

**HIMACHAL FUTURISTIC COMMUNICATIONS LIMITED**

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**STATEMENT OF STANDALONE & CONSOLIDATED AUDITED RESULTS FOR THE FOURTH QUARTER AND YEAR ENDED 31ST MARCH 2017**

Rs. in Crore

Sl. No.	Particulars	Standalone					Consolidated			
		Three months ended	Preceding three months ended	Corresponding three months ended in the previous year	Financial Year ended	Previous Financial Year ended	Three months ended	Preceding three months ended	Financial Year ended	Previous Financial Year ended
		March 31st 2017	December 31st 2016	March 31st 2016	March 31st 2017	March 31st 2016	March 31st 2017	December 31st 2016	March 31st 2017	March 31st 2016
		Audited	Unaudited	Audited	Audited	Audited	Audited	Unaudited	Audited	Audited
<b>I.</b>	<b>INCOME</b>									
	Revenue from Operations	774.49	441.99	861.41	2,241.44	2,858.37	832.58	460.22	2,377.56	2,872.38
	Other Income	9.17	2.25	10.78	19.41	22.35	13.28	1.50	22.93	34.78
	<b>Total Income</b>	<b>783.66</b>	<b>444.24</b>	<b>872.19</b>	<b>2,260.85</b>	<b>2,880.72</b>	<b>845.86</b>	<b>461.72</b>	<b>2,400.49</b>	<b>2,907.16</b>
<b>II.</b>	<b>EXPENSE</b>									
	a) Cost of materials/services consumed	420.42	221.99	579.60	1,231.39	1569.11	459.49	208.55	1290.94	1577.83
	b) Purchases of stock-in-trade	86.34	39.23	54.32	150.74	238.78	97.09	39.23	161.49	238.78
	c) Change in inventories of finished goods, work-in progress and stock-in trade	36.38	21.50	(31.72)	39.30	(37.71)	39.01	20.36	39.34	(43.83)
	d) Excise duty & service tax recovered	75.40	43.30	97.51	226.20	288.84	82.24	47.98	246.86	292.24
	e) Employee benefits expenses	34.27	28.57	23.97	131.74	156.16	43.87	32.56	152.49	159.45
	f) Finance costs	8.93	17.48	17.16	58.47	58.42	9.74	17.52	61.33	61.50
	g) Depreciation and Amortisation expenses	4.31	3.86	5.79	15.71	24.90	6.16	5.32	21.76	26.18
	h) Other expenses	82.66	47.52	64.91	280.41	317.27	66.48	64.63	286.37	327.30
	i) Bad debts, advances & Miscellaneous balances written off (net)	3.08	0.01	6.09	3.17	6.06	9.65	0.01	9.76	6.06
	j) Loss/(Profit) on sales of Investment (net)	-	-	(1.51)	-	(1.51)	-	-	(1.51)	-
	<b>Total Expenses</b>	<b>751.79</b>	<b>423.46</b>	<b>816.12</b>	<b>2,137.13</b>	<b>2,620.32</b>	<b>813.73</b>	<b>436.16</b>	<b>2,270.34</b>	<b>2,644.00</b>
<b>III.</b>	<b>Profit / (loss) before Share of profit/ (loss) of an associate and a joint venture, exceptional items and tax (I-II)</b>	<b>31.87</b>	<b>20.78</b>	<b>56.07</b>	<b>123.72</b>	<b>260.40</b>	<b>32.13</b>	<b>25.56</b>	<b>130.15</b>	<b>263.16</b>
<b>IV.</b>	Share of profit/ (loss) of an associate and a joint venture (IV)	-	-	-	-	-	(6.66)	(1.00)	(5.94)	3.14
<b>V.</b>	<b>Profit / (loss) before exceptional items and tax (III+IV)</b>	<b>31.87</b>	<b>20.78</b>	<b>56.07</b>	<b>123.72</b>	<b>260.40</b>	<b>25.47</b>	<b>24.56</b>	<b>124.21</b>	<b>266.30</b>
