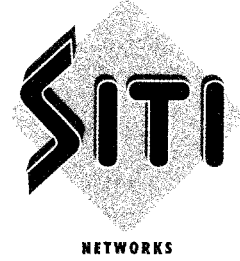


**SITI Networks Limited**

UG Floor, FC-19 & 20, Sector-16 A, Film City,  
Noida, Uttar Pradesh-201301, India

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

**Website :** www.sitinetworks.com



**August 12, 2019**

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 August 12, 2019**

Dear Sir,

Pursuant to Regulation 30 and other applicable Regulations of 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 August 12, 2019, has *inter-alia*:

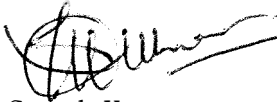
- (a) considered and approved the Un-Audited Financial Results of the Company, both on a Standalone and Consolidated basis, prepared under Ind-AS, for the first quarter and three months period ended on June 30, 2019, duly reviewed by M/s Walker Chandiook & Co LLP., Chartered Accountants, the Statutory 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; and
- (b) Approved convening of the 13<sup>th</sup> Annual General Meeting ('AGM') of the Equity Shareholders of the Company on Saturday, September 28, 2019 and approved Notice thereof.

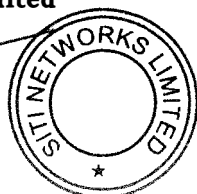
We are enclosing herewith a copy of un-audited Financial Results along with Earning Release and Limited Review Certificate(s) on both standalone and consolidated Financial Statements issued by the Statutory Auditor of the Company.

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)

Part - I Statement of Consolidated unaudited results for the quarter ended	June 30, 2019			Year ended	
	Quarter ended June 30, 2019 (Unaudited)	Quarter ended March 31, 2019 (Audited)	Quarter ended June 30, 2018 (Unaudited)	Quarter ended March 31, 2019 (Audited)	Year ended March 31, 2019 (Audited)
	(₹ in lacs)	(₹ in lacs)	(₹ in lacs)	(₹ in lacs)	(₹ in lacs)
<b>Particulars</b>					
<b>I</b> Revenue from operations	39,191.9	31,942.0	35,005.2	144,213.4	82,127.5
<b>II</b> Other income	275.4	1,884.6	239.6	3,223.8	2,135.8
<b>III</b> Total income (I+II)	39,467.3	33,826.6	35,244.8	147,437.2	84,263.3
<b>IV</b> Expenses					
Cost of materials consumed	10.1	43.0	39.2	143.8	27.2
Purchase of stock-in-trade	65.0	110.7	97.5	284.3	1,897.4
Pay channel, carriage sharing and related costs	19,702.5	14,393.6	16,445.7	65,413.8	36,586.9
Employee benefits expense	2,056.1	1,870.9	2,041.3	8,131.8	5,388.3
Finance costs	4,405.1	4,466.2	4,453.6	17,071.6	15,373.3
Depreciation and amortisation expenses	8,470.7	8,910.8	8,884.3	36,496.7	20,930.3
Other expenses	9,004.7	8,844.1	8,710.2	37,878.7	21,893.8
<b>Total expenses (IV)</b>	<b>43,714.2</b>	<b>38,639.3</b>	<b>40,671.9</b>	<b>165,420.7</b>	<b>102,097.2</b>
<b>V</b> Loss for the period before tax and share of profit/(loss) in associates and joint venture and exceptional items (III-IV)	(4,246.9)	(4,812.7)	(5,427.1)	(17,983.5)	(17,833.9)
<b>VI</b> Share of profit/(loss) of associates and joint venture	41.9	(40.7)	(37.7)	(14.2)	(19,408.8)
<b>VII</b> Loss before exceptional items and tax (V+VI)	(4,205.0)	(4,853.4)	(5,464.8)	(17,997.7)	(37,242.7)
<b>VIII</b> Exceptional items	(1,962.6)	(7,175.9)	(250.7)	(7,426.6)	(37,242.7)
<b>IX</b> Loss before tax (VII+VIII)	(6,167.6)	(12,029.3)	(5,715.5)	(25,424.3)	(37,242.7)
<b>Tax expense</b>					
(1) Current tax	16.8	(90.7)	249.5	1,395.0	(37,242.7)
(2) Deferred tax	(1,235.7)	453.3	(262.0)	(391.0)	(37,242.7)
<b>Total tax expense</b>	<b>(1,218.9)</b>	<b>362.6</b>	<b>(12.5)</b>	<b>1,004.0</b>	<b>(37,242.7)</b>
<b>XI</b> Loss for the period (IX-X)	(4,948.7)	(12,391.9)	(5,703.0)	(26,428.3)	(37,242.7)
<b>XII</b> Other comprehensive income:					
Items that will not be reclassified to profit or loss	(5.7)	(43.8)	7.3	(21.8)	(15.1)
<b>Total comprehensive income for the period (including non-controlling interest)</b>	<b>(4,954.4)</b>	<b>(12,435.7)</b>	<b>(5,695.7)</b>	<b>(26,450.1)</b>	<b>(37,257.8)</b>
<b>Net (loss)/income attributable to:</b>					
A Owners of the parent	(4,841.0)	(12,303.0)	(5,988.5)	(26,619.4)	8,720.5
B Non-controlling interest	(107.7)	(88.9)	285.5	191.1	(4.3)
<b>Other comprehensive income attributable to:</b>					
A Owners of the parent	(4.9)	(37.4)	6.1	(19.1)	(0.8)
B Non-controlling interest	(0.8)	(6.4)	1.2	(2.7)	(0.8)
<b>Total comprehensive income attributable to:</b>					
A Owners of the parent	(4,845.9)	(12,340.4)	(5,982.4)	(26,638.5)	8,720.5
B Non-controlling interest	(108.5)	(95.3)	286.7	188.4	(4.3)
<b>XIII</b> Paid-up equity share capital (Face value ₹ 1/- per share)	8,720.5	8,720.5	8,720.5	8,720.5	8,720.5
<b>XIV</b> Earnings per equity share (of ₹ 1/- each) (not annualised)					
a) Basic	(0.6)	(1.4)	(0.7)	(3.0)	(4.3)
b) Diluted	(0.6)	(1.4)	(0.7)	(3.0)	(4.3)

