

**SITI Networks Limited**

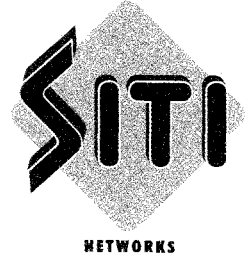
(Formerly known as SITI Cable Network Limited)

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

Noida, Uttar Pradesh-201301, India

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

**Website :** www.sitinetworks.com



**October 31, 2018**

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 October 31, 2018**

Dear Sir,

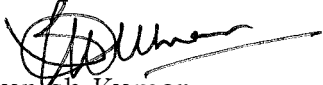
Pursuant to Regulation 30 and other applicable Regulations of Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015, this is to inform you that the Board of Directors of the Company at their meeting held today i.e. on October 31, 2018, has *inter-alia* considered and approved the un-audited Financial Results of the Company, both on a Standalone and Consolidated basis, for the second quarter of financial year 2018-19 and half year ended on September 30, 2018.

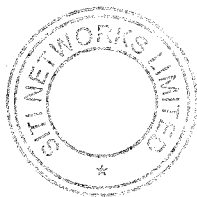
We are enclosing herewith a copy of un-audited Financial Results along with Earning Release and Limited Review Certificate(s) on both standalone and consolidated Financial Statements issued by the Statutory Auditor of the Company.

You are requested to kindly take the above on record.

