

**SITI Networks Limited**

(Formerly known as SITI Cable Network Limited)  
4th Floor, FC-19 & 20, Sector 16 A, Film City  
Noida, Uttar Pradesh - 201301, India

Tel. : +91-120-4526700

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

Regd. Office shifted to  
'Unit No. 38, 1st Floor, A Wing,  
Madhu Industrial Estate,  
P. B. Marg, Worli, Mumbai-400 013'



**May 17, 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**

Dear Sir,

**Subject : Outcome of the Board Meeting - May 17, 2018**

Pursuant to applicable Regulations of Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 including Regulation 30, this is to inform you that the Board of Directors of the Company at their meeting held today i.e. on May 17, 2018, has *inter-alia*, approved the Audited Balance Sheet as at March 31, 2018 and the Statement of Profit and Loss of the Company for FY 2017-18 – both on Standalone and Consolidated basis prepared under Ind-AS, for the Financial year ended on that date.

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

1. Declaration pursuant to Regulation 33(3)(d) of the Listing Regulations, as amended, confirming that the Statutory Auditors of the Company M/s Walker Chandiook & Co LLP, Chartered Accountants have issued Audit Report with unmodified opinion on the Audited Financial Results of the Company both on Standalone and Consolidated basis for the financial year ended March 31, 2018
2. Audited Financial Statements for the 4<sup>th</sup> quarter and financial year ended March 31, 2018 as per Regulation 33 of the Listing Regulations along with the reports thereon issued by the Statutory Auditor on the standalone and consolidated financials;


3. Earning Release in connection with the Audited Financials for the 4<sup>th</sup> quarter and financial year ended March 31, 2018;

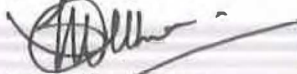
Please note that a conference call to discuss the performance of the Company has been scheduled at 6:00 p.m. today. Details of such calls have been uploaded on the website of the Company.

You are requested to kindly take the above on record.

Thanking you

Yours truly

For Siti Networks Limited  
(Formerly known as Siti Cable Networks Limited)



Suresh Kumar  
Company Secretary and Compliance Officer  
Membership No. A 14390



**SITI Networks Limited**

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**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**

Dear Sir,

**Subject : Declaration containing issuance of Audit Reports with 'Unmodified Opinion' on the Standalone and Consolidated Financial Statements of Siti Networks Limited for the financial year ended March 31, 2018**

Pursuant to Regulation 33(3)(d) of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, as amended, we hereby declare and confirm that the Statutory Auditor of the Company M/s Walker Chandiook & Co LLP, Chartered Accountants have issued their Audit Reports with Unmodified opinion on the Standalone and Consolidated Financial Results of the Company for the financial year ended March 31, 2018.

You are requested to kindly take the above on record.

Thanking you

Yours truly  
For Siti Networks Limited  
(Formerly known as Siti Cable Networks Limited)

  
Sanjay Berry  
Chief Financial Officer



**AUDITED FINANCIAL RESULTS (CONSOLIDATED)**

Part - I Statement of Consolidated audited results for the quarter and year ended March 31, 2018	(₹ in lacs)			
	Quarter ended March 31, 2018 (Audited) (refer note 4)	Quarter ended December 31, 2017 (Unaudited)	Quarter ended March 31, 2017 (Unaudited)	Year ended March 31, 2017 (Audited)
<b>I</b> Revenue from operations	33,568.0	35,745.6	32,551.8	119,491.6
<b>II</b> Other income	135.4	739.0	1,152.8	2,588.5
<b>III</b> Total income (I+II)	<b>33,703.4</b>	<b>36,484.6</b>	<b>33,704.6</b>	<b>122,080.1</b>
<b>IV</b> Expenses				
Cost of materials consumed	61.1	39.1	165.6	171.7
Purchase of stock-in-trade	56.8	98.9	490.2	1,450.0
Carriage sharing, pay channel and related costs	14,363.0	17,061.6	16,089.1	59,713.3
Employee benefits expense	2,179.7	2,250.4	2,439.7	8,329.0
Finance costs	3,803.4	3,126.2	3,380.2	12,744.7
Depreciation and amortisation expense	9,079.8	8,356.0	6,672.7	24,118.2
Other expenses	10,175.9	9,278.9	7,571.2	29,546.7
<b>Total expenses (IV)</b>	<b>39,719.7</b>	<b>40,211.1</b>	<b>36,808.7</b>	<b>136,073.6</b>
<b>V</b> Loss for the period before tax and share of (loss)/profit in associates and joint ventures and exceptional Items(III-IV)	<b>(6,016.3)</b>	<b>(3,726.5)</b>	<b>(3,104.1)</b>	<b>(13,993.5)</b>
<b>VI</b> Share of (loss)/profit of associates and joint ventures	39.0	(16.4)	(12.1)	20.4
<b>VII</b> Loss before exceptional items and tax (V+VI)	<b>(5,977.3)</b>	<b>(3,742.9)</b>	<b>(3,116.2)</b>	<b>(13,973.1)</b>
<b>VIII</b> Exceptional items	1,166.1	-	2,023.6	2,023.6
<b>IX</b> Loss before tax expenses (VII-VIII)	<b>(7,143.4)</b>	<b>(3,742.9)</b>	<b>(5,139.8)</b>	<b>(15,996.7)</b>
<b>X</b> Tax expense	(2,401.0)	400.7	1,351.9	1,035.5
Current Tax	2,281.6	(934.0)	449.9	890.9
Deferred Tax	(119.4)	(533.3)	1,177.7	1,926.4
<b>Total tax expense</b>	<b>(7,024.0)</b>	<b>(3,209.6)</b>	<b>(6,491.7)</b>	<b>(17,923.1)</b>
<b>XI</b> Loss for the period (IX-X)	56.0	(5.7)	20.1	22.5
<b>XII</b> Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Total comprehensive income for the period (including non-controlling interest)	<b>(6,968.0)</b>	<b>(3,215.3)</b>	<b>(6,471.6)</b>	<b>(17,900.6)</b>
Net (loss)/income attributable to:				
A Owners of the parent	(6,219.0)	(3,701.9)	(6,167.8)	(18,852.9)
B Non-controlling interest	(805.1)	492.0	(323.8)	929.8
<b>Other comprehensive (loss)/income attributable to:</b>				
A Owners of the parent	53.2	(5.7)	12.1	13.5
B Non-controlling interest	2.9	-	8.0	9.0
<b>Total comprehensive income attributable to:</b>				
A Owners of the parent	(6,165.8)	(3,707.6)	(6,155.7)	(18,839.4)
B Non-controlling interest	(802.2)	492.0	(315.9)	938.8
<b>XIV</b> Paid-up equity share capital (Face value ₹ 1/- per share)	8,721	8,721	8,721	8,721
<b>XV</b> Earnings per share (of ₹ 1/- each) (not annualised)				
a) Basic	(0.8)	(0.4)	(0.7)	(2.2)
b) Diluted	(0.8)	(0.4)	(0.7)	(2.2)

