

**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



**June 25, 2021**

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**

Dear Sir,

**Subject : Proceedings of the Board Meeting held on June 25, 2021**

Pursuant to applicable Regulations of Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations") including Regulation 30, this is to inform you that the Board of Directors of the Company at their meeting held today i.e. on June 25, 2021, (which commenced at 12:35 p.m. and concluded at 3:50 p.m.) has, *inter-alia*,

- (A) Approved the Audited Financial Statements of the Company, on standalone and consolidated basis, for:
- (i) the fourth quarter and financial year ended on March 31, 2021, in the format prescribed under Regulation 33 of the SEBI Listing Regulations.
  - (ii) the financial year ended March 31, 2021, including Balance Sheet as at March 31, 2021, and the Profit & Loss Account for the financial year ended on that date.

We would like to state that M/s DNS & Associates, Statutory Auditors, have issued Audit Report with modified opinion on the Standalone and Consolidated Audited Financial Statements for the quarter and financial year ended March 31, 2021.

- (B) Approved convening of the 15th Annual General Meeting ('AGM') of the Equity Shareholders of the Company on Tuesday, September 28, 2021, and approved Notice thereof.

A handwritten signature in black ink is written over a circular stamp. The stamp contains the text 'SITINETWORKS LIMITED' around the perimeter and a small star at the bottom.

- (C) Taken on record resignation tendered by Mr. Sanjay Berry, Chief Financial Officer of the Company today i.e. June 25, 2021, effective from close of business hours on June 30, 2021. Mr. Sanjay Berry has resigned due to certain personal contingencies.

Mr. Berry has confirmed that there are no other material reasons other as provided above.

- (D) Consequent upon resignation of Mr. Sanjay Berry and pursuant to the recommendations of the Nomination & Remuneration Committee and Audit Committee, considered and approved the appointment of Mr. Gulshan Khandelwal as Chief Financial Officer and Key Managerial Personnel of the Company with effective from July 1, 2021.

In respect of the above, we hereby enclose the following:

1. Audited Financial Results for the 4<sup>th</sup> quarter and financial year ended March 31, 2021, as per Regulation 33 of the SEBI Listing Regulations along with the reports thereon issued by the Statutory Auditor on the Standalone and Consolidated Results;
2. A statement pursuant to the Regulation 33(3)(d) of the SEBI Listing Regulations, on impact of Audit Qualifications (in respect of modified opinion on Standalone and Consolidated Audited Financial Results) is enclosed herewith as per prescribed Annexure-I.
3. Earning Release in connection with the Audited Financials for the 4<sup>th</sup> quarter and financial year ended March 31, 2021;
4. Relevant details in connection with resignation of Mr. Sanjay Berry and appointment of Mr. Gulshan Khandelwal as Chief Financial Officer of the Company as mentioned in Sl.No.(C) and (D) above, as per Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are enclosed herewith as Annexure-II.

You are requested to kindly take the above on record.

Thanking you

Yours truly

For Siti Networks Limited



Suresh Kumar

Company Secretary and Compliance Officer

Membership No. ACS 14390



## ANNEXUFRE - II

Details as per Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular no. CIR/CFD/CMD/4/2015 dated September 9, 2015, in connection with resignation of Mr. Sanjay Berry and appointment of Mr. Gulshan Khandelwal as Chief Financial Officer of the Company.

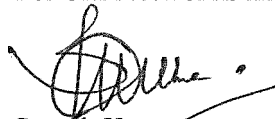
### Reason and Date of Change:

Name	Reason for change	Date of appointment /cessation & term of appointment
Mr. Sanjay Berry, Chief Financial Officer	Resignation	Effective from the close of business hours on June 30, 2021
Mr. Gulshan Khandelwal	Appointment as Chief Financial Officer and Key Managerial Personnel	With effect from July 1, 2021

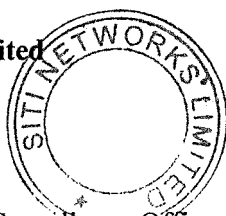
### Brief Profile:

**Mr. Gulshan Khandelwal** is a Chartered Accountant & has done his Bachelors in Commerce from Rajasthan University. He is deft in handling Finance functions with expertise in Financial Management, Compliances, Internal Controls, and taxation. With nearly two decades of rich & varied experience with various Financial Consulting firms, including 11 years with SITI Networks.

For Siti Networks Limited



Suresh Kumar  
Company Secretary & Compliance Officer  
Membership No. ACS 14390



**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

[SSE]