Thanking you,

Yours truly,  
For **Siti Networks Limited**

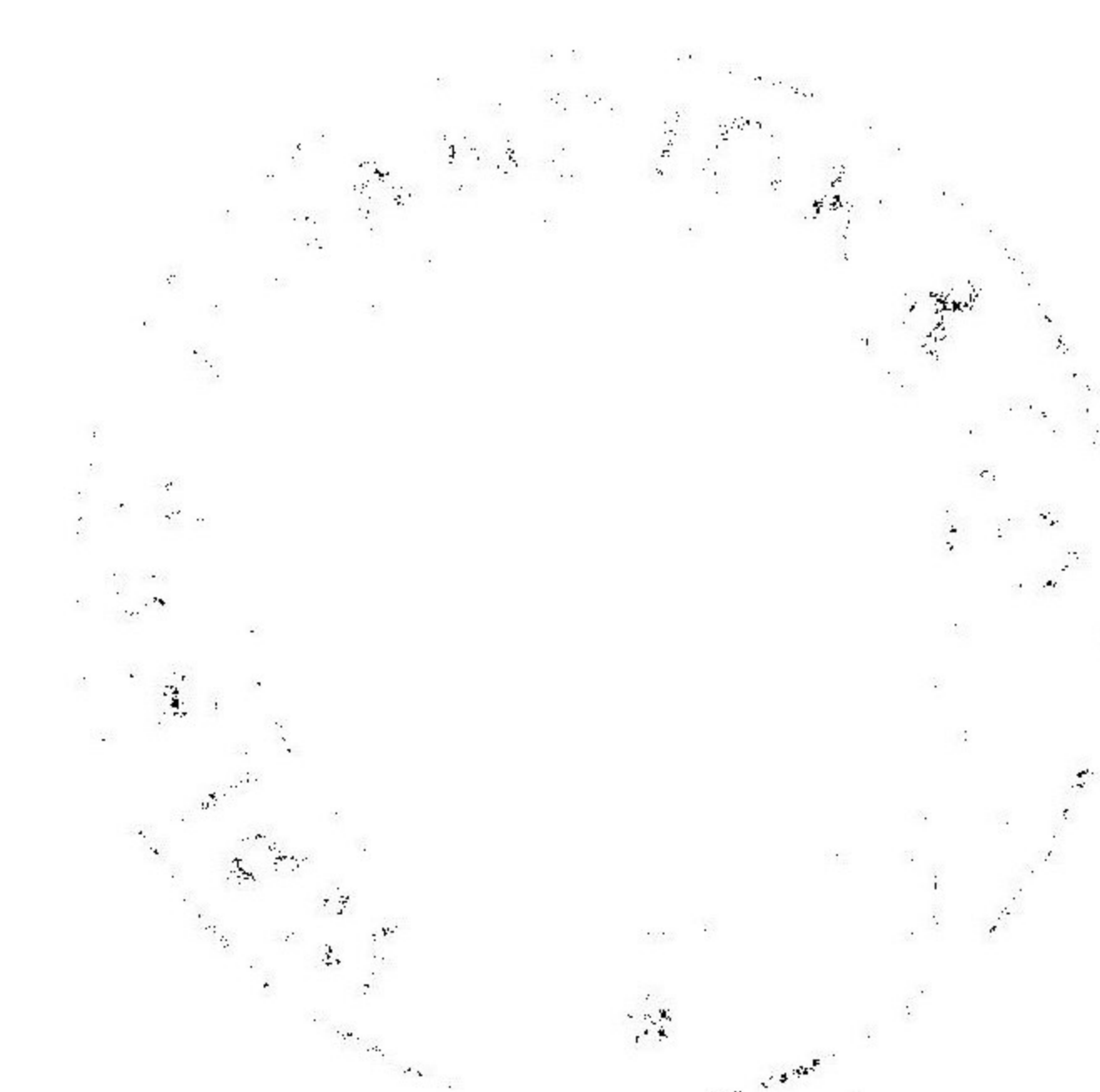
  
Suresh Kumar  
Company Secretary



**EsseL**  
GROUP

**Regd. Off. :** Unit No. 38, 1st Floor, A Wing, Madhu Industrial Estate, P.B. Marg, Worli, Mumbai - 400 013  
**Tel. :** +91-22-43605555 **CIN No. :** L64200MH2006PLC160733

