

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2011

₹ in lacs

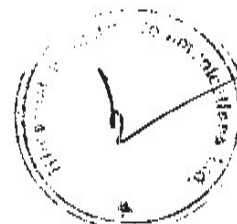
Sl No.	Particulars	Quarter ended 31st March	Quarter ended 31st March	Financial Year for six months ended 31st March	Financial Year for eighteen months ended 30th September	Consolidated results for the six months ended 31st March	Consolidated results for the eighteen months ended 30th September
		2011	2010	2011	2010	2011	2010
		Unaudited	Unaudited	Audited	Audited	Unaudited	Audited
1	Net Turnover/Income from Operations	4,249.12	5,681.80	8,641.47	31,143.21	8,647.27	51,497.12
2	Expenditure						
a)	(Increase)/Decrease in stock in trade	52.57	583.93	69.03	1,020.02	69.03	1,081.15
b)	Cost of Raw Material/services	1,380.81	3,842.88	2,479.47	15,661.93	2,472.68	16,141.70
c)	Provision for Non moving inventories	(0.78)	648.42	389.75	990.42	389.75	1,228.41
d)	Purchase of Traded goods	1,644.73	218.31	3,996.09	7,011.95	3,996.09	7,011.95
e)	Staff Cost	490.90	518.75	877.11	2,715.40	1,672.50	9,538.50
f)	Administrative and other Overheads	710.19	484.19	1,265.74	4,089.33	1,515.68	8,055.05
g)	Depreciation/impairment and Amortisation	8,423.87	630.30	9,075.21	3,903.28	9,087.37	13,568.70
h)	Bad debts, advances & Miscellaneous balances written off (net)	11,114.91	6,280.89	11,115.69	6,852.49	7,120.39	7,134.41
i)	Liquidated damages	208.51	29.00	268.67	77.81	268.87	220.69
j)	Provision for doubtful debts	-	-	-	-	-	174.15
k)	Share of results of Associates	-	-	-	-	124.97	(92.83)
l)	Goodwill on amalgamation written off	-	-	-	336.78	-	336.78
m)	Network operations expenditure	-	-	-	-	-	11,022.78
	Total	24,025.71	13,236.67	29,536.96	42,659.47	26,727.33	75,421.44
3	Profit/(Loss) from operations before other income, interest & exceptional items (1-2)	(19,776.59)	(7,554.87)	(20,895.49)	(11,516.26)	(18,080.06)	(23,924.32)
4	Other Income	901.43	302.92	1,319.76	1,635.03	1,493.85	2,091.78
5	Profit/(Loss) before interest & exceptional items (3+4)	(18,875.16)	(6,751.95)	(19,575.73)	(9,881.23)	(16,586.21)	(21,832.54)
6	Interest (net)	1,117.95	2,237.34	2,535.39	8,148.23	4,549.79	7,418.56
7	Profit/(Loss) after interest but before exceptional items (5-6)	(19,993.11)	(8,989.29)	(22,111.12)	(18,029.46)	(21,136.00)	(29,251.10)
8	Exceptional items - expenses/(Income) (refer note no. 6)	(22,169.47)	(3,842.53)	(26,134.77)	(5,946.42)	(22,200.49)	(7,711.70)
9	Profit/(Loss) from ordinary activities before tax (7-8)	2,176.36	(5,146.76)	4,023.65	(12,083.04)	1,064.49	(21,539.40)
10	Tax expenses	2.12	-	2.12	15.98	2.12	9.76
11	Net Profit/(Loss) from ordinary activities after tax (9-10)	2,174.24	(5,146.76)	4,021.53	(12,099.02)	1,062.37	(21,549.16)
12	Extraordinary items - expenses/(Income)	-	39,041.50	-	39,160.50	-	(58,956.91)
13	Net Profit/(Loss) for the period (11-12)	2,174.24	(44,188.26)	4,021.53	(51,259.52)	1,062.37	37,407.75
14	Paid-up Equity Share Capital	9,923.95	46,279.05	9,923.95	9,923.95	9,923.95	9,923.95
	Face value of Re 1/- each		Face value of Re 10/- each	Face value of Re 1/- each	Face value of Re 1/- each	Face value of Re 1/- each	Face value of Re 1/- each
				22,200.06	3,011.25	(23,297.86)	(39,522.53)
15	Reserves excluding Revaluation Reserve						
16	Earning per Share(Rs) -						
(a)	Before Extraordinary items - Basic	0.21	(1.19)	0.38	(1.89)	0.08	(2.25)
	- Diluted	0.18	(1.19)	0.35	(1.87)	0.08	(2.25)
(b)	After Extraordinary items - Basic	0.21	(10.00)	0.38	(7.61)	0.08	3.69
	- Diluted	0.18	(10.00)	0.35	(7.58)	0.08	3.69
17	Aggregate of public shareholding						
	Number of shares	512,818,158	453,246,423	512,818,158	512,818,158	512,818,158	512,818,158
	Percentage of shareholding	51.67	97.94	51.67	51.67	51.67	51.67
18	Promoters and promoter group shareholding						
a)	Pledged / encumbered No. of shares	1,056,000	1,056,000	1,056,000	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	11.39	0.22	0.22	0.22	0.22
	Percentage of shares (as a % of the total share capital of the company)	0.11	0.23	0.11	0.11	0.11	0.11
b)	Non- encumbered No. of shares	478,242,999	8,213,094	478,242,999	478,242,999	478,242,999	478,242,999
	Percentage of shares (as a % of the total shareholding of promoter and promoter group)	99.78	88.61	99.78	99.78	99.78	99.78
	Percentage of shares (as a % of the total share capital of the company)	48.19	1.77	48.19	48.19	48.19	48.19