<b>VI.</b>	Exceptional item	-	-	148.47	-	109.95	-	-	-	109.95
<b>VII.</b>	<b>Profit / (Loss) before tax (V - VI)</b>	<b>31.87</b>	<b>20.78</b>	<b>(92.40)</b>	<b>123.72</b>	<b>150.45</b>	<b>25.47</b>	<b>24.56</b>	<b>124.21</b>	<b>156.35</b>
<b>VIII.</b>	<b>Tax expense</b>									
	Current Tax	4.31	4.82	(26.65)	25.05	26.90	4.80	3.68	25.54	26.91
	MAT credit Entitlement	(4.06)	(5.07)	26.65	(25.05)	(26.90)	(4.07)	(3.93)	(25.06)	(26.90)
	Deferred Tax	-	-	-	-	-	0.03	-	0.03	-
<b>IX.</b>	<b>Profit / (Loss) after tax for the period from continuing operations (VII - VIII)</b>	<b>31.62</b>	<b>21.03</b>	<b>(92.40)</b>	<b>123.72</b>	<b>150.45</b>	<b>24.71</b>	<b>24.81</b>	<b>123.70</b>	<b>156.34</b>
<b>X.</b>	Profit/(loss) from discontinued operations	-	-	-	-	-	-	-	-	-
<b>XI.</b>	Tax expense of discontinued operations	-	-	-	-	-	-	-	-	-
<b>XII.</b>	Profit/(loss) from Discontinued operations (after tax) (X-XI)	-	-	-	-	-	-	-	-	-
<b>XIII.</b>	<b>Profit/(loss) for the period (IX-XII)</b>	<b>31.62</b>	<b>21.03</b>	<b>(92.40)</b>	<b>123.72</b>	<b>150.45</b>	<b>24.71</b>	<b>24.81</b>	<b>123.70</b>	<b>156.34</b>
<b>XIV.</b>	<b>Other Comprehensive Income</b>									
	A.i) Items that will not be reclassified to profit or loss	0.38	0.29	6.46	1.87	6.46	0.66	0.23	1.79	6.88
	B.) Items that will be reclassified to profit or loss;	-	-	-	-	-	-	-	-	-
	<b>Other comprehensive income for the year after tax (XIV)</b>	<b>0.38</b>	<b>0.29</b>	<b>1.31</b>	<b>1.87</b>	<b>6.46</b>	<b>0.66</b>	<b>0.23</b>	<b>1.79</b>	<b>6.88</b>
<b>XV.</b>	<b>Total comprehensive income for the year (XIII+ XIV)</b>	<b>32.00</b>	<b>21.32</b>	<b>(91.09)</b>	<b>125.59</b>	<b>156.91</b>	<b>25.37</b>	<b>25.04</b>	<b>125.49</b>	<b>163.22</b>
<b>XVI.</b>	<b>Profit attributable to:</b>									
	Owners of the Parent	-	-	-	-	-	24.92	23.88	122.91	155.58
	Non-controlling interests	-	-	-	-	-	(0.21)	0.95	0.79	0.76
<b>XVII.</b>	<b>Total comprehensive income for the year attributable to:</b>									
	Owners of the Parent	-	-	-	-	-	25.77	23.91	124.77	162.35
	Non-controlling interests	-	-	-	-	-	(0.26)	1.01	0.74	0.87
<b>XVIII.</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>123.94</b>	<b>123.94</b>	<b>123.94</b>	<b>123.94</b>	<b>123.94</b>	<b>123.94</b>
<b>XIX.</b>	<b>Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>919.58</b>	<b>794.00</b>	<b>-</b>	<b>841.28</b>	<b>716.18</b>	
<b>XX.</b>	<b>Earnings per Share( face value of Re 1/- each) -</b>									
	(a) Before Extraordinary items - Basic	0.27	0.17	(0.76)	1.01	1.17	0.25	0.20	1.05	1.21
	- Diluted	0.27	0.17	(0.76)	1.01	1.17	0.25	0.20	1.05	1.21
	(b) After Extraordinary items - Basic	0.27	0.17	(0.76)	1.01	1.17	0.25	0.20	1.05	1.21
	- Diluted	0.27	0.17	(0.76)	1.01	1.17	0.25	0.20	1.05	1.21

SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED						Rs. in Crore				
Sl. No.	Particulars	Standalone					Consolidated			
		Three months ended	Preceding three months ended	Corresponding three months ended in the previous year	Financial Year ended	Previous Financial Year ended	Three months ended	Preceding three months ended	Financial Year ended	Previous Financial Year ended
		March 31st 2017	December 31st 2016	March 31st 2016	March 31st 2017	March 31st 2016	March 31st 2017	December 31st 2016	March 31st 2017	March 31st 2016
		Audited	Unaudited	Audited	Audited	Audited	Audited	Unaudited	Audited	Audited
<b>1</b>	<b>Segment Revenue</b>									
	a. Telecom Products	192.95	150.71	151.09	583.43	666.38	246.04	165.40	705.48	680.34
	b. Turnkey Contracts and Services	581.54	291.28	710.32	1,658.01	2,191.99	586.54	294.82	1,672.08	2,192.04
	c. Others	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>774.49</b>	<b>441.99</b>	<b>861.41</b>	<b>2,241.44</b>	<b>2,858.37</b>	<b>832.58</b>	<b>460.22</b>	<b>2,377.56</b>	<b>2,872.38</b>
	Less: Inter segment revenue	-	-	-	-	-	-	-	-	-
	<b>Net Sales/Income from Operations</b>	<b>774.49</b>	<b>441.99</b>	<b>861.41</b>	<b>2,241.44</b>	<b>2,858.37</b>	<b>832.58</b>	<b>460.22</b>	<b>2,377.56</b>	<b>2,872.38</b>
<b>2</b>	<b>Segment Results Profit /(Loss) before tax and interest</b>									
	a. Telecom Products	1.98	11.13	18.27	24.23	71.91	0.03	13.89	28.45	77.73
	b. Turnkey Contracts and Services	36.23	27.47	58.15	155.49	250.79	39.26	29.52	160.57	250.79
	c. Others	-	-	-	-	-	0.01	(0.01)	-	-
	<b>Total</b>	<b>38.21</b>	<b>38.60</b>	<b>76.42</b>	<b>179.72</b>	<b>322.70</b>	<b>39.30</b>	<b>43.40</b>	<b>189.02</b>	<b>328.52</b>
	Less: i. Interest	8.93	17.48	17.16	58.47	58.42	9.74	17.52	61.33	61.50
	ii. Other un-allocable expenditure net off	4.16	0.27	151.66	4.82	152.37	4.18	0.25	4.83	152.35
	iii Un-allocable income	(6.75)	0.07	-	(7.29)	(38.54)	(6.75)	0.07	(7.29)	(38.54)
	<b>Total Profit before Tax</b>	<b>31.87</b>	<b>20.78</b>	<b>(92.40)</b>	<b>123.72</b>	<b>150.45</b>	<b>32.13</b>	<b>25.56</b>	<b>130.15</b>	<b>153.21</b>
<b>3</b>	<b>Segment Assets</b>									
	a. Telecom Products	726.48	643.97	582.49	726.48	582.49	758.84	818.06	758.84	719.48
	b. Turnkey Contracts and Services	1,231.85	1,198.83	1,219.16	1,231.85	1,219.16	1,249.40	1,214.24	1,249.40	1,219.16
	c. Others	-	-	-	-	-	(1.46)	2.06	(1.46)	0.04
	d. Un-allocable	268.59	362.25	310.30	268.59	310.30	268.59	362.25	268.59	310.30
	<b>Total</b>	<b>2,226.92</b>	<b>2,205.05</b>	<b>2,111.95</b>	<b>2,226.92</b>	<b>2,111.95</b>	<b>2,275.37</b>	<b>2,396.61</b>	<b>2,275.37</b>	<b>2,248.98</b>
<b>4</b>	<b>Segment Liabilities</b>									
	a. Telecom Products	170.64	162.61	148.85	170.64	148.85	284.00	415.83	284.00	362.22
	b. Turnkey Contracts and Services	470.83	501.46	501.87	470.83	501.87	470.83	514.79	470.83	501.87
	c. Others	-	-	-	-	-	0.01	1.57	0.01	1.48
	d. Un-allocable	541.93	531.50	543.30	541.93	543.30	555.29	522.28	555.29	543.30
	<b>Total</b>	<b>1,183.40</b>	<b>1,195.57</b>	<b>1,194.02</b>	<b>1,183.40</b>	<b>1,194.02</b>	<b>1,310.13</b>	<b>1,454.47</b>	<b>1,310.13</b>	<b>1,408.87</b>