Part - I UNAUDITED FINANCIAL RESULTS (CONSOLIDATED)							Part - I UNAUDITED FINANCIAL RESULTS (STANDALONE)						
Statement of Consolidated Unaudited results for the quarter and six months ended September 30, 2018 (₹ in lacs)							Statement of Standalone Unaudited results for the quarter and six months ended September 30, 2018 (₹ in lacs)						
Particulars	Quarter ended September 30, 2018	Quarter ended June 30, 2018	Quarter ended September 30, 2017	Six months ended September 30, 2018	Six months ended September 30, 2017	Year ended March 31, 2018	Particulars	Quarter ended September 30, 2018	Quarter ended June 30, 2018	Quarter ended September 30, 2017	Six months ended September 30, 2018	Six months ended September 30, 2017	Year ended March 31, 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I Revenue from operations	38,674.1	35,005.2	35,230.8	73,679.3	71,726.5	141,040.1	I Revenue from operations	21,933.5	19,334.7	18,779.1	41,268.2	40,794.4	83,780.8
II Other income	681.1	239.6	395.6	920.7	1,011.2	1,597.3	II Other income	608.2	194.4	387.0	802.6	846.6	1,078.0
III Total income (I+II)	39,355.2	35,244.8	35,626.4	74,600.0	72,737.7	142,637.4	III Total income (I+II)	22,541.7	19,529.1	19,166.1	42,070.8	41,641.0	84,858.8
IV Expenses							IV Expenses						
Cost of materials consumed	41.8	39.2	50.0	81.0	76.2	176.5	Cost of materials consumed	10.0	4.4	(0.0)	14.4	7.9	10.5
Purchase of stock-in-trade	(0.0)	97.5	(0.1)	97.5	0.6	156.2	Purchases of stock-in-trade	658.7	650.7	262.5	1,309.4	2,845.8	3,904.9
Carriage sharing, pay channel and related costs	17,876.1	16,445.8	16,760.1	34,321.9	32,365.6	63,790.2	Carriage sharing, pay channel and related costs	10,830.2	9,784.4	10,623.6	20,614.6	20,421.7	39,908.1
Employee benefits expense	2,148.3	2,041.3	2,274.7	4,189.6	4,619.3	9,049.4	Employee benefits expense	1,377.5	1,434.4	1,592.2	2,811.9	3,401.0	6,446.2
Finance costs	4,038.5	4,453.6	3,714.9	8,492.1	7,025.2	13,954.9	Finance costs	3,649.0	3,691.4	3,068.2	7,340.4	6,180.7	12,734.6
Depreciation and amortisation expense	9,243.8	8,884.3	7,921.1	18,128.1	15,181.2	32,617.0	Depreciation and amortisation expenses	5,231.4	5,005.7	4,445.3	10,237.1	8,477.4	18,301.5
Other expenses	10,591.1	8,710.2	9,428.6	19,301.3	17,846.4	37,013.1	Other expenses	5,756.9	4,946.8	5,985.9	10,703.7	10,934.1	23,642.7
Total expenses (IV)	43,939.6	40,671.9	40,149.3	84,611.5	77,114.5	156,757.3	Total expenses (IV)	27,513.7	25,517.8	25,977.7	53,031.5	52,268.6	104,948.5
V Loss for the period before tax and share of (loss)/profit in associates and joint ventures and exceptional items(III-IV)	(4,584.4)	(5,427.1)	(4,522.9)	(10,011.5)	(4,376.8)	(14,119.9)	V Loss before exceptional items and tax (III-IV)	(4,972.0)	(5,988.7)	(6,811.6)	(10,960.7)	(10,627.6)	(20,089.7)
VI Share of profit/(loss) of associates and joint ventures	29.6	(37.7)	(92.0)	(8.1)	(80.6)	(58.0)	VI Exceptional items	-	(630.9)	(468.0)	(630.9)	(468.0)	(468.0)
VII Loss before exceptional items and tax (V+VI)	(4,554.8)	(5,464.8)	(4,614.9)	(10,019.6)	(4,457.4)	(14,177.9)	VII Loss before tax (V-VI)	(4,972.0)	(6,619.6)	(7,279.6)	(11,591.6)	(11,095.6)	(20,557.7)
VIII Exceptional items	-	(250.7)	(468.0)	(250.7)	(468.0)	(1,634.1)	Current Tax	-	-	0.1	-	0.1	-
IX Loss before tax expenses (VII-VIII)	(4,554.8)	(5,715.5)	(5,082.9)	(10,270.3)	(4,925.4)	(15,812.0)	VIII Total tax expense	-	-	0.1	-	0.1	-
Tax expense							IX Loss for the period (VII-VIII)	(4,972.0)	(6,619.6)	(7,279.7)	(11,591.6)	(11,095.7)	(20,557.7)
Current Tax	408.2	249.5	1,014.3	657.7	2,728.1	727.8	X Other comprehensive income:						
Deferred Tax	(172.8)	(262.0)	(854.7)	(434.8)	(897.8)	449.9	Items that will not be reclassified to profit or loss	4.3	4.3	(3.3)	8.6	(6.6)	17.3
X Total tax expense	235.4	(12.5)	159.6	222.9	1,830.3	1,177.7	XI Total comprehensive income	(4,967.7)	(6,615.3)	(7,283.0)	(11,583.0)	(11,102.3)	(20,540.4)
XI Loss for the period (IX-X)	(4,790.2)	(5,703.0)	(5,242.5)	(10,493.2)	(6,755.7)	(16,989.7)	XII 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	8,720.5
XII Other comprehensive income:							XIII Earnings per share (of ₹ 1/- each) (not annualised)						
Items that will not be reclassified to profit or loss	7.4	7.3	(5.7)	14.7	(11.3)	39.1	a) Basic	(0.6)	(0.8)	(0.8)	(1.3)	(1.3)	(2.4)
Total comprehensive income for the period (including non-controlling interest)	(4,782.8)	(5,695.7)	(5,248.2)	(10,478.5)	(6,767.0)	(16,950.6)	b) Diluted	(0.6)	(0.8)	(0.8)	(1.3)	(1.3)	(2.4)
Net (loss)/income attributable to:													
A Owners of the parent	(4,984.4)	(5,988.5)	(6,566.4)	(10,972.9)	(9,464.8)	(19,385.7)							
B Non-controlling interest	194.2	285.5	1,323.1	479.7	2,709.1	2,396.0							
Other comprehensive (loss)/income attributable to:													
A Owners of the parent	6.2	6.1	(6.6)	12.3	(11.3)	36.2							
B Non-controlling interest	1.2	1.2	0.9	2.4	-	2.9							
Total comprehensive income attributable to:													
A Owners of the parent	(4,978.2)	(5,982.4)	(6,573.0)	(10,960.6)	(9,476.1)	(19,349.5)							
B Non-controlling interest	195.4	286.7	1,324.0	482.1	2,709.1	2,398.9							
XIII 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	8,720.5							
XIV Earnings per share (of ₹ 1/- each) (not annualised)													
a) Basic	(0.5)	(0.7)	(0.6)	(1.2)	(0.8)	(1.9)							
b) Diluted	(0.5)	(0.7)	(0.6)	(1.2)	(0.8)	(1.9)							

