

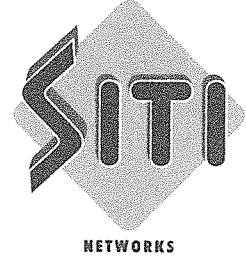
**SITI Networks Limited**

UG Floor, FC-19 & 20, Sector-16 A, Film City,

Noida, Uttar Pradesh-201301, India

**Tel:** +91-120-4526700

**Website :** www.sitinetworks.com



**February 7, 2020**

To,

The General Manager  
Corporate Relationship Department  
BSE Limited  
Phiroze Jeejeeboy Towers  
Dalal Street, Fort,  
Mumbai- 400 001  
**BSE Scrip Code: 532795**

The Manager  
Listing Department  
National Stock Exchange of India limited  
Plaza, 5<sup>th</sup> Floor, Plot no. C/1, G Block  
Bandra Kurla Complex, Bandra (E)  
Mumbai- 400 051  
**NSE Scrip Symbol: SITINET**

**Kind Attn. : Corporate Relationship Department**

**Subject: Proceedings of the Board Meeting held on February 7, 2020**

Dear Sir,

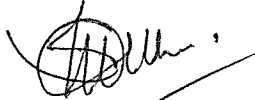
Pursuant to Regulation 30 and other applicable Regulations of the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015, this is to inform you that the Board of Directors of the Company at their meeting held today i.e. on February 7, 2020 (which commenced at 12:00 noon and concluded at 18.20 p.m.), have *inter-alia*, considered and approved the Un-Audited Financial Results of the Company, both on a Standalone and Consolidated basis, prepared under Ind-AS, for the third quarter of FY 2019-20 and nine months ended on December 31, 2019, duly reviewed by M/s Walker Chandiook & Co LLP., Chartered Accountants, the Statutory Auditors of the Company, pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, together with Limited Review report thereon.

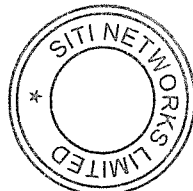
We are enclosing herewith Un-Audited Financial Results along with Earning Release and Limited Review Certificate(s) on both standalone and consolidated Financial Statements issued by the Statutory Auditor of the Company.

You are requested to kindly take the above on record.

