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ISO 14001 Standard

HIMACHAL FUTURISTIC COMMUNICATIONS LTD.
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HFCL/SEC/18-19/
31st October, 2018

To

The Secretary The National Stock Exchange of India Limited Exchange Plaza, 5 th Floor Plot no. C-1, Block G Bandra Kurla Complex, Bandra(East) Mumbai- 400 051	The Secretary BSE Limited 27 th Floor Phiroze Jeejeebhoy Towers Dalal Street Mumbai-400 001
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Dear Sir,

Sub: Outcome of Board Meeting

This is to inform you that the Board of Directors of the Company at its Meeting held on 31st October, 2018, have inter-alia taken the following decisions:

1. Pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 approved the Un-audited Standalone Financial Results for the second quarter and half year ended 31st October, 2018 which have been reviewed by the Audit Committee. Arrangements have also been made to publish the Financial Results in the Newspapers.

The Statutory Auditors of the Company have carried out a Limited Review of the Un-audited Standalone Financial Results for the second quarter and half year ended 30th September, 2018. A Copy of Limited Review report is enclosed herewith.

The highlights of financial results are given below:

1. Financial Highlights for the second quarter and half year ended 30th September, 2018:

Quarter ended 30th September, 2018

- a. Revenue up by 97.64% to Rs.1137.41 crores as compared to Rs.575.50 crores in Q2 of FY 2017;
- b. EBIDTA and PBT increased to Rs.82.72 crores and Rs. 61.08 crores as compared to Rs. 60.89 crores and Rs.40.46 crores respectively in Q2 of FY 2017;
- c. EBIDTA margin has declined to 7.27% as compared to 10.58% in quarter ended 30th September, 2017 due to foreign exchange variations;
- d. PBT margin has declined to 5.37% as compared to 7.03% in quarter ended 30th September, 2017 due to foreign exchange variations;

Half year ended 30th September, 2018

- a. Half yearly Revenue is up by 52.20% to Rs.2169.71 crores as compared to Rs.1425.60 crores in half year ended 30th September, 2017;
- b. Half yearly EBIDTA and PBT increased to Rs.171.85 crores and Rs.

<p>131.22 crores as compared to Rs. 120.85 crores and Rs.80.60 crores respectively in half year ended 30th September, 2017;</p> <p>c. Half yearly EBIDTA margin has slightly declined to 7.92% as compared to 8.48% in half year ended 30th September, 2017 due to foreign exchange variations;</p> <p>d. PBT margin has improved to 6.05% as compared to 5.65% in half year ended 30th September, 2017;</p> <p>e. Half yearly PAT up by 65.56% to Rs.84.12 crores as compared to Rs.50.81 cores in half year ended 30th September, 2017;</p> <p>f. Book value per equity share increased to Rs.10.41 as compared to Rs.8.84 in half year ended 30th September, 2017</p> <p>As per long term business cycle, the Company's Q1 and Q2 are seasonally low quarters with the higher execution taking place in the second half.</p>
<p>2. Robust Order book of more than Rs.10200 crores approx. including Advance Purchase Orders worth Rs.3190 crores approx. as on 30th September, 2018.</p>
<p>3. Post implementation of Expansion Programme, the annual capacity of Optical Fibre Cable manufacturing will increase by April 2019:</p> <p>a) From 8.4 Mn FKM to 15 Mn FKM on standalone basis;</p> <p>b) From 12 Mn FKM to 22 Mn FKM on consolidated basis (including capacity of subsidiary company).</p>
<p>4. Manufacturing of Optical Fibre (New Green Field Project) with annual capacity of 6.4 Mn FKM is expected to be operational by May 2019. This backward integration will enhance the overall operating margins of Optical Fibre Cable Manufacturing.</p>
<p>5. Focused on delivering non-dilutive growth with sharp focus on improving Return on Equity and Free Cash Flow.</p>

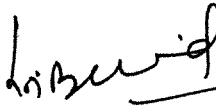
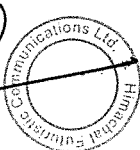
2. Declared First Interim Dividend of Rs. 3.25 per share on 60,37,500 Cumulative Redeemable Preference Shares (CRPS) of Rs. 100/- each for the financial year 2018-19. The Board of Directors has fixed 16th November, 2018 as the Record Date to determine the name of the Preference Shareholders eligible for interim dividend on CRPS as required under Regulation 42 of SEBI Regulations. The Interim dividend shall be paid within thirty days from the date of declaration to those Preference Shareholders, whose name shall appear in the Company's Register of Preference Shareholders as on 16th November, 2018.