CIN L64200MH2006PLC160733

Particulars	Consolidated			Standalone	
	31 March 2021 Audited	31 March 2020 Audited	01 April 2019 Audited*	31 March 2021 Audited	31 March 2020 Audited
(₹ in lacs)					
<b>A. Assets</b>					
<b>1. Non-current assets</b>					
(a) Property, plant and equipment	97,078.4	118,311.1	140,794.4	45,932.1	58,035.9
(b) Capital work-in-progress	5,478.4	5,801.3	9,480.1	1,526.9	2,773.0
(c) Investment property	6,498.5	6,607.4	6,585.3	-	-
(d) Goodwill	4,863.8	4,855.2	4,855.2	-	-
(e) Other intangible assets	15,186.0	20,986.6	23,979.4	9,440.5	13,277.1
(f) Intangible assets under development	41.8	110.7	464.7	41.8	110.7
(g) Investments in joint ventures and associates	405.8	952.9	497.4	-	-
(h) Financial assets					
(i) Investments	843.7	1,058.1	988.4	35,196.2	35,196.2
(ii) Other financial assets	2,381.3	3,078.7	4,598.4	1,539.9	2,202.6
(i) Deferred tax assets (net)	1,247.7	652.9	201.2	-	-
(j) Other non-current assets	1,910.8	1,680.0	1,273.7	932.5	1,016.2
<b>Sub-total of non-current assets</b>	<b>135,936.2</b>	<b>164,094.9</b>	<b>193,718.2</b>	<b>94,609.9</b>	<b>112,611.7</b>
<b>2. Current assets</b>					
(a) Inventories	208.0	134.9	180.2	58.1	46.4
(b) Financial assets					
(i) Trade receivables	23,183.7	30,019.9	38,180.0	19,534.0	20,732.5
(ii) Cash and cash equivalents	11,140.3	17,576.4	7,156.7	374.8	253.1
(iii) Bank balances other than (ii) above	366.1	208.6	654.0	-	208.6
(iv) Other financial assets	3,454.6	10,625.4	17,456.9	2,529.4	9,488.1
(c) Current tax assets (net)	1,286.3	1,095.3	818.4	-	-
(d) Other current assets	10,623.2	14,339.4	22,037.4	4,955.3	8,428.3
<b>Sub-total of current assets</b>	<b>50,262.2</b>	<b>73,999.9</b>	<b>86,483.6</b>	<b>27,451.6</b>	<b>39,157.0</b>
<b>Total assets</b>	<b>186,198.4</b>	<b>238,094.8</b>	<b>280,201.8</b>	<b>122,061.5</b>	<b>151,768.7</b>
<b>B. Equity and liabilities</b>					
<b>Equity</b>					
(a) Equity share capital	8,726.7	8,726.7	8,726.7	8,726.7	8,726.7
(b) Other equity	(33,194.1)	(9,206.3)	11,053.5	(48,212.6)	(25,514.9)
(c) Non-controlling interests	9,101.6	9,278.9	10,470.6	-	-
<b>Sub-total of equity</b>	<b>(15,365.8)</b>	<b>8,799.3</b>	<b>30,250.8</b>	<b>(39,485.9)</b>	<b>(16,788.2)</b>
<b>Liabilities</b>					
<b>1. Non-current liabilities</b>					
(a) Financial liabilities					
(i) Borrowings	21,512.5	42,301.7	74,238.5	14,960.8	24,873.1
(ii) Other financial liabilities	5,231.4	9,971.7	10,093.6	154.9	395.7
(b) Provisions	1,186.9	1,037.8	923.7	555.4	482.8
(c) Deferred tax liabilities (net)	90.2	588.7	2,040.3	-	-
(d) Other non-current liabilities	350.0	425.7	430.7	-	-
<b>Sub-total of non-current liabilities</b>	<b>28,371.0</b>	<b>54,325.6</b>	<b>87,726.8</b>	<b>15,671.1</b>	<b>25,751.6</b>
<b>2. Current liabilities</b>					
(a) Financial liabilities					
(i) Borrowings	14,252.3	12,907.1	16,190.0	12,487.3	12,840.8
(ii) Trade payables					
Total outstanding dues of micro enterprises and small enterprises	113.1	100.3	-	101.8	6.6
Total outstanding dues of creditors other than micro enterprises and small enterprises	64,307.2	73,683.3	64,634.7	44,980.7	48,415.7
(iii) Other financial liabilities	84,497.5	76,593.9	67,272.0	84,011.3	75,996.3
(b) Other current liabilities	9,552.8	11,418.7	13,997.1	4,222.7	5,515.5
(c) Provisions	470.3	266.6	130.4	72.5	30.4
<b>Sub-total of current liabilities</b>	<b>173,193.2</b>	<b>174,969.9</b>	<b>162,224.2</b>	<b>145,876.3</b>	<b>142,805.3</b>
<b>Total equity and liabilities</b>	<b>186,198.4</b>	<b>238,094.8</b>	<b>280,201.8</b>	<b>122,061.5</b>	<b>151,768.7</b>

\*Restated (refer note 11)



**Part - I**  
**AUDITED FINANCIAL RESULTS (CONSOLIDATED)**

Statement of consolidated audited results for the quarter and year ended 31 March 2021

Particulars	Quarter ended 31 March 2021 (Refer note 5)		Quarter ended 31 March 2020 (Refer note 11)	
	(Audited)	(Unaudited)	(Audited)	(Audited)
<b>Income</b>				
I Revenue from operations	38,057.3	38,920.0	45,201.2	153,692.0
II Other income	776.7	202.4	716.7	1,731.0
III Total income (I+II)	38,834.0	39,122.4	45,917.9	155,423.0
IV Expenses				
Cost of materials consumed	147.6	29.7	25.7	189.7
Purchases of stock-in-trade	83.5	-	83.6	83.6
Pay channel, carriage sharing and related costs	21,327.3	22,404.2	20,665.8	86,069.8
Employee benefits expense	1,718.0	1,900.2	2,264.6	6,963.9
Finance costs	3,061.5	3,031.9	6,201.0	7,510.5
Depreciation and amortisation expenses	9,348.2	8,616.6	9,014.8	12,629.6
Other expenses	11,441.5	8,349.6	11,855.1	34,903.8
Total expenses (IV)	47,127.6	44,332.2	50,110.6	176,998.6
Loss for the period before tax and share of (loss)/profit in associates and joint ventures and exceptional items (III-IV)	(8,293.6)	(5,209.8)	(4,192.7)	(21,575.6)
VI Share of (loss)/profit of associates and joint ventures	1.5	27.6	(109.4)	103.3
VII Loss before exceptional items and tax (V+VI)	(8,292.1)	(5,182.2)	(4,302.1)	(21,371.4)
VIII Exceptional items	2,174.7	794.0	4,223.5	5,017.5
IX Loss before tax (VII-VIII)	(10,466.8)	(5,976.2)	(8,525.6)	(22,388.9)
Tax expense				
(1) Current tax	454.2	(189.6)	499.5	845.6
(2) Deferred tax	(526.2)	(19.9)	(1,360.6)	(1,033.8)
X Total tax expense	(72.0)	(209.5)	(861.1)	(188.2)
XI Loss for the period (IX-X)	(10,394.8)	(5,766.7)	(7,664.5)	(24,141.9)
XII Other comprehensive income:				
Items that will not be reclassified to profit or loss	46.2	(18.7)	(68.2)	(9.9)
Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
Total comprehensive income for the period (including non-controlling interest)	(10,348.6)	(5,785.4)	(7,732.7)	(24,151.8)
Net (loss)/income attributable to:				
A. Owners of the parent	(9,577.9)	(5,745.1)	(5,843.8)	(20,227.0)
B. Non-controlling interest	(816.9)	(21.6)	(1,820.7)	(1,184.6)
Other comprehensive income attributable to:				
A. Owners of the parent	15.7	(14.1)	(62.5)	(104.8)
B. Non-controlling interest	30.5	(4.6)	(5.7)	16.8
Total comprehensive income attributable to:				
A. Owners of the parent	(9,562.2)	(5,759.2)	(5,906.3)	(20,331.8)
B. Non-controlling interest	(786.4)	(26.2)	(1,826.4)	(1,204.1)
Paid-up equity share capital (Face value ₹ 1/- per share)	8,720.5	8,720.5	8,720.5	8,720.5
Other equity				
Earnings per equity share (of ₹ 1/- each) (not annualised except for year ended 31 March 2020 and 31 March 2021)				
a) Basic	(1.2)	(0.7)	(0.9)	(2.5)
b) Diluted	(1.2)	(0.7)	(0.9)	(2.5)

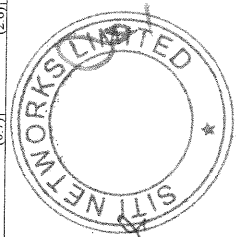
See accompanying notes to the financial results.

