



Himachal Futuristic Communications Ltd.

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

UNAUDITED FINANCIAL RESULTS (PROVISIONAL) FOR THE QUARTER ENDED 31st MARCH, 2010

(Rs. in Lacs)

Sl. No.	Particulars	Fourth Quarter Ended 31st March		Twelve Months Ended 31st March		Financial Year Ended 31st March, 2009	
		2010	2009	2010	2009	2010	2009
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1.	Net Turnover/Income from Operations	5,681.80	3,579.40	20,492.26	13,909.90	13,909.90	
2.	Expenditure						
a)	(Increases)/Decrease in stock in trade	583.93	(267.13)	998.88	799.65	799.65	
b)	Cost of Raw Material/services	3,842.88	2,054.66	10,494.73	6,630.48	6,630.48	
c)	Purchase of Traded goods	218.31	1,514.21	3,880.55	3,442.07	3,442.07	
d)	Staff Cost	518.75	534.63	1,864.18	2,141.17	2,141.17	
e)	Depreciation and Amortisation	630.30	660.50	2,547.50	2,614.53	2,614.53	
f)	Administrative and other Overheads	484.19	680.81	1,917.13	2,227.19	2,227.19	
g)	Bad debts, advances & Miscellaneous balances written off (net)	6,280.89	126.14	6,197.74	28.93	28.93	
h)	Liquidated damages	29.00	4,074.25	29.00	4,103.80	4,103.80	
i)	Provision for Non moving inventories	648.42	229.41	648.42	229.41	229.41	
j)	Provision for doubtful debts	-	11,120.44	-	11,120.44	11,120.44	
	Total	13,236.67	20,727.92	28,578.13	33,337.67	33,337.67	
3.	Profit/(Loss) from operations before other income, interest & exceptional items (1-2)	(7,554.87)	(17,148.52)	(8,085.87)	(19,427.77)	(19,427.77)	
4.	Other Income	802.92	53.04	962.91	544.11	544.11	
5.	Profit/(Loss) before interest & exceptional items (3+4)	(6,751.95)	(17,095.48)	(7,122.96)	(18,883.66)	(18,883.66)	
6.	Interest	2,237.34	1,937.74	8,692.40	9,098.91	9,098.91	
7.	Profit/(Loss) after interest but before exceptional items (5-6)	(8,989.29)	(19,033.22)	(15,815.36)	(27,982.57)	(27,982.57)	
8.	Exceptional items (refer note No. 5)	3,842.53	(592.32)	4,573.30	(3,642.98)	(3,642.98)	
9.	Profit/(Loss) from ordinary activities before tax (7+8)	(5,146.76)	(19,625.54)	(11,242.06)	(31,625.55)	(31,625.55)	
10.	Tax expenses	-	12.20	11.43	42.09	42.09	
11.	Net Profit/(Loss) from ordinary activities after tax (9-10)	(5,146.76)	(19,637.74)	(11,253.49)	(31,667.64)	(31,667.64)	
12.	Extraordinary items (net) (refer note No. 7)	(39,041.50)	-	(38,891.74)	-	-	
13.	Net Profit/(Loss) for the period (11+12)	(44,188.26)	(19,637.74)	(50,145.23)	(31,667.64)	(31,667.64)	
14.	Paid-up Equity Share Capital (Face value of Rs.10/- each)	46,279.05	44,279.05	46,279.05	44,279.05	44,279.05	
15.	Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year	-	-	-	(38,552.66)	(38,552.66)	
16.	Earning per Share(Rs) -						
(a)	Before Extraordinary items - Basic	(1.19)	(4.46)	(2.66)	(7.27)	(7.27)	
	- Diluted	(1.19)	(4.46)	(2.66)	(7.27)	(7.27)	
(b)	After Extraordinary items - Basic	(10.00)	(4.46)	(11.44)	(7.27)	(7.27)	
	- Diluted	(10.00)	(4.46)	(11.44)	(7.27)	(7.27)	
17.	Aggregate of public shareholding						
	- Number of shares	453,246,423	433,148,518	453,246,423	433,148,518	433,148,518	
	- Percentage of shareholding	97.94	97.82	97.94	97.82	97.82	
18.	Promoters and promoter group shareholding						
a)	Pledged / encumbered : No of shares	10,56,000	10,56,000	10,56,000	10,56,000	10,56,000	
	Percentage of share (as a % of the total shareholding of promoter and promoter group)	11.39	11.36	11.39	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	0.24	
b)	Non- encumbered : No of shares	8,213,094	8,242,999	8,213,094	8,242,999	8,242,999	
	Percentage of share (as a % of the total shareholding of promoter and promoter group)	88.61	88.64	88.61	88.64	88.64	
	Percentage of share (as a % of the total share capital of the company)	1.77	1.86	1.77	1.86	1.86	

SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(Rs. in Lacs)

Sl. No.	Particulars	Fourth Quarter Ended 31st March		Twelve Months Ended 31st March		Financial Year Ended 31st March, 2009	
		2010	2009	2010	2009	2010	2009
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1.	Segment Revenue						
a)	Telecom Products	3,731.32	2,721.44	12,146.64	9,283.81	9,283.81	
b)	Turnkey Contracts and Services	1,950.48	857.96	8,345.62	4,626.09	4,626.09	
c)	Others	-	-	-	-	-	
	Total	5,681.80	3,579.40	20,492.26	13,909.90	13,909.90	
	Less: Inter segment revenue	-	-	-	-	-	
	Net Sales/Income from Operations	5,681.80	3,579.40	20,492.26	13,909.90	13,909.90	
2.	Segment Results Profit / (Loss) before tax and interest for each segment						
a)	Telecom Products	(3,445.08)	(17,110.97)	(4,208.42)	(21,080.68)	(21,080.68)	
b)	Turnkey Contracts and Services	355.96	(561.79)	1,547.25	(1,303.00)	(1,303.00)	
c)	Others	-	-	-	-	-	
	Total	(3,089.12)	(17,672.76)	(2,661.17)	(22,383.68)	(22,383.68)	
	Less: i) Interest	2,237.34	1,937.74	8,692.40	9,098.91	9,098.91	
	ii) Other un-allocable expenditure net off un-allocable income	(179.70)	15.04	(111.51)	142.96	142.96	
	Total Profit before Tax	(5,146.76)	(19,625.54)	(11,242.06)	(31,625.55)	(31,625.55)	
3.	Capital Employed						
a)	Telecom Products	6,281.23	6,882.87	6,281.23	6,882.87	6,882.87	
b)	Turnkey Contracts and Services	6,363.16	5,877.02	6,363.16	5,877.02	5,877.02	
c)	Others	-	-	-	-	-	
	Total capital employed in segments	12,644.39	12,759.89	12,644.39	12,759.89	12,759.89	
	Add: Un-allocable corporate assets less liabilities	(49,726.26)	1,016.51	(49,726.26)	1,016.51	1,016.51	
	Total capital employed in Company	(37,081.87)	13,776.40	(37,081.87)	13,776.40	13,776.40	

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 14th May, 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 fourth quarter ended 31st March, 2010.
- The Auditors' comments in their report on the Annual Accounts for the year 08-09 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 already made the necessary application u/s 198,269, 309 and 311 of the Companies Act, 1956 with the Central Government seeking their approval for the payment of Managerial remuneration during the financial year 2007-08 and 2008-09.
 - 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.
- i) In view of high volatility in foreign exchange, foreign currency monetary items outstanding at the quarter end, which were valued at quarter end rate, whereby gain on foreign exchange of Rs.715.29 Lacs (current quarter gain : Rs. 377.83 lacs and previous quarter gain : Rs.337.46 lacs) has been provided and is included under the head of exceptional items.
ii) The Company has settled the dues of HDFC Bank Ltd. (Formerly Centurion Bank of Punjab Ltd.) on One Time Settlement (OTS) basis. The net gain arising out of OTS amounting to Rs.3911.75 lacs has been accounted for under exceptional items in the Profit & Loss Account.
- The Company has allotted 2 crore equity shares of Rs. 10/- each at par to Asset Reconstruction Company (India) Limited on account of conversion of part of its loan into equity shares as per sanction letter dated 8th February, 2010.
- Extraordinary items includes loss of Rs. 39160.50 lacs on account of sale of investments in HFCL Infotel Ltd. (subsidiary company). In view of mounting losses and complete erosion of net worth of the HFCL Infotel Ltd., the lenders lead by DBI did complete restructuring with the condition: inter-alia, to change its management and sale of shares by the existing promoters at Zero/ Nominal value to the new management and accordingly HFCL Infotel Ltd. has ceased to be a subsidiary of the Company w.e.f. 31st March, 2010. Pursuant to this the Corporate Guarantee of Rs.522.50 Crore given by the Company for the loans, sanctioned to HFCL Infotel Ltd. which was being shown as contingent liability has been released by the lenders of HFCL Infotel Ltd.
- Status of investors' complaints during the quarter ended 31st March, 2010:-
Pending at the beginning : Nil; Received : 9; Disposed of : 9; 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