The above may kindly be taken on your records.

Thanking you,

Yours faithfully,

For **Himachal Futuristic Communications Limited**

(Manoj Baid)

Vice-President (Corporate)

& Company Secretary

HIMACHAL FUTURISTIC COMMUNICATIONS LIMITED

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Website: www.hfcl.com / Corporate Identity Number (CIN): L64200HP1987PLC007466

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND THE HALF YEAR ENDED 30TH SEPTEMBER, 2018.
(Rs. in Crore except per share data)

Sl. No.	Particulars	Standalone					
		Three months ended	Preceding three months ended	Corresponding three months ended in the previous year	Year to date figures for the current period ended	Year to date figures for the previous period ended	Previous Financial Year ended
		September 30th 2018	June 30th 2018	September 30th 2017	September 30th 2018	September 30th 2017	March 31st 2018
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I.	INCOME						
	Revenue from Operations (refer note 5)	1,137.41	1,032.30	575.50	2,169.71	1,425.60	3,084.17
	Other income	2.30	5.28	4.17	7.58	10.07	19.47
	Total Income	1,139.71	1,037.58	579.67	2,177.29	1,435.67	3,103.64
II.	EXPENSES						
	Cost of materials/services consumed	578.49	525.74	318.55	1,104.23	777.20	1,701.77
	Purchases of stock-in-trade	313.19	423.35	204.57	736.54	385.07	786.49
	Change in inventories of finished goods, work-in progress and stock-in trade	76.56	(71.36)	(68.58)	5.20	(3.88)	40.45
	Excise Duty	-	-	-	-	14.09	14.09
	Employee benefits expenses	43.13	40.86	34.89	83.99	72.84	147.28
	Finance costs	17.54	15.14	16.35	32.68	32.27	60.91
	Depreciation and Amortisation expenses	4.10	3.85	4.08	7.95	7.98	16.26
	Other expenses	45.62	29.86	29.35	75.48	69.50	130.95
	Total Expenses	1,078.63	967.44	539.21	2,046.07	1,355.07	2,898.20
III	Profit / (loss) before, exceptional items and tax (I-II)	61.08	70.14	40.46	131.22	80.60	205.44
IV	Exceptional item	-	-	-	-	-	1.79
V	Profit / (Loss) before tax (III-IV)	61.08	70.14	40.46	131.22	80.60	203.65
VI	Tax expense						
	Current Tax (including earlier year taxes)	13.92	14.67	15.29	28.59	29.79	45.26
	Deferred Tax	7.40	11.11	-	18.51	-	3.35
VII	Profit / (Loss) after tax for the period from continuing operations (V- VI)	39.76	44.36	25.17	84.12	50.81	155.04
VIII	Other Comprehensive Income						
	Items that will not be reclassified to profit or loss	2.11	(3.07)	(0.94)	(0.96)	1.16	(0.34)
	Income tax on above item	(0.99)	1.01	-	0.02	-	(0.22)
	Items that will be reclassified to profit or loss	-	-	-	-	-	-
	Other comprehensive income for the period after tax	1.12	(2.06)	(0.94)	(0.94)	1.16	(0.56)
IX	Total comprehensive income for the period (VII+VIII)	40.88	42.30	24.23	83.18	51.97	154.48
X	Paid-up Equity Share Capital (Face value of Re.1/- each)	123.94	123.94	123.94	123.94	123.94	123.94
XI	Other Equity	-	-	-	-	-	1,092.06
XII	Earnings per Share (face value of Re 1/- each) -						
	Basic	0.33	0.34	0.20	0.67	0.42	1.25
	Diluted	0.33	0.34	0.20	0.67	0.42	1.24

Unaudited Standalone segment wise revenue, results for the Quarter and half year ended 30th September, 2018

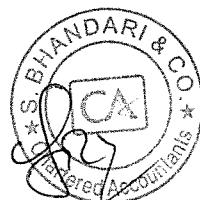
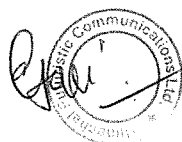
(Rs. in Crore except per share data)