**Part - I**  
**AUDITED FINANCIAL RESULTS (STANDALONE)**

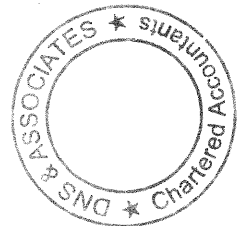
Statement of standalone audited results for the quarter and year ended 31 March 2021

Particulars	Quarter ended 31 March 2021 (Refer note 5)		Quarter ended 31 March 2020 (Refer note 5)	
	(Audited)	(Unaudited)	(Audited)	(Audited)
<b>Income</b>				
I Revenue from operations	18,877.6	17,926.9	20,356.1	73,048.4
II Other income	80.0	33.6	142.9	287.7
III Total income (I+II)	18,957.6	17,960.5	20,499.0	73,336.1
IV Expenses				
Cost of materials consumed	132.6	2.9	19.3	136.9
Purchases of stock-in-trade	35.6	18.2	24.6	64.6
Pay channel, carriage sharing and related costs	9,473.8	9,530.6	9,515.5	37,525.5
Employee benefits expense	883.4	1,057.6	896.1	3,852.7
Finance costs	2,713.3	2,687.3	3,010.5	11,030.7
Depreciation and amortisation expenses	5,973.0	4,833.2	5,386.5	13,182.2
Other expenses	5,693.4	4,537.3	5,221.7	19,649.6
Total expenses (IV)	24,905.1	22,667.1	24,074.2	93,015.6
Loss before exceptional items and tax (III-IV)	(5,947.5)	(4,706.6)	(3,575.2)	(15,659.2)
VI Exceptional items	2,174.7	794.0	2,800.3	2,968.7
VII Loss before tax (V-VI)	(8,122.2)	(5,500.6)	(6,375.5)	(22,648.2)
Tax expense				
(1) Current tax	-	-	69.9	-
(2) Deferred tax	-	-	69.9	-
VIII Total tax expense	(8,122.2)	(5,500.6)	(6,445.4)	(22,648.2)
IX Loss for the period (VII-VIII)	(8,122.2)	(5,500.6)	(6,445.4)	(22,648.2)
X Other comprehensive income:				
Items that will not be reclassified to profit or loss	(27.9)	(7.3)	(61.3)	(49.6)
Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
Total comprehensive income (IX+X)	(8,150.1)	(5,507.9)	(6,506.7)	(22,697.8)
Paid-up equity share capital (Face value ₹ 1/- per share)	8,720.5	8,720.5	8,720.5	8,720.5
Other equity (excluding revaluation reserves, if any)	-	-	-	(48,212.6)
Earnings per equity share (of ₹ 1/- each) (not annualised except for year ended 31 March 2020 and 31 March 2021)				
a) Basic	(0.9)	(0.6)	(0.7)	(2.6)
b) Diluted	(0.9)	(0.6)	(0.7)	(2.6)

See accompanying notes to the financial results.



*Suresh Kumar*



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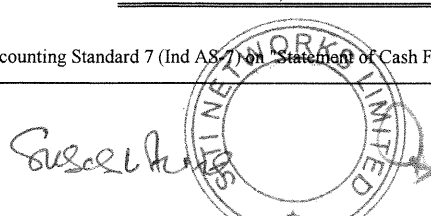
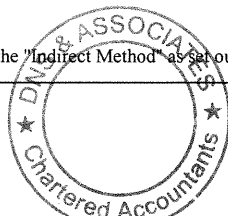
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**Consolidated Cash Flow Statement**

(₹ in lacs)

	Year ended 31 March 2021	Year ended 31 March 2020
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(24,330.2)	(22,388.8)
Adjustment for:		
Depreciation and amortisation expenses	34,903.5	34,570.4
Interest income on bank deposits	(384.3)	(471.8)
Excess provisions written back	(874.7)	(248.6)
Share of (profit) of associates and joint ventures	(214.2)	(103.3)
Loss on sale of property, plant and equipment, and other intangible assets (net)	85.2	251.1
Interest expense for borrowings at amortised cost	12,251.9	14,992.0
Interest expense on lease liabilities	27.1	37.5
Bad debts written off	487.2	275.1
Unrealised foreign exchange loss	242.3	259.7
Provision for doubtful debts	839.1	2,205.8
Provision for doubtful advances	18.1	0.3
Effect of recognising other expense on security deposit as per effective interest method	(8.3)	33.1
Measurement of financial assets and financial liabilities at amortised cost	-	(29.0)
Measurement of investment (non current, financial assets) at fair value through profit and loss	-	(69.6)
Exceptional items	2,968.7	5,017.5
<b>Operating profit before working capital changes</b>	<b>26,011.4</b>	<b>34,331.4</b>
Adjustments for changes in:		
Decrease in trade receivables	5,509.9	1,251.0
Decrease in other finance current and non-current assets	5,686.3	1,358.8
Increase in other current and non-current assets	664.6	5,569.7
(Increase)/decrease in inventories	(73.1)	45.0
Increase in other financial liabilities	1,218.9	268.7
Increase in employee benefit obligations	310.3	151.6
Decrease in other current and non-current liabilities	(1,941.6)	(525.7)
(Decrease)/increase in trade payables	(9,320.6)	9,912.0
<b>Cash generated from operations</b>	<b>28,066.1</b>	<b>52,362.5</b>
Income taxes received/(paid)	1,866.5	(1,943.0)
<b>Net cash flows from operating activities</b>	<b>29,932.6</b>	<b>50,419.5</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment, and intangibles assets	(14,929.3)	(11,739.4)
Proceeds from sale of property, plant and equipment, and intangible assets	33.7	6,491.4
Purchase of investments (non-current, financial assets)	-	(352.2)
Sale of investment (current and non-current, financial assets)	975.6	-
Interest received	380.2	323.5
Margin money deposits and bank deposits made and matured (net)	(373.0)	1,063.2
<b>Net cash flow used in investing activities</b>	<b>(13,912.8)</b>	<b>(4,213.5)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds/(Repayment) from borrowings (current, financial liabilities) (net)	1,344.1	(2,235.0)
Proceeds from borrowings (non-current, financial liabilities)	-	800.0
Repayment of borrowings (non-current, financial liabilities)	(17,674.5)	(24,422.8)
Repayment of lease liabilities	(95.0)	(111.5)
Interest paid	(6,030.5)	(9,817.1)
<b>Net cash flow used in financing activities</b>	<b>(22,455.9)</b>	<b>(35,786.4)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(6,436.1)</b>	<b>10,419.6</b>
Cash and cash equivalents at the beginning of the period	17,576.4	7,156.8
Cash and cash equivalents at the end of the period	<b>11,140.3</b>	<b>17,576.4</b>
<b>Notes :</b>		
a. Cash and cash equivalents include:		
Cash on hand	259.7	264.9
Balances with banks on current accounts	5,558.2	7,792.7
Cheques and drafts on hand	1,383.4	5,063.1
Deposits with maturity of upto three months	3,939.0	4,455.7
	<b>11,140.3</b>	<b>17,576.4</b>

b. The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard 7 (Ind AS-7) on "Statement of Cash Flows".