**AUDITED FINANCIAL RESULTS (STANDALONE)**

Part - I Statement of Standalone audited results for the quarter and year ended March 31, 2018	(₹ in lacs)			
	Quarter ended March 31, 2018 (Audited) (refer note 4)	Quarter ended December 31, 2017 (Unaudited)	Quarter ended March 31, 2017 (Unaudited)	Year ended March 31, 2017 (Audited)
<b>I</b> Revenue from operations	20,695.6	22,290.8	22,031.6	77,367.9
<b>II</b> Other income	102.7	384.2	600.1	1,627.9
<b>III</b> Total income (I+II)	<b>20,798.3</b>	<b>22,675.0</b>	<b>22,631.7</b>	<b>78,995.8</b>
<b>IV</b> Expenses				
Cost of materials consumed	0.4	2.2	0.4	6.4
Purchases of stock-in-trade	534.7	524.4	3,643.1	8,094.4
Carriage sharing, pay channel and related costs	8,356.8	11,129.5	9,286.1	38,086.2
Employee benefits expense	1,443.4	1,601.8	1,791.0	6,180.3
Finance costs	3,517.2	3,036.6	3,350.3	12,101.2
Depreciation and amortisation expense	5,169.3	4,654.9	3,799.6	18,301.5
Other expenses	7,393.0	5,571.1	4,793.6	23,642.7
<b>Total expenses (IV)</b>	<b>26,414.8</b>	<b>26,520.5</b>	<b>26,664.1</b>	<b>95,445.9</b>
<b>V</b> Loss before exceptional items and tax (III-IV)	<b>(5,616.5)</b>	<b>(3,845.5)</b>	<b>(4,032.4)</b>	<b>(16,450.1)</b>
<b>VI</b> Exceptional items	-	-	2,023.6	2,023.6
<b>VII</b> Loss before tax (V-VI)	<b>(5,616.5)</b>	<b>(3,845.5)</b>	<b>(6,056.0)</b>	<b>(18,473.7)</b>
<b>VIII</b> Current Tax	-	(0.1)	25.8	25.8
<b>IX</b> Total tax expense	-	(0.1)	25.8	25.8
<b>X</b> Loss for the period (VII-VIII)	<b>(5,616.5)</b>	<b>(3,845.4)</b>	<b>(6,081.8)</b>	<b>(18,499.5)</b>
<b>XI</b> Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Total comprehensive income	<b>(5,589.2)</b>	<b>(3,848.8)</b>	<b>(6,097.3)</b>	<b>(18,512.6)</b>
<b>XII</b> Paid-up equity share capital (Face value ₹ 1/- per share)	8,721	8,721	8,721	8,721
<b>XIII</b> Earnings per share (of ₹ 1/- each) (not annualised)				
a) Basic	(0.6)	(0.4)	(0.7)	(2.1)
b) Diluted	(0.6)	(0.4)	(0.7)	(2.1)

**SIGNED FOR IDENTIFICATION PURPOSE ONLY**





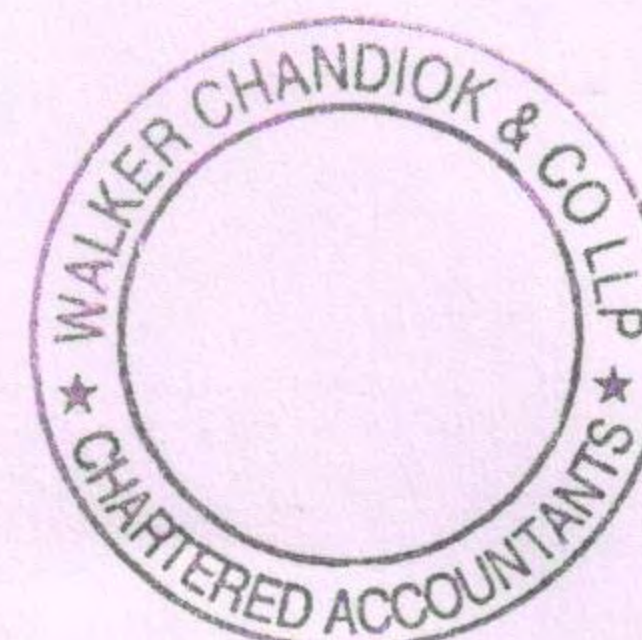
**SITI NETWORKS LIMITED (Formerly SITI Cable Network Limited)**  
Regd. Office: Madhu Industrial Estate, 4th Floor, P. B Marg, Worli, Mumbai 400013



Consolidated and Standalone Statement of Assets and Liabilities (₹ in lacs)				
Particulars	Consolidated		Standalone	
	31st Mar 2018 Audited	31st Mar 2017 Audited	31st Mar 2018 Audited	31st Mar 2017 Audited
<b>A. Assets</b>				
<b>1. Non-current assets</b>				
(a) Property, plant and equipment	164,939.1	140,433.0	85,524.0	77,092.3
(b) Capital work-in-progress	14,589.7	41,109.4	8,182.5	20,339.1
(c) Investment property	6,692.1	-	-	-
(c) Goodwill	5,404.5	5,825.8	-	-
(d) Other intangible assets	26,015.8	24,880.1	13,760.3	10,871.0
(e) Intangible assets under development	733.7	1,809.1	733.7	1,809.1
(f) Investments in joint ventures and associates	471.7	469.7	-	-
(g) Financial assets				
(i) Investments	-	-	35,207.3	38,934.2
(ii) Others	7,829.7	9,453.7	7,209.0	9,144.5
(h) Deferred tax assets (net)	104.3	58.8	-	-
(i) Other non-current assets	1,590.9	4,474.8	842.5	648.0
<b>Sub-total of Non-current assets</b>	<b>228,371.5</b>	<b>228,514.4</b>	<b>151,459.3</b>	<b>158,838.2</b>
<b>2. Current assets</b>				
(a) Inventories	1,452.5	929.3	148.4	793.9
(b) Financial assets				
(i) Trade receivables	36,876.2	36,314.0	51,816.0	52,003.4
(ii) Cash and cash equivalents	9,353.1	17,065.6	3,111.6	10,024.7
(ii) Bank balances other than iii above	3,255.2	-	-	-
(iv) Investments	0.0	44.0	0.0	44.0
(v) Others	10,066.6	14,664.2	8,215.6	11,925.0
(c) Current tax assets	564.9	460.0	-	-
(d) Other current assets	19,088.5	15,982.0	14,966.5	16,768.7
<b>Sub-total of Current assets</b>	<b>80,657.0</b>	<b>85,459.1</b>	<b>78,258.1</b>	<b>91,559.7</b>
<b>Total assets</b>	<b>309,028.5</b>	<b>313,973.5</b>	<b>229,717.4</b>	<b>250,397.9</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	25,572.9	45,006.1	23,214.8	43,848.0
(c) Non-controlling interests	11,603.3	9,204.4	-	-
<b>Sub-total - Equity</b>	<b>45,902.9</b>	<b>62,937.2</b>	<b>31,941.5</b>	<b>52,574.7</b>
<b>Liabilities</b>				
<b>1. Non-current liabilities</b>				
(a) Financial liabilities				
(i) Long-term borrowings	59,719.4	103,816.1	50,120.4	92,019.4
(ii) Other financial liabilities	19,926.5	19,785.7	12,477.0	19,827.3
(b) Provisions	754.6	784.5	447.4	507.0
(c) Deferred tax liability (net)	1,241.8	1,196.1	-	-
(d) Other non-current liabilities	11,895.3	12,188.6	4,437.3	4,269.0
<b>Sub-total - Non-current liabilities</b>	<b>93,537.6</b>	<b>137,771.0</b>	<b>67,482.1</b>	<b>116,622.7</b>
<b>2. Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	15,660.6	1,960.6	14,924.9	438.6
(ii) Trade payables	52,559.5	40,872.6	35,661.7	26,985.9
(iii) Other financial liabilities	83,731.2	51,185.0	70,394.0	44,769.5
(b) Provisions	121.8	1,617.9	18.1	13.4
(c) Other current liabilities	17,515.4	17,629.2	9,295.1	8,993.1
<b>Sub-total of current liabilities</b>	<b>169,588.5</b>	<b>113,265.3</b>	<b>130,293.8</b>	<b>81,200.5</b>
<b>Total equity and liabilities</b>	<b>309,028.5</b>	<b>313,973.5</b>	<b>229,717.4</b>	<b>250,397.9</b>

Place : Gurugram  
Date : May 17, 2018

**SIGNED FOR  
IDENTIFICATION  
PURPOSE ONLY**



**Notes:-**

- 1 SITI Networks Limited (formerly SITI Cable Network Limited) ('the Company' or 'the Holding Company') its subsidiaries, its associates and its joint venture (collectively referred to as 'the Group') predominantly operates 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 May 17, 2018.
- 3 This statement of standalone and consolidated financial results for quarter and year ended March 31, 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 Figures for the standalone and consolidated financial results for the quarter ended March 31, 2018 are the balancing figures between audited figures of the financial year ended March 31, 2018 and the published year to date figures upto the third quarter of the financial year. Also, the figures of financial results upto the end of the third quarter were only reviewed and not subjected to audit.
- 5 The Statutory Auditors have carried out audit of the standalone and consolidated financial results as at and for the year ended March 31, 2018, as prepared by the management of the Company.
- 6 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 year ended March 31, 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 the subscription revenue recognised.
- 7 The Company continued to incur losses during the quarter and year ended March 31, 2018, but in view of the present positive net worth, expected substantial subscription revenue growth by the management and continued financial support from certain stakeholders of the Company, the financial results for the quarter and year ended March 31, 2018 continue to be prepared on a going concern basis.
- 8 The Audit Committee and Board of Directors noted the utilisation of unutilised proceeds of preferential allotment of Warrants for the year ended March 31, 2018, which was in line with utilisation schedule approved by the Board. of Directors. Out of the unutilised proceeds of ₹ 4,771 lacs as on March 31, 2017, the unutilised amount as on March 31, 2018 was ₹ Nil.
- 9 As referred in note 6 above, the subsidiary companies had recognised certain receivables in 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's best estimates, which have been disclosed as exceptional item in the consolidated financial results for the year ended March 31, 2018.
- 10 Exceptional item in the standalone financials results for the year ended March 31, 2018 represents amount incurred towards settlement as a one time cost towards restructuring of the operations to improve efficiencies.