Part - I Statement of Standalone unaudited results for the quarter ended	June 30, 2019			Year ended	
	Quarter ended June 30, 2019 (Unaudited)	Quarter ended March 31, 2019 (Audited)	Quarter ended June 30, 2018 (Unaudited)	Quarter ended March 31, 2019 (Audited)	Year ended March 31, 2019 (Audited)
	(₹ in lacs)	(₹ in lacs)	(₹ in lacs)	(₹ in lacs)	(₹ in lacs)
<b>Particulars</b>					
<b>I</b> Revenue from operations	19,838.9	19,174.1	19,334.7	82,127.5	82,127.5
<b>II</b> Other income	123.6	1,062.7	194.4	2,135.8	2,135.8
<b>III</b> Total income (I+II)	19,962.5	20,236.8	19,529.1	84,263.3	84,263.3
<b>IV</b> Expenses					
Cost of materials consumed	0.5	11.0	4.4	27.2	27.2
Purchases of stock-in-trade	73.8	138.0	650.7	1,897.4	1,897.4
Pay channel, carriage sharing and related costs	9,037.0	8,002.5	9,784.4	36,586.9	36,586.9
Employee benefits expense	1,336.9	1,167.1	1,434.4	5,388.3	5,388.3
Finance costs	3,705.7	4,225.6	3,691.4	15,373.3	15,373.3
Depreciation and amortisation expenses	4,690.5	5,288.7	5,005.7	20,930.3	20,930.3
Other expenses	6,376.3	5,350.5	4,946.8	21,893.8	21,893.8
<b>Total expenses (IV)</b>	<b>25,220.7</b>	<b>24,183.4</b>	<b>25,517.8</b>	<b>102,097.2</b>	<b>102,097.2</b>
<b>V</b> Loss before exceptional items and tax (III-IV)	(5,258.2)	(3,946.6)	(5,988.7)	(17,833.9)	(17,833.9)
<b>VI</b> Exceptional items	-	(18,777.9)	(630.9)	(19,408.8)	(19,408.8)
<b>VII</b> Loss before tax (V+VI)	(5,258.2)	(22,724.5)	(6,619.6)	(37,242.7)	(37,242.7)
<b>Tax expense</b>					
<b>VIII</b> Total tax expense	-	(22,724.5)	(6,619.6)	(37,242.7)	(37,242.7)
<b>IX</b> Loss for the period (VII-VIII)	(5,258.2)	(22,724.5)	(6,619.6)	(37,242.7)	(37,242.7)
<b>X</b> Other comprehensive income:					
Items that will not be reclassified to profit or loss	(3.8)	(28.0)	4.3	(15.1)	(15.1)
<b>XI</b> Total comprehensive income (IX+X)	(5,242.0)	(22,752.5)	(6,615.3)	(37,257.8)	(37,257.8)
<b>XII</b> Paid-up equity share capital (Face value ₹ 1/- per share)	8,720.5	8,720.5	8,720.5	8,720.5	8,720.5
<b>XIII</b> Earnings per equity share (of ₹ 1/- each) (not annualised)					
a) Basic	(0.6)	(2.6)	(0.8)	(4.3)	(4.3)
b) Diluted	(0.6)	(2.6)	(0.8)	(4.3)	(4.3)

