

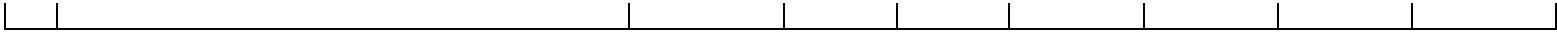
HIMACHAL FUTURISTIC COMMUNICATIONS LIMITED

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

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2005

(Rs. in Crores)

Sl. No.	Particulars	Nine months ended 31st December 2004 (Unaudited)	Fourth Quarter Ended 31st March		Financial Year Ended 31st March		Consolidated Results for the Year Ended 31st March	
			2005 (Unaudited)	2004 (Unaudited)	2005 (Audited)	2004 (Audited)	2005 (Audited)	2004 (Audited)
1.	Net Turnover/Income from Operations	340.55	64.86	177.66	405.41	749.05	879.78	1,044.47
2	Other Income	27.69	2.42	4.36	30.11	13.48	31.32	14.94
3	Total Expenditure	333.66	181.72	489.77	515.38	941.63	819.12	1,132.88
a	(Increase)/Decrease in stock in trade	5.92	3.13	17.98	9.05	3.90	12.09	0.74
b	Cost of Raw Material/services	249.73	86.75	116.27	336.48	516.05	516.59	586.67
c	Staff Cost	19.97	7.72	8.64	27.69	31.08	70.41	74.17
d	Provision for diminution in value of investments	(0.11)	2.40	0.02	2.29	(0.58)	2.29	(0.55)
e	Network operations expenditure	-	-	-	-	-	109.10	95.00
f	Loss on sale of investments	(0.04)	0.53	22.03	0.49	23.78	(73.03)	(44.25)
g	Bad Debts, Advances and Misc. Balances written off	18.04	51.78	186.90	69.82	187.60	77.95	195.14
	Less: Transferred from provision of doubtful debts/advances	(16.94)	(46.84)	(1.58)	(63.78)	(1.58)	(63.78)	(1.58)
h	Provision for inventories/doubtful debts and advances	13.62	24.13	105.89	37.75	105.89	40.49	125.76
i	Research expenses written off	-	28.88	-	28.88	-	28.88	-
j	Payment towards guarantee obligation written off	4.27	0.64	8.54	4.91	8.54	4.91	8.54
k	Royalty	4.37	0.45	5.33	4.82	7.79	7.91	9.07
l	Administrative and other Overheads	34.83	22.15	19.75	56.98	59.16	85.31	84.17
4	Interest and Finance Charges	45.20	17.83	35.69	63.03	112.38	151.84	204.83
5	Depreciation	22.68	4.40	6.50	27.08	25.82	131.09	107.18
6	Profit before write offs, provisions and non recurring items	(40.61)	(83.19)	(19.60)	(123.80)	14.89	(207.45)	(93.88)
7	Profit before Tax (1+2-3-4-5)	(33.30)	(136.67)	(349.94)	(169.97)	(317.30)	(190.95)	(385.48)
8	Provision for Taxation							
	- Current Tax including for earlier years	0.48	(1.52)	(8.60)	(1.04)	(6.11)	(0.66)	(5.90)
	- Deferred Tax	-	-	(51.90)	-	(49.03)	-	(48.73)
9	Net Profit (7 - 8)	(33.78)	(135.15)	(289.44)	(168.93)	(262.16)	(190.29)	(330.85)
10	Paid-up Equity Share Capital (Face value of Rs.10 each)	329.76	329.76	316.81	329.76	316.81	329.76	316.81
11	Reserves excluding Revaluation Reserve	-	-	-	884.80	1,132.61	371.86	643.43
12	Earning per Share(Rs) - Basic	(1.19)	(4.15)	(9.31)	(5.35)	(10.02)	(6.00)	(12.54)
	'- Diluted	(1.11)	(3.91)	(8.43)	(5.04)	(9.11)	(5.65)	(11.40)
13	Aggregate of non-promoter shareholding							
	-Number of shares	-	-	-	319,667,911	306,720,340	319,667,911	306,720,340
	-Percentage of shareholding	-	-	-	96.94%	96.81%	96.94%	96.81%



Notes :

