

**G. M. KAPADIA & CO.**  
(REGISTERED)

CHARTERED ACCOUNTANTS

1007

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**THE BOARD OF DIRECTORS HATHWAY CABLE AND DATACOM LIMITED**

**LIMITED REVIEW REPORT ON THE UNAUDITED STANDALONE FINANCIAL  
RESULTS FOR THE QUARTER AND NINE MONTHS ENDED ON DECEMBER 31, 2013**

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1. We have reviewed the accompanying statement of unaudited standalone financial results of **Hathway Cable and Datacom Limited** for the quarter and nine months ended on December 31, 2013 except the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management to the stock exchanges and have not been reviewed by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financials data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. We invite attention to note no. 7 to the unaudited standalone financial results in respect of basis of recognition of income from operations under new regulation relating to Digital Addressable System.






4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2003 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For G. M. Kapadia & Co.  
Chartered Accountants  
Firm Registration No. 104767W**

**Place : Mumbai  
Date : February 13, 2014**



  
**Atul Shah  
Partner  
Membership No. 039569**



**PART I**

(Rs. in Lacs)

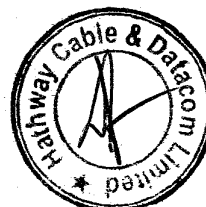
<b>UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2013</b>						
Particulars	Quarter ended			Year to Date		Year Ended
	Three months ended	Preceding Three months ended	Corresponding Three months ended in the previous year ended	Figures for the current period ended	Figures for the previous period ended	Previous Year ended
	December 31, 2013	September 30, 2013	December 31, 2012	December 31, 2013	December 31, 2012	March 31, 2013
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1. Income from Operations</b>						
(a) Net Sales/Income from Operations	23,408.00	21,932.73	15,297.47	68,524.01	41,794.09	65,075.77
(b) Other Operating Income	70.26	95.66	142.33	247.34	519.73	356.22
<b>Total</b>	<b>23,478.26</b>	<b>22,028.39</b>	<b>15,439.80</b>	<b>68,771.35</b>	<b>42,313.82</b>	<b>65,431.99</b>
<b>2. Expenses</b>						
a. Purchase of stock-in-trade	122.56	87.01	430.67	276.22	935.47	1,098.67
b. Employee Benefits Expense	1,379.37	1,457.80	1,083.91	4,214.38	3,169.99	4,220.99
c. Pay Channel Cost	8,372.03	6,830.01	4,296.10	21,047.19	12,091.41	17,041.73
d. Other Expenses	9,930.28	9,812.11	6,082.47	28,109.38	18,111.15	26,217.30
e. Depreciation and Amortisation Expense	5,598.43	5,132.19	2,863.73	14,884.42	7,853.53	12,271.39
<b>Total Expenses</b>	<b>25,402.67</b>	<b>23,319.12</b>	<b>14,756.88</b>	<b>68,531.60</b>	<b>42,161.55</b>	<b>60,850.08</b>
<b>3. Profit/(Loss) from Operations before Other Income, Finance cost &amp; Exceptional Items (1-2)</b>	<b>(1,924.41)</b>	<b>(1,290.73)</b>	<b>682.92</b>	<b>239.75</b>	<b>152.27</b>	<b>4,581.91</b>
<b>4. Other Income</b>						
a. Other Income	247.07	173.73	135.58	516.11	687.03	946.89
b. Foreign Exchange Gain / (Loss)	273.27	(751.25)	(148.99)	(1,309.69)	(156.97)	416.50
<b>5. Profit/(Loss) before finance cost &amp; Exceptional Items (3+4)</b>	<b>(1,404.08)</b>	<b>(1,868.25)</b>	<b>669.51</b>	<b>(553.83)</b>	<b>682.33</b>	<b>5,945.30</b>
6. Finance cost	2,248.13	2,371.09	1,143.36	6,780.54	3,207.14	4,614.22
<b>7. Profit/(Loss) after finance cost but before Exceptional Items (5-6)</b>	<b>(3,652.20)</b>	<b>(4,239.34)</b>	<b>(473.85)</b>	<b>(7,334.36)</b>	<b>(2,524.81)</b>	<b>1,331.08</b>
<b>8. Exceptional Items</b>						
a. Exceptional Items	-	40.80	267.93	40.80	(68.82)	934.87
b. Prior Period Adjustments	33.70	164.75	0.23	223.34	51.51	76.50
<b>9. Profit (+) / Loss (-) from Ordinary Activities before tax (7-8)</b>	<b>(3,685.90)</b>	<b>(4,444.89)</b>	<b>(742.01)</b>	<b>(7,598.50)</b>	<b>(2,507.50)</b>	<b>319.71</b>
10. Tax expense	-	-	-	-	-	-
<b>11. Net Profit (+) / Loss (-) Ordinary Activities after tax (9-10)</b>	<b>(3,685.90)</b>	<b>(4,444.89)</b>	<b>(742.01)</b>	<b>(7,598.50)</b>	<b>(2,507.50)</b>	<b>319.71</b>
12. Extraordinary Item	-	-	-	-	-	-
<b>13. Net Profit (+) / Loss (-) for the Period (11-12)</b>	<b>(3,685.90)</b>	<b>(4,444.89)</b>	<b>(742.01)</b>	<b>(7,598.50)</b>	<b>(2,507.50)</b>	<b>319.71</b>
14. Paid-Up Equity share capital (Face Value Rs.10/-)	15,199.89	15,199.89	14,306.51	15,199.89	14,306.51	14,317.32
15. Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	-	-	65,692.90
<b>16. Earning Per Share (EPS)</b>						
a. Basic EPS (before extraordinary items) of Rs.10/- each (not annualised)	(2.51)	(3.08)	(0.52)	(5.17)	(1.75)	0.22
b. Diluted EPS (before extraordinary items) of Rs.10/- (not annualised)	(2.51)	(3.08)	(0.52)	(5.17)	(1.75)	0.22
c. Basic EPS (after extraordinary items) of Rs.10/- (not annualised)	(2.51)	(3.08)	(0.52)	(5.17)	(1.75)	0.22
d. Diluted EPS (after extraordinary items) of Rs.10/- (not annualised)	(2.51)	(3.08)	(0.52)	(5.17)	(1.75)	0.22

