

**HIMACHAL FUTURISTIC COMMUNICATIONS LIMITED**

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

**UNAUDITED FINANCIAL RESULTS (PROVISIONAL) FOR THE QUARTER ENDED 30TH JUNE 2005**

(Rs. in Crores)

Sl. No.	Particulars	First Quarter Ended		Year Ended
		June 30,2005	June 30,2004	March 31,2005
		(Unaudited)	(Unaudited)	(Audited)
1.	Net Turnover/Income from Operations	123.28	135.48	405.41
2	Other Income	0.05	0.38	30.11
3	Total Expenditure (a to k)	120.71	117.76	515.38
a	(Increase)/Decrease in stock in trade	3.40	(2.80)	9.05
b	Cost of Raw Material/services	96.48	91.63	336.48
c	Staff Cost	5.98	6.52	27.69
d	Provision for diminution in value of investments	(0.01)	0.13	2.29
e	Loss on sale of investments	-	-	0.49
f	Bad Debts,Advances and Misc. Balances written off	-	2.79	69.82
	Less: Transferred from provision of doubtful debts/advances	-	(2.53)	(63.78)
g	Provision for doubtful debts and advances	1.19	4.18	37.75
h	Research expenses written off	1.06	-	28.88
l	Payment towards guarantee obligation written off	-	2.50	4.91
j	Royalty	-	4.37	4.82
k	Administrative and other Overheads	12.61	10.97	56.98
4	Interest and Finance Charges	17.45	15.66	63.03
5	Depreciation	6.46	7.53	27.08
6	Profit before write offs, provisions and extra ordinary items	(20.11)	1.98	(123.80)
7	Profit before Tax (1+2-3-4-5)	(21.29)	(5.09)	(169.97)
8	Provision for Taxation including for earlier years	-	-	(1.04)
9	Net Profit ( 7 - 8 )	(21.29)	(5.09)	(168.93)
10	Paid-up Equity Share Capital (Face value of Rs.10 each)	335.56	329.76	329.76
11	Reserves excluding Revaluation Reserve	-	-	884.80
12	Earning per Share(Rs) - Basic	(0.69)	(0.24)	(5.35)
	'- Diluted	(0.66)	(0.22)	(5.04)

Notes :

- 1 The above results have been reviewed by the Audit Committee and taken on record by the Board of Directors at its meeting held on 28th July 2005.
- 2 CDR Empowered Group in its meeting held on 8th June 2005 has approved modifications in the CDR package of the company. 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. The impact of modifications will be considered on approval by respective lenders which will improve the profitability by Rs.9.50 crore approx. for the quarter under review.
- 3 The Auditors' comments in their report on the accounts for the year 2004-05 have been addressed as under:
  - i) The Company has initiated the process for the ascertainment of decline, if any, in the value of investments, debtors, loans and advances etc.
  - ii) Outstanding Interest free loan of Rs.0.88 crore as on 31.03.2005 to its subsidiary company in excess of the limits prescribed under section 372A of the Companies Act 1956, has since been received back.
- 4 Status of investor complaints during the quarter ended 30th June 2005 :  
Pending at the beginning Nil; Received 4 ; Disposed off 4 ; Pending at the end Nil
- 5 Increase in Paid up Capital amounting to Rs.5.80 crore during the quarter under review is on account of conversion of FCCBs into Equity.
- 6 Figures of the previous periods have been regrouped/rearranged wherever considered necessary .

By order of the Board

Place : New Delhi  
Date : 28th July 2005

(Mahendra Nahata)  
Managing Director

**Segmentwise Revenue, Results and Capital Employed**

(Rs. in Crores)

	First Quarter Ended		Year Ended
	June 30,2005	June 30,2004	March 31,2005
	(Unaudited)	(Unaudited)	(Audited)
<b>Segment Revenue</b>			
a.Telecom Products	118.28	109.91	326.04
b.Turnkey Contracts and Services	4.99	25.09	76.52
c.Others	0.01	0.48	2.85
Total	123.28	135.48	405.41
Less:Inter segment revenue	-	-	-
Net Turnover/Income from Operations	123.28	135.48	405.41
<b>Segment Results</b>			
a.Telecom Products	1.26	13.95	(27.77)
b.Turnkey Contracts and Services	(0.68)	4.37	3.59
c.Others	(0.03)	0.17	0.58
Total	0.55	18.49	(23.60)
Less: i.Interest and Finance charges	17.45	15.66	63.03
ii.Other un-allocable expenditure net off un-allocable income	3.21	0.85	37.17
iii.Write offs, provisions and non recurring items	1.18	7.07	46.17
Profit before Tax	(21.29)	(5.09)	(169.97)
<b>Capital Employed</b>			
a.Telecom Products	490.94	602.85	481.17
b.Turnkey Contracts and Services	211.94	272.48	213.16
c.Others	20.79	24.56	20.76
Total capital employed in segments	723.67	899.89	715.09
Add: Un-allocable corporate assets less liabilities	548.63	639.86	579.98
Total capital employed in Company	1,272.30	1,539.75	1,295.07