

# HATHWAY CABLE & DATACOM LIMITED

Registered Office : "Rahejas", 4th Floor, Corner of Main Avenue & V.P. Road,  
Santacruz (West), Mumbai - 400 054

## UNAUDITED STAND ALONE FINANCIALS RESULTS FOR THE QUARTER ENDED 31st March, 2011

(Rs. In lacs)

| Particulars  | Quarter ended     |                 | Year ended        |                   |
|--|-------------------|-----------------|-------------------|-------------------|
|  | 31st March 2011   | 31st March 2010 | 31st March 2011   | 31st March 2010   |
|  | Unaudited         | Unaudited       | Unaudited         | Audited           |
| <b>1. Income</b>   |                   |                 |                   |                   |
| a. Net Sales/Income from Operations  | 11,534.45         | 9,571.23        | 43,621.36         | 38,831.25         |
| b. Other Operating Income  | 816.57            | 298.80          | 3,700.34          | 1,348.67          |
| <b>c. Total</b>  | <b>12,351.02</b>  | <b>9,870.03</b> | <b>47,321.70</b>  | <b>40,179.92</b>  |
| <b>2. Expenditure</b>  |                   |                 |                   |                   |
| a. Employees cost  | 1,076.75          | 725.39          | 4,178.14          | 3,278.64          |
| b. Pay Channel Cost  | 3,425.33          | 2,476.90        | 11,969.36         | 10,542.36         |
| c. Operational expenditure   | 2,638.92          | 2,241.21        | 10,092.09         | 8,712.66          |
| d. Administrative expenditure  | 2,485.85          | 2,018.20        | 9,183.88          | 8,108.27          |
| e. Provision for Bad and Doubtful debts  | 854.07            | 427.36          | 2,916.98          | 2,589.04          |
| <b>f. Total</b>  | <b>10,480.92</b>  | <b>7,889.06</b> | <b>38,340.45</b>  | <b>33,230.97</b>  |
| <b>3. Profit / (Loss) from Operations before Other Income, Interest , Depreciation &amp; Exceptional Items (1-2)</b> | <b>1,870.10</b>   | <b>1,980.97</b> | <b>8,981.25</b>   | <b>6,948.95</b>   |
| 4. Depreciation / Amortisation / Impairment  | 2,575.13          | 1,423.00        | 9,716.15          | 9,038.30          |
| <b>5. Profit / (Loss) from Operations before Other Income, Interest &amp; Exceptional Items (3-4)</b>                | <b>(705.03)</b>   | <b>557.97</b>   | <b>(734.90)</b>   | <b>(2,089.35)</b> |
| <b>6. Other Income</b>   |                   |                 |                   |                   |
| a. Other Income  | 801.88            | 229.24          | 2,108.49          | 473.77            |
| b. Exchange Fluctuation - (Loss)/Gain  | 39.35             | 10.19           | 115.56            | 51.96             |
| <b>7. Profit / (Loss) before Interest &amp; Exceptional Items (5+6)</b>  | <b>136.19</b>     | <b>797.40</b>   | <b>1,489.15</b>   | <b>(1,563.62)</b> |
| 8. Interest  | 946.51            | 1,221.18        | 3,863.77          | 5,090.97          |
| <b>9. Profit / (Loss) after Interest but before Exceptional Items (7-8)</b>  | <b>(810.32)</b>   | <b>(423.78)</b> | <b>(2,374.62)</b> | <b>(6,654.59)</b> |
| <b>10. Exceptional Items</b>   |                   |                 |                   |                   |
| a. Exceptional Items   | 821.92            | 561.35          | 1,391.32          | 1,632.70          |
| b. Prior Period Adjustment   | 121.86            | 7.19            | 217.44            | 61.93             |
| <b>11. Profit / (Loss) from Ordinary Activities before tax (9-10)</b>  | <b>(1,754.10)</b> | <b>(992.32)</b> | <b>(3,983.38)</b> | <b>(8,349.22)</b> |
| 12. Tax expense  | 0.70              | 1.10            | 0.70              | 1.10              |
| <b>13. Net Profit / (Loss) from Ordinary Activities after tax (11-12)</b>  | <b>(1,754.80)</b> | <b>(993.42)</b> | <b>(3,984.08)</b> | <b>(8,350.32)</b> |
| 14. Extraordinary Item (net of tax expense Rs. Nil)  | -                 | -               | -                 | -                 |
| <b>15. Net Profit / (Loss) for the period (13-14)</b>  | <b>(1,754.80)</b> | <b>(993.42)</b> | <b>(3,984.08)</b> | <b>(8,350.32)</b> |
| 16. Paid-up equity share capital (Face Value Rs.10/-)  | 14,285.71         | 14,285.71       | 14,285.71         | 14,285.71         |
| 17. Reserve excluding Revaluation Reserves   |                   |                 | 70,098.81         | 74,082.90         |
| 18. Earnings Per Share (EPS)   |                   |                 |                   |                   |
| (a) Basic and diluted EPS before Extraordinary items for the period, for the year to date and for the previous year  | (1.23)            | (0.83)          | (2.79)            | (6.98)            |
| (b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year   | (1.23)            | (0.83)          | (2.79)            | (6.98)            |
| 19. Public shareholding  |                   |                 |                   |                   |
| - Number of shares   | 47,397,600        | 47,797,600      | 47,397,600        | 47,797,600        |
| - Percentage of shareholding   | 33.18             | 33.46           | 33.18             | 33.46             |
| 20. Promoters and Promoter Group Shareholding  |                   |                 |                   |                   |
| a) Pledged / Encumbered  |                   |                 |                   |                   |
| - Number of shares   | -                 | -               | -                 | -                 |
| - Percentage of shares (as a % of the total shareholding of promoter and promoter group)                             | -                 | -               | -                 | -                 |
| - Percentage of shares (as a % of the total share capital of the company)  | -                 | -               | -                 | -                 |
| b) Non - encumbered  |                   |                 |                   |                   |
| - Number of shares   | 95,459,500        | 95,059,500      | 95,459,500        | 95,059,500        |
| - Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)                         | 100.00            | 100.00          | 100.00            | 100.00            |
| - Percentage of shares (as a % of the total share capital of the company)  | 66.82             | 66.54           | 66.82             | 66.54             |