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Consolidated and Standalone Statement of Assets and Liabilities					(₹ in lacs)
Particulars	Consolidated		Standalone		
	September 30, 2018 Unaudited	March 31, 2018 Audited	September 30, 2018 Unaudited	March 31, 2018 Audited	
<b>A. Assets</b>					
<b>1. Non-current assets</b>					
(a) Property, plant and equipment	162,738.6	164,939.1	84,537.8	85,524.0	
(b) Capital work-in-progress	10,644.5	14,589.7	6,137.0	8,182.5	
(c) Investment property	6,638.5	6,692.1	-	-	
(d) Goodwill	5,193.8	5,404.5	-	-	
(e) Other intangible assets	25,624.4	26,015.8	14,514.2	13,760.3	
(f) Intangible assets under development	509.2	733.7	509.2	733.7	
(g) Investments in joint ventures and associates	503.6	471.7	-	-	
(h) Financial assets					
(i) Investments	-	-	35,208.4	35,207.3	
(ii) Others	6,759.9	7,829.7	6,134.6	7,209.0	
(i) Deferred tax assets (net)	105.2	104.3	-	-	
(j) Other non-current assets	1,474.4	1,590.9	723.4	842.5	
<b>Sub-total of Non-current assets</b>	<b>220,192.1</b>	<b>228,371.5</b>	<b>147,764.6</b>	<b>151,459.3</b>	
<b>2. Current assets</b>					
(a) Inventories	369.8	1,452.5	108.8	148.4	
(b) Financial assets					
(i) Trade receivables	42,461.7	36,876.2	48,639.1	51,816.0	
(ii) Cash and cash equivalents	9,497.3	9,353.1	3,477.0	3,111.6	
(iii) Bank balances other than (ii) above	541.2	3,255.2	-	-	
(iv) Others	13,252.3	10,066.6	12,338.2	8,215.6	
(c) Current tax assets	-	564.9	-	-	
(d) Other current assets	18,810.0	19,088.5	14,219.5	14,966.5	
<b>Sub-total of Current assets</b>	<b>84,932.3</b>	<b>80,657.0</b>	<b>78,782.6</b>	<b>78,258.1</b>	
<b>Total assets</b>	<b>305,124.4</b>	<b>309,028.5</b>	<b>226,547.2</b>	<b>229,717.4</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	
(b) Other equity	26,606.9	25,572.9	18,823.9	23,214.8	
(c) Non-controlling interests	12,714.8	11,603.3	-	-	
<b>Sub-total - Equity</b>	<b>48,048.4</b>	<b>45,902.9</b>	<b>27,550.6</b>	<b>31,941.5</b>	
<b>Liabilities</b>					
<b>1. Non-current liabilities</b>					
(a) Financial liabilities					
(i) Long-term borrowings	51,531.4	59,719.4	46,493.9	50,120.4	
(ii) Other financial liabilities	28,562.8	19,926.5	7,893.7	12,477.0	
(b) Provisions	863.3	754.6	527.8	447.4	
(c) Deferred tax liability (net)	1,900.7	1,241.8	-	-	
(d) Other non-current liabilities	2,916.3	11,895.3	6,103.3	4,437.3	
<b>Sub-total - Non-current liabilities</b>	<b>85,774.5</b>	<b>93,537.6</b>	<b>61,018.7</b>	<b>67,482.1</b>	
<b>2. Current liabilities</b>					
(a) Financial liabilities					
(i) Borrowings	17,809.5	15,660.6	17,182.8	14,924.9	
(ii) Trade payables					
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	
Total outstanding dues of creditors other than micro enterprises and small enterprises	62,168.8	52,559.5	42,664.3	35,661.7	
(iii) Other financial liabilities	80,779.3	83,731.2	73,490.2	70,394.0	
(b) Provisions	123.6	121.8	21.5	18.1	
(c) Other current liabilities	10,219.3	17,515.4	4,619.1	9,295.1	
(d) Current tax liability	201.0	-	-	-	
<b>Sub-total of current liabilities</b>	<b>171,301.5</b>	<b>169,588.5</b>	<b>137,977.9</b>	<b>130,293.8</b>	
<b>Total equity and liabilities</b>	<b>305,124.4</b>	<b>309,028.5</b>	<b>226,547.2</b>	<b>229,717.4</b>	