**SIGNED FOR  
IDENTIFICATION  
PURPOSE ONLY**

Place : Gurugram

Date : May 17, 2018

**For and on behalf of the Board of Directors of  
SITI Networks Limited (Formerly SITI Cable Network Limited)**  
**Independent Director**

# Walker Chandiook & Co LLP

**Walker Chandiook & Co LLP**  
(Formerly Walker, Chandiook & Co)  
7th Floor, Plot No. 19A,  
Sector 16A, Noida 201301  
India

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## **Independent Auditor's Report on Standalone Financial 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 (formerly SITI Cable Network Limited)**

1. We have audited the standalone financial results of SITI Networks Limited (formerly SITI Cable Network Limited) ('the Company') for the year ended 31 March 2018, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to Note 4 to the standalone financial results regarding the figures for the quarter ended 31 March 2018 as reported in these standalone financial results, which are the balancing figures between audited standalone figures in respect of the full financial year and the published standalone year to date figures up to the end of the third quarter of the financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit. These standalone financial results are based on the standalone financial statements for the year ended 31 March 2018 prepared in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 ('the Act') and published standalone year to date figures up to the end of the third quarter of the financial year prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, Interim Financial Reporting, specified under Section 133 of the Act, and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these standalone financial results based on our audit of the standalone financial statements for the year ended 31 March 2018 and our review of standalone financial results for the nine months period ended 31 December 2017.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.



# Walker Chandiook & Co LLP

3. In our opinion and to the best of our information and according to the explanations given to us, the standalone financial results:
- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016 in this regard; and
  - (ii) give a true and fair view of the standalone net loss (including other comprehensive income) and other financial information in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act for the year ended 31 March 2018.

*Walker Chandiook & Co LLP*

**For Walker Chandiook & Co LLP**

Chartered Accountants

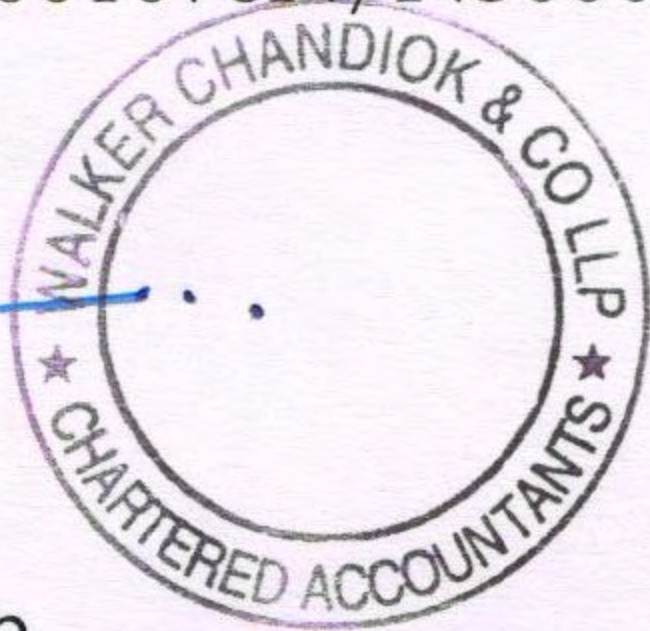
Firm Registration No.: 001076N/N500013

*Sumit Mahajan*

per **Sumit Mahajan**

Partner

Membership No. 504822



**Place:** Gurugram

**Date:** 17 May 2018



# Walker Chandiook & Co LLP

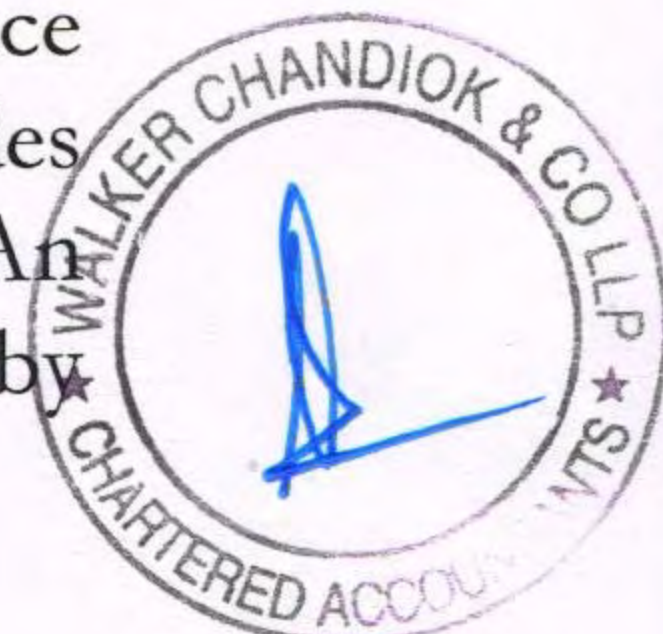
**Walker Chandiook & Co LLP**  
(Formerly Walker, Chandiook & Co)  
7th Floor, Plot No. 19A,  
Sector 16A, Noida 201301  
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## **Independent Auditor's Report on Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

### **To the Board of Directors of SITI Networks Limited (formerly SITI Cable Network Limited)**

1. We have audited the consolidated financial results of SITI Networks Limited (formerly SITI Cable Network 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 2018, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to Note 4 to the consolidated financial results regarding the figures for the quarter ended 31 March 2018 as reported in these consolidated financial results, which are the balancing figures between audited consolidated figures in respect of the full financial year and the published consolidated year to date figures up to the end of the third quarter of the financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit. These consolidated financial results are based on the consolidated financial statements for the year ended 31 March 2018 prepared in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 ('the Act') and published consolidated year to date figures up to the end of the third quarter of the financial year prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, Interim Financial Reporting, specified under Section 133 of the Act, and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, which are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of the consolidated financial statements for the year ended 31 March 2018 and our review of consolidated financial results for the nine months period ended 31 December 2017.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.



# Walker Chandiook & Co LLP

3. 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 financial results and on other financial information of the subsidiaries, associates and joint ventures, the consolidated financial results:

(i) include the financial results for the year ended 31 March 2018, of the following entities:

## Subsidiaries:

- a. Central Bombay Cable Network Limited
- b. Indian Cable Net Company Limited
- c. Master Channel Community Network Private Limited
- d. Siti Bhatia Network Entertainment Private Limited
- e. Siti Broadband Services Private Limited
- f. Siti Faction Digital Private Limited
- g. Siti Global Private Limited
- h. Siti Guntur Digital Network Private Limited
- i. Siti Jai Maa Durgee Communications Private Limited
- j. Siti Jind Digital Media Communications Private Limited
- k. Siti Jony Digital Cable Network Private Limited
- l. Siti Krishna Digital Media Private Limited
- m. Siti Maurya Cable Net Private Limited
- n. Siti Prime Uttaranchal Communication Private Limited
- o. Siti Sagar Digital Cable Network Private Limited (formerly Panchsheel Digital Communication Network Private Limited)
- p. Siti Sai Star Digital Media Private Limited (formerly SaiStar Digital Media Private Limited)
- q. Siti Siri Digital Network Private Limited
- r. Siti Vision Digital Media Private Limited
- s. Siti Cable Broadband South Limited
- t. Variety Entertainment Private Limited
- u. Axom Communications & Cable Private Limited
- v. SITI Godaari Digital Services Private Limited (formerly Bargachh Digital Communication Network Private Limited)
- w. Indinet Service Private Limited
- x. Siti Karnal Digital Media Network Private Limited

## Associates:

- a. Siti Chhattisgarh Multimedia Private Limited (associate of a subsidiary)
- b. Voice Snap Services Private Limited (associate of a subsidiary)

## Joint ventures:

- a. C&S Medianet Private Limited
- b. Wire and Wireless Tisai Satellite Limited

(ii) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016 in this regard; and

(iii) give a true and fair view of the consolidated net loss (including other comprehensive income) and other financial information in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act for the year ended 31 March 2018.