Sl. No.	Particulars	Standalone					
		Three months ended	Preceding three months ended	Corresponding three months ended in the	Year to date figures for the current period	Year to date figures for the previous period	Previous Financial Year ended
		September 30th 2018	June 30th 2018	September 30th 2017	September 30th 2018	September 30th 2017	March 31st 2018
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment Revenue						
	a. Telecom Products	256.46	186.83	159.44	443.29	338.57	720.59
	b. Turnkey Contracts and Services	880.95	845.47	416.06	1,726.42	1,087.03	2,363.58
	Total	1,137.41	1,032.30	575.50	2,169.71	1,425.60	3,084.17
	Less: Inter segment revenue	-	-	-	-	-	-
	Revenue from Operations	1,137.41	1,032.30	575.50	2,169.71	1,425.60	3,084.17
2	Segment Results Profit /(Loss) before tax and interest						
	a. Telecom Products	22.01	22.09	19.33	44.10	20.21	64.78
	b. Turnkey Contracts and Services	55.53	62.58	37.19	118.11	93.26	198.46
	Total	77.54	84.67	56.52	162.21	113.47	263.24
	Less: i. Interest	17.54	15.14	16.35	32.68	32.27	60.91
	ii. Other un-allocable expenditure net off	0.83	0.89	(0.28)	1.72	0.61	4.07
	iii Un-allocable income	(1.91)	(1.50)	(0.01)	(3.41)	(0.01)	(5.39)
	Total Profit before Tax	61.08	70.14	40.46	131.22	80.60	203.65
3	Segment Assets						
	a. Telecom Products	822.31	809.38	853.83	822.31	853.83	800.91
	b. Turnkey Contracts and Services	1,502.77	1,418.20	977.81	1,502.77	977.81	1,270.64
	d. Un-allocated	501.39	485.25	471.08	501.39	471.08	474.26
	Total	2,826.47	2,712.83	2,302.72	2,826.47	2,302.72	2,545.81
4	Segment Liabilities						
	a. Telecom Products	314.27	284.67	141.27	314.27	141.27	273.24
	b. Turnkey Contracts and Services	764.71	698.63	546.43	764.71	546.43	649.85
	d. Un-allocated	457.27	471.24	519.53	457.27	519.53	406.73
	Total	1,536.25	1,454.54	1,207.23	1,536.25	1,207.23	1,329.82

Notes :

- The above Unaudited Standalone Financial Results of the Company for the second quarter and half year ended 30th September, 2018 as reviewed by the Audit Committee were approved by the Board of Directors at their meeting held on 31st October, 2018. The Statutory Auditors of the Company have carried out a Limited Review of aforesaid results.
- The Board of directors of the Company at its meeting held on 31st October, 2018 has declared first interim dividend of Rs.3.25 per share on 6.5%, 60,37,500, Cumulative Redeemable Preference Shares (CRPS) of Rs.100/- each.
- The above Unaudited Standalone Financial Results of the Company are in compliance with Indian Accounting Standard (Ind-AS) prescribed under Companies (Indian Accounting Standard) Rules, 2015.
- The Nomination, Remuneration and Compensation Committee of the Board of Directors of the Company at its meeting held on 15th October, 2018 has approved the grant of Performance based 70,49,000 Employee Stock Options (Options) and 70,49,000 Restricted Stock Units (RSUs) each convertible into equal number of equity shares of the Company of the face value of Re.1/- each to the eligible employees of the Company and its subsidiary company i.e. HTL Limited under the Himachal Futuristic Communications Limited (HFCL) Employees' Long Term Incentive Plan - 2017 (HFCL Plan 2017).
- In accordance with the requirements of Ind AS, revenue is net of Goods & Services Tax (GST). However, revenue upto quarter ended June 30th, 2017 is inclusive of excise duty.
- Other expenses for the current quarter includes Rs.14.63 Crore (Previous quarter Rs.2.63 Crore) on account of foreign exchange variations.
- Disclosure in compliance with Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the second quarter and half year ended 30th September, 2018.
 - 60,37,500, 6.5% Cumulative Redeemable Preference Shares (CRPS) issued by the Company have been assigned the rating of BBB + by the Care Ratings Limited.
 - The Company has paid / declared dividend on CRPS in time. The last dividend payment was made on 28.03.2018. The next dividend due in September 2018 will be paid in November 2018 after its declaration by the Board of Directors. The 25% of CRPS has already been redeemed in the financial year 2017-18 and 75% will be redeemed in current financial year 2018-19.
 - Net worth as on 30th September, 2018 :Rs.1290.22 Crore.
 - Net Profit after Tax (before other comprehensive income) for the half year ended Rs.84.12 Crore.
 - Earning Per Share (EPS) as on September 30, 2018: Basic EPS Rs.0.67 and Diluted EPS Rs.0.67.
 - Outstanding 6.5% Cumulative Redeemable Preference Shares: 60,37,500 CRPSs of Rs.100/- each
 - Capital Redemption Reserve / Debenture Redemption Reserve as on 31st March, 2018: Rs. 20.13 crore / Rs.8.43 crore.
- The figures of the previous periods have been regrouped/ rearranged wherever considered necessary.