Thanking you,

Yours truly,  
For **Siti Networks Limited**

  
Suresh Kumar  
Company Secretary  
M.No. ACS 14390



## UNAUDITED FINANCIAL RESULTS (CONSOLIDATED)

## UNAUDITED FINANCIAL RESULTS (STANDALONE)

Particulars	Statement of consolidated unaudited results for the quarter and nine months ended December 31, 2019				Statement of standalone unaudited results for the quarter and nine months ended December 31, 2019			
	Three months ended December 31, 2019	Corresponding three months ended December 31, 2018	Year to date figures for current period ended December 31, 2019	Year to date figures for previous period ended March 31, 2019	Three months ended December 31, 2019	Corresponding three months ended December 31, 2018	Year to date figures for current period ended December 31, 2019	Year to date figures for previous period ended December 31, 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>I</b> Revenue from operations	40,260.1	41,506.0	121,029.2	112,271.4	20,308.8	21,298.9	61,537.8	62,953.4
<b>II</b> Other income	534.2	387.5	1,197.1	1,329.2	276.3	1,089.9	508.8	1,073.1
<b>III</b> Total Income (P+II)	40,794.3	41,893.5	122,226.3	113,600.6	20,585.1	21,407.8	62,046.6	64,026.5
<b>IV</b> Expenses	18.8	15.4	44.3	100.8	6.9	12.7	16.2	27.2
Cost of materials consumed				173.6				19.4
Purchases of stock-in-trade				65,114.0				450.0
Pay channel, carriage sharing and related costs	21,441.1	21,970.5	63,114.0	51,020.2	3.6	19.4	96.8	1,897.4
Employee benefits expense	1,874.9	1,851.7	5,782.7	6,260.9	10,824.7	10,824.7	29,508.3	36,586.9
Finance costs	3,805.8	4,143.4	12,216.0	12,605.4	9,646.5	11,553.3	3,575.6	4,221.2
Depreciation and amortisation expenses	8,647.1	8,573.3	25,691.4	27,585.9	3,147.1	3,457.3	10,171.7	11,147.7
Other expenses	8,428.8	8,473.6	26,116.7	29,034.6	4,805.7	4,766.9	15,641.6	15,376.3
<b>Total expenses (IV)</b>	44,216.5	45,028.1	133,030.1	136,791.4	23,688.5	25,150.0	74,130.6	77,913.8
<b>V</b> Loss for the period before tax and share of profit/(loss) in associate and joint venture and exceptional items (III-IV)	(3,422.2)	(3,134.6)	(10,803.8)	(13,170.8)	(3,103.4)	(3,742.2)	(12,084.0)	(13,887.3)
<b>VI</b> Share of profit/(loss) of associates and joint venture	72.3	28.6	142.7	26.5	-	-	-	-
<b>VII</b> Loss before exceptional items and tax (V+VI)	(3,349.9)	(3,106.0)	(10,661.1)	(13,144.3)	(3,103.4)	(3,742.2)	(12,084.0)	(14,518.2)
<b>VIII</b> Exceptional items	-	-	(1,962.6)	(7,426.6)	-	-	-	-
<b>IX</b> Loss before tax (VII+VIII)	(3,349.9)	(3,106.0)	(12,623.7)	(20,570.9)	-	-	-	-
<b>Tax expense</b>								
(1) Current tax	139.4	629.5	785.7	1,485.7	-	407.6	407.6	-
(2) Deferred tax	(129.8)	(257.3)	(644.3)	(844.3)	-	407.6	407.6	-
<b>Total tax expense</b>	9.6	372.2	(858.6)	(358.6)	-	-	-	-
<b>X</b> Loss for the period (IX-X)	(3,359.5)	(3,478.2)	(11,786.6)	(20,929.5)	(3,103.4)	(4,149.8)	(12,491.6)	(14,518.2)
<b>XI</b> Other comprehensive income:								
Items that will not be reclassified to profit or loss	(5.8)	(5.9)	(17.5)	22.0	(3.8)	(3.7)	(11.3)	12.9
Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the period (including non-controlling interest)</b>	(3,365.3)	(3,484.1)	(11,804.1)	(20,907.5)	(3,107.2)	(4,153.5)	(12,502.9)	(14,505.3)
<b>Net (loss)/income attributable to:</b>								
A Owners of the parent	(3,279.0)	(3,894.1)	(12,014.3)	(14,316.4)	8,720.5	8,720.5	8,720.5	8,720.5
B Non-controlling interest	(80.5)	415.9	227.7	280.0	-	-	-	-
<b>Other comprehensive income attributable to:</b>								
A Owners of the parent	(5.0)	(5.1)	(15.0)	18.4	(0.4)	(0.5)	(1.4)	(1.7)
B Non-controlling interest	(0.8)	(0.8)	(2.5)	3.6	(0.4)	(0.5)	(1.4)	(1.7)
<b>Total comprehensive income attributable to:</b>	(3,284.0)	(3,399.2)	(12,029.3)	(14,298.0)	8,720.5	8,720.5	8,720.5	8,720.5
A Owners of the parent	(81.3)	415.1	225.2	283.6	(0.4)	(0.5)	(1.4)	(1.7)
B Non-controlling interest	8,720.5	8,720.5	8,720.5	8,720.5	(0.4)	(0.5)	(1.4)	(1.7)
<b>XIII</b> Paid-up equity share capital (Face value ₹ 1/- per share)								
<b>XIV</b> Other equity (excluding revaluation reserves, if any)								
Earnings per equity share (of ₹ 1/-each) (not annualised except for year ended March 31, 2019)								
a) Basic	(0.4)	(0.4)	(1.4)	(1.6)	(0.4)	(0.5)	(1.4)	(1.7)
b) Diluted	(0.4)	(0.4)	(1.4)	(1.6)	(0.4)	(0.5)	(1.4)	(1.7)

\* rounded off to nil  
See accompanying notes to the financial results.