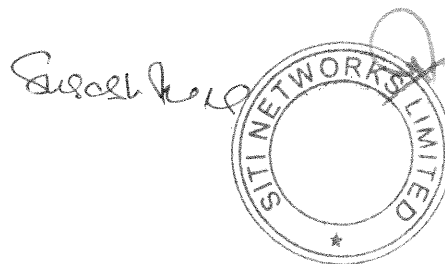
**SITI NETWORKS LIMITED**

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 Website: www.sitinetworks.com

**Standalone Cash Flow Statement**

(₹ in lacs)

	Year ended 31 March 2021	Year ended 31 March 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before tax	(22,648.0)	(18,459.5)
Adjustment for:		
Depreciation and amortisation expense	20,539.7	19,649.6
Interest income on bank deposits	(53.8)	(158.9)
Excess provisions written back	(11.6)	(14.0)
Loss on sale of property, plant and equipment, and other intangible assets (net)	72.3	233.6
Interest expense for borrowings at amortised cost	10,770.7	12,661.2
Interest expense on lease liabilities	16.5	21.5
Bad debts written off	297.6	901.1
Unrealised foreign exchange loss (net)	235.5	259.7
Expected credit losses on trade receivables	-	1,150.0
Provision for doubtful advances	18.0	-
Effect of recognising other expense on security deposits as per effective interest method	(8.3)	33.1
Measurement of financial assets and financial liabilities at amortised cost	-	(29.0)
Measurement of optionally convertible debentures at fair value through profit and loss	-	(88.3)
Exceptional items	2,968.7	2,800.3
<b>Operating profit before working capital changes</b>	<b>12,197.3</b>	<b>18,960.4</b>
Adjustments for changes in:		
Decrease in trade receivables	901.0	3,544.4
Decrease in other financial assets	5,398.1	756.9
Decrease in other current and non-current assets	239.9	3,037.6
(Increase)/Decrease in inventories	(11.7)	24.9
Increase/(Decrease) in other financial liabilities	779.3	(506.0)
Increase/(Decrease) in employee benefit obligations	64.9	(114.2)
(Decrease) in other current and non-current liabilities	(1,292.8)	(3,511.6)
(Decrease)/Increase in trade payables	(4,126.6)	4,461.2
<b>Cash generated from operations</b>	<b>14,149.4</b>	<b>26,653.6</b>
Income taxes refund /(paid)	3,559.6	(1,198.3)
<b>Net cash flow generated from operating activities</b>	<b>17,709.0</b>	<b>25,455.3</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment, and intangible assets	(6,823.8)	(4,898.3)
Proceeds from sale of property, plant and equipment	25.1	6,435.8
Interest received on bank deposits	75.3	23.6
Margin money deposits and bank deposits matured (net)	0.6	2,249.1
<b>Net cash flow (used in)/generated from investing activities</b>	<b>(6,722.8)</b>	<b>3,810.2</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings (current, financial liabilities) (net)	(353.5)	(2,446.4)
Repayment of borrowings (non-current, financial liabilities)	(5,563.7)	(19,992.9)
Repayment of lease liabilities	(43.1)	(61.0)
Interest and ancillary borrowing costs paid	(4,904.2)	(7,653.9)
<b>Net cash flow used in financing activities</b>	<b>(10,864.5)</b>	<b>(30,154.2)</b>
Net Increase/(decrease) in cash and cash equivalents	121.7	(888.7)
Cash and cash equivalents at the beginning of the period	253.1	1,141.8
Cash and cash equivalents at the end of the period	<b>374.8</b>	<b>253.1</b>
<b>Notes:</b>		
a. Cash and cash equivalents include:		
Cash on hand	14.1	32.4
Balances with banks on current accounts	334.4	218.4
Cheques on hand	26.3	2.3
	<b>374.8</b>	<b>253.1</b>
b. The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard 7 (Ind AS 7) on "Statement of Cash Flows".		





## SITI NETWORKS LIMITED

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

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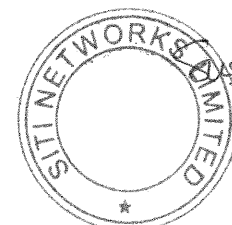
Website: www.sitinetworks.com