Segmentwise Revenue, Results and Capital Employed

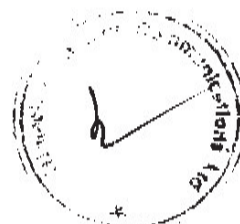
₹ in lacs

Sl No	Particulars	Quarter ended 31st March	Quarter ended 31st March	Financial Year for six months ended 31st March	Financial Year for eighteen months ended 30th September	Consolidated results for the six months ended 31st March	Consolidated results for the eighteen months ended 30th September
		2011	2010	2011	2010	2011	2010
		Unaudited	Unaudited	Audited	Audited	Unaudited	Audited
1	Segment Revenue						
	a. Telecom Products	1,374.64	3,731.32	2,773.51	20,365.04	2,773.51	20,365.04
	b. Turnkey Contracts and Services	2,874.48	1,950.48	5,867.96	10,778.17	5,888.95	12,296.04
	c. Basic Telephony and ISP	-	-	-	-	-	19,739.16
	d. Others	-	-	-	-	-	-
	Total	4,249.12	5,681.80	8,641.47	31,143.21	8,662.46	52,400.24
	Less: Inter segment revenue	-	-	-	-	15.19	903.12
	Net Sales/Income from Operations	4,249.12	5,681.80	8,641.47	31,143.21	8,647.27	51,497.12
2	Segment Results Profit/(Loss) before tax and interest for each segment						
	a. Telecom Products	(15,436.05)	(3,445.08)	(12,678.33)	(5,000.91)	(12,678.33)	(5,000.91)
	b. Turnkey Contracts and Services	250.02	355.96	510.13	2,295.18	(309.39)	1,187.53
	c. Basic Telephony and ISP	-	-	-	-	-	(9,168.81)
	d. Others	-	-	-	-	(0.26)	(2.41)
	Total	(15,186.03)	(3,089.12)	(12,168.20)	(2,705.73)	(12,987.98)	(12,984.60)
	Less: i. Interest	1,117.95	2,237.34	2,535.39	8,148.23	4,549.79	7,418.56
	ii. Other un-allocable expenditure net off un-allocable income	(18,480.34)	(179.70)	(18,727.24)	1,229.08	(18,602.26)	1,136.24
	Total Profit before Tax	2,176.36	(5,146.76)	4,023.65	(12,083.04)	1,064.49	(21,539.40)
3	Capital Employed						
	a. Telecom Products	33,035.32	6,281.23	33,035.32	9,336.26	(14,607.12)	(35,472.26)
	b. Turnkey Contracts and Services	6,771.59	6,363.16	6,771.59	6,589.18	6,771.54	6,589.18
	c. Basic Telephony and ISP	-	-	-	-	-	-
	d. Others	-	-	-	-	31.35	31.62
	Total capital employed in segments	39,806.91	12,644.39	39,806.91	15,925.44	(7,804.18)	(28,851.46)
	Add: Un-allocable corporate assets less liabilities	367.10	(43,726.26)	367.10	5,059.76	2,485.27	7,302.89
	Total capital employed in Company	40,174.01	(37,081.87)	40,174.01	20,985.20	(5,318.91)	(21,548.57)