SIGNED FOR  
IDENTIFICATION  
PURPOSES

Suresh Kulkarni

**Notes:-**

1. SITI Networks Limited (the Company or 'the Holding Company'), its subsidiaries, its associates and its joint ventures (collectively referred to as 'the Group') predominantly operate in a single business segment of cable and broadband distribution in India only. Hence there are no separately reportable business or geographical segments as per Indian Accounting Standard ('Ind AS') 108 on Operating Segments. The aforesaid is in line with the way operating results are reviewed and viewed by the chief operating decision maker(s).
2. These standalone and consolidated financial results including comparative figures have been reviewed by the Audit Committee and approved by the Company's Board of Directors in their meeting held on August 12, 2019.
3. This statement of standalone and consolidated financial results for the quarter ended June 30, 2019 has been prepared in accordance with applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 and SEBI Circulars CIR/CFD/FAC/62/2016 dated July 05, 2016 and other recognised accounting practices and policies.
4. The statutory auditors have carried out limited review of the standalone and consolidated financial results for the quarter ended June 30, 2019, as prepared by the management of the Company.
5. Figures for the standalone and consolidated financial results for the quarter ended March 31, 2019 are the balancing figures between audited figures of the financial year ended March 31, 2019 and the published year to date figures upto the third quarter ended December 31, 2018. Also, the aforementioned financial results upto the end of the third quarter were only reviewed by the statutory auditors and not subjected to audit.
6. 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 is applicable.
7. The Company/the Group continued to incur losses during the quarter ended June 30, 2019 and had negative working capital as at June 30, 2019. The Company also had negative net worth as at June 30, 2019. As at June 30, 2019, there have also been certain instances of delays in payments of obligations, few of which have been made good, but in view of the management, the expected substantial revenue growth and improvement in operating margins under the Tariff Order 2017, and other likely mitigating factors such as the Group's present positive net worth, on-going discussions with the lenders for corporate restructuring and continued financial support from a stakeholder of the Company, these standalone/consolidated financial results for the quarter ended June 30, 2019 continue to be prepared on a going concern basis.
8. During the quarter ended June 30, 2018, the Company had formed a subsidiary namely, SITI Networks India LLP.
9. During the quarter ended June 30, 2018, Variety Entertainment Private Limited (wholly owned subsidiary of the Company) has acquired 49% shareholding (4900 shares of face value ₹ 10 each) in another subsidiary of the Company namely, SITI Godaari Digital Service Private Limited, thereby making it a wholly owned subsidiary of the Group.
10. Exceptional items in the standalone and consolidated financial results include the following:
  - a. during the quarter ended June 30, 2018, the Company had divested its 51% shareholding (10,469 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 which, the Group had realised profit on disposal of the investment amounting to ₹ 380.2 lacs which has been disclosed as an exceptional item in consolidated financial results of the said quarter. Thereby, from the date of closure of this investment and settlement arrangement, Siti Bhatia and Siti Chhattisgarh Multimedia Private Limited (associate of Siti Bhatia) ceased to be part of the Group.
  - The exceptional items in the standalone and consolidated financial results for the quarter ended June 30, 2018 also consists of write off of the amount recoverable from Siti Bhatia amounting to ₹ 630.9 lacs, pursuant to aforementioned divestment and settlement arrangement.
  - The net impact of the aforesaid exceptional items on the standalone and consolidated financial results of the quarter ended June 30, 2018 amounts to ₹ 630.9 lacs and ₹ 250.7 lacs respectively.
  - b. during the quarter and year ended March 31, 2019, the Tariff Order 2017 notified by the TRAI resulted 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 in standalone financial results and ₹ 6,798.0 lacs in consolidated financial results. The exceptional items in the standalone and consolidated financial results also include one time provision towards certain recoverable amounts and other settlements aggregating ₹ 377.9 lacs.
  - The impact of the aforesaid exceptional items on the standalone and consolidated financial results of the quarter ended March 31, 2019 amounts to ₹ 18,777.9 lacs and ₹ 7,175.9 lacs respectively.
  - c. The combined impact of the above notes 10 a. and 10 b. 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.
11. c. during the quarter ended June 30, 2019, 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 in the consolidated financial results.  
For the quarter ended June 30, 2019, the 'Revenue from Operations' includes broadcasters' share in subscription income from pay channels and the said broadcasters' share has been presented as an expense amounting to ₹ 9,037.0 lacs and ₹ 18,103.8 lacs on the standalone and consolidated financial results respectively. 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 ₹ 9,037.0 lacs and ₹ 18,103.8 lacs in the standalone and consolidated financial results respectively, though there would have been no impact on the net loss for the quarter. 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 practices.
12. The Company and the Group have adopted Ind AS 116 'Leases' with effect from April 01, 2019 and accordingly the standalone and consolidated financial results for the quarter ended June 30, 2019 have been prepared in accordance with recognition and measurement principals contained therein, though this adoption did not have any material impact.