CIN L64200MH2006PLC160733

### Notes:-

- 1 SITI Networks Limited ('the Company' or 'the Holding Company'), its subsidiaries, associates and joint ventures (collectively referred to as 'the Group') predominantly operate in a single business segment of cable and broadband distribution only in India. The aforesaid is in line with the way operating results are reviewed and viewed by the chief operating decision maker(s) and hence, there are no additional disclosures required to be furnished in terms of Indian Accounting Standard 108 - Operating Segments.
- 2 The standalone and consolidated financial results for the quarter and year ended 31 March 2021 have been reviewed by the Audit Committee and approved by the Company's Board of Directors in their respective meetings held on 25 June 2021. The statutory auditors of the Company have expressed a modified audit opinion on these results.
- 3 The above results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and as per the presentation requirements of SEBI Circular CIR/CFD/FAC/62/2016 dated 05 July, 2016 and other accounting principles generally accepted in India.
- 4 Effective 1 February 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 Figures for the standalone and consolidated financial results for the quarter ended 31 March 2021 and 31 March 2020 are the balancing audited figures of the full financial year and the published year to date figures upto the third quarter of the year ended 31 March 2021 and 31 March 2020 respectively.
- 6 The Company/the Group continued to incur losses during the quarter and year ended 31 March 2021 and had negative working capital as at 31 March 2021. The Company/the Group also has negative net worth as at 31 March 2021. As at 31 March 2021, 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, continued endeavor to secure additional funds by the Company/its subsidiaries besides on-going discussions with the lenders for debt restructuring, for which revised debt repayment plans are being submitted to the lenders, and continuous dialogue with its vendors. Further, the Company is under discussion with its partners for consolidation of operations in East India to attain the benefits of economies of scale and operational efficiencies, accordingly, these standalone/ consolidated financial results for the year ended 31 March 2021 continue to be prepared on a going concern basis in view of the above.
- 7 In view of aforementioned ongoing discussions with the lenders, *inter alia*, for reducing existing interest rates, additional interest levied, if any, has not been provided for.
- 8 Exceptional items in the standalone and consolidated financial results include the following:
- a) Exceptional items, for the year ended 31 March 2021 and quarter ended 31 December 2020 relates to pay channel cost of ₹ 794.0 lacs which was being disclosed in contingent liabilities due to pending settlement has been settled and recognized.
- b) During the quarter and year ended 31 March 2021, the management, in view of prevailing COVID-19 situation and considering other factors, assessed the likelihood of recovery of certain balances from a party and has provided for an amount of ₹ 2,174.7 lacs which is doubtful for recovery
- The total impact of 8(a) and 8(b) above on the standalone financial results for the quarter and year ended 31 March 2021 amounts to ₹ 2,174.7 lacs and ₹ 2,968.7 lacs, and the impact on the consolidated financial results for the quarter and year ended 31 March 2021 amounts to ₹ 2,174.7 lacs and ₹ 2,968.7 lacs respectively.
- c) Pursuant to implementation of the Tariff Order 2017 and upon changes in arrangements with customers, the management of the Holding Company has further provided for certain trade receivables amounting to ₹ 1,800.0 lacs and disclosed the same as exceptional items in the standalone financial results for the quarter and year ended 31 March 2020. Additionally, a subsidiary company has also provided for certain trade receivables amounting to ₹ 299.5 lacs and ₹ 2,262.1 lacs during the quarter and year ended 31 March 2020. The total impact of the aforementioned on the consolidated financial results is ₹ 2,099.5 lacs and ₹ 4,062.1 lacs for the quarter and year ended 31 March 2020.
- d) During the year ended 31 March 2020, a subsidiary company namely, Siti Godaari Digital Services Private Limited ('Siti Godaari') has been dissolved pursuant to being struck-off as per the provisions of section 248 of the Companies Act, 2013. Accordingly, the Company has written off trade receivables from and investment in Siti Godaari amounting to ₹ 1,000.3 lacs for the quarter and year ended 31 March 2020. Pursuant to above, the Group has incurred a loss on dissolution amounting to ₹ 955.4 lacs for the quarter and year ended 31 March 2020.
- The total impact of 8(c) and 8(d) above on the standalone financial results for the quarter and year ended 31 March 2020 amounts to ₹ 2,800.3 lacs, and the impact on the consolidated financial results for the quarter and year ended 31 March 2020 amounts to ₹ 3,054.9 lacs and ₹ 5,017.5 lacs respectively.
- 9 For the quarter and year ended 31 March 2021 and for the quarter ended 31 December 2020, 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 ₹ 9,473.8 lacs and ₹ 37,525.5 lacs respectively for quarter and year ended 31 March 2021 and ₹ 9,530.6 lacs for the quarter ended 31 December 2020 in the standalone financial results and ₹ 19,661.9 lacs and ₹ 78,589.6 lacs respectively for the quarter and year ended 31 March 2021 and ₹ 19,332.2 lacs for the quarter ended 31 December 2020 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 ₹ 9,473.8 lacs, ₹ 37,525.5 lacs and ₹ 9,530.6 lacs for quarter and year ended 31 March 2021 and for the quarter ended 31 December 2020 respectively in the standalone financial results and lower by ₹ 19,661.9 lacs, ₹ 78,589.6 lacs and ₹ 19,332.2 lacs for the quarter and year ended 31 March 2021 and for the quarter ended 31 December 2020 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.
- 10 COVID-19 was declared as pandemic by World Health Organization (WHO) on 11 March 2020, is continuing to spread across the world and India. Since March 2020, the Indian Government has announced a 21 days nationwide lockdown which has been extended in multiple tranches till May 31, 2020 with relaxation to essential services and selected economic activities. The Company and the Group has continued to operate and provide cable television and broadband distribution services to its customers, which has been declared as an essential service. Based on the management's assessment and review of current economic scenario, the management does not expect any significant impact of COVID-19 on the Company and the Group except for the ones already accounted for in financial results. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results, and the Company and the Group will continue to closely monitor any material changes arising from future economic conditions and continually assess its impact on the operations and financial matrices.
- 11 The comparative consolidated financial results for the year ended 31 March 2020 were audited and reported by the previous auditor. These comparative consolidated financial results for year ended 31 March 2020 included revenue and expenses in respect of certain subsidiaries which were accounted for on estimate basis pending negotiation and final agreement with the vendors and customers. The financial results of these subsidiaries have been restated to account for the impact on the revenue and expenses following the finalization of agreements with those customers and vendors, which have been audited by the statutory auditors of those subsidiaries respectively. As a result, retained earnings as on 01 April 2019 and as on 31 March 2020 of the Group have reduced by ₹ 10.3 lacs and ₹ 1,350 lacs, non-controlling interest as on 01 April 2019 and as on 31 March 2020 of the Group have reduced by ₹ 10.5 lacs and ₹ 1,238.7 lacs respectively, and net loss for the year ended 31 March 2020 has increased by 2,588.2 lacs vis-à-vis the previously reported net loss of ₹ 18,947.8 lacs.
- 12 Useful life of certain tangible and intangible assets have been re-assessed and accordingly there is an increase in depreciation and amortisation expense of ₹ 1,014 lacs during the year ended 31 March 2021 in standalone and consolidated financial statements.
- 13 The comparative financial results have been regrouped/reclassified in line with the financial results for the year ended 31 March 2021.

Place : Noida  
Date : 25 June 2021



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

Suresh Arora  
Whole Time Director



**Independent Auditor's Report on Standalone Annual Financial 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**

**Qualified Opinion**

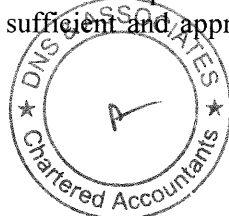
1. We have audited the accompanying standalone annual financial results ('the Statement') of SITI Networks Limited ('the Company') for the year ended 31 March 2021, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), relevant circulars issued by the SEBI from time to time.
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
  - (i) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations, and
  - (ii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the standalone net loss after tax and other comprehensive income and other financial information of the Company for the year ended 31 March 2021 except for the effects of the matter described in paragraph 3 below.

**Basis for Qualified Opinion**

3. As described in note 9 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 Operations' and the 'Pay channel, carriage sharing and related costs' each would have been lower by ₹ 9,473.8 lacs and ₹ 37,525.5 lacs for the quarter and year ended 31 March 2021 respectively, while there would have been no impact on the net loss for the quarter and year ended 31 March 2021.

Our conclusion on the standalone financial results for the quarter and nine-month ended 31 December 2020 was also qualified with respect to this matter.

4. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Statement* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our qualified opinion.