# Walker Chandiook & Co LLP

4. We did not audit the financial statements of 19 subsidiaries, whose financial statements reflect total assets of ₹ 138,500.16 lacs and net assets of ₹ 38,374.01 lacs as at 31 March 2018, and total revenues of ₹ 67,982.85 lacs for the year ended on that date, as considered in the consolidated financial results. The consolidated financial results also include the Group's share of net loss (including other comprehensive income) of ₹ 47.10 lacs for the year ended 31 March 2018, as considered in the consolidated financial results, in respect of an associate and 2 joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures, and our report in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, in so far as it relates to the aforesaid subsidiaries, associates and joint ventures, are based solely on the reports of such other auditors.

Our opinion on the consolidated financial results 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.

5. We did not audit the financial statements of 5 subsidiaries whose financial statements reflect total assets of ₹ 18,273.75 lacs and net assets of ₹ (1,432.97) lacs as at 31 March 2018, and total revenues of ₹ 7,598.61 lacs for the year ended on that date, as considered in the consolidated financial results. The consolidated financial results also include the Group's share of net loss (including other comprehensive income) of ₹ 10.90 lacs for the year ended 31 March 2018, as considered in the consolidated financial results, in respect of an associate, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, in so far as it relates to the aforesaid subsidiaries and associate, are based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

Our opinion on the consolidated financial results is not modified in respect of this matter with respect to our reliance on the financial statements certified by the management.

*Walker Chandiook & Co LLP*

**For Walker Chandiook & Co LLP**

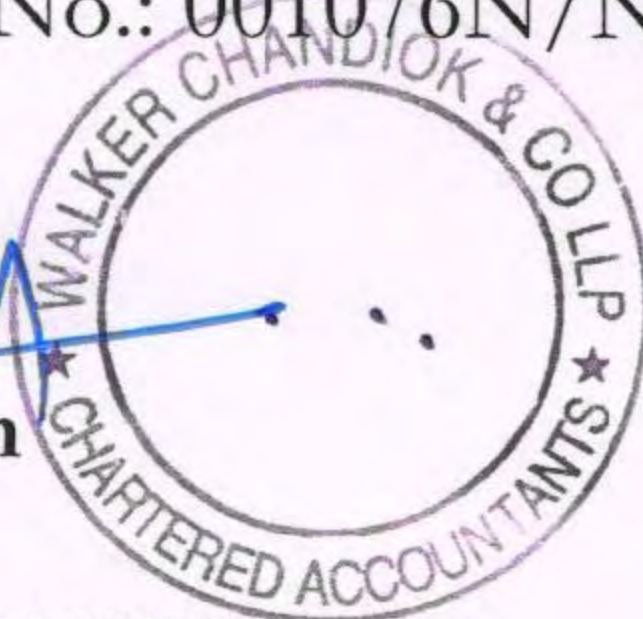
Chartered Accountants

Firm Registration No.: 001076N/N500013

*Sumit Mahajan*  
per **Sumit Mahajan**

Partner

Membership No. 504822



**Place:** Gurugram

**Date:** 17 May 2018

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## SITI NETWORKS LIMITED

- Full Year Consolidated Revenues at Rs 1426.4 Cr and EBITDA at Rs 324.5 Cr
- SITI crosses 11.5 Mn active digital subscriber base
- EBITDA jumps 2.6x from Rs 58.6 Cr to Rs 151 Cr
- EBITDA Margins leap 2.1x from 5.7% to 12%
- Subscription Revenue up 41% to Rs 800 Cr
- Collection efficiency surpasses 95%

**SITI Networks Limited announces consolidated Ind-AS results for the fourth quarter and full year ended March 31, 2018**

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New Delhi. 17<sup>th</sup> May 2018. **SITI Networks Limited** (BSE: 532795, NSE: SITINET), has released their audited Consolidated Financial Results for the Fourth Quarter and Full Year, ending March 31, 2018.

The Company announced a **2.6 times YoY Operating EBITDA growth** in FY18 to Rs 151 Cr while the **Operating EBITDA Margin** expanded by 636 bps, growing **2.1 times**.

**Subscription Revenue took a significant leap of 41% in FY18 to Rs 800 Cr driving Total Revenue growth of 19% YoY to Rs 1426 Cr.** This along-with focus on cost efficiencies, led to **Total EBITDA growing by 42% YoY to Rs 325 Cr.** The Company has also **accelerated its overall collection efficiency surpassing 95% in Q4FY18.**

The Company added **industry leading 3.1 Mn Digital Cable households in FY18** taking active digital subscriber base to **11.5 Mn.**

In Q4FY18, **Operating EBITDA Margins significantly expanded by 900 bps YoY to 16.2%**, while **Operating EBITDA improved significantly by 145% YoY to Rs 51.5 Cr.**

As an effort to drive this high-performance culture across the organization, the company also rolled out **SITI Values**. These core values act as a guiding light and **focus on building a SITI ready for the future.**

The **base contribution of lock-in plans** in Broadband increased to **37%** exit FY18. The Company's **broadband operations with a total footprint to 16.8 lakh homes**, have a base of **2.5 lakh customers.** The company is working on building a growth strategy in the sector.

The Company has a **national footprint across 580+ locations** and ensures seamless delivery of content to its **~55 million consumers**. As testament to this and how it brings together families and friends, “**Zindagi Ka Network**”, SITI’s online and on-screen campaign launched in January 2018 received an overwhelming response from across the industry and Social Media.

While commenting on the results, **Mr. Rajesh Sethi, Chief Business Transformation Officer, SITI Networks Limited** mentioned –

*“We at SITI are proud of our performance for this past year as we enter FY19 with significant momentum. In FY18 we have achieved strong operational and financial results while also delivering superlative customer experience and must-see content to our ~55 Mn strong consumer base across the country. Our continued focus on Customer Experience drove exceptional EBITDA growth (2.6x) coupled with industry leading subscriber additions ( 3.1 Mn).*

*We continue to maintain our steady increase in customer additions, driving efficiencies through war on waste, balanced with solid EBITDA growth and expanding Margins. We continue to transform into a process driven organization with Customer experience at its heart.*

*As we achieve more from less, our year-over-year growth rates of Revenue and EBITDA continue to accelerate, which is a testament of our transformation efforts across SITI.”*

## **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 15 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.

# SITI Networks Limited

*Q4FY18 Investor Presentation*

# Disclaimer

Some of the statements made in this presentation are forward-looking statements and are based on the current beliefs, assumptions, expectations, estimates, objectives and projections of the directors and management of SITI Networks Limited (SITI Networks) about its business and the industry and markets in which it operates. These forward-looking statements include, without limitation, statements relating to revenues and earnings. The words “believe”, “anticipate”, “expect”, “estimate”, “intend”, “project” and similar expressions are also intended to identify forward looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond the control of the Company and are difficult to predict. Consequently, actual results could differ materially from those expressed or forecast in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, changes in the regulatory environment and other business and operational risks. SITI Networks does not undertake to update these forward-looking statements to reflect events or circumstances that may arise after publication.