Place: Noida  
Date: August 12, 2019SIGNED FOR  
IDENTIFICATIONFor and on behalf of the Board of Directors of  
SITI Networks Limited  
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 THREE MONTHS ENDED JUNE 30, 2019

Particulars	Consolidated Financial Results			Standalone Financial Results			
	Quarter ended 30.06.2019 (Unaudited)	Quarter ended 31.03.2019 (Audited)* Refer note 3	Quarter ended 30.06.2018 (Unaudited)	Quarter ended 30.06.2019 (Unaudited)	Quarter ended 31.03.2019 (Audited)* Refer note 3	Quarter ended 30.06.2018 (Unaudited)	Financial Year ended 31.03.2019 (Audited)
Total Income from Operations	39,467.3	33,876.6	35,244.8	15,982.5	20,236.8	19,529.1	84,263.3
Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	(4,205.0)	(4,853.4)	(5,464.8)	(5,238.2)	(3,946.6)	(5,988.7)	(17,833.9)
Net Profit / (Loss) for the period before Tax (after Exceptional and/or Extraordinary items)	(6,167.6)	(12,029.3)	(5,715.5)	(5,238.2)	(22,724.5)	(6,619.6)	(37,242.7)
Net Profit / (Loss) for the period after Tax (after Exceptional and/or Extraordinary items)	(4,948.7)	(12,391.9)	(5,703.0)	(5,238.2)	(22,724.5)	(6,619.6)	(37,242.7)
Total Comprehensive Income for the period (Comprising Profit/(Loss) for the period (after Tax) and other Comprehensive Income (after Tax)	(4,954.4)	(12,435.7)	(5,695.7)	(5,242.0)	(22,752.5)	(6,615.3)	(37,257.8)
Paid Up Equity Share Capital (Face value of Rs.1/- per share)	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)	(0.6)	(1.4)	(0.7)	(0.6)	(2.6)	(0.8)	(4.3)
Earning Per Share (after Extraordinary Items) (of Rs.1/- each) Basic and Diluted (Rs) (not annualised)	(0.6)	(1.4)	(0.7)	(0.6)	(2.6)	(0.8)	(4.3)

Note :  
 1. The above is an extract of the detailed format of Un-Audited Financial Results for the first quarter and three months period ended on June 30, 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 Un-Audited Financial Results for the first quarter and three months period ended on June 30, 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)

2. The above Financial Results for the first quarter and three months period ended on June 30, 2019 has been prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 (the Act), as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI).