## Material Uncertainty Related to Going Concern

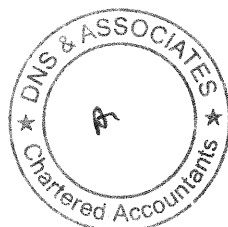
5. We draw attention to note 6 to the accompanying Statement, which indicates that the Company has incurred a net loss (including other comprehensive income/loss) of ₹ 22,697.7 lacs during the year ended 31 March 2021, and as of that date, the Company's accumulated losses amount to ₹ 20,883.9 lacs resulting in a negative net worth of ₹ 39,485.9 lacs and its current liabilities exceeded its current assets by ₹ 118,424.7 lacs resulting in negative working capital. As at 31 March 2021, there are delays/defaults in repayment of Company's obligations and borrowings. The above factors along with other matters as set forth in note 6, 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 discussion 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.

## Responsibilities of Management and Those Charged with Governance for the Statement

6. This Statement has been prepared on the basis of the standalone annual audited financial statements and has been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net loss and other comprehensive income and other financial information of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
7. In preparing the Statement, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
8. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Statement

9. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.



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10. As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has in place adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
  - Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## Other Matters

13. The Statement includes the financial results for the quarter ended 31 March 2021, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.



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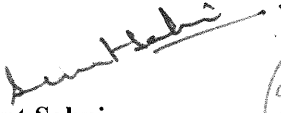
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14. The audit of standalone financial results for the corresponding quarter and year ended 31 March 2020 included in the Statement was carried out and reported by Walker Chandiook & Co LLP, Chartered Accountants, who have expressed modified opinion vide their audit report dated 29 June 2020, whose report has been furnished to us, and which has been relied upon by us for the purpose of our audit of the Statement. Our opinion is not modified in respect of this matter.

**For DNS & Associates**

Chartered Accountants

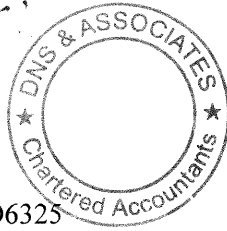
Firm Registration No.: 006956C

  
**Sumant Sahni**

Partner

Membership No. 502945

UDIN: 21502945AAAAAD6325



**Place:** Noida

**Date:** 25 June 2021

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## **Independent Auditor's Report on Consolidated Annual Financial 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**

### **Qualified Opinion**

1. We have audited the accompanying consolidated annual 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 ventures for the year ended 31 March 2021, attached herewith, 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) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate audited financial statements of the subsidiaries, associates, and joint ventures, as referred to in paragraph 15 below, the Statement:
  - (i) includes the annual financial results of the entities listed in Annexure 1;
  - (ii) presents financial results in accordance with the requirements of Regulation 33 and Regulation 52(4) of the Listing Regulations, except for the effects and possible effects of the matter(s) described in paragraph 3 and 4 below; and
  - (iii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the consolidated net loss after tax and other comprehensive income and other financial information of the Group, its associates and joint ventures, for the year ended 31 March 2021 except for the effects of the matters described in paragraph 3 below.

### **Basis for Qualified Opinion**

3. As described in note 9 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 ₹ 19,661.98 lacs and ₹ 78,589.64 lacs for the quarter and year ended 31 March 2021 respectively, while there would have been no impact on the net loss for the quarter and year ended 31 March 2021.

Our conclusion on the consolidated financial results for the quarter and nine months ended 31 December 2020 was also qualified with respect to this matter.

Further, with respect to the above matter, qualifications have been given by other firms of Chartered Accountants vide their review reports dated 21 June 2021, 23 June 2021, 22 June 2021, 21 June 2021, 15 June 2021, 22 June 2021 and 22 June 2021 on the annual 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, Siti Saistar Digital Media Private Limited, Siti Vision Digital Media Private Limited and Siti Sini Digital Network Private Limited respectively, and



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is reproduced by us as under, with the aggregate amount pertaining to such subsidiaries, as also included in the above paragraph:

The company's/group's 'Revenue from Operations' includes broadcasters' share in subscription income from pay channels, which has correspondingly been presented as an expense for the above mentioned subsidiaries 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 ₹19,661.98 lakhs and ₹ 78,589.64 lakhs for the quarter and year ended 31 March 2021 respectively, while there would have been no impact on the net loss/profit for the quarter ended 31 December 2020 and the quarter and year ended 31 March 2021 respectively

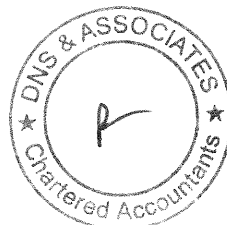
4. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statement section of our report. We are independent of the Group, its associates and joint ventures, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and that obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matter section below is sufficient and appropriate to provide a basis for our qualified opinion.

## Material Uncertainty Related to Going Concern

5. We draw attention to note 6 to the accompanying Statement, which indicates that the Group has incurred a net loss of (including other comprehensive income/loss) ₹ 23,791.0 lakhs during the year ended 31 March 2021, and as of that date, the Group's accumulated losses amount to ₹ 195,058.4 lakhs and its current liabilities exceeded its current assets by ₹ 122,796.4 lakhs resulting in negative working capital. As at 31 March 2021, there are delays/default in repayment of obligations and borrowings. The above factors along with other matters as set forth in note 6, 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 discussion with the lenders of the Holding Company, and discussion for consolidation of operations in Eastern region in India, 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 consolidated financial results. Our opinion is not modified in respect of this matter.

## Emphasis of Matter

6. We draw attention to Note 11 regarding restatement of the comparative consolidated financial results for the year ended 31 March 2020, which were audited and reported by the previous auditor. These comparative consolidated financial results for year ended 31 March 2020 included revenue and expenses in respect of certain subsidiaries which were accounted for on estimate basis pending negotiation and final agreement with the vendors and customers. The financial results of these subsidiaries have been restated to account for the impact on the revenue and expenses following the finalization of agreements with those customers and vendors, which have been audited by the statutory auditors of those subsidiaries respectively. As a result, Retained Earnings as on 01 April 2019 and as on 31 March 2020 of the Group have reduced by ₹ 10.3 lakhs and ₹ 1,350 lakhs, non-controlling interest as on 01 April 2019 and as on 31 March 2020 of the Group have reduced by ₹ 10.5 lakhs and ₹ 1,238.7 lakhs respectively, and net loss for the year ended 31 March 2020 has increased by 2,588.2 lakhs vis-à-vis the previously reported net loss of ₹ 18,947.8 lakhs.