SIGNED FOR IDENTIFICATION PURPOSES

9-1



## SITI NETWORKS LIMITED

Regd. Office: Unit No. 38, 1st Floor, A Wing, Madhu Industrial Estate, P. B. Marg, Worli, Mumbai-400013



Website: [www.sitinetworks.com](http://www.sitinetworks.com)

CIN L64200MH2006PLC160733

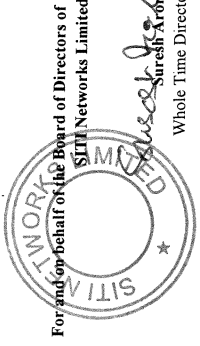
### Notes:-

- 1 SITI Networks Limited (the Company' or 'the Holding Company'), its subsidiaries, associates and joint venture (collectively referred to as 'the Group') predominantly operate in a single business segment of cable and broadband distribution in India only. The aforesaid is in line with the way operating results are reviewed and viewed by the chief operating decision maker(s). Hence, there are no separately reportable business or geographical segments as per Indian Accounting Standard ('Ind AS') 108 on Operating Segments and no additional disclosures are being furnished.
- 2 These standalone and consolidated financial results for the quarter and nine months ended December 31, 2019 have been reviewed by the Audit Committee and approved by the Company's Board of Directors in their respective meetings held on February 07, 2020. The statutory auditors of the Company have carried out a limited review of the aforesaid results.
- 3 This statement of standalone and consolidated financial results for the quarter and nine months ended December 31, 2019 has been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 and as per the presentation requirement of SEBI Circular CIR/CFD/FAC/62/2016 dated July 05, 2016 and other accounting principles generally accepted in India.
- 4 Effective February 1, 2019, the revised regulatory framework (hereinafter referred to as 'Tariff Order 2017') released in March 2017 by the Telecom Regulatory Authority of India (TRAI) for digital television services was applicable.
- 5 The Company/the Group continued to incur losses during the quarter and nine months ended December 31, 2019 and had negative working capital as at December 31, 2019. The Company also has negative net worth as at December 31, 2019. As at December 31, 2019, there are instances of delays in payments of obligations and borrowings, but in view of the management, the expected revenue growth and expected improvement in operating margins under the Tariff Order 2017, and other likely mitigating factors such as, the Group's present positive net worth, continued endeavour to secure additional funds by the Company/its subsidiaries besides on-going discussions with the lenders for debt restructuring, for which revised debt repayment plan is being submitted to the lenders, these standalone/consolidated financial results for the quarter and nine months ended December 31, 2019 continue to be prepared on a going concern basis.
- 6 Exceptional items in the standalone and consolidated financial results include the following:
  - a. Pursuant to implementation of the Tariff Order 2017, the management of a subsidiary company provided for certain trade receivables amounting to ₹ 1,962.6 lacs disclosed as exceptional items in the consolidated financial results during the nine months period ended December 31, 2019.
  - b. During the previous nine months period ended December 31, 2018, the Company had divested its 51% shareholding (10,409 shares of face value ₹ 10 each) in a subsidiary company, namely, Siti Bhatia Networks Entertainment Private Limited (Siti Bhatia) for a consideration of ₹ 11 lacs. Pursuant to this transaction, the Group had realised profit on disposal of the investment amounting to ₹ 380.2 lacs. Consequently, from the date of closure of this divestment and settlement arrangement, Siti Bhatia and Siti Chhattisgarh Multimedia Private Limited (associate of Siti Bhatia) ceased to be part of the Group. Further, pursuant to the aforementioned divestment and settlement arrangement, amount recoverable from Siti Bhatia amounting to ₹ 630.9 lacs had also been written off in the books. The net impact of the abovementioned items has been disclosed as exceptional items in the standalone and consolidated financial results for the previous nine months period ended December 31, 2018 amounting to ₹ 630.9 lacs and ₹ 250.7 lacs respectively.