3. Figures for the consolidated and standalone financial results for the quarter ended March 31, 2019 are the balancing figures between audited figures of the financial year ended March 31, 2019 and the published year to date figures upto the third quarter ended December 31, 2018. Also, the aforementioned financial results upto the end of the third quarter were only reviewed by the statutory auditors and not subjected to audit.

4. For the quarter ended June 30, 2019, the 'Revenue from Operations' includes broadcasters' share in subscription income from pay channels and the said broadcasters' share has been presented as an expense amounting to ₹ 9,037.0 lacs and ₹ 18,103.8 lacs on the standalone and consolidated financial results respectively. 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 ₹ 9,037.0 lacs and ₹ 18,103.8 lacs in the standalone and consolidated financial results respectively, though there would have been no impact on the net loss for the quarter. 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 practices.

Place :- Noida

Date :- August 12, 2019



For Siti Networks Limited

Suresh Arora  
 Whole Time Director  
 (DIN - 00299232)

# Walker Chandiook & Co LLP

**Walker Chandiook & Co LLP**  
(Formerly Walker, Chandiook & Co)  
6th Floor, Plot No. 19A,  
Sector 16A, Noida 201301  
India

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## **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)**

### **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 30 June 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'), 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 11 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 disclosed the same on net basis, the 'Revenue from



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurgaon, Hyderabad, Kolkata, Mumbai, New Delhi, Noida and Pune

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# Walker Chandiook & Co LLP


Operations' and the 'Pay channel, carriage sharing and related cost' each would have been lower by ₹ 9,037.0 lacs for the quarter ended 30 June 2019, while there would have been no impact on the net loss for the quarter ended 30 June 2019.

5. Based on our review conducted as above, except for the effects of the matter described in paragraph 4 above, 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, 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 7 to the accompanying Statement, which indicates that the Company has incurred a net loss of ₹ 5,242.0 lacs during the quarter ended 30 June 2019, and as of that date, the Company's accumulated losses amounts to ₹ 172,374.1 lacs which have resulted in a negative net worth of the Company of ₹ 3,020.5 lacs and its current liabilities exceeded its current assets by ₹ 82,154.6 lacs resulting in negative working capital. As at 30 June 2019, there have also been certain instances of delays in repayment of obligations. The above factors along with other matters as set forth in Note 7, 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 opinion is not modified in respect of this matter.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013



Sumit Mahajan

Partner

Membership No. 504822



UDIN 19504822AAAAAX3150

Place: Noida

Date: 12 August 2019

# Walker Chandiook & Co LLP

**Walker Chandiook & Co LLP**  
(Formerly Walker, Chandiook & Co)  
6th Floor, Plot No. 19A,  
Sector 16A, Noida 201301  
India

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## **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)**

### **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 30 June 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'), 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.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurgaon, Hyderabad, Kolkata, Mumbai, New Delhi, Noida and Pune

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- As described in Note 11 to the accompanying Statement, the Group's 'Revenue from Operations' include 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 cost' each would have been lower by ₹ 18,103.8 lacs for the quarter ended 30 June 2019, while there would have been no impact on the net loss for the quarter ended 30 June 2019.

Further, with respect to the above matter, qualifications have been given by other firms of Chartered Accountants vide their review reports dated 27 July 2019, 05 August 2019, 06 August 2019, 07 August 2019 and 12 August 2019 on the financial results of the subsidiaries of the Holding Company, namely, Siti Prime Uttaranchal Communication Private Limited, Central Bombay Cable Network Limited, Siti Jind Digital Media Communication Private Limited, Siti Siri Digital Network Private Limited and Indian Cable Net Company 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 cost' each would have been lower by ₹ 8,124.0 lacs for the quarter ended 30 June 2019, and the loss for the quarter ended 30 June 2019 would have been the same.

