

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 December, 2010

(Rs. In lacs)

| Particulars | Quarter ended | Nine Months ended | Year ended |
|--|--------------------|--------------------|-------------------|
| | 31st December 2010 | 31st December 2010 | 31st March 2010 |
| | Unaudited | Unaudited | Audited |
| 1. Income | | | |
| a. Net Sales/Income from Operations | 11,244.40 | 32,086.91 | 38,831.25 |
| b. Other Operating Income | 750.49 | 2,883.76 | 1,348.67 |
| c. Total | 11,994.89 | 34,970.67 | 40,179.92 |
| 2. Expenditure | | | |
| a. Employees cost | 1,110.19 | 3,101.39 | 3,278.64 |
| b. Pay Channel Cost | 2,949.25 | 8,544.03 | 10,542.36 |
| c. Operational expenditure | 2,684.61 | 7,453.17 | 8,712.66 |
| d. Administrative expenditure | 2,371.06 | 6,698.03 | 8,108.27 |
| e. Provision for Bad and Doubtful debts | 740.31 | 2,062.91 | 2,589.04 |
| f. Total | 9,855.42 | 27,859.53 | 33,230.97 |
| 3. Profit / (Loss) from Operations before Other Income, Interest , Depreciation & Exceptional Items (1-2) | 2,139.47 | 7,111.14 | 6,948.95 |
| 4. Depreciation / Amortisation / Impairment | 2,477.17 | 7,141.01 | 9,038.30 |
| 5. Profit / (Loss) from Operations before Other Income, Interest & Exceptional Items (3-4) | (337.70) | (29.87) | (2,089.35) |
| 6. Other Income | | | |
| a. Other Income | 420.05 | 1,306.60 | 473.77 |
| b. Exchange Fluctuation - (Loss)/Gain | 26.35 | 76.20 | 51.96 |
| 7. Profit / (Loss) before Interest & Exceptional Items (5+6) | 108.70 | 1,352.93 | (1,563.62) |
| 8. Interest | 990.76 | 2,917.26 | 5,090.97 |
| 9. Profit / (Loss) after Interest but before Exceptional Items (7-8) | (882.06) | (1,564.33) | (6,654.59) |
| 10. Exceptional Items | | | |
| a. Exceptional Items | 283.27 | 569.40 | 1,632.70 |
| b. Prior Period Adjustment | 75.09 | 95.58 | 61.93 |
| 11. Profit / (Loss) from Ordinary Activities before tax (9-10) | (1,240.42) | (2,229.31) | (8,349.22) |
| 12. Tax expense | - | - | 1.10 |
| 13. Net Profit / (Loss) from Ordinary Activities after tax (11-12) | (1,240.42) | (2,229.31) | (8,350.32) |
| 14. Extraordinary Item (net of tax expense Rs. Nil) | - | - | - |
| 15. Net Profit / (Loss) for the period (13-14) | (1,240.42) | (2,229.31) | (8,350.32) |
| 16. Paid-up equity share capital (Face Value Rs.10/-) | 14,285.71 | 14,285.71 | 14,285.71 |
| 17. Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year | 74,082.90 | 74,082.90 | 15,482.65 |
| 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 | (0.87) | (1.56) | (6.98) |
| (b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year | (0.87) | (1.56) | (6.98) |
| 19. Public shareholding | | | |
| - Number of shares | 47,797,600 | 47,797,600 | 47,797,600 |
| - Percentage of shareholding | 33.46 | 33.46 | 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 | 95,059,500 | 95,059,500 | 95,059,500 |
| - Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group) | 100.00 | 100 | 100.00 |
| - Percentage of shares (as a % of the total share capital of the company) | 66.54 | 66.54 | 66.54 |

Notes to Standalone Accounts

- 1 The above results were reviewed by the Audit Committee on 11 February, 2011 and approved by the Board of Directors in its meeting held on 11 February, 2011. The statutory auditors have carried out limited review of the financial results of the Company for the quarter ended 31st December, 2010.
- 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 Exceptional Items for the quarter ended 31st December 2010 represent Provision for Doubtful Advances / Investments / Receivables from entities under control or significant influence
- 6 Due to certain unforeseen conditions, in the city of Chennai Local Cable Operators (LCOs) and subscribers have migrated to competing Multi System Operator (MSO) and other service providers. The Company has removed certain distribution equipments and head end equipments (part of the plant and machinery) from this city. Some of such assets are already deployed in other states / cities to maximise the economic returns. The process of recovering the STBs, Smart Cards and Modems (part of Plant and Machinery) having WDV as at 31st December 2010 of Rs 1,259.45 lacs which are lying with the LCOs and subscribers and balance distribution equipments having WDV of Rs 371.01 lacs as at 31st December 2010 is still in progress. Management had estimated certain loss of assets which were provided for in the accounts as at 31st March 2010. In view of the management, at this stage, no additional provision is considered necessary.
- 7 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 December 2010 |
| Amount received from IPO | | 48,000.00 |
| Utilisation of funds | | |
| Acquisition of Customers | 24,360.00 | 1,099.27 |
| Investment in the development of our digital capital expenditure, services and set top boxes | 15,640.00 | 6,176.27 |
| Investment in the development of our broadband infrastructure, capital expenditure and services | 8,300.00 | 4,246.72 |
| Repayment of loans (includes temporary repayment of WCDL Rs. 2,500 lacs as interim use) | 9,670.00 | 9,670.00 |
| Interim use of fund (paying down short term credit limit) | | 2,666.47 |
| Total | 57,970.00 | 23,858.73 |
| Less: To be funded by Borrowings | 9,970.00 | 1,300.00 |
| Total | 48,000.00 | 22,558.73 |
| Balance Unutilised | | 25,441.27 |

Unutilised Balance has been invested as stated below:

| | Rs. In lacs |
|----------------------------------|------------------|
| Mutual funds | 15,145.35 |
| Certificate of Deposits of Banks | 9,686.90 |
| Margin Money in Banks | 609.02 |
| Total | 25,441.27 |

- 8 There was no complaint pending at the beginning of the quarter. During the quarter, 1 complaint was received and 1 was resolved. No complaint was outstanding as on 31st December 2010. No complaints were pending for more than 30 days during the quarter.
- 9 This being the first year of listing corresponding figures for quarter and nine months ended 31st December 2009 are not stated.

10 Additional Information

Consolidated Summarised Results, as per Management Review for Quarter ended 31st December 2010: (Unaudited and not subjected to limited review by the Statutory Auditors)

| | <u>Quarter ended 31st December 2010.</u> | <u>Quarter ended 30th September 2010.</u> | <u>Quarter ended 30th June 2010.</u> |
|-------------------|--|---|--------------------------------------|
| Turnover | Rs.22,709.91 lacs | Rs. 22,651.63 lacs | Rs. 19,597.79 lac |
| EBITDA | Rs.4,146.35 lacs | Rs. 5,022.92 lacs | Rs. 3,740.67 lac |
| Profit Before Tax | Rs.(14.40 Lacs) | Rs 1,176.41 lacs | Rs. 160.02 lac |

For Hathway Cable & Datacom Limited

**Place : Mumbai
Date : 11th February 2011**

**K. Jayaraman
Managing Director & CEO**