

HIMACHAL FUTURISTIC COMMUNICATIONS LIMITED

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

UNAUDITED FINANCIAL RESULTS (PROVISIONAL) FOR THE QUARTER ENDED 31st DECEMBER, 2004

(Rs. in Crores)

| Sl. No. | Particulars | Third Quarter Ended 31st December | | Nine Months Ended 31st December | | Financial Year Ended 31st March, 2004 |
|---------|---|-----------------------------------|-------------|---------------------------------|-------------|---------------------------------------|
| | | 2004 | 2003 | 2004 | 2003 | (Audited) |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | |
| 1. | Net Turnover/Income from Operations | 100.80 | 180.72 | 340.55 | 571.39 | 749.05 |
| 2 | Other Income | 0.64 | 2.55 | 1.54 | 9.12 | 13.48 |
| 3 | Total Expenditure (a to k) | 101.99 | 142.62 | 333.66 | 451.86 | 941.63 |
| a | (Increase)/Decrease in stock in trade | (3.76) | (21.83) | 5.92 | (14.08) | 3.90 |
| b | Consumption of Raw Material | 83.35 | 141.21 | 242.77 | 381.37 | 496.34 |
| c | Staff Cost | 7.02 | 8.07 | 19.97 | 22.44 | 31.08 |
| d | Labour and service charges to sub contractors | 2.37 | 1.73 | 6.96 | 18.41 | 19.71 |
| e | Provision for diminution in value of investments | (0.22) | (0.01) | (0.11) | (0.60) | (0.58) |
| f | Loss on sale of investments | (0.31) | - | (0.04) | 1.75 | 23.78 |
| g | Bad Debts, Advances and Misc. Balances written off | 6.91 | - | 18.04 | 0.70 | 187.60 |
| | Less: Transferred from provision of doubtful debts/advances | (6.07) | - | (16.94) | - | (1.58) |
| h | Provision for doubtful debts and advances | 3.52 | - | 13.62 | - | 105.89 |
| l | Payment towards guarantee obligation written off | 0.77 | - | 4.27 | - | 8.54 |
| j | Royalty | - | 2.09 | 4.37 | 2.46 | 7.79 |
| k | Administrative and other Overheads | 8.41 | 11.36 | 34.83 | 39.41 | 59.16 |
| 4 | Interest and Finance Charges | 13.92 | 25.70 | 19.05 | 76.69 | 112.38 |
| 5 | Depreciation | 7.40 | 6.19 | 22.68 | 19.32 | 25.82 |
| 6 | Profit before write offs, provisions and extra ordinary items | (17.27) | 8.75 | (14.46) | 34.49 | 14.89 |
| 7 | Profit before Tax (1+2-3-4-5) | (21.87) | 8.76 | (33.30) | 32.64 | (317.30) |
| 8 | Provision for Taxation | | | | | |
| | - Current Tax including for earlier years | 0.48 | 0.66 | 0.48 | 2.49 | (6.11) |
| | - Deferred Tax | - | 0.90 | - | 2.87 | (49.03) |
| 9 | Net Profit (7 - 8) | (22.35) | 7.20 | (33.78) | 27.28 | (262.16) |
| 10 | Paid-up Equity Share Capital (Face value of Rs.10 each) | 329.76 | 312.16 | 329.76 | 312.16 | 316.81 |
| 11 | Reserves excluding Revaluation Reserve | - | - | - | - | 1,132.61 |
| 12 | Earning per Share(Rs) - Basic | (0.73) | 0.14 | (1.19) | 0.73 | (10.02) |
| | - Diluted | (0.68) | 0.13 | (1.11) | 0.68 | (9.11) |

Notes :

- The above results have been taken on record by the Board of Directors at its meeting held on 31st January 2005.
- In accordance with the Debt Restructuring (CDR) proposal of the Company approved by CDR Empowered Group, most of the banks/financial institutions have approved the scheme. The impact of the respective approvals has been considered accordingly. Company is taking effective steps for compliance of terms and conditions of CDR scheme.
- In accordance with the approval for debt restructuring given by individual lenders interest amounting to Rs.26.15 crore relating to earlier year has been reversed and deducted from the interest and finance charges for nine months ended 31st December 2004.
- The segregation of investment and financial assets into a separate company is in process and will help the company to focus more on its core activities of manufacturing of telecom products, turnkey operations and R&D initiatives.
- In terms of Accounting Standard - 28 on Impairment of Assets issued by The Institute of Chartered Accountants of India provision for impairment of assets, if any, as on 01.04.2004 i.e. date on which this statement becomes mandatory will be adjusted at the end of the
- Status of investor complaints during the quarter ended 31st December 2004 :
Pending at the beginning Nil; Received 8; Disposed off 8 ; Pending at the end Nil
- Figures of the previous periods have been regrouped/rearranged wherever considered necessary .

By order of the Board

 Place : New Delhi
 Date : 31st January 2005.

 Mahendra Nahata
 (Managing Director)

Segmentwise Revenue, Results and Capital Employed

(Rs. in Crores)

| | Third Quarter Ended 31st December | | Nine Months Ended 31st December | | Financial Year Ended |
|--|--------------------------------------|-------------|------------------------------------|-------------|-------------------------|
| | 2004 | 2003 | 2004 | 2003 | 31st March,2004 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| Segment Revenue | | | | | |
| a.Telecom Products | 82.67 | 126.46 | 266.41 | 404.30 | 561.92 |
| b.Turnkey Contracts and Services | 17.13 | 51.76 | 72.12 | 163.53 | 182.46 |
| c.Others | 1.00 | 2.50 | 2.02 | 3.56 | 4.67 |
| Total | 100.80 | 180.72 | 340.55 | 571.39 | 749.05 |
| Less:Inter segment revenue | - | - | - | - | - |
| Net Turnover/Income from Operations | 100.80 | 180.72 | 340.55 | 571.39 | 749.05 |
| Segment Results | | | | | |
| a.Telecom Products | (1.36) | 20.09 | 5.36 | 67.37 | 84.39 |
| b.Turnkey Contracts and Services | 0.51 | 12.76 | 5.49 | 47.58 | 51.17 |
| c.Others | 0.41 | 1.41 | 1.11 | 1.95 | 1.12 |
| Total | (0.44) | 34.26 | 11.96 | 116.90 | 136.68 |
| Less: i.Interest and Finance charges | 13.92 | 25.70 | 19.05 | 76.69 | 112.38 |
| ii.Other un-allocable expenditure net off un-allocable income | 2.91 | (0.19) | 7.37 | 5.72 | 9.41 |
| iii.Write offs, provisions and extra ordinary items | 4.60 | (0.01) | 18.84 | 1.85 | 332.19 |
| Profit before Tax | (21.87) | 8.76 | (33.30) | 32.64 | (317.30) |
| Capital Employed | | | | | |
| a.Telecom Products | 580.09 | 763.56 | 580.09 | 763.56 | 592.03 |
| b.Turnkey Contracts and Services | 276.69 | 414.08 | 276.69 | 414.08 | 258.97 |
| c.Others | 27.39 | 64.24 | 27.39 | 64.24 | 25.00 |
| Total capital employed in segments | 884.17 | 1,241.88 | 884.17 | 1,241.88 | 876.00 |
| Add: Un-allocable corporate assets less liabilities | 626.90 | 559.96 | 626.90 | 559.96 | 653.92 |
| Total capital employed in Company | 1,511.07 | 1,801.84 | 1,511.07 | 1,801.84 | 1529.92 |