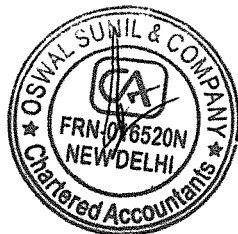
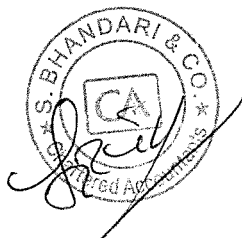
By order of the Board

Place : New Delhi
Date : 31st October, 2018(Mahendra Nahata)
Managing Director
DIN 00052898

Statement of standalone Assets and Liabilities as per Schedule III of the Companies Act, 2013.

(Rs. in Crore except per share data)

		Standalone	
		As at 30.09.2018	As at 31.03.2018
		Un-audited	Audited
Assets			
(1)	Non-current Assets		
	(a) Property, Plant and Equipment	112.63	107.44
	(b) Capital work-in-progress	14.41	1.36
	(c) Other Intangible assets	3.66	3.03
	(d) Intangible assets under development	21.09	8.17
	(e) Investment in associates/ joint venture accounted for using the equity method	18.58	18.58
	(f) Financial Assets		
	(i) Investments	44.04	44.04
	(ii) Others	117.37	104.09
	(g) Deferred tax assets (net)	100.18	118.66
	(h) Other non-current assets	4.39	1.89
	Sub-total	436.35	407.26
(2)	Current Assets		
	(a) Inventories	200.66	178.69
	(b) Financial Assets		
	(i) Investments	2.65	3.56
	(ii) Trade receivables	1,313.51	1,234.13
	(iii) Cash and cash equivalents	27.91	49.21
	(iv) Bank balances other than (iii) above	102.66	59.22
	(v) Loans	6.75	6.75
	(vi) Others - advances	558.04	448.42
	(c) Current Tax Assets (Net)	99.64	95.14
	(d) Other current assets	78.30	63.44
	Sub-total	2,390.12	2,138.56
	Total Assets	2,826.47	2,545.82
EQUITY AND LIABILITIES			
(1)	Equity		
	(a) Equity Share capital	123.94	123.94
	(b) Other Equity	1,166.28	1,092.06
	Sub-total	1,290.22	1,216.00
(2)	Liabilities		
	Non-current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	100.68	111.33
	(ii) Financial guarantee Obligations	0.39	0.39
	(b) Provisions	23.90	20.53
	Sub-total	124.97	132.25
	Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	259.27	186.18
	(ii) Trade Payable	768.66	515.76
	(iii) Other financial liabilities	317.34	432.00
	(b) Other current liabilities	60.87	61.12
	(c) Provisions	5.14	2.51
	Sub-total	1,411.28	1,197.57
	Total equity and liabilities	2,826.47	2,545.82



LIMITED REVIEW REPORT – STANDALONE FINANCIAL RESULTS

**Review Report to
The Board of Directors
Himachal Futuristic Communications Ltd.**

1. We have reviewed the accompanying statement of unaudited standalone financial results of **Himachal Futuristic Communications Ltd.** ('the Company') for the quarter and half year ended 30th September, 2018 ('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 5th 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 principles laid down in 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 express an opinion on these standalone financial results based on our review.

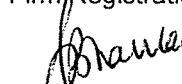
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and 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's personnel and analytical procedures applied to financial data and thus provides 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 stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principals laid down in the applicable Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, read with relevant rules issued there under and other recognised accounting practices and policies 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 5th July, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S. BHANDARI & CO.
Chartered Accountants
Firm Registration No. 000560C


(P.D. Baid)
Partner
Membership No. 072625

Place: New Delhi
Date: 31.10.2018

For OSWAL SUNIL & COMPANY
Chartered Accountants
Firm Registration No. 016520N


(Sunil Bhansali)
Partner
Membership No. 054843


Himachal Futuristic Communications Ltd.