- 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 8 below, except for the effects of the matter described in paragraph 4 above, 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, 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.
- We draw attention to Note 7 to the accompanying Statement, which indicates that the Group has incurred a net loss of ₹ 4,954.4 lacs during the quarter ended 30 June 2019, and as of that date, the Group's accumulated losses amounts to ₹ 154,399.0 lacs and its current liabilities exceeded its current assets by ₹ 77,947.7 lacs which has resulted in negative working capital. As at 30 June 2019, there have also been certain instances of delays in repayment of obligations. The above factors along with other matters as set forth in Note 7, 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 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 opinion is not modified in respect of this matter.
- We did not review the interim financial results of twenty subsidiaries included in the Statement, whose financial information reflects total revenues of ₹ 20,025.6 lacs, total net profit after tax of ₹ 12.7 lacs, and total comprehensive income of ₹ 10.7 lacs, for the quarter ended on 30 June 2019, as considered in the Statement. The Statement also includes the Group's share of net profit after tax of ₹ Nil and total comprehensive income of ₹ Nil, for the quarter ended on 30 June 2019, 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





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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 three subsidiaries, which have not been reviewed, whose interim financial results reflects total revenues of ₹ 1,951.4 lacs, net profit after tax of ₹ 297.8 lacs and total comprehensive income of ₹ 297.8 lacs for the quarter ended 30 June 2019, as considered in the Statement. The Statement also includes the Group's share of net profit after tax of ₹ 41.9 lacs and total comprehensive income of ₹ 41.9 lacs for the quarter ended on 30 June 2019, in respect of one associate, based on their interim financial results, which have not been reviewed by their auditors, and have 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 Chandiook & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013