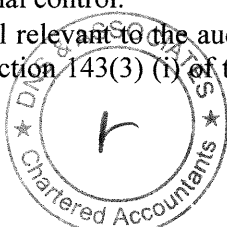


## **Responsibilities of Management and Those Charged with Governance for the Statement**

7. The Statement, which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated annual audited financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net profit or loss after tax and other comprehensive income, and other financial information of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Ind AS prescribed under section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of the Statement. Further, in terms of the provisions of the Act, the respective Board of Directors/management of the companies included in the Group and its associates and joint ventures, covered under the Act, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Group, and its associates and joint ventures, and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively, for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results, that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial results have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.
8. In preparing the Statement, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures, are responsible for assessing the ability of the Group and of its associates and joint ventures, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the respective Board of Directors/management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures, are responsible for overseeing the financial reporting process of the companies included in the Group and of its associates and joint ventures.

## **Auditor's Responsibilities for the Audit of the Statement**

10. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement, when it exists. Misstatements can arise from fraud or error, and are considered material if, individually, or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.
11. As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing



# DNS & Associates

Chartered Accountants

our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

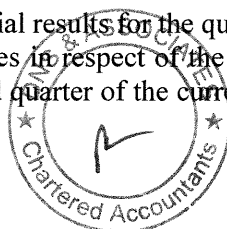
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures, to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial statements of the entities within the Group, and its associates and joint ventures, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement, of which we are the independent auditors. For the other entities included in the Statement, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
12. We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. We also performed procedures in accordance with SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019, issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

## Other Matters

15. We did not audit the annual financial statements of twenty subsidiaries included in the Statement, whose financial information reflects total assets of ₹ 124,204.7 lakhs as at 31 March 2021, total revenues of ₹ 87,094.6 lakhs total net loss after tax of ₹ 15,715.0 lakhs, total comprehensive (loss) of ₹ 39.7 lakhs, and cash flows (net) of ₹ 12791.7 lakhs for the year ended on that date, as considered in the Statement. The Statement also includes the Group's share of net profit/(loss) after tax of ₹ 214.2 lakhs and total comprehensive income of ₹ 214.2 lakhs for the year ended 31 March 2021, in respect of two associates and one joint venture, whose annual financial statements have not been audited by us. These annual financial statements have been audited by other auditors whose audit report(s) have been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures is based solely on the audit reports of such other auditors, and the procedures performed by us as stated in paragraph 14 above.

Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

16. The Statement includes the consolidated financial results for the quarter ended 31 March 2021, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated figures up to the third quarter of the current financial year, which were subject to limited review by us.





# DNS & Associates

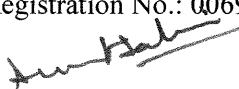
Chartered Accountants

17. The audit of consolidated financial results for the corresponding quarter and year ended 31 March 2020 included in the Statement was carried out and reported by Walker Chandiok & Co LLP, Chartered Accountants, who have expressed modified opinion vide their audit report dated 29 June 2020, whose report has been furnished to us and which has been relied upon by us for the purpose of our audit of the Statement. Our opinion is not modified in respect of this matter.

**For DNS & Associates**

Chartered Accountants

Firm Registration No.: 006956C

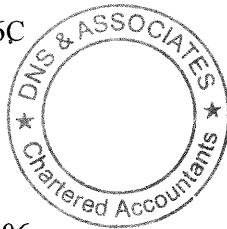


**Sumant Sahni**

Partner

Membership No. 502945

UDIN: 21502945AAAAAE7706



Place- Noida

Date- 25 June 2021

# DNS & Associates

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## Annexure 1

### List of entities included in the Statement

Name of Related Party	Relation
Siti Broadband Services Private Limited	Subsidiary Company
Siti Jind Digital Media Communications Private Limited	Subsidiary Company
Siti Jai Maa Durgee Commications Private Limited	Subsidiary Company
Siti Saistar Digital Media Private Limited	Subsidiary Company
Siti Faction Digital Private Limited	Subsidiary Company
Siti Jony Digital Cable Network Private Limited	Subsidiary Company
Siti Krishna Digital Media Private Limited	Subsidiary Company
Siti Prime Uttaranchal Communication Private Limited	Subsidiary Company
Siticable Broadband South Limited	Subsidiary Company
Siti Global Private Limited	Subsidiary Company
Siti Sagar Digital Cable Network Private Limited	Subsidiary Company
Siti Siri Digital Network Private Limited	Subsidiary Company
Siti Guntur Digital Network Private Limited	Subsidiary Company
Siti Vision Digital Media Private Limited	Subsidiary Company
Siti Karnal Digital Media Network Private Limited	Subsidiary Company
Indian Cable Net Company Limited	Subsidiary Company
Central Bombay Cable Network Limited	Subsidiary Company
Master Channel Community Network Private Limited	Subsidiary Company
Siti Networks India LLP	Subsidiary Company
Variety Entertainment Private Limited	Subsidiary Company
Siti Maurya Cable Net Private Limited	Step-Subsidiary Company
Indinet Service Private Limited	Step-Subsidiary Company
E-Net Entertainment Private Limited	Step-Subsidiary Company
Wire and Wireless Tisai Satellite Limited	Joint Venture
Paramount Digital Media Services Private Limited	Joint Venture
C&S Medianet Private Limited	Associate




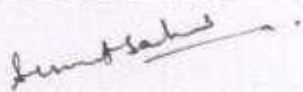


**ANNEXURE - I**

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - Standalone)**

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021  
[See Regulation 33/52 of the SEBI (LODR) Regulations, 2015] Standalone

I.	Sl. No.	Particulars	Audited Figures (Rs. in Lacs) (as reported before adjusting for qualifications)	Audited Figures (Rs. in Lacs) (as reported after adjusting for qualifications)
	1	Turnover / Total income	73,336.1	35,810.6
	2	Total Expenditure including exceptional items	95,984.3	58,458.8
	3	Net Profit / (Loss) after tax	(22,648.2)	(22,648.2)
	4	Earnings Per Share (Rs.)	(2.6)	(2.6)
	5	Total Assets	122,081.5	122,081.5
	6	Total Liabilities	161,547.4	161,547.4
	7	Net Worth	(39,485.9)	(39,485.9)
	8	Pay channel, carriage sharing and related costs	37,525.5	-
II.	<b>Audit Qualification (each audit qualification separately):</b>			
	(a) Details of Audit Qualification: 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 Operations' and the 'Pay channel, carriage sharing and related costs' each would have been lower by Rs. 9,473.8 lacs and Rs. 37,525.5 lacs for the quarter and year ended 31 March 2021 respectively, while there would have been no impact on the net loss for the quarter and year ended 31 March 2021. Our conclusion on the standalone financial result for the quarter and nine-month ended period ended 31 December 2020 was also qualified with respect to this matter.			
	(b) Type of Audit Qualification:	Qualified Opinion		
	(c) Frequency of qualification:	Qualification was also present in previous year		
	(d) For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: As per our interpretation and cable industry practices of recognising revenue under Ind AS 115, we have appropriately shown gross revenue and content cost separately. Further, there is no impact on the net loss for the quarter and year ended March 31, 2021.			
	(e) For Audit Qualification(s) where the impact is not quantified by the auditor:			
	(i) Management's estimation on the impact of audit qualification: Not applicable			
	(ii) If management is unable to estimate the impact, reasons for the same: Not applicable			
	(iii) Auditors' Comment on (i) or (ii) above: Not applicable			
III.	<b>Signatories:</b>			