- 1 The above results have been taken on record by the Board of Directors at its meeting held on 28th June 2005.
- 2a All the Loans from financial institutions and banks have been rescheduled under Corporate Debt Restructuring (CDR) scheme approved by CDR Empowered group and subsequently approved by respective lenders individually. Accordingly, the impact of CDR scheme has been incorporated in these financial statements and consequently interest amounting to Rs. 27.19 crore relating to earlier year has been reversed and shown as other income.
- b CDR Empowered Group in its meeting held on 8th June 2005 has approved modifications in the CDR package of the Company and one of its subsidiary i. e. HFCL Infotel Ltd. The modifications in the scheme includes interalia reduction in rate of interest on loans, conversion of certain loan amount into zero coupon premium bonds, rescheduling of loans repayment etc. The cut off date is 1st April 2005.
- 3 Status of investor complaints during the quarter ended 31st March 2005 :
Pending at the beginning Nil; Received 5; Disposed off 5 ; Pending at the end Nil
- 4 Increase in Paid up Capital amounting to Rs.12.95 crore during the year under review is on account of conversion of FCCBs into Equity.
- 5 Figures of the previous periods have been regrouped/rearranged wherever considered necessary .

By order of the Board

Place : New Delhi
Date : 28th June 2005

Mahendra Nahata
(Managing Director)

Segmentwise Revenue, Results and Capital Employed

(Rs. in Crores)

	Nine months ended 31st December 2004	Fourth Quarter Ended 31st March		Financial Year Ended 31st March		Consolidated Results for the Year Ended 31st March	
		2005	2004	2005	2004	2005	2004
		(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)
Segment Revenue							
a.Telecom Products	266.41	59.63	157.62	326.04	561.92	567.08	701.28
b.Turnkey Contracts and Services	72.12	4.40	18.93	76.52	182.46	76.52	182.46
c.Basic Telephony and ISP	-	-	-	-	-	253.31	192.19
d.Hire Purchase and Finance Business	-	-	-	-	-	-	5.02
e.Others	2.02	0.83	1.11	2.85	4.67	2.85	4.67
Total	340.55	64.86	177.66	405.41	749.05	899.76	1,085.62
Less:Inter segment revenue	-	-	-	-	-	19.98	41.15
Net Turnover/Income from Operations	340.55	64.86	177.66	405.41	749.05	879.78	1,044.47
Segment Results							
a.Telecom Products	5.36	(33.13)	17.02	(27.77)	84.39	(28.77)	83.37
b.Turnkey Contracts and Services	5.49	(1.90)	3.59	3.59	51.17	3.59	51.17
c.Basic Telephony and ISP	-	-	-	-	-	9.26	(33.18)
d.Hire Purchase and Finance Business	-	-	-	-	-	-	4.85
e.Others	1.11	(0.53)	(0.83)	0.58	1.12	0.58	(0.13)
Total	11.96	(35.56)	19.78	(23.60)	136.68	(15.34)	106.08
Less: i.Interest and Finance charges	45.20	17.83	35.69	63.03	112.38	151.84	204.83
ii.Other un-allocable expenditure net off un-allocable income	7.37	29.80	3.69	37.17	9.41	40.27	(4.87)
iii.Write offs, provisions and non recurring items	(7.31)	53.48	330.34	46.17	332.19	(16.50)	291.60
Profit before Tax	(33.30)	(136.67)	(349.94)	(169.97)	(317.30)	(190.95)	(385.48)
Capital Employed							
a.Telecom Products	580.09	481.17	592.03	481.17	592.03	335.32	470.92
b.Turnkey Contracts and Services	276.69	213.16	258.97	213.16	258.97	213.16	258.97
c.Basic Telephony and ISP	-	-	-	-	-	74.09	169.77
d.Hire Purchase and Finance Business	-	-	-	-	-	-	-
e.Others	27.39	20.76	25.00	20.76	25.00	20.76	25.92
Total capital employed in segments	884.17	715.09	876.00	715.09	876.00	643.33	925.58
Add: Un-allocable corporate assets less liabilities	626.90	579.98	653.92	579.98	653.92	138.67	208.16
Total capital employed in Company	1,511.07	1,295.07	1,529.92	1,295.07	1,529.92	782.00	1,133.74