# ZINDAGI <sup>KA</sup> NETWORK



Full Year Consolidated Revenues at **Rs 1426.4 Cr** and EBITDA at **Rs 324.5 Cr**

SITI crosses **11.5 Mn** active digital subscriber base

EBITDA jumps **2.6x** from Rs 58.6 Cr to **Rs 151 Cr**; EBITDA Margins leap **2.1x** from 5.7% to 12%

Subscription Revenue up **41%** to **Rs 800 Cr**

Collection efficiency surpasses **95%**



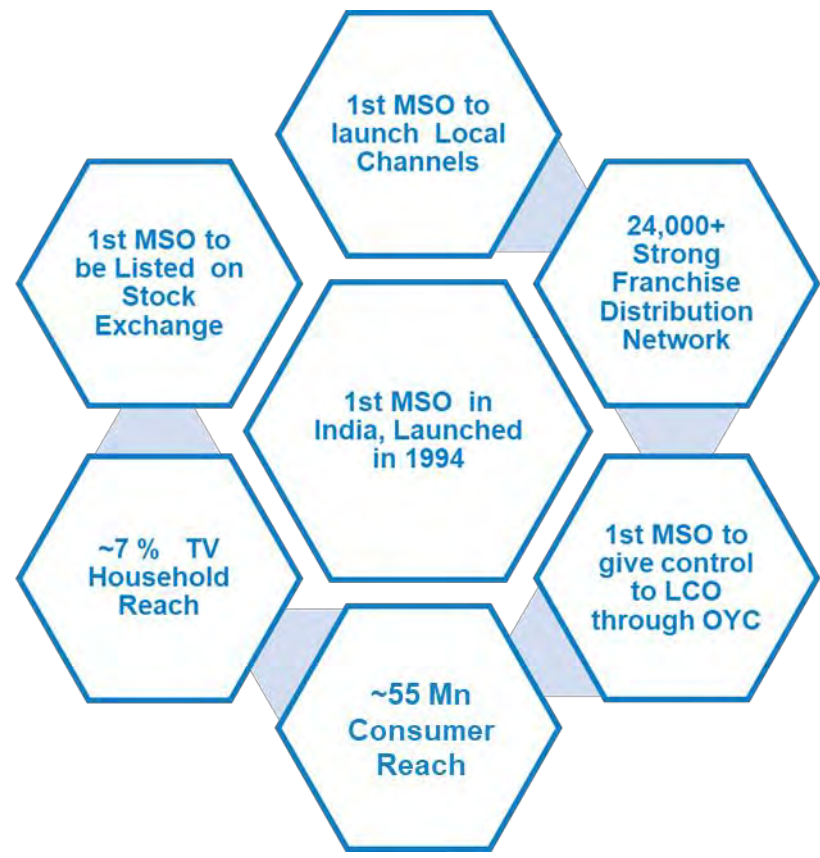
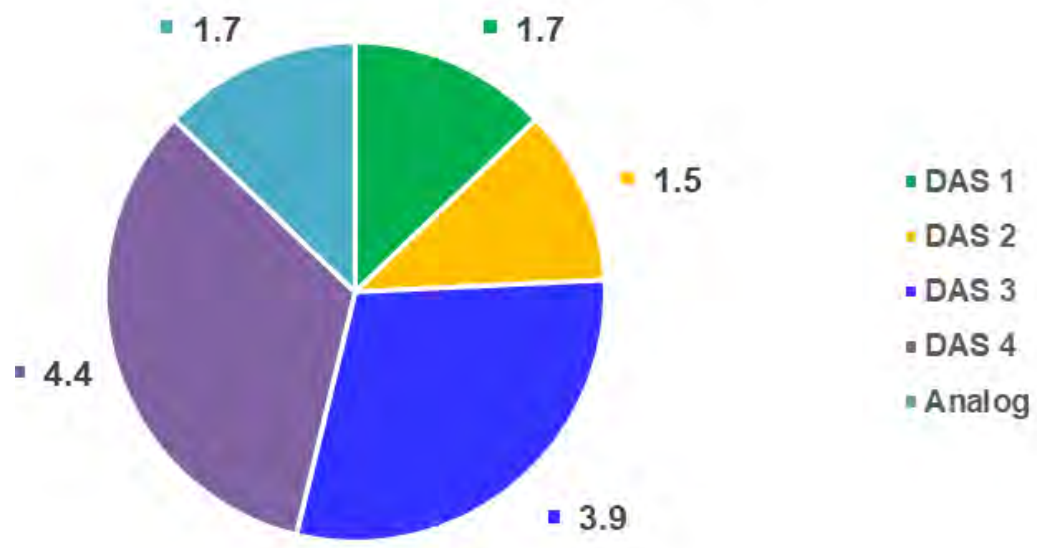
# Company Overview

# SITI Networks: India's Leading Multi-System Operator

<b>11.5 Mn</b> Active Digital Subscribers	<b>315,000</b> HD Subscribers	<b>~580</b> Locations Presence	<b>1.68 Mn</b> Broadband Homes Passed	<b>250,000</b> Broadband Subscribers
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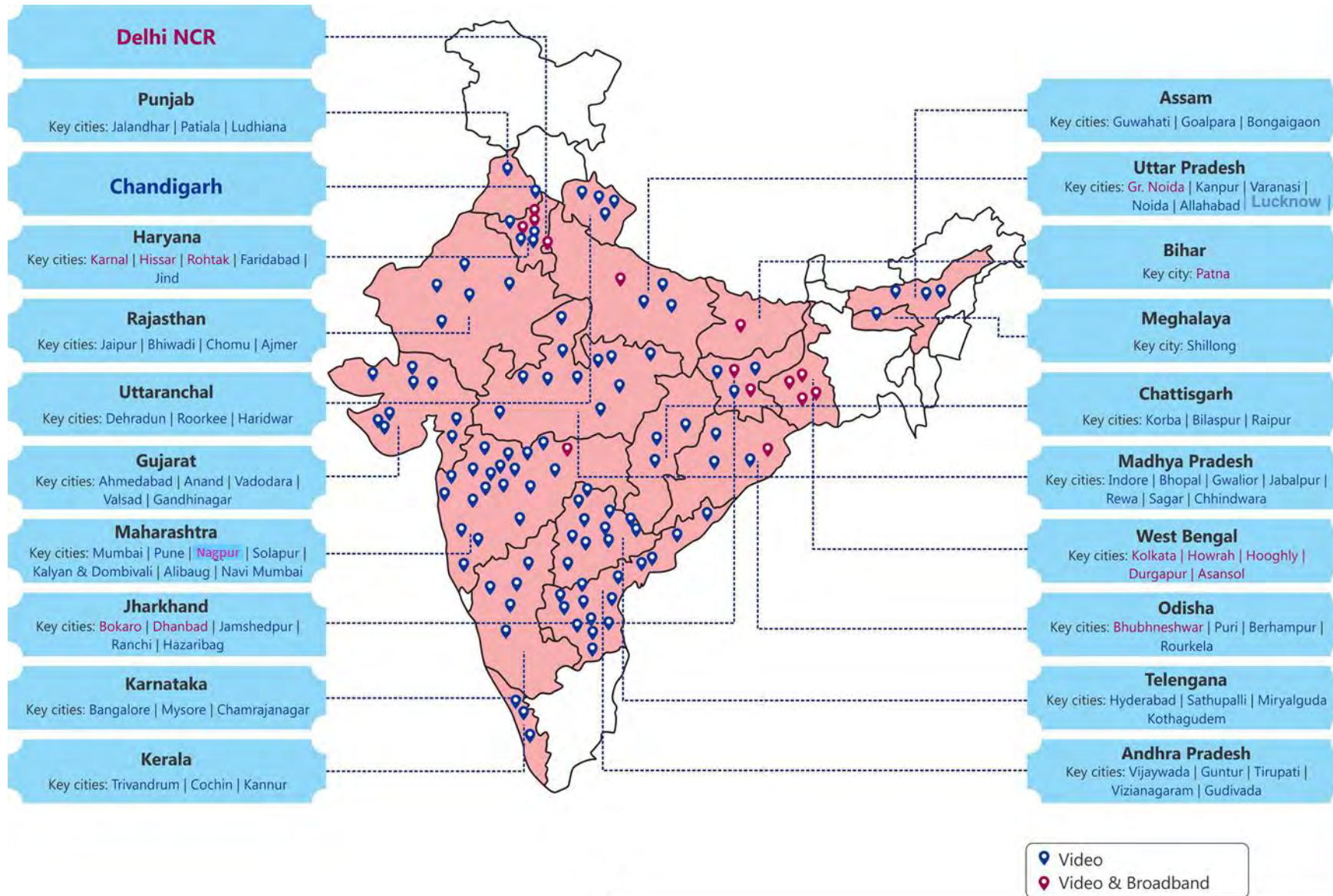
*Multi-System Operator (MSO) providing Digital Cable TV and Broadband Services*