Notes :

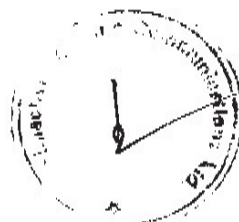
- 1 The above Audited standalone and Unaudited Consolidated results of the Company for the Financial year for six months ended 31st March, 2011 as reviewed by Audit committee were approved by the Board of Directors at their meeting held on 30th May, 2011.
- 2 Accounts of one of the Subsidiary company are under audit and expected to be finalised soon. In view of this the Company has considered unaudited financial results of subsidiary company while preparing consolidated results. Hence the consolidated results for the period ended 31st March, 2011 given are unaudited. The Company shall place before the Board and publish the audited consolidated results at the earliest.
- 3 Pursuant to the Circular Resolution passed by the Board of Directors of the Company on 22nd April, 2010 and necessary approval of Registrar of the Company, Punjab Himachal Pradesh and Chandigarh, the last financial year of the Company was extended by six months which ended on 30th September 2010. The Board of Directors vide its aforesaid Resolution also decided that next financial year will be of six months from 1st October, 2010 to 31st March, 2011 and subsequent financial year will end on 31st March every year. Accordingly the period of current financial year is of six months only and the year to date figures given above are for six months period ended 31st March, 2011. The figures for the corresponding previous financial year are for eighteen months and hence the same are not comparable to that extent.
- 4(a) Corporate Debt Restructuring (CDR) cell Empowered Group (EG) at its meeting held on 9th February, 2011 has approved the Rework package of the Company with the cut off date as 1st January 2011 and communicated its sanction vide their letter No. BY CDR(JCP)/No 8643/2010-11 dated 29.03.2011. The Rework package includes interalia: reduction in the existing payable rate of interest, reshedulement and longer period for repayment of loans, conversion of overdue interest into funded interest term loan (FITL), conversion of certain loans into Equity, waiver of unpaid dividend on preference shares, waiver of penal interest etc. The entire rescheduled debt is now to be repaid in phased manner by the year 2018-19.
- 4(b) The impact of waivers, reliefs and concessions granted under CDR Rework package have been taken into account for during the quarter under review as majority of the lenders have given their consent for Rework Package to CDR Empowered Group and have also communicated their sanctions to the Company.
- 5(a) Extracts of audit qualifications:
 - i) The Company has accounted for the impact of rework package of CDR, however compliance of some of the conditions and acceptance of one lender is still in process.
 - ii) Adequacy of provisions for doubtful debts.
 - iii) Balances of some of sundry debtors, creditors, lenders and loans and advances are subject to confirmations reconciliations and adjustments, if any.
 - iv) The Company has paid remuneration to managerial personnel during the period for which the approval of Central Government is pending.
- 5(b) Management comments:
 - i) The Company has complied with most of the conditions as stipulated in rework package of CDR. Further all the lenders who have given their in principal approval for rework package to the CDR - EG, have also communicated their sanction to the Company except from one lender which is expected to be received shortly.
 - ii) The Company has made adequate provisions for doubtful debts.
 - iii) The Company obtains the confirmations from sundry debtors, creditors, lenders etc in ordinary course of business.