  - c. Further to note 6b above, during the previous year ended March 31, 2019, the Tariff Order 2017 notified into changes in pricing mechanism and certain arrangements with the customers. The management, based on its review, and in terms of ongoing negotiations with the customers, had provided for certain trade receivables and advances amounting to ₹ 18,400.0 lacs and ₹ 6,798.0 lacs in the standalone and consolidated financial results respectively. The exceptional items in the standalone and consolidated financial results also include a one-time provision towards certain recoverable amounts and other settlements aggregating to ₹ 377.9 lacs. The impact of the aforesaid exceptional items on the standalone and consolidated financial results amounts to ₹ 18,777.9 lacs and ₹ 7,175.9 lacs respectively.The total impact of notes 6b and 6c on the standalone and consolidated financial results of the year ended March 31, 2019 amounts to ₹ 19,408.8 lacs and ₹ 7,426.6 lacs respectively.
- 7 For the quarter and nine months ended December 31, 2019 and for the quarter ended September 30, 2019, the 'Subscription income' included in the 'Revenue from operations' in these financial results, inter alia, includes the amounts payable to the broadcasters towards their share in relation to the pay channels subscribed by the customers. The aforementioned corresponding amounts (i.e Broadcaster's share) has also been presented as an expense in these financial results. The said amounts are ₹ 9,646.5 lacs and ₹ 29,508.3 lacs respectively for quarter and nine months ended December 31, 2019 and ₹ 10,824.7 lacs for the quarter ended September 30, 2019 in the standalone financial results and ₹ 19,816.6 lacs and ₹ 58,234.7 lacs respectively for the quarter and nine months ended December 31, 2019 and ₹ 20,314.4 lacs for the quarter ended September 30, 2019 in the consolidated financial results.  
Had these expenses been disclosed on net basis, the 'Revenue from operations' and the 'Pay channel, carriage sharing and related costs' each would have been lower by ₹ 9,646.5 lacs, ₹ 29,508.3 lacs and ₹ 10,824.7 lacs for quarter and nine months ended December 31, 2019 and for the quarter ended September 30, 2019 respectively in the standalone financial results and lower by ₹ 19,816.6 lacs, ₹ 58,234.7 lacs and ₹ 20,314.4 lacs for the quarter and nine months ended December 31, 2019 and for the quarter ended September 30, 2019 respectively in the consolidated financial results. However, there would not have been any impact on the net loss for the quarter and period then ended in both the standalone and consolidated financial results. The management is in process of evaluating the aforesaid presentation in light of generally accepted accounting principles, including Ind AS-115, 'Revenue from contracts with customers' and industry practices.
- 8 In view of aforementioned ongoing discussions with lenders for reducing existing interest rates, additional interest levied, if any, by lenders has not been provided for.
- 9 The Company and the Group has adopted Ind AS 116 'Leases' with effect from April 01, 2019 as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standards) Amendment Rules, 2019 using the modified retrospective approach. The adoption of the standard did not have any material impact on the loss for the quarter and nine months ended December 31, 2019.