**Subscriber Universe (Mn)**



All metrics as of 31st March 2018

# SITI Networks: Present 580+ locations across India



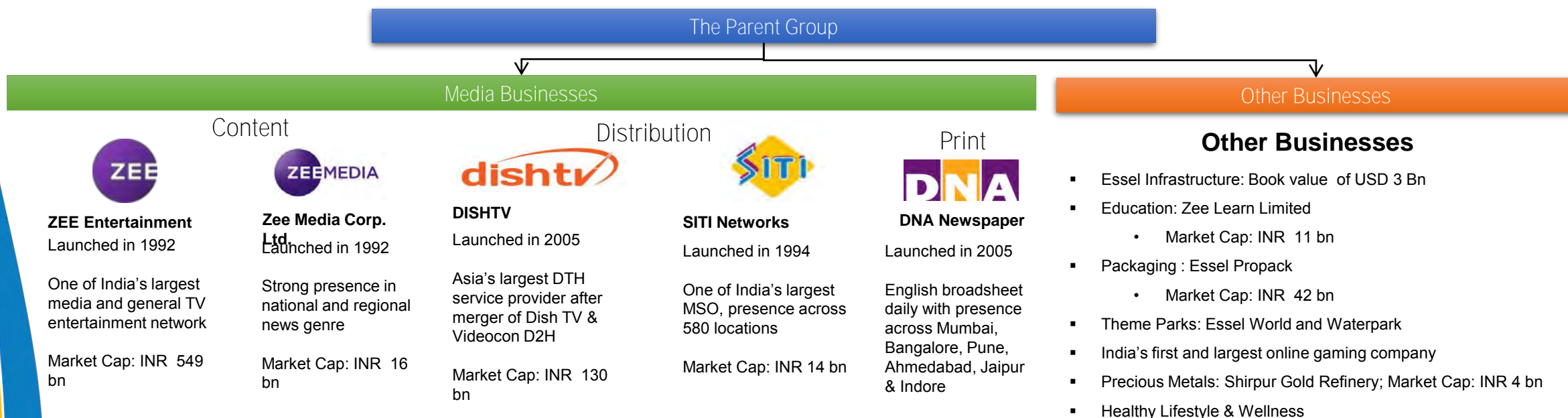
# On a progressive growth path



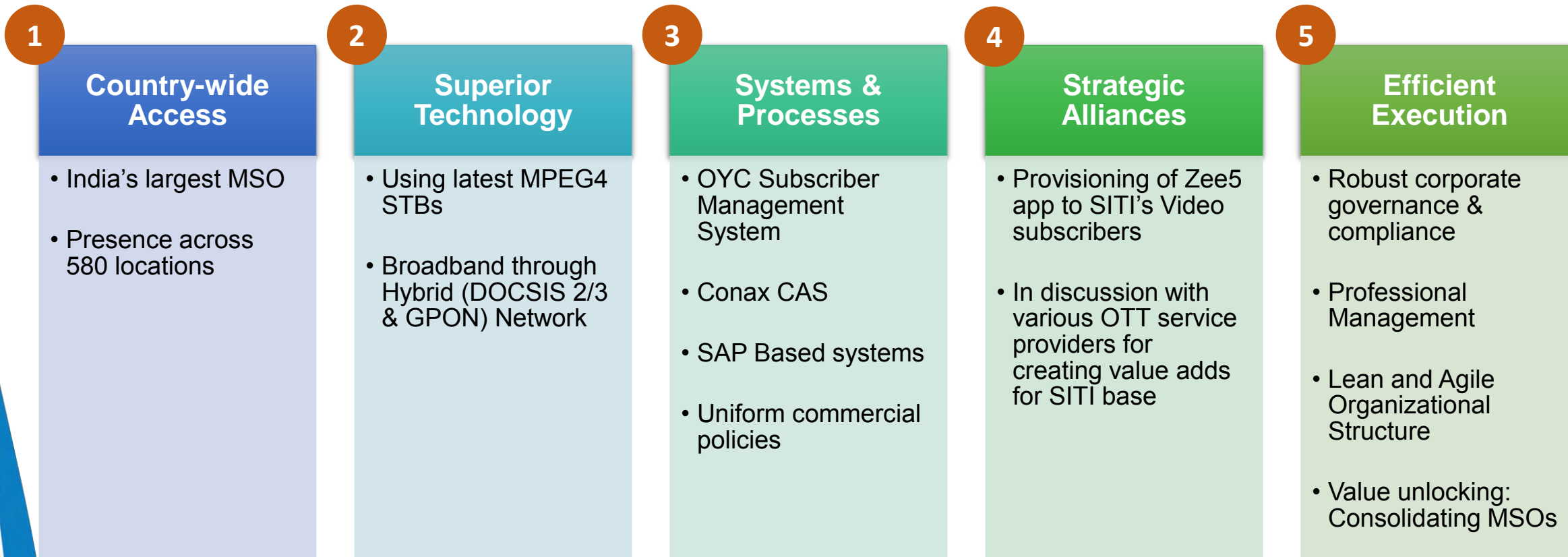
1994	<ul style="list-style-type: none"> <li>▪ Cable business started by promoters</li> </ul>
2006	<ul style="list-style-type: none"> <li>▪ Wire and Wireless (India) Ltd. Incorporated</li> </ul>
2007	<ul style="list-style-type: none"> <li>▪ Implemented CAS in metros of Delhi, Mumbai &amp; Kolkata ; Listed on the stock exchanges</li> </ul>
2008	<ul style="list-style-type: none"> <li>▪ Initiated mass Digitization through HITS Services</li> </ul>
2009	<ul style="list-style-type: none"> <li>▪ <b>Right Issued of INR4500 mn fully subscribed</b></li> </ul>
2010	<ul style="list-style-type: none"> <li>▪ India's largest Multi System Operator (MSO) in the Cable Industry</li> </ul>
2011	<ul style="list-style-type: none"> <li>▪ Expanded further across 54 key cities</li> </ul>
2012	<ul style="list-style-type: none"> <li>▪ DAS implemented in Phase -1 Cities ; Delhi, Mumbai &amp; Kolkata ; Offered 400 Standard Definition Channels; Consolidated Pan India presence through expansions in UP and Central India</li> <li>▪ Broadband started in Eastern region on EOC Technology</li> </ul>
2013	<ul style="list-style-type: none"> <li>▪ DAS implemented in Phase -2 Cities ; Achieved 3 million digital subscriber base</li> <li>▪ Operationalized 'Own Your Customer' Customer Management System</li> <li>▪ <b>Fund infusion of INR3240 Mn by Promoters</b></li> </ul>
2014	<ul style="list-style-type: none"> <li>▪ Achieved 4 million digital subscriber base; Package wise Billing started in DAS Phase 1 cities</li> <li>▪ Broadband launched in Delhi on DOCSIS 2/ 3 Technology</li> <li>▪ Started providing 18 HD Channels</li> </ul>
2015	<ul style="list-style-type: none"> <li>▪ <b>Raised INR2210 Mn from the Secondary Market via QIP Route in Feb. 2015</b></li> <li>▪ Digital cable subscribers at 5.4 Mn with a cable universe of 10.5 Mn. Broadband subscribers at 70,100</li> </ul>
2016	<ul style="list-style-type: none"> <li>▪ <b>Achieved financial turnaround for first time in its history</b>; Reported PAT of INR9 Crores &amp; PBT of INR22 Crores in FY16</li> <li>▪ <b>Fund infusion of INR5300 Mn by Promoters through OFCDs &amp; Convertible Warrants</b></li> <li>▪ Acquired majority stakes/ entered into strategic partnerships with regional MSO's in Assam, Maharashtra, Gujarat and Odisha</li> </ul>
2017	<ul style="list-style-type: none"> <li>▪ Chosen to be a constituent of the Morgan Stanley Capital International (MSCI) India Domestic &amp; Global Small Cap Index</li> <li>▪ <b>Fund infusion of INR1500 Mn by Promoters</b></li> <li>▪ Established Broadband presence in Nagpur, Hissar, Karnal and Rohtak; Prepaid on-going in select states with 1.26 mn subscribers</li> </ul>
2018	<ul style="list-style-type: none"> <li>▪ ICRA &amp; CARE assigned a long-term rating of "A-" for the Company. The outlook on the long-term rating is stable</li> <li>▪ Seeded Industry leading 3.1 mn STBs across Phase 3&amp;4</li> </ul>