**Sumit Mahajan**

Partner

Membership No. 504822



UDIN **19504822AAAAAY3471**

**Place:** Noida

**Date:** 12 August 2019

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## Annexure 1

### 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

#### Joint Venture

1. Wire And Wireless Tisai Satellite Limited

#### Associates

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



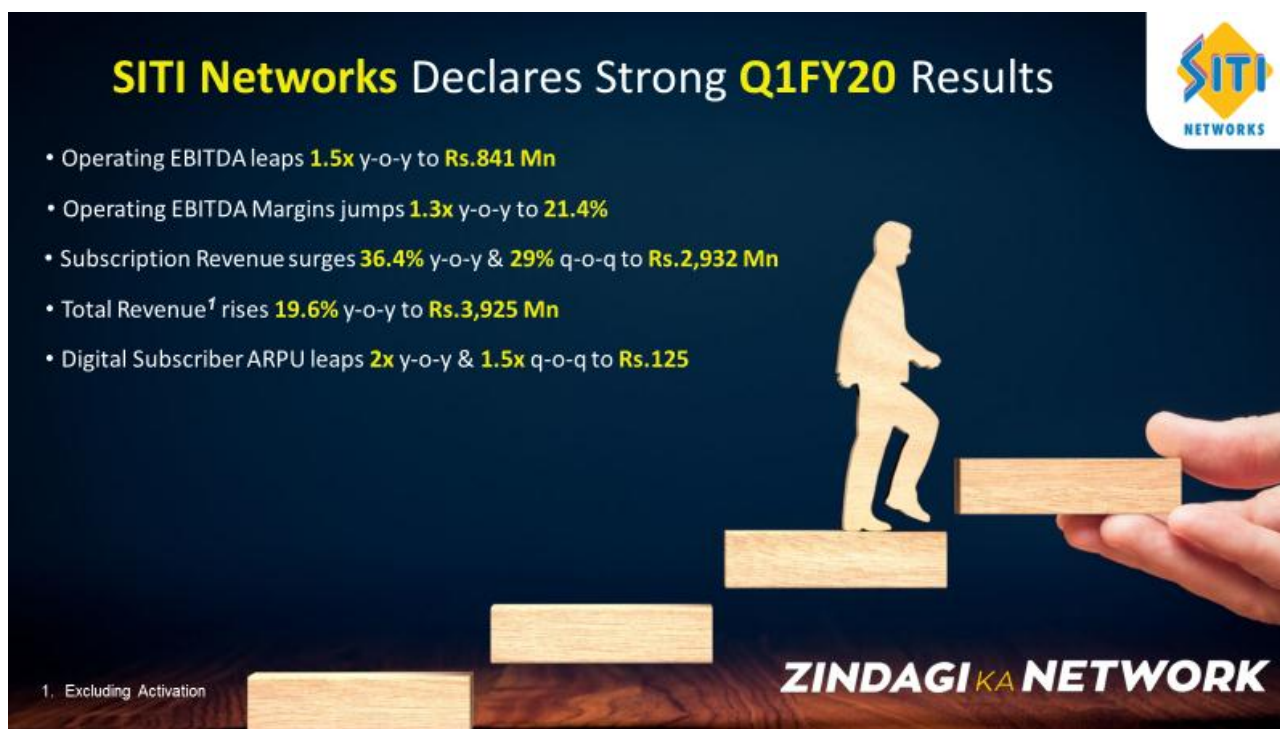


## SITI NETWORKS LIMITED

- Operating EBITDA expands 1.5x y-o-y to Rs.841 Mn
- Operating EBITDA Margins jump 1.3x y-o-y to 21.4%
- Subscription Revenue increases 36% y-o-y & 29% q-o-q to Rs.2,932 Mn
- Total Revenue, excluding activation surges 19.6% y-o-y to Rs.3,925 Mn
- Digital subscriber ARPU leaps 2x y-o-y & 1.5x q-o-q to Rs125

### *SITI Networks Limited announces consolidated Ind-AS results for Q1 FY20*

New Delhi, 12th August 2019: **SITI Networks Limited** (BSE: 532795, NSE: SITINET), an Essel Group Company, with presence across 580+ locations in India, has released its Consolidated Audited Financial Results for Q1 FY20.



**SITI Networks Declares Strong Q1FY20 Results**

- Operating EBITDA leaps **1.5x** y-o-y to **Rs.841 Mn**
- Operating EBITDA Margins jumps **1.3x** y-o-y to **21.4%**
- Subscription Revenue surges **36.4%** y-o-y & **29%** q-o-q to **Rs.2,932 Mn**
- Total Revenue<sup>1</sup> rises **19.6%** y-o-y to **Rs.3,925 Mn**
- Digital Subscriber ARPU leaps **2x** y-o-y & **1.5x** q-o-q to **Rs.125**

1. Excluding Activation

**ZINDAGI KA NETWORK**

Continuing with the strong performance from last fiscal, SITI reported growth in its **Operating EBITDA by 1.5x to Rs.841 Mn** in Q1 FY20. Capitalising on the growth opportunity provided by New Tariff Order, SITI has delivered by growing the revenue at a phenomenal rate while maintaining the strict control over the operational efficiencies. This manifested itself in **Operating EBITDA Margin expanding significantly by 471 bps y-o-y to 21.4%**

Subscription revenue **increased by more than 36% y-o-y to Rs. 2,932 Mn** in Q1 FY20, aided by improving monetization and upselling better value offerings to our esteemed customers. Total Revenue (excluding activation) also surged **~20% y-o-y to Rs. 3925 Mn**.

To better serve the subscribers under the new regime, SITI has created multiple offerings for the consumers which cater to multiple demographics and geographies.



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**ZINDAGI KA NETWORK**

As a result of these customer-oriented offerings more than 57% of the base opted for these curated MY SITI plans as it gives them the best of content and economic value with minimal effort which has resulted in Digital Subscriber ARPU leaping **2x y-o-y & 1.5x over the previous quarter to Rs.125**. This transition has truly resulted in the choice belonging to the consumer now.

While commenting on the results, **Mr. Rajesh Sethi** of **SITI Networks Limited** mentioned:

*“SITI has successfully started to incorporate the New Tariff Order to the very roots of our business and this is validated by the stellar results displayed in the first quarter of current fiscal. Our subscription revenue grew over 36% y-o-y with total revenue (excl. activation) increasing by more than 19% y-o-y. With the increase in collection & operational efficiencies we saw our Operating EBIDTA grow 1.5x y-o-y to INR 841 Mn and the EBIDTA margins subsequently rose 1.3x y-o-y to 21.4%. Our product strategy to provide the optimal entertainment choices to our subscribers is bearing fruit as the ARPU has grown 2x y-o-y and we are sure that this growth momentum will only grow stronger.”*





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**ZINDAGI KA NETWORK**

\*Channel Count may differ as per availability

### 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 and adjoining areas.

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.