Place : Noida  
Date : February 07, 2020



SIGNED FOR  
IDENTIFICATION  
PURPOSES



For and on behalf of the Board of Directors of  
SITI Networks Limited

*Suresh Arora*  
Suresh Arora  
Whole Time Director



# SITI NETWORKS LIMITED

Regd. Office: Unit No. 38, 1st Floor, Madhu Industrial Estate, Pandurang Budhkar Marg, Worli, Mumbai 400013  
 Tel.: +91 22 43605555 Email:- [csandlegal@siti.esselgroup.com](mailto:csandlegal@siti.esselgroup.com)  
 CIN:- L64200MH2006PLC160733 Website : [www.sitinetworks.com](http://www.sitinetworks.com)



## EXTRACT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2019

(₹ in lacs except per share data)

Particulars	Consolidated Financial Results					Standalone Financial Results					
	Three months ended December 31, 2019 (Unaudited)	Preceding three months ended September 30, 2019 (Unaudited)	Corresponding three months ended December 31, 2018 (Unaudited)	Year to date figures for current period ended December 31, 2019 (Unaudited)	Year to date figures for previous period ended December 31, 2018 (Unaudited)	Three months ended December 31, 2019 (Unaudited)	Preceding three months ended September 30, 2019 (Unaudited)	Corresponding three months ended December 31, 2018 (Unaudited)	Year to date figures for current period ended December 31, 2019 (Unaudited)	Year to date figures for previous period ended December 31, 2018 (Unaudited)	Year ended March 31, 2019 (Audited)
Total Income from Operations	40,794.3	41,893.5	39,010.6	122,226.3	113,610.6	20,585.1	21,407.8	22,286.6	62,046.6	64,026.5	84,263.3
Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	(3,422.2)	(3,134.6)	(3,159.2)	(10,803.8)	(13,170.8)	(3,103.4)	(3,742.2)	(2,926.6)	(12,084.0)	(13,887.3)	(17,833.9)
Net Profit / (Loss) for the period before Tax (after Exceptional and/or Extraordinary items)	(3,349.9)	(3,106.0)	(3,124.7)	(12,623.7)	(13,393.0)	(3,103.4)	(3,742.2)	(2,926.6)	(12,084.0)	(14,518.2)	(37,242.7)
Net Profit / (Loss) for the period after Tax (after Exceptional and/or Extraordinary items)	(3,359.5)	(3,478.3)	(3,543.1)	(11,786.6)	(14,036.4)	(3,103.4)	(4,149.8)	(2,926.6)	(12,491.6)	(14,518.2)	(37,242.7)
Total Comprehensive Income for the period (Comprising Profit/(Loss) for the period (after Tax) and other Comprehensive Income (after Tax))	(3,365.3)	(3,484.1)	(3,535.8)	(11,804.1)	(14,014.4)	(3,107.2)	(4,153.5)	(2,922.3)	(12,502.9)	(14,505.3)	(37,257.8)
Equity Share Capital (Face value of Re.1/- per share)	8,720.5	8,720.5	8,720.5	8,720.5	8,720.5	8,720.5	8,720.5	8,720.5	8,720.5	8,720.5	8,720.5
Earning Per Share (before Extraordinary Items) (of Rs.1/- each) Basic and Diluted (Rs) (not annualised)	(0.4)	(0.4)	(0.4)	(1.4)	(1.6)	(0.4)	(0.5)	(0.3)	(1.4)	(1.7)	(4.3)
Earning Per Share (after Extraordinary Items) (of Rs.1/- each) Basic and Diluted (Rs) (not annualised)	(0.4)	(0.4)	(0.4)	(1.4)	(1.6)	(0.4)	(0.5)	(0.3)	(1.4)	(1.7)	(4.3)

**Note :**

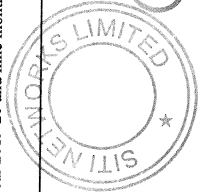
- The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on February 7, 2020 and have undergone Limited Review by the Statutory Auditors of the Company.
- The above Unaudited Financial Results for the third quarter of the financial year 2019-20 and nine months ended on December 31, 2019 has been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified in Section 133 of the Companies Act, 2013.
- The above is an extract of the detailed format of Unaudited Financial Results for the third quarter of the financial year 2019-20 and nine months ended on December 31, 2019 filed by the Company with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure requirements) Regulations, 2015. The full format of the Unaudited Financial Results for the third quarter of the financial year 2019-20 and nine months ended on December 31, 2019 are available on the Stock Exchange websites ([www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)) and also on the Company's website [www.sitinetworks.com](http://www.sitinetworks.com)

Date : 07.02.2020

Place : Noida

For Siti Networks Limited

*Suresh Arora*  
 Suresh Arora  
 Whole Time Director  
 (DIN -00299232)



*g A*

# Walker Chandiook & Co LLP

**Walker Chandiook & Co LLP**  
(Formerly Walker, Chandiook & Co)  
L-41 Connaught Circus  
New Delhi 110001  
India

T +91 11 4278 7070  
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## **Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

### **To the Board of Directors of SITI Networks Limited**

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of SITI Networks Limited ('the Company') for the quarter ended 31 December 2019 and the year to date results for the period 01 April 2019 to 31 December 2019, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. The Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and as per the presentation requirements of SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016, (hereinafter referred to as 'the SEBI Circular'), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. As described in note 7 to the accompanying Statement, the Company's 'Revenue from operations' includes broadcasters' share in subscription income from pay channels, which has correspondingly been presented as an expense which is not in accordance with the requirements of Ind AS 115, 'Revenue from contracts with customers'. Had the management



# Walker Chandiook & Co LLP

## Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date Results of SITI Networks Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (cont'd)

disclosed the same on net basis, the 'Revenue from Operations' and the 'Pay channel, carriage sharing and related cost' each would have been lower by ₹ 9,646.5 lacs and ₹ 29,508.3 lacs for the quarter and nine month period ended 31 December 2019 respectively, while there would have been no impact on the net loss for the quarter and nine month period ended 31 December 2019.