## Notes :

- The above Audited Standalone and Consolidated Financial Results of the Company for the fourth quarter and year ended 31st March, 2017 as reviewed by the Audit Committee were approved by the Board of Directors at their meeting held on 10th May, 2017.
- The Board of directors of the Company at its meeting held on 10th May, 2017 has declared second interim dividend of Rs.3.25 per share on 6.5% Cumulative Redeemable Preference Shares of face value of Rs.100/- each.
- The Company has adopted Indian Accounting Standards (Ind AS) from 1st April 2016 with a transition date of 1st April, 2015. The Standalone and 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 format for audited/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.
- Income from operation is inclusive of excise duty & service tax recovered in accordance with Ind-AS 18 and further clarified by SEBI vide clarification dated 20th September 2016 for disclosure in financial results.
- (A) Reconciliation of Standalone & Consolidated Net Profit & equity for the corresponding quarter and year ended 31st March, 2016 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:

Particulars	Standalone		Consolidated
	Rs. in Crore	Rs. in Crore	Rs. in Crore
	Quarter ended 31st March 2016	Year ended 31st March 2016	Year ended 31st March 2016
Net Profit as per IGAAP	(135.22)	119.01	126.14
Add: Restatement adjustment - prior period expenses	0.03	0.03	0.99
Adjustments:			
Impact of Dividends and related distribution tax	(0.08)	(6.38)	(6.38)
Non-current Assets measured at Fair valuation	(1.11)	(1.11)	(1.11)
Impact of reclassification of defined benefit plans	(0.36)	(5.44)	(5.86)
Impact of Non-Current Investment sold at loss	44.34	44.34	44.34
Impact of share of profit of associates	-	-	(3.28)
	(92.40)	150.45	154.84
Other Comprehensive Incomes			
Remeasurement (gain)/loss of defined benefit plans	0.35	5.44	5.86
<b>Others</b>	0.96	1.02	1.02
<b>Total Comprehensive Income as per Ind AS</b>	<b>(91.09)</b>	<b>156.91</b>	<b>161.72</b>

Particulars	Standalone as at 31.03.2016	Consolidated as at 31.03.2016
Total equity under previous GAAP	11,25,54,66,804	10,77,05,93,040
Add: Restatement adjustments	(2,90,433)	(99,31,538)
Fair value of structured Investment	44,34,00,000	44,34,00,000
Preference Share earlier classified under Share capital now classified as Non current financial borrowings	(80,50,00,000)	(80,50,00,000)
	10,89,35,76,371	10,39,90,61,502
<b>Adjustments:</b>		
Fair value of debtors assigned for more than 12 months	(1,11,45,387)	(1,11,45,387)
Share of profits of Associates	-	(26,16,82,670)
Other Non-current financial liability measured at fair value	(1,71,37,27,893)	(1,73,56,68,161)
Other Non-current financial asset measured at fair value	1,06,24,153	1,06,24,153
<b>Total adjustment to equity</b>	<b>(1,71,42,49,127)</b>	<b>(1,99,78,72,065)</b>
<b>Total equity under Ind AS</b>	<b>9,17,93,27,244</b>	<b>8,40,11,89,437</b>

- This being the first reporting year for the quarterly Consolidated results for the period ended 31st March, 2017, corresponding quarter consolidated figures of the period ended 31st March, 2016 are not applicable.
- The annual & fourth quarterly audited Consolidated results for the period ended 31st March, 2017 includes the results of the following entities:
  - Himachal Futuristic Communications Ltd. (HFCL)
  - HTL Limited ( Subsidiary)
  - Moneta Finance Pvt. Ltd. ( Subsidiary)
  - Polixel Security Systems Pvt. Ltd. (Subsidiary w.e.f. 9th August, 2016)
  - HFCL Advance Systems Pvt. Ltd. (Subsidiary)
  - HFCL Bezeq Telecom Ltd. (Associate )
  - Dragon Wave HFCL India Pvt. Ltd. ( Jointly controlled entity )
- Extract of Auditors' observations & Management Response:
  - Auditors in their Consolidated Audit Report has stated that one of the subsidiary has not made the provision for interest amounting to Rs.150.21 lakhs pending adjustment of one of the claims against the outstanding loans along with interest dues thereon.  
The provision for interest on certain borrowings has not been made by the subsidiary company pending the reworking of the interest on account of adjustment of one of claim of Rs 347 lakhs against the outstanding interest on certain loans, the subsidiary company has not provided for the interest amounting to Rs. 150.21 lakhs during the year. The final adjustment for interest, if any, will be done by the subsidiary company once the reconciliation is agreed upon. Though the auditor has mentioned the maximum impact of Rs.150.21 Lakhs, however the management of the subsidiary company is discussing the matter with the concerned lender for the adjustment/ reversal of excess interest, as the case may be. Hence the impact is not ascertainable at present.
- Disclosure in compliance with Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the fourth quarter and year ended 31st March, 2017.
  - 80,50,000, 6.5% Cumulative Redeemable Preference Shares (CRPS) issued by the Company have been assigned the rating of 'BBB - 'by the India Ratings & Research Private Limited.
  - The Company has paid declared dividend on CRPS in time. The last dividend payment was made on 14.12.2016. The next dividend due in March 2017 will be paid in May 2017 as declared by the Board of Directors at its meeting held on 10th May, 2017. The 25% of CRPS will be redeemed in the financial year 2018 and 75% will be redeemed in financial year 2019.
  - Networth as on 31st March, 2017:Rs.1043.52 Crore.
  - Net Profit after Tax for the year ended 31st March, 2017: Rs.123.72 Crore.
  - Earnings Per Share (EPS) as on March 31, 2017: Basic EPS Rs.1.01 and Diluted EPS Rs.1.01.
  - Outstanding 6.5% Cumulative Redeemable Preference Shares: 80,50,000 CRPS of Rs.100/- each.
- M/s Polixel Security Systems Pvt. Ltd. a subsidiary of the Company has become wholly owned subsidiary of the Company w.e.f. 31.03.2017.
- The figures of the last quarter ended 31st March, 2017 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year.
- The figures of the previous periods have been regrouped/ rearranged wherever considered necessary.