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## SITI NETWORKS LIMITED

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



### 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 October 31, 2018.
- 3 This statement of standalone and consolidated financial results for the quarter and six months ended September 30, 2018 has been prepared in accordance with applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 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 and six months ended September 30, 2018, as prepared by the management of the Company.
- 5 The digitisation of cable networks has been implemented in Phase 1 and 2 cities starting from November 1, 2012 onwards and Phase 3 and 4 cities were to be digitised by January 31, 2017 and March 31, 2017 respectively, as per the extended timelines. Owing to the initial delays in implementation of DAS, all the Multi- System Operators (MSOs) are in transition from analogue regime to DAS and are in the process of implementation of revenue sharing contracts with the local cable operators (LCOs). Accordingly, the Company and the Group has invoiced certain LCOs and recognised subscription revenue in the quarter and six months ended September 30, 2018 and the comparative periods presented based on certain estimates (net basis) derived from market trends and ongoing discussion with the LCOs. Management is of the view that the execution/implementation of such contracts will not have a significant impact on these financial results.
- 6 The Company continued to incur losses during the quarter and six months ended September 30, 2018, but in view of the present positive net worth, expected substantial subscription revenue growth by the management and continued financial support from a stakeholder of the Company, the financial results for the quarter and six months ended September 30, 2018 continue to be prepared on a going concern basis.
- 7 During the six months period ended September 30, 2018, Variety Entertainment Private Limited (wholly owned subsidiary of the Company) had 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.
- 8 During the six months period ended September 30, 2018, the Company had divested its 51% shareholding (10,409 shares of face value ₹ 10 each) in a subsidiary company namely, Siti Bhatia Networks Entertainment Private Limited ('Siti Bhatia') for a consideration of ₹ 11 lacs pursuant to which, the Group has realised profit on disposal of the investment amounting to ₹ 380.2 lacs which has been disclosed as exceptional item in consolidated financial results. Thereby, from the date of closure of this divestment and settlement arrangement, Siti Bhatia and Siti Chhattisgarh Multimedia Private Limited (associate of Siti Bhatia) cease to part of the Group.  
The exceptional item in the standalone and consolidated financial results for the period ended September 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.
- 9 Exceptional item in the standalone and consolidated financial results for the quarter, six months period ended September 30, 2017 and year ended March 31, 2018 includes amount incurred towards settlement as a one time cost towards restructuring of the operations to improve efficiencies.
- 10 The subsidiary companies had recognised certain receivables in the prior years pertaining to billings done on estimation (net) basis. During the financial year ended March 31, 2018, the subsidiary companies had reached further negotiations with the customers and had accordingly written off such old receivables based on management estimates, which have also been disclosed as exceptional item in the consolidated financial results for the year ended March 31, 2018.
- 11 During the period ended September 30, 2018, the Company had formed a subsidiary namely, SITI Networks India LLP.

Place : Gurugram

Date : October 31, 2018

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IDENTIFICATIO  
PURPOSE ONLY

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

Executive Director

# 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 Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

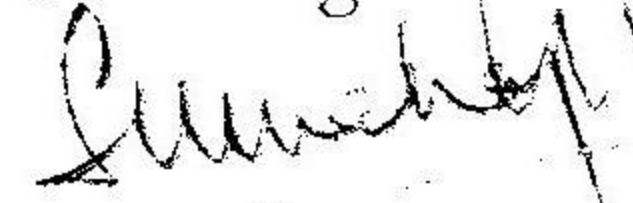
### **To the Board of Directors of SITI Networks Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results ("Statement") of SITI Networks Limited ("the Company") for the quarter ended 30 September 2018 and the year to date results for the period 01 April 2018 to 30 September 2018, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, and other recognised accounting practices and policies 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, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013

  
- **Sumit Mahajan**

Partner

Membership No.: 504822

Place: Gurugram

Date: 31 October 2018

Chartered Accountants

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

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

# 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 Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

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

1. We have reviewed the accompanying statement of unaudited consolidated financial results ("Statement") of SITI Networks Limited ("the Company"), its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), its associates and joint ventures (Refer Annexure 1 for the list of subsidiaries, associates and joint ventures included in the Statement) for the quarter ended 30 September 2018 and the consolidated year to date results for the period 01 April 2018 to 30 September 2018, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRIE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above and upon consideration of the review reports of the other auditors, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, and other recognised accounting practices and policies 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, including the manner in which it is to be disclosed, or that it contains any material misstatement.