# Promoter Group - Corporate Structure

- Launched in 1926, the Parent Group (“Essel Group”) completed 90 years recently; One of India's leading business houses, with a dominant vertically integrated presence in Media and entertainment
- Leading producer, aggregator and distributor of Indian programming across the world; 222,000+ hours of original Content
- Group Market Cap (Listed entities under the Parent Group): ~USD11.0 Bn
- Present in 171 countries, a reach of ~1bn+ viewers; Compelling bouquet of 75 Channels

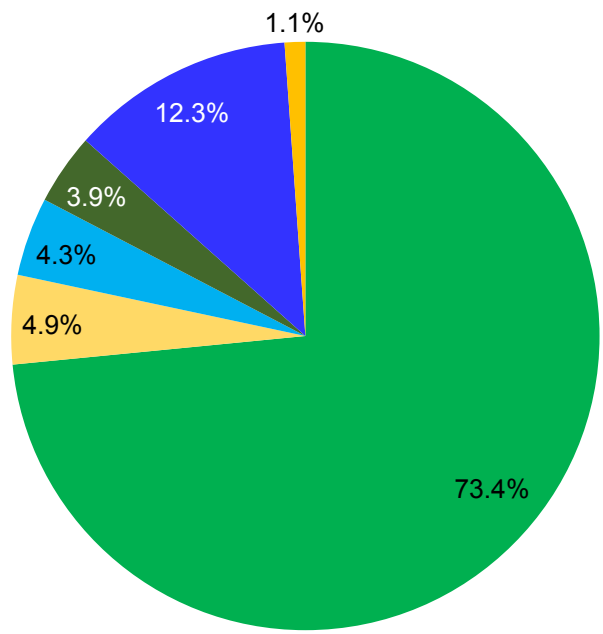


# The SITI Competitive Advantage



# SITI Networks has a sizeable free float & institutional ownership

**Shareholding Pattern  
872 Mn Shares**



- Promoters
- Indian Companies
- Individuals
- Mutual Funds
- FIIs
- Others

As of 11th May 2018  
Others include HUF, Clearing Members, banks, trusts and NRIs

### Key Investors

<p>Foreign Institutions</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div> <div style="display: flex; justify-content: center; align-items: center; margin-top: 20px;"> <div style="text-align: center;">  </div> <div style="text-align: center; margin-left: 20px;">  </div> </div>	<p>Domestic Institutions</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div>
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There has been fund infusion of INR6800 Mn by Promoters through OFCDs & Convertible Warrants in Last 2 years

# Video and Broadband Technology Infrastructure

- 15 Digital Headends; Intra-city OFC and Coax Network of ~33,000 Kms covering ~ 580 locations
- Transport of Digital CATV signals on 1.2 Gbps links across the country; 354 IP Points
- Hybrid (DOCSIS+ GPON) Technology to offer Cable Broadband services

Digital Headends	Modems	STBs	Chipsets	Servers	CAS, SMS, EPG	Connectivity
  	   	  	 	  	  	   



# Strategy

# Video Strategy

- ARPU enhancement across phases
- Increase HD Subscriber base
- Background work to gear up for TRAI Tariff order is in progress
- Up-sell Broadband, HD, OTT and Video to customers



- Increase Collection efficiency by further implementing Prepaid model

- Working with leading consultancy firm for outsourcing IT & Network services (MSP) for superior customer experience
- Improve extraction from low utilized IP based locations and exiting non-profitable ones
- Increase Operational Efficiency

# SITI well positioned to benefit from implementation of Tariff Order

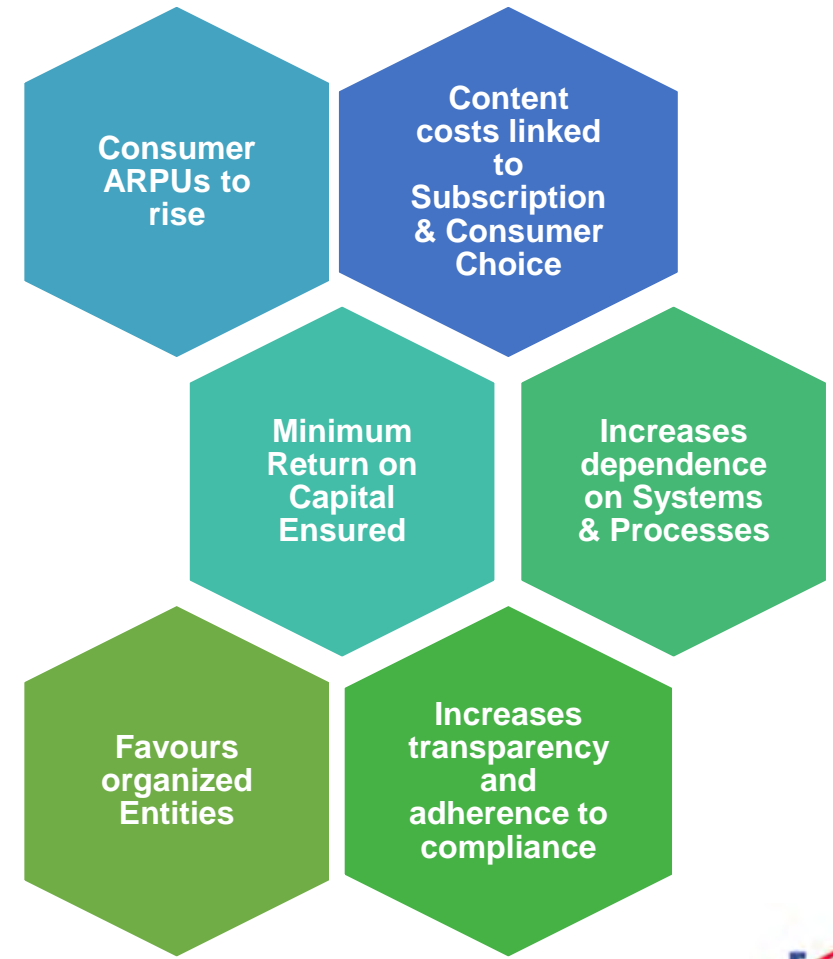
Implementation of the network distribution model will shift the balance of power in favour of Distribution

**Subscription**

- Subscribers pay Phase neutral Minimum Rental of INR130 for 100 FTA SD channels; Can take additional FTA channels in bundles of 25 channels for INR20 each
- **True A-La-Carte:** Discounts on Bouquets restricted to 15% of A-La-Carte price of Pay channels
- HD Channels priced at  $\leq 3$  SD Price or Maximum price of Genre
- Broadcasters to provide 20% distribution fee for collection and remittance of subscription

**Carriage**

- Marketing & placement fee retained
- Carriage capped @ 20 paisa & @ 40 paisa / subscriber/ channel/ month for SD & HD Channels respectively
  - $\geq 5\%$  to  $< 10\%$  - 75% of Base to be charged.
  - $\geq 10\%$  to  $< 15\%$  - 50% of Base to be charged.
  - $\geq 15\%$  to  $< 20\%$  - 25% of Base to be charged.
  - $\geq 20\%$  - No Carriage Fee to be charged