iv) The Company has received necessary approval from the Central Government for the re-appointment and payment of remuneration to Whole time Directors for the financial year 2007-08, 2008-09 and part financial year of 2009-10 for Rs.2,74,63,608. However since the financial year 2007-2008, the Company has so far paid Rs. 52,771,568 as remuneration to Whole time Directors. As the approval of Central Government received is of lesser amount than the actual remuneration paid for the aforesaid period, the excess amount of Rs.25,307,960 paid continues to be shown as recoverable. The Company is in the process of making representation to the Central Government for seeking their approval to the entire amount of remuneration paid to them. The Company has also filed the necessary applications with the Central Government seeking their approval for re-appointment and payment of remuneration to Whole time Director for financial year 2009-10 and onwards which is under their consideration.

- 6 During the quarter under review, the Exceptional items consist of : (i) Impact of waivers under rework package of CDR and on account of settlement of dues of some of the lender on one time settlement (OTS) basis - Rs. 22784.47 lacs and (ii) Payments made to lenders of promoted companies towards guarantee obligation - Rs.615 lacs.
- 7 The Company has entered into a joint venture arrangement with a Canada based company i.e. DragonWave Inc which is leading manufacturer of high capacity packet microwave radio systems used for backhaul of traffic in 3G and broadband wireless networks. Accordingly a joint venture company has been formed in India which will perform local sales and marketing in India. The products are proposed to be manufactured by HFCL in its plant situated at Solan, Himachal Pradesh.
- 8 Status of investors' complaints during the quarter ended 31st March, 2011:-
Pending at the beginning : Nil; Received :17; Disposed of :17; Pending at the end : Nil.
Investors Relation Contact : investor@hfcl.com
- 9 Figures of the previous periods have been regrouped/rearranged wherever considered necessary .

Place : New Delhi
Date : 30th May, 2011



By order of the Board

Sdf

(Mahendra Nahata)
Managing Director

HIMACHAL FUTURISTIC COMMUNICATIONS LIMITED

A Statement of Assets and Liabilities as at the end of 31st March, 2011

₹ in lacs

Particulars	Financial Year for six months ended 31st March	Financial Year for eighteen months ended 30th September	Consolidated results for the six months ended 31st March	Consolidated results for the eighteen months ended 30th September
	2011 Audited	2010 Audited	2011 Unaudited	2010 Audited
SHAREHOLDERS FUNDS:				
(a) Capital	17,973.95	17,973.95	17,973.95	17,973.95
(b) Reserve and Surplus	22,200.06	3,011.24	18,480.89	3,313.59
LOAN FUNDS	63,198.33	105,537.88	87,413.04	130,511.39
TOTAL	103,372.34	126,523.07	123,867.88	151,798.93
APPLICATION OF FUNDS:				
GOODWILL	-	-	7,422.05	7,422.05
FIXED ASSETS	10,464.49	18,939.39	10,845.25	19,342.18
INVESTMENTS	103,432.32	106,460.80	98,330.46	101,298.90
CURRENT ASSETS, LOANS AND ADVANCES				
(a) Inventories	3,481.28	3,898.40	3,560.24	3,977.39
(b) Sundry Debtors	33,299.51	42,190.88	36,471.18	48,551.54
(c) Cash and Bank Balances	7,498.98	12,167.46	8,612.08	13,353.73
(d) Other current assets	2,365.33	1,606.00	3,685.81	2,954.78
(e) Loans and Advances	13,030.91	20,681.02	10,408.61	20,142.07
	59,676.01	80,543.76	62,737.92	88,979.51
Less : Current Liabilities and Provisions				
(a) Liabilities	70,054.31	79,272.25	95,926.62	106,762.44
(b) Provisions	146.17	148.63	1,314.93	1,317.39
	(10,524.47)	1,122.88	(34,503.63)	(19,100.32)
PROFIT AND LOSS ACCOUNT	-	-	41,773.75	42,836.12
TOTAL	103,372.34	126,523.07	123,867.88	151,798.93