## Notes to Standalone Accounts

- 1 The above results were reviewed by the Audit Committee on 9 May, 2011 and approved by the Board of Directors in its meeting held on 9 May, 2011. The statutory auditors have carried out limited review of the financial results of the Company for the quarter ended 31st March, 2011.
- 2 The Company is a Multi System Operator providing Cable Television Network Services, Internet Services and allied services which is considered as the only reportable segment. The Company's operations are based in India.
- 3 The figures for the corresponding periods have been regrouped, wherever necessary, to make them comparable.
- 4 The Company has made an application to the Central Government for approval of the payment of remuneration to the Managing Director & CEO in excess of limits prescribed under Section 198 and 309 read with part II to Schedule XIII of the Companies, Act, 1956.
- 5 During the quarter ended 31st March 2010, the Company had re-estimated the useful life of the Set Top Box based on technical and other parameters and had recomputed the depreciation with retrospective effect. The excess depreciation for the first three quarters of the financial year ended 2009-10, amounting to Rs 868.35 lacs was adjusted against the depreciation for the quarter ended 31 March 2010 and the reversal of depreciation for earlier years amounting to Rs 643.98 lacs was credited to Profit and loss account and shown under Exceptional Item under the quarter ended 31 March 2010. Due to this the Depreciation figures not comparable.
- 6 Due to certain business exigencies, in the state of Tamil Nadu, local cable operators and subscribers had migrated to competing Multi System Operator (MSO) and other service providers. As a consequence, the Company decided to relocate certain of its assets to other States so as to maximize the economic returns to the Company. Based on initial estimate, in FY 2009-10, provision for loss of Distribution Equipments and other assets amounting to Rs. 1,160.74 lacs was made in the books. Thereafter, the Company has been in the process of recovering Cable TV and Internet Access Devices. During the quarter ended 31st March 2011, the process of recovering Cable TV & Internet access devices has yielded results and the Company expects to continue this process of retrieval in the next financial year as well. The WDV of such Access Devices and other assets as at 31st March 2011 was Rs. 1,206.82 lacs Rs. 511.15 lacs respectively. However, as a matter of abundant caution, the Company has additionally impaired the other assets such as Cables, Distribution Equipments (including certain Internet Access Devices(net)), etc. as Exceptional Item having aggregate WDV of Rs. 518.37 lacs as at 31st March 2011. In view of the management, at this stage, the provision made till date is adequate and no additional loss is expected. Furthermore, the final outcome can be ascertained only on completion of entire process.
- 7 In addition to the Note 5 above Provision for Doubtful Advances / Investments / Receivables from entities under control or significant influence amounting to Rs. 303.55 lacs made during the quarter is included in Exceptional Items.
- 8 The Initial Public Offer (IPO) proceeds have been utilised, as under, as per objects stated in the prospectus dated February 17, 2010

| Particulars   | Rs. In lacs      |                                      |
|---|------------------|--------------------------------------|
|   | Amount Proposed  | Amount utilised upto 31st March 2011 |
| <b>Amount received from IPO</b>   |                  | <b>48,000.00</b>                     |
| <b>Utilisation of funds</b>   |                  |                                      |
| Acquisition of Customers  | 24,360.00        | 1,134.40                             |
| Investment in the development of our digital capital expenditure, services and set top boxes    | 15,640.00        | 7,104.45                             |
| Investment in the development of our broadband infrastructure, capital expenditure and services | 8,300.00         | 5,001.32                             |
| Repayment of loans ( includes temporary repayment of WCDL Rs. 388.61 lacs as interim use)       | 9,670.00         | 9,670.00                             |
| Interim use of fund (paying down short term credit limit)                                       |                  | 7,150.30                             |
| <b>Total</b>  | <b>57,970.00</b> | <b>30,060.48</b>                     |
| Less: To be funded by Borrowings  | 9,970.00         | 1,300.00                             |
| <b>Total</b>  | <b>48,000.00</b> | <b>28,760.48</b>                     |
| <b>Balance Unutilised</b>   |                  | <b>19,239.52</b>                     |

### Unutilised Balance has been invested as stated below:

|                                  | Rs. In lacs      |
|----------------------------------|------------------|
| Mutual funds                     | 7,838.90         |
| Certificate of Deposits of Banks | 9,791.60         |
| Margin Money in Banks            | 1,609.02         |
| <b>Total</b>                     | <b>19,239.52</b> |

- 9 There was no complaint pending at the beginning of the quarter. During the quarter, 3 complaints were received and 3 were resolved. No complaint was outstanding as on 31st March 2011. No complaints were pending for more than 30 days during the quarter.

## 10 Additional Information

Consolidated Summarised Results, as per Management Review for year ended 31st March 2011: (Unaudited and not subjected to limited review by the Statutory Auditors)

|                   | Year Ended 31st March 2011 | Year Ended 31st March 2010 |
|-------------------|----------------------------|----------------------------|
| Turnover          | 88,298 lacs                | 73,596 lacs                |
| EBITDA            | 16,213 lacs                | 12,900 lacs                |
| Profit Before Tax | 198 lacs                   | (5,054 lacs)               |

For Hathway Cable & Datacom Limited

Place : Mumbai  
Date : 9 May 2011

K. Jayaraman  
Managing Director & CEO