Our review reports for the quarter ended 30 June 2019 and quarter and six month period ended 30 September 2019 were also qualified with respect to this matter.

5. Based on our review conducted as above, except for the effects of the matter described in the previous section, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and as per the presentation requirements of the SEBI Circular, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw attention to note 5 to the accompanying Statement, which indicates that the Company has incurred a net loss (including other comprehensive income/loss) of ₹ 3,107.2 lacs and ₹ 12,502.9 lacs during the quarter and nine month period ended 31 December 2019, and as of that date, the Company's accumulated losses amount to ₹ 179,635.0 lacs resulting in a negative net worth of ₹ 10,281.4 lacs and its current liabilities exceeded its current assets by ₹ 97,668.2 lacs resulting in negative working capital. As at 31 December 2019, there are delays/default in repayment of obligations and borrowings. The above factors along with other matters as set forth in note 5, indicate a material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern. However, basis the impact of Tariff Order 2017, ongoing discussions with the lenders of the Company, and other factors mentioned in aforesaid note to the Statement, the management is of the view that going concern basis of accounting is appropriate for preparation of these results. Our conclusion is not modified in respect of this matter.

### For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

*Rajni Mundra*

**Rajni Mundra**

Partner

Membership No. 058644

UDIN: 20058644AAAAAF7293



**Place:** Noida

**Date:** 07 February 2020

# Walker Chandiook & Co LLP

**Walker Chandiook & Co LLP**  
(Formerly Walker, Chandiook & Co)  
L-41 Connaught Circus  
New Delhi 110001  
India

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## **Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

### **To the Board of Directors of SITI Networks Limited**

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of SITI Networks Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint venture (refer Annexure 1 for the list of subsidiaries, associates and joint venture included in the Statement) for the quarter ended 31 December 2019 and the consolidated year to date results for the period 01 April 2019 to 31 December 2019, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and as per the presentation requirements of SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016 (hereinafter referred to as 'the SEBI Circular'), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.



# Walker Chandigk & Co LLP

## Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of SITI Networks Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (cont'd)

4. As described in note 7 to the accompanying Statement, the Group's 'Revenue from operations' includes broadcasters' share in subscription income from pay channels, which has correspondingly been presented as an expense which is not in accordance with the requirements of Ind AS-115, 'Revenue from contracts with customers'. Had the management disclosed the same on net basis, the 'Revenue from operations' and the 'Pay channel, carriage sharing and related costs' each would have been lower by ₹ 19,816.6 lacs and ₹ 58,234.7 lacs for the quarter and nine month period ended 31 December 2019 respectively, while there would have been no impact on the net loss for the quarter and nine month period ended 31 December 2019.

Further, with respect to the above matter, qualifications have been given by other firms of Chartered Accountants vide their reports dated 01 February 2020, 25 January 2020, 06 February 2020, 03 February 2020 and 04 February 2020 on the financial results of the subsidiaries of the Holding Company, namely, Siti Prime Uttranchal Communication Private Limited, Central Bombay Cable Network Limited, Indian Cable Net Company Limited, Siti Jind Digital Media Communications Private Limited and Siti Siri Digital Network Private Limited respectively, and is reproduced by us as under, with the aggregate amount pertaining to such subsidiaries as included in the above paragraph:

The company's 'Revenue from operations' includes broadcasters' share in subscription income from pay channels, which has been presented as an expense. Had the management disclosed the same on net basis, in accordance with Ind AS, the 'Revenue from operations' and the 'Pay channel, carriage sharing and related costs' each would have been lower by ₹ 9,137.6 lacs and ₹ 26,645.9 lacs for the quarter and nine month period ended 31 December 2019, and the loss/profit for the quarter and nine month period ended 31 December 2019 would have been the same.

Our review reports for the quarter ended 30 June 2019 and quarter and six month period ended 30 September 2019 were also qualified with respect to this matter.