\* Currently Sub judice

# Financials & Operating Metrics

# Exceeded Expectation on FY18 Key Metrics

## Key Performance Indicators

Subscription revenue for FY18 at **Rs 7,997mn**

Operational expenses for FY18 at **Rs 11,019mn**

Operating EBITDA Margin improved significantly

Overall Collection Efficiency surpasses **95%** in Q4FY18

EBITDA (Excl. Activation) for FY18 at **Rs 1508mn**

## Vs FY17

**41% increase** in FY18  
(7,997mn vs 5,690mn)

**13% increase** in FY18  
(11,019mn vs 9754mn)

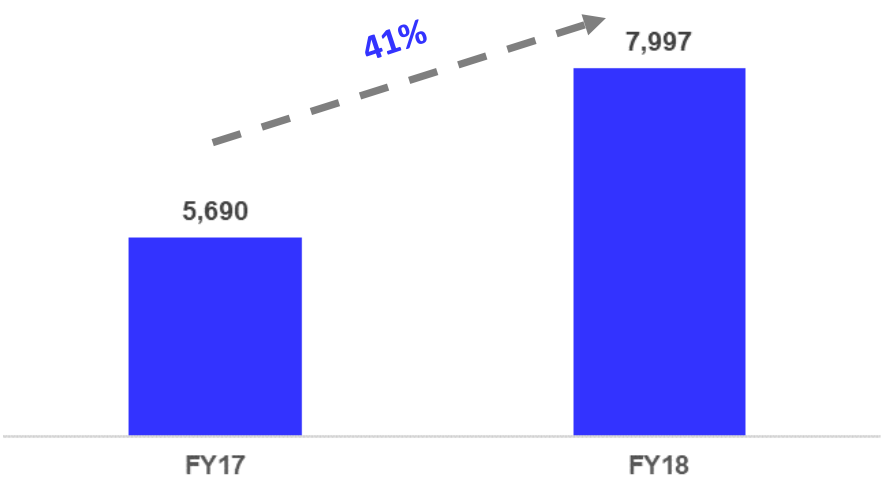
FY18 margin **Up by 2.1x**  
(12.0% vs 5.7%)

YoY increase in efficiency

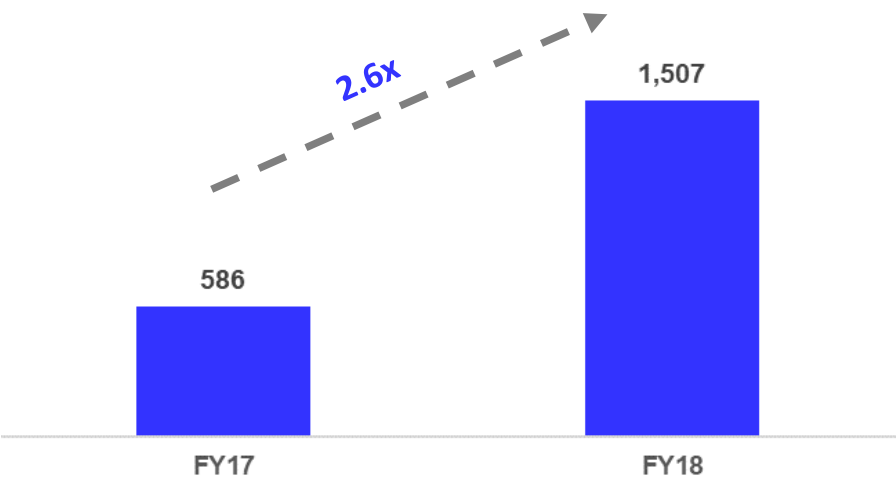
**2.6x increase** in FY18 EBITDA  
(1507mn vs 586mn)

# FY18 Trends: Robust Performance

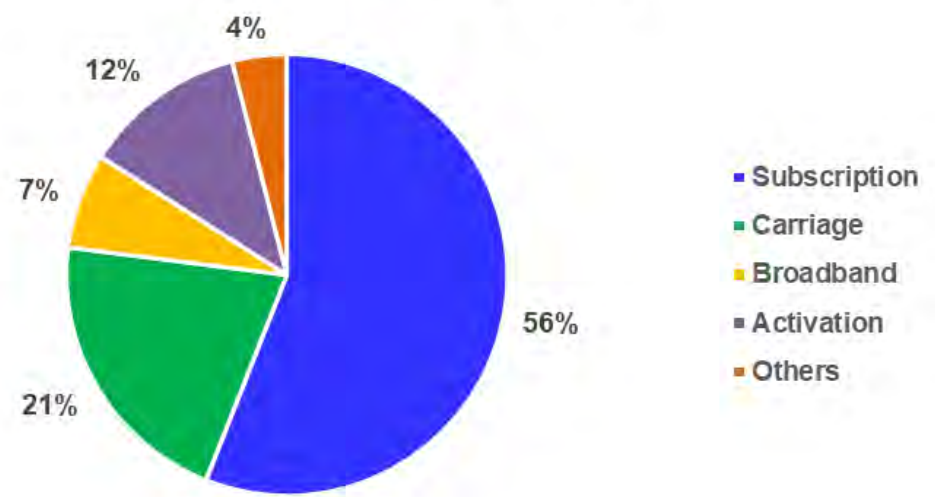
Video Subscription (Rs Mn)



Operating EBITDA (Rs Mn)



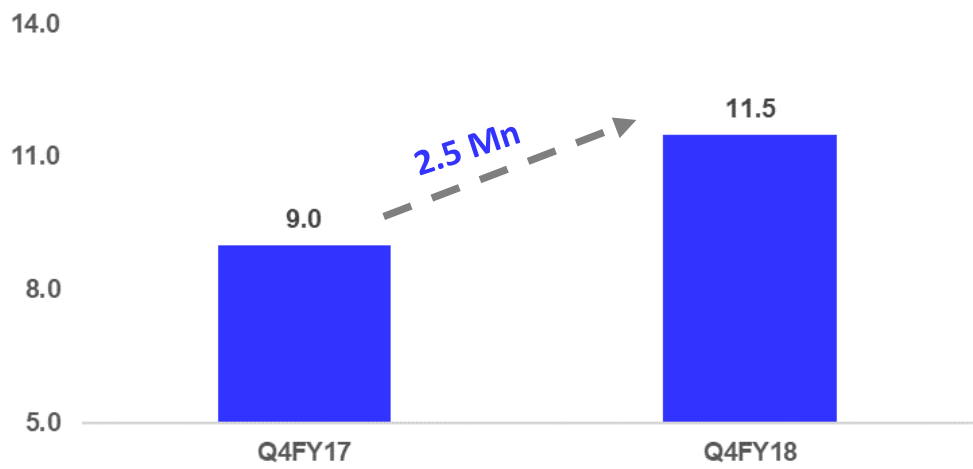
FY18 Revenue Split (%)



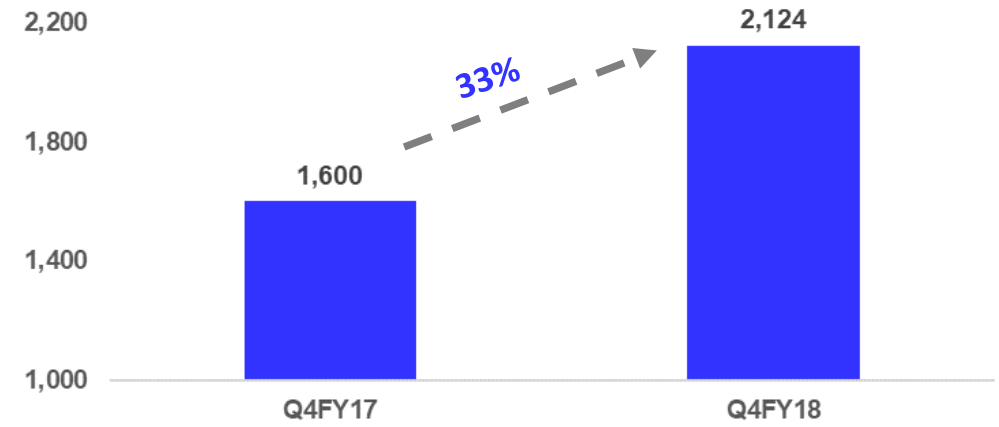
- Full Year Consolidated Revenues at Rs. 14,264 Mn and EBITDA at Rs. 3,245 Mn
- EBITDA Margins leap 2