Crore)
<b>Net Profit as per IGAAP</b>	<b>112.39</b>
<b>Adjustments:</b>	
Impact of Dividends and related distribution tax	(3.07)
Impact of reclassification of defined benefit plans	0.08
Tax impact on above adjustments	
Current tax	0.01
MAT credit entitlement	(0.01)
	109.40
<b>Other Comprehensive Incomes</b>	
Remeasurement (gain)/loss of defined benefit plans	(0.08)
Others	(0.04)
<b>Total Comprehensive Income as per Ind AS</b>	<b>109.28</b>

5. The Auditors have conducted limited review of the financial results for the quarter ended 30th June 30, 2016. The Ind AS compliant corresponding figures for the quarter ended June 30, 2015 have not been subjected to limited review or audit. However, the management of the Company has exercised necessary due diligence to ensure that such financial results provide a true and fair view of its affairs in accordance with Ind AS.
6. This being the first reporting quarter for the quarterly unaudited Consolidated results for three months ended 30th June, 2016 , corresponding quarter consolidated figures of three months ended 30th June, 2015 are not applicable.
7. The quarterly unaudited Consolidated results for three months ended 30th June, 2016 includes the results of the following entities:
  - a. Himachal Futuristic Communications Ltd. (HFCL) (Holding Company)
  - b. HTL Limited ( Subsidiary of HFCL)
  - c. Moneta Finance Pvt. Ltd. ( Subsidiary of HFCL)
  - d. HFCL Advance Systems Pvt. Ltd. (Subsidiary of HFCL)
  - e. HFCL Bezeq Telecom Ltd. (Associate of HFCL)
  - f. DragonWave HFCL India Pvt. Ltd. ( Jointly controlled entity of HFCL)
8. The Company has acquired 160000 equity shares of Polixel Security Systems Pvt. Ltd. on 9th August, 2016, thereby, total shareholding of the Company in Polixel Security Systems Pvt. Ltd. has become 94% making it a Subsidiary of the Company with effect from 9th August, 2016.
9. The figures of the previous periods have been regrouped/ rearranged wherever considered necessary.

By order of the Board

Place : New Delhi  
Date : 22nd August, 2016

(Mahendra Nahata)  
Managing Director  
DIN 00052898





# KHANDELWAL JAIN & CO.

## CHARTERED ACCOUNTANTS

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

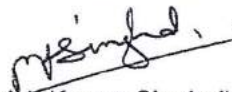
Tel : 23370091, 23370892, 23378795  
Fax : 23378794  
Website : www.kjco.net  
E-mail : delhi@kjco.net

### LIMITED REVIEW REPORT

To  
The Board of Directors  
Himachal Futuristic Communications Limited

1. We have reviewed the accompanying statement of Standalone Unaudited Financial Results of M/s Himachal Futuristic Communications Limited ("the Company") for the quarter ended 30<sup>th</sup> June, 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, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July, 2016. This statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principals laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. We draw attention that we have not reviewed the comparative figures including the reconciliation to the Total Comprehensive Income for the quarter ended June 30, 2015 and accordingly, we do not express any conclusion on the results in the Statement for the quarter ended June 30, 2015. As set out in note no. 5 to the Statement, these figures have been furnished by the Management. Our conclusion is not qualified in respect of these matters.

For **KHANDELWAL JAIN & CO.**  
Chartered Accountants  
Firm Registration No. 105049W

  
(Manish Kumar Singh)  
Partner  
M. No. 502570



Place: New Delhi  
Dated: 22<sup>nd</sup> August, 2016



# 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

### LIMITED REVIEW REPORT

To  
The Board of Directors  
Himachal Futuristic Communications Limited

1. We have reviewed the accompanying statement of Consolidated Unaudited Financial Results of M/s Himachal Futuristic Communications Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its jointly controlled entity and its share of the loss of its associate for the quarter ended 30<sup>th</sup> June, 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, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July, 2016. This statement which is the responsibility of the Holding Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principals laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. The Statement includes the results of the following entities:
  - a. Himachal Futuristic Communications Limited (HFCL) (Holding Company)
  - b. HTL Limited (Subsidiary of HFCL)
  - c. Moneta Finance Pvt. Ltd. (Subsidiary of HFCL)
  - d. HFCL Advance Systems Pvt. Ltd. (Subsidiary of HFCL)
  - e. HFCL Bezeq Telecom Ltd. (Associate of HFCL)
  - f. DragonWave HFCL India Pvt. Ltd. (Jointly controlled entity of HFCL)
4. (a) We did not review the interim financial results of one subsidiary included in the Statement, whose interim financial result reflect total revenues of Rs. 260 for the quarter ended 30<sup>th</sup> June, 2016 and total profit/(loss) after tax of Rs. (4,840) for the quarter ended 30<sup>th</sup> June, 2016. These financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the report of the other auditors.



HEAD OFFICE : 6-B & C, PIL COURT, 6TH FLOOR, 111, M. KARVE ROAD, CHURCH GATE, MUMBAI-400 020  
PH. : 4311 5000 (MULTIPLE LINES) FAX : (91-22) 4311 5050  
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



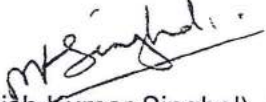


- (b) The Statement include the interim financial results of one subsidiary whose interim financial result reflect total revenue of Rs. Nil for the quarter ended 30<sup>th</sup> June, 2016 and total profit/(loss) of Rs. Nil for the quarter ended 30<sup>th</sup> June, 2016 and one jointly controlled entity with Group's share of profit/(loss) after tax of Rs. 12,717,663 for the quarters ended 30<sup>th</sup> June, 2016, based on their interim financial results which are certified by the Management.
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. 1,177,118,586 as on 30<sup>th</sup> June 2016. Further, the Company has overdue loans from Government of India amounting to Rs. 62,420,000 and interest accrued and due thereon of Rs. 275,343,000. 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. Based on our review conducted as above and based on the consideration of the reports of the other auditors referred to in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **KHANDLWAL JAIN & CO.**

Chartered Accountants

Firm Registration No. 105049W

  
(Manish Kumar Singhal)  
Partner  
M. No. 502570



Place: New Delhi  
Dated: 22<sup>nd</sup> August, 2016