# Walker Chandiook & Co LLP

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

### 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 (w.e.f. 07 May 2018)
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. Axom Communications & Cable Private Limited
22. SITI Godaari Digital Services Private Limited
23. Indinet Service Private Limited
24. Siti Karnal Digital Media Network Private Limited
25. Siti Bhatia Network Entertainment Private Limited (till 14 June 2018)

##### Joint Ventures

1. Wire And Wireless Tisai Satellite Limited
2. C&S Medianet Private Limited

##### Associates


1. Voice Snap Services Private Limited
2. Siti Chattisgarh Multimedia Private Limited (till 14 June 2018)

# Walker Chandiook & Co LLP

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

4. We did not review the financial results of nineteen subsidiaries included in the Statement whose financial results reflect total revenues of ₹ 18,069.8 lacs and ₹ 35,199.8 lacs for the quarter and six month ended 30 September 2018 respectively, net loss (including other comprehensive income) of ₹ 210.7 lacs for the quarter ended 30 September 2018 and net profit (including other comprehensive income) of ₹ 127.8 lacs for six month ended 30 September 2018, total assets of ₹ 146,407.8 lacs and net assets of ₹ 43,844.3 lacs as at quarter ended 30 September 2018. The Statement also includes the Group's share of net profit (including other comprehensive income) of ₹ 28.6 lacs for the quarter ended 30 September 2018 and net loss of ₹ 8.0 lacs for six month ended 30 September 2018, as considered in the Statement, in respect of an associate and two joint ventures, whose financial results have not been reviewed by us. These financial results have been reviewed by other auditors whose review reports have been furnished to us by the management and our report in respect thereof is based solely on the review reports of such other auditors. Our review report is not modified in respect of this matter.
5. We did not review the financial results of six subsidiaries included in the Statement whose financial results reflect total revenues of ₹ 1,950.7 lacs and ₹ 3,656.5 lacs for the quarter and six month ended 30 September 2018 and net profit (including other comprehensive income) of ₹ 273.7 lacs and ₹ 268.4 lacs for the quarter and six month ended 30 September 2018, total assets of ₹ 22,794.3 lacs and net assets of (₹ 410.5) lacs as at quarter ended 30 September 2018. The Statement also includes the Group's share of net loss (including other comprehensive income) of ₹ 1.15 lacs and ₹ 2.17 for the quarter and six month ended 30 September 2018, as considered in the Statement, in respect of an associate, whose financial results have not been reviewed by us. These financial results have not been reviewed and have been furnished to us by the management and our report in respect thereof is based solely on such management prepared unreviewed financial results. Our review report 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

**Place:** Gurugram  
**Date:** 31 October 2018



## SITI NETWORKS LIMITED

- SITI Networks declares superlative growth on quarterly and y-o-y basis
- Operating EBITDA leaps 2.52x y-o-y to Rs.682 Mn
- Operating EBITDA Margins jumps 2.1x y-o-y to 18.2%
- Subscription Revenue surges 24%y-o-y to Rs.2548 Mn
- Digital Subscriber ARPU leaps ~19%
- Subscription Collection Efficiency surpasses 95% in Q2FY19
- SITI adds 3 Lakh new Digital subscribers in Q2FY19; Active Digital Subscriber base reaches 11.75 Mn
- SITI PlayTop Hybrid STB Launched; Partnered with Paytm for Digital Payments

### *SITI Networks Limited announces consolidated Ind-AS results for the second quarter ended September 30, 2018*

New Delhi. 31<sup>st</sup> October 2018. **SITI Networks Limited** (BSE: 532795, NSE: SITINET), an Essel Group company, with 55Mn+ consumers and presence across 580+ locations in India, has released its Consolidated Financial Results for Q2FY19, ending September 30, 2018, showcasing superlative growth across all metrics, both quarterly and year-on-year.

SITI's **Operating EBITDA grew 2.52x** over second quarter of last fiscal, a 24% quarterly growth, and the highest in last 10 quarters to **Rs. 682 Mn**. SITI's **Operating EBITDA Margin also expanded by 2.1x to 18.2%** in Q2FY19.