By order of the Board

Place : New Delhi  
Date : 10th May, 2017(Mahendra Nahata)  
Managing Director  
DIN 00052898

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

Rs in Crore

		Standalone		Consolidated	
		As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
		Audited	Audited	Audited	Audited
	<b>Assets</b>				
(1)	<b>Non-current Assets</b>				
	(a) Property, Plant and Equipment	106.15	103.90	157.58	153.66
	(b) Capital work-in-progress	1.39	0.11	1.69	0.11
	(c) Goodwill	-	-	25.44	19.22
	(d) Other Intangible assets	4.14	2.20	4.28	2.19
	(e) Intangible assets under development	-	0.55	-	0.55
	(f) Investment in associates/ joint venture accounted for using the equity method	18.64	4.49	4.19	10.13
	(g) Financial Assets				
	(i) Investments	44.43	45.22	44.52	45.31
	(ii) Others	91.52	10.52	7.40	14.81
	(h) Deferred tax assets (net)	-	-	0.07	-
	(i) Other non-current assets	0.72	0.69	1.57	0.70
	<b>Sub-total</b>	<b>266.99</b>	<b>167.68</b>	<b>246.74</b>	<b>246.68</b>
(2)	<b>Current Assets</b>				
	(a) Inventories	217.59	259.87	245.36	276.19
	(b) Financial Assets				
	(i) Investments	1.75	1.25	1.75	1.25
	(ii) Trade receivables	1,147.16	1,118.64	1,179.37	1,112.65
	(iii) Cash and cash equivalents	2.41	5.85	5.91	9.07
	(iv) Bank balances other than (iii) above	77.47	67.92	91.56	77.92
	(v) Loans	14.45	13.75	6.75	2.75
	(vi) Others - advances	264.24	287.85	257.20	217.23
	(c) Current Tax Assets (Net)	179.72	149.16	181.67	151.31
	(d) Other current assets	55.14	39.98	58.69	46.34
	<b>Sub-total</b>	<b>1,959.93</b>	<b>1,944.27</b>	<b>2,028.26</b>	<b>1,894.71</b>
	<b>Total Assets</b>	<b>2,226.92</b>	<b>2,111.95</b>	<b>2,275.00</b>	<b>2,141.39</b>
	<b>EQUITY AND LIABILITIES</b>				
(1)	<b>Equity</b>				
	(a) Equity Share capital	123.94	123.94	123.94	123.94
	(b) Other Equity	919.58	793.99	841.28	716.18
	<b>Sub-total</b>	<b>1,043.52</b>	<b>917.93</b>	<b>965.22</b>	<b>840.12</b>
(2)	<b>Liabilities</b>				
	<b>Non-current Liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	237.63	331.67	261.33	331.67
	(ii) Financial guarantee Obligations	0.58	0.46	0.21	0.21
	(b) Provisions	16.39	11.01	18.56	12.68
	<b>Sub-total</b>	<b>254.60</b>	<b>343.14</b>	<b>280.10</b>	<b>344.56</b>
	<b>Current Liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	165.29	142.26	180.12	161.52
	(ii) Trade Payable	392.45	445.81	448.11	495.34
	(iii) Other financial liabilities	243.37	158.93	250.02	187.23
	(b) Other current liabilities	125.50	99.78	148.90	108.21
	(c) Provisions	2.19	4.10	2.53	4.41
	<b>Sub-total</b>	<b>928.80</b>	<b>850.88</b>	<b>1,029.68</b>	<b>956.71</b>
	<b>Total equity and liabilities</b>	<b>2,226.92</b>	<b>2,111.95</b>	<b>2,275.00</b>	<b>2,141.39</b>