**PART II**

**SELECT INFORMATION FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2013**

<b>A. PARTICULARS OF SHAREHOLDING</b>						
1 Public shareholding						
- Number of shares	79,786,697	79,786,697	72,257,897	79,786,697	72,257,897	72,365,997
- Percentage of shareholding	52.49	52.49	50.51	52.49	50.51	50.54
2 Promoters and promoter group						
<b>Shareholding</b>						
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	72,212,203	72,212,203	70,807,203	72,212,203	70,807,203	70,807,203
- Percentage of shares (as a % of the total shareholding of Promoter And Promoter group)	100	100	100	100	100	100
- Percentage of shares (as a % of the total share capital of the Company)	47.51	47.51	49.49	47.51	49.49	49.46

Particulars	3 months ended (December 31, 2013)
<b>B. INVESTORS COMPLAINTS</b>	
Pending at the beginning of the quarter	Nil
Received during the quarter	Nil
Disposed of during the quarter	Nil
Remaining unresolved at the end of the quarter	Nil





# Notes to Standalone Accounts

- The above results were reviewed by the Audit Committee on February 13, 2014 and approved by the Board of Directors in its meeting held on February 13, 2014. The statutory auditors have carried out limited review of the unaudited Standalone financial results of the Company for the quarter and nine months ended December 31, 2013.
- 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.
- The figures for the corresponding periods have been regrouped, wherever necessary, to make them comparable.
- During the previous quarter end, the company has issued and allotted 52,75,000 equity shares on August 21, 2013 for a cash price of Rs.284 (including premium of Rs. 274 per share) aggregating to Rs. 14,981 lakhs by way of preferential allotment as per SEBI (ICDR) regulation 2009. Out of the total proceeds, the Company has spend Rs. 28.62 lakhs towards issue expenses.
- During the previous quarter end, the company has issued and allotted 35,21,000 equity shares on September 30, 2013 for a cash price of Rs.284 (including premium of Rs. 274 per share) aggregating to Rs. 9,999.64 lakhs by way of preferential allotment as per SEBI (ICDR) regulation 2009. Out of the total proceeds, the Company has spend Rs. 150.80 lakhs towards issue expenses.
- Exceptional Items include:

Exceptional Items	Three months ended	Preceding Three months ended	Corresponding Three months ended in the previous year ended	Year to date figures for the current period ended	Year to date figures for the previous period ended	Year Ended
	December 31, 2013	September 30, 2013	December 31, 2012	December 31, 2013	December 31, 2012	March 31, 2013
- Reversal of Finance Cost & additional depreciation for FY 2011-12 (Refer Note No. 8)	-	-	-	-	(514.61)	(514.61)
- Expenses on Account of Digital Addressable System	-	-	267.93	-	408.55	500.35
- Provision for Doubtful Advances / Investments / Receivables from Entities Under Control / Significant Influence	-	40.80	-	40.80	39.24	466.34
- Provision for Entertainment Tax Bangalore	-	-	-	-	-	482.78
<b>Total</b>	<b>-</b>	<b>40.80</b>	<b>267.93</b>	<b>40.80</b>	<b>(68.82)</b>	<b>934.87</b>

- The TRAI has mandated introduction of Digital Addressable System (DAS) effective from November 1, 2012 in cities covered in Phase I and from April 1, 2013 in cities covered in Phase II. Under the Quality of Service Guidelines (QOS) issued in this context, TRAI has further mandated that MSOs shall be responsible for the generation of bills to be given to individual subscribers.

Due to resistance from the Local Cable Operators (LCOs), market condition and litigation by LCOs in certain cities, the above mandate couldn't be implemented. Accordingly, in respect of its secondary business, the Company continued to invoice LCOs and recognise subscription income and activation fees on best estimate basis. Such recognition is based on ongoing discussion with LCOs, market trend and considering the collection trend. The management has reasonable certainty of collecting the amount recognized as income. The method of invoicing as well as invoice amount may undergo a change prospectively, once there is understanding among the MSOs and LCOs.

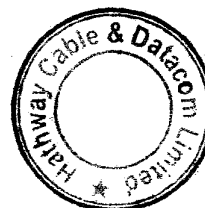
However, with effect from December 2013, the Company has commenced direct billing on its subscribers in the city of Delhi and provision for share of revenue payable to LCOs has been recognized. Such provision is based on agreements with LCOs or on reasonable estimate basis. In view of this change, "income from operations" and "other expenses" for the quarter and for nine months period ended is not comparable with respective previous period.

- The Ministry of Corporate Affairs vide circular dated 9th August, 2012 clarified that loss arising on foreign exchange fluctuation is not to be recognised as interest cost in terms of para 4(e) of Accounting Standard 16 on Borrowing Costs, in the event company has opted for an option granted under earlier circular relating to capitalization / amortisation of foreign exchange losses. In view of the same, during the year ended March 31, 2013 the Company has reversed finance cost of Rs. 590.05 lacs for the year ended 31st March 2012 and capitalised the same resulting in higher depreciation by Rs. 75.44 lacs for the year ended 31st March 2012. The aforesaid change resulted in net gain of Rs. 514.61 lacs and has been shown as "Exceptional Item" in the financial results.

- The Initial Public Offer (IPO) proceeds have been utilised as per objects as stated in the prospectus dated February 17, 2010 and as subsequently modified and approved by the shareholders by an Ordinary resolution through Postal ballot as per the provisions of Section 192A of Companies Act, 1956. The details are as under:

Particulars	(Rs. In lacs)	
<b>Amount received from IPO</b>		<b>48,000.00</b>
<b>Utilisation of funds</b>	<b>Amount Proposed (Revised)</b>	<b>Amount utilised upto December 31, 2013</b>
Acquisition of Customers	1,500.00	1,248.69
Investment in the development of our digital capital expenditure, services and set top boxes	32,500.00	32,500.00
Investment in the development of our broadband infrastructure, capital expenditure and services		
Repayment of loans (includes temporary repayment of WCDL Rs. 388.61 lacs as interim use)	19,000.00	19,000.00
General Corporate Purposes	5,000.00	5,000.00
Interim use of fund (paying down short term credit limit)	-	251.31
<b>Total</b>	<b>58,000.00</b>	<b>58,000.00</b>
Less: To be funded by Suppliers Credit/ Buyers Credit and External Commercial Borrowings	10,000.00	10,000.00
<b>Total</b>	<b>48,000.00</b>	<b>48,000.00</b>
<b>Balance Unutilised</b>		<b>-</b>

Place : Mumbai  
Date : February 13, 2014



For Hathway Cable & Datacom Limited

*[Signature]*  
Jagdish Kumar G Pillai  
Managing Director & CEO