Subscription revenue surged ~ **1.25x to Rs. 2,548 Mn** in Q2FY19, aided by the strong growth in Digital Subscription ARPU, which **leapt 19%**. This ARPU growth is across DAS phases, with SITI's strong presence in Phase 3 and 4 showing **27% and 43% growth** respectively.

On quarterly basis, SITI has demonstrated a significant growth on all the financial metrics. Operating EBITDA has jumped by **1.24x** while Operating Margins expanded **150 bps** over the previous quarter. Subscription Revenue registered a sharp growth of **~19%** sequentially over the last quarter. With consistent focus on last mile operations, SITI achieved **subscription collection efficiency of 95%**.

In the quarter ending September 2018, SITI continued its new customer acquisitions by adding **3 lakh new Digital Subscribers**, with current **Active Subscriber base at 11.75 Mn**.

SITI has launched **PlayTop**, its 1<sup>st</sup> Hybrid Set Top Box, in line with its "Customer First" strategy. SITI will be introducing a range of innovative converged offerings over the coming quarters.



**SITI announced its partnership with Paytm**, India's largest digital payment company to provide **multiple digital payment options** to its customers and attractive cashback benefits in select areas. SITI Networks' has also made Paytm's **digital payment facility available to its 24,000+ distribution partners** across the country who can make online payments through various modes on the SITI Networks website.

Hon'ble Supreme Court has paved way for the introduction of the new tariff order. Provisions of the order are aimed to increase transparency, and create a level playing field. In preparation for successful implementation of the Tariff Order, SITI has been working on Smart Tiered Packaging and has undertaken **significant technological and process enhancements** while ensuring **training and education for all stakeholders**.

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

*“SITI Q2FY19 performance has been strong and phenomenal with all round growth across all operational metrics. 2.52x growth in Operating EBITDA and 2.1x expansion in the margins is a testament to strong operational focus of the team. SITI's Digital Subscriber ARPU went up by 19% and Subscription Collection efficiency improved to 95% in this quarter. This ARPU leap has been broad-based across the country to ensure consistent growth in Subscription Income in the coming quarters.*

*SITI has always been the leader in innovation for its customers and partners. This quarter, we launched SITI PlayTop, our 1st Hybrid Set Top Box. This has been received extremely well by our customers and partners, and we intend to roll out more such boxes over the coming quarters. Taking our Customer First commitment ahead, SITI has partnered with Paytm to bring multitude of digital payment solutions for our customers. We are working with various partners across the spectrum to bring benefits of convergence to our customers.*

*New Tariff order enables customers to subscribe channels of their choice and brings pricing parity across various platforms. This is very positive move for the long term ARPU growth of the ecosystem. SITI is fully prepared to implement the Tariff Order and well aligned to drive EBITDA and Margins expansion based on our Profitable Growth Strategy.”*



## About SITI Networks Limited

SITI Networks Limited (Formerly known as "SITI Cable Network 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 12 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, reaching out to over 55 Mn viewers.

SITI Networks 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.

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# Conference Call

On the 1<sup>st</sup> November 2018 for the Q2FY19 Results



## **SITI Networks Limited**

On 31<sup>st</sup> October 2018, SITI Networks Limited (BSE: 532795, NSE: SITINET EQ) is due to announce its Financial Results for the Second quarter of Fiscal Year 2019.

After the conclusion of the Board Meeting and duly informing the Stock Exchanges the results would be made available on the Company's website: [www.sitinetworks.com](http://www.sitinetworks.com)

To discuss the performance of the Company, a conference call has been scheduled on 1<sup>st</sup> November 2018

*We take pleasure in inviting you to a discussion with the Senior Management of SITI Networks*

We invite you to join the call and look forward to your participation. Early registration is encouraged. The operator will provide instructions on asking the question before and during the call.

Best Regards,

**Ankit Saint**

**Date:** 1<sup>st</sup> November 2018

**Time:** 02:00 PM (India Time); 04:30 PM (HK/SG Time)

**Call Leader:** Ankit Saint

### **Call in Numbers (India):**

Primary Access Toll Number: +91 22 6280 1268

Secondary Access Toll Number: +91 22 7115 8169

### **Toll Free Call-in Numbers (International):**

- USA - 18667462133
- UK - 08081011573
- Singapore - 8001012045
- Hong Kong - 800964448

### **Conference Code:**

Please ask the operator for the "SITI NETWORKS" result call.