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of the other auditors referred to in paragraph 7 below, except for the effects of the matter described in the previous section, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and as per the presentation requirements of the SEBI Circular and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw attention to note 5 to the accompanying Statement, which indicates that the Group has incurred a net loss (including other comprehensive income/loss) of ₹ 3,365.3 lacs and ₹ 11,804.1 lacs during the quarter and nine month period ended 31 December 2019, and as of that date, the Group's accumulated losses amounts to ₹ 161,581.8 lacs and its current liabilities exceeded its current assets by ₹ 91,843.6 lacs resulting in negative working capital. As at 31 December 2019, there are delays/defaults in repayment of obligations and borrowings. The above factors along with other matters as set forth in note 5, indicate a material uncertainty, which may cast significant doubt about the Group's ability to continue as a going concern. However, basis the impact of Tariff Order 2017, ongoing discussions with the lenders of the Holding Company, and other factors mentioned in aforesaid note to the Statement, the management is of the view that going concern basis of accounting is appropriate for preparation of these results. Our conclusion is not modified in respect of this matter.





# Walker ChandioK & Co LLP

## Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of SITI Networks Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (cont'd)

7. We did not review the interim financial results of nineteen subsidiaries included in the Statement, whose financial information reflects total revenues of ₹ 21,314.2 lacs and ₹ 63,028.7 lacs, total net loss after tax of ₹ 441.7 lacs and ₹ 614.4 lacs and total comprehensive loss of ₹ 443.8 lacs and ₹ 620.5 lacs, for the quarter and nine month period ended on 31 December 2019, respectively, as considered in the Statement. The Statement also includes the Group's share of net profit after tax of ₹ Nil and ₹ Nil and total comprehensive income of ₹ Nil and ₹ Nil, for the quarter and nine months period ended on 31 December 2019, respectively, as considered in the Statement, in respect of one associate and one joint venture, whose interim financial results have not been reviewed by us. These interim financial results have been reviewed by other auditors whose review reports have been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associate and joint venture is based solely on the review reports of such other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion is not modified in respect of this matter.

8. The Statement includes the interim financial results of four subsidiaries, which have not been reviewed by their auditors, whose interim financial results reflects total revenues of ₹ 2,059.4 lacs and ₹ 6,710.1 lacs, net profit after tax of ₹ 194.9 lacs and ₹ 1,365.7 lacs and total comprehensive income of ₹ 194.9 lacs and ₹ 1,365.7 lacs for the quarter and nine month period ended 31 December 2019 respectively, as considered in the Statement. The Statement also includes the Group's share of net profit after tax of ₹ 72.3 lacs and ₹ 142.7 lacs, and total comprehensive income of ₹ 72.3 lacs and ₹ 142.7 lacs for the quarter and nine month period ended on 31 December 2019 respectively, in respect of one associate, based on their interim financial results, which has not been reviewed by their auditor, and has been furnished to us by the Holding Company's management. Our conclusion on the Statement, and our report in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), read with SEBI Circular, in so far as it relates to the aforesaid subsidiaries and associate are based solely on such unreviewed interim financial results. According to the information and explanations given to us by the management, these interim financial results are not material to the Group.

Our conclusion is not modified in respect of this matter.

### For Walker ChandioK & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

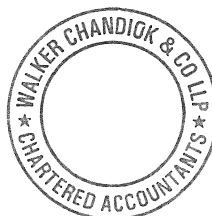
*Rajni Mundry*

**Rajni Mundra**

Partner

Membership No. 058644

UDIN: 20058644AAAAAE9978



**Place:** Noida

**Date:** 07 February 2020

# Walker ChandioK & Co LLP

**Annexure 1 to the Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of SITI Networks Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

## **List of entities included in the Statement**

### **Subsidiaries**

1. Central Bombay Cable Network Limited
2. Indian Cable Net Company Limited
3. Master Channel Community Network Private Limited
4. SITI Networks India LLP
5. SITI Broadband Services Private Limited
6. SITI Faction Digital Private Limited
7. SITI Global Private Limited
8. SITI Guntur Digital Network Private Limited
9. SITI Jai Maa Durgee Communications Private Limited
10. SITI Jind Digital Media Communications Private Limited
11. SITI Jony Digital Cable Network Private Limited
12. SITI Krishna Digital Media Private Limited
13. SITI Maurya Cable Net Private Limited
14. SITI Prime Uttaranchal Communication Private Limited
15. SITI Sagar Digital Cable Network Private Limited
16. SITI Saistar Digital Media Private Limited
17. SITI Siri Digital Network Private Limited
18. SITI Vision Digital Media Private Limited
19. Siticable Broadband South Limited
20. Variety Entertainment Private Limited
21. SITI Godaari Digital Services Private Limited
22. Indinet Service Private Limited
23. SITI Karnal Digital Media Network Private Limited