Anil Kumar Malhotra Chief Executive Office Noida, June 25, 2021	
Sanjay Berry Chief Financial Officer Noida, June 25, 2021	
Bhanu Pratap Singh Chairman of Audit Committee New Delhi, June 25, 2021	
Statutory Auditors For DNS & Associates Chartered Accountants Firm Registration No. 006956C  Sumant Sahni Partner Membership No. 502945 Gurugram, June 25, 2021	

**ANNEXURE - I**

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - Consolidated)**

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021  
[See Regulation 33 of the SEBI (LODR) Regulations, 2015]

I.	Sl. No.	Particulars	Audited Figures (Rs. in Lacs) (as reported before adjusting for qualifications)	Audited Figures (Rs. in Lacs) (as reported after adjusting for qualifications)
	1	Turnover / Total income		
	2	Total Expenditure	155,423.0	76,833.4
	3	Net Profit / (Loss) after tax	176,898.6	98,409
	4	Earnings Per Share (Rs.)	(24,141.9)	(24,141.9)
	5	Total Assets	(2.8)	(2.8)
	6	Total Liabilities	186,198.4	186,198.4
	7	Net Worth	201,564.2	201,564.2
	8	Pay channel, carriage sharing and related costs	(24,467.4)	(24,467.4)
			78,589.6	0
II.	<p>(a) <u>Audit Qualification:</u></p> <p>(b) <u>Details of Audit Qualification:</u>                      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 Rs. 19,661.9 lacs and Rs. 78,589.6 lacs for the quarter and year ended 31 March 2021 respectively, while there would have been no impact on the net loss for the quarter and year ended 31 March 2021.                      Our conclusion on the consolidated financial results for the quarter and nine-month ended period ended 31 December 2020 was also qualified with respect to this matter.</p> <p>(c) <u>Type of Audit Qualification:</u> <span style="float: right;">Qualified Opinion</span></p> <p>(d) <u>Frequency of qualification:</u> <span style="float: right;">Qualification was also present in previous year</span></p> <p>(e) <u>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</u>                      As per our interpretation and cable industry practices of recognising revenue under Ind AS 115, we have appropriately shown gross revenue and content cost separately. Further, there is no impact on the net loss for the quarter and year ended March 31, 2021.</p> <p>(f) <u>For Audit Qualification(s) where the impact is not quantified by the auditor:</u> Not applicable</p> <p>(i) <u>Management's estimation on the impact of audit qualification:</u> Not applicable</p> <p>(ii) <u>If management is unable to estimate the impact, reasons for the same:</u> Not applicable</p> <p>(iii) <u>Auditors' Comment on (i) or (ii) above:</u> Not applicable</p>			
III.	<u>Signatories:</u>			

	<p>Anil Kumar Malhotra Chief Executive Officer Noida, June 25, 2021</p>	
	<p>Sanjay Berry Chief Financial Officer Noida, June 25, 2021</p>	
	<p>Bhanu Pratap Singh Chairman of Audit Committee Delhi, June 25, 2021</p>	
	<p>Statutory Auditors For DNS &amp; Associates Chartered Accountants Firm Registration No.: 006956C</p> <p>Sumant Sahnf Partner Membership No. 502945 Gurugram, June 25, 2021</p>	

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## SITI NETWORKS LIMITED

### SITI Networks' Q4FY21 Operating EBITDA at Rs.403 Mn.

*SITI Networks Limited announces consolidated Ind-AS results for Q4FY21*

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New Delhi, June 25, 2021: **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 Q4 FY21, ending March 31, 2020.

SITI's **Q4 FY21 Operating EBITDA stands at Rs. 403 Mn.** This was achieved through building up operating efficiencies and strict control over costs. SITI's **Operating EBITDA Margin for Q4 FY21** moved to **10.4%** through control of various cost elements.

**Total Revenue (excluding Activation)** remained flat compared to the previous quarter at **Rs. 3,875 Mn.** **Subscription revenue** stood at **Rs. 2,514 Mn.** **SITI Broadband's net base increased 26% y-o-y to ~2 lakhs while its Revenue surged 20% y-o-y to Rs.1018 Mn at the end of the fiscal.**

Q4FY21 also saw the launch of SITI Playtop Magic, the next-generation **androidtv Set-Top Box (STB) and Mobile App.** The **SITI PlayTop Magic, androidtv certified 4K HDR Set-Top Box,** can make any TV smart by enabling customers to use all **Android TV features along with their SITI Digital Cable TV using a single remote on their existing TV.**

SITI has also finalized an industry-first Infrastructure sharing tie-up with **Hinduja Group's** Headend in the Sky (**HITS**) **platform NXTDigital.** SITI will leverage the HITS infrastructure to deliver its signals to its Local Cable Operators (LCOs), thus providing its services to semi-urban and rural subscribers while expanding its footprint across the country through satellite.

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

*"SITI has been continuously working on strengthening our focus on operational efficiencies and strict control over expenses. Our focus has ensured our Operating EBITDA moving to Rs.403 Mn and Operating EBITDA margins at 10.4% in Q4 FY21. SITI Broadband's base increased 26% y-o-y to 2 lakhs while its Revenue surged 20% y-o-y at the end of FY21.*

*We have finalized our tie-up with NXT Digital to leverage the HITS infrastructure to deliver our signals to our Local Cable Operator partners while expanding our footprint across the country through satellite. We also launched our SITI Playtop Magic androidtv certified 4K HDR Set-Top Box and app. The next-generation set-top box can make any TV smart. "*

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

SITI Networks Limited is a part of the Essel Group, one of India's leading business houses with a diverse portfolio of media, packaging, entertainment, technology-enabled services, infrastructure development, and education.

SITI Networks Limited is one of India's largest Multi System Operator (MSO). With ten digital head ends and a network of more than 33,000 km of optical fiber and coaxial cable, it provides its cable services in India's ~800+ Locations.

SITI Networks Limited deploys State-of-the-art technology for delivering multiple TV signals to enhance the consumer viewing experience. Its product range includes Digital & Analogue Cable Television, Broadband, and Local Television Channels. SITI Networks has been providing services in analog and digital mode, armed with the 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 the SITI brand name.