### **Associates**

1. Voice Snap Services Private Limited
2. C&S Medianet Private Limited

### **Joint Venture**

1. Wire And Wireless Tisai Satellite Limited



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## SITI NETWORKS LIMITED

### SITI Networks' 9MFY20 Operating EBITDA surges 1.24X Y-o-Y to Rs.2,676 Mn.

*SITI Networks Limited announces consolidated Ind-AS results for Q3 FY20*

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New Delhi, 7th February 2020: **SITI Networks Limited** (BSE: 532795, NSE: SITINET), an Essel Group Company, one of India's largest Multi-System Operators (MSO), has released its Consolidated Audited Financial Results for Q3 FY20, ending December 31, 2019, showcasing **continuous growth through strict control on expenses and operational efficiencies across all metrics**.

SITI's **9MFY20 Operating EBITDA surged 1.24 times** over similar duration of last fiscal, to **Rs. 2,676 Mn**. This jump has been due to strict control over expenses and operating efficiencies. SITI's **Operating EBITDA Margin for 9MFY20 also expanded significantly by 1.1 times y-o-y to 22%**.

**Subscription revenue** for 9MFY20 **grew 19.5% y-o-y to Rs. 8,687 Mn**, aided by the strong growth Subscription **ARPU**, which **leapt 1.8 times to Rs.128 per month**. **Total Revenue (excluding activation)** also **surged 12.7% y-o-y to Rs. 12,189 Mn** for the same period.

**SITI Broadband and Zee 5**, India's fastest growing OTT platform joined hands to promote **premium content to SITI's high speed broadband customers**. SITI Broadband also expanded its presence through a mix of smart customer management and **innovative offerings**. A new **SITI Broadband web and mobile interface** has been introduced to enhance customer experience.

SITI's **continuous** efforts on **improving operational efficiencies** through improvement of its systems, processes and personnel has been yielding results. This has resulted in a better and intimate ground connect with its **24,000+ strong distribution network** and increased focus on being **fully compliant to the Tariff regime**.

While commenting on the results, **Mr. Anil Malhotra, CEO of SITI Networks Limited** mentioned:

*"SITI's continued focus on operational efficiencies and strict control over expenses has driven growth in Operating EBITDA by 1.24 times y-o-y to Rs.2,676 Mn and expanding Operating EBITDA margins by 1.1 times y-o-y to 22% in 9MFY20. Our Total Revenue (excluding Activation) also surged 12.7% y-o-y to Rs.12,189 Mn in the same period. Our Subscription Revenue also jumped 19.5% to Rs.8,687 Mn. We are focused on working closely with our distribution partners for increased sweating of ground assets further through introduction of allied value-added services for our customers SITI Broadband with Zee 5, India's fastest growing OTT app, gives both partners an opportunity to scale up our business ambitions, creating value for all our stakeholders with a focused and strategic approach."*

#### **About SITI Networks Limited**

SITI Networks Limited is a part of the Essel Group, which is one of India's leading business houses with a diverse portfolio of assets in media, packaging, entertainment, technology-enabled services, infrastructure development and education. SITI Networks Limited is one of India's largest Multi System Operator (MSO). With 10 digital head ends and a network of more than 33,000 Kms of optical fibre and coaxial cable, it provides its cable services in India's ~580+ Locations.

SITI Networks Limited deploys State-of-the-art technology for delivering multiple TV signals to enhance consumer viewing experience. Its product range includes Digital & Analogue Cable Television, Broadband and Local Television Channels. SITI Networks has been providing services in analogue and digital mode, armed with technical capability to provide features like Video on Demand, Pay per View, Over-The-Top content (OTT), Electronic Programming Guide (EPG) and Gaming through a Set Top Box (STB). All products are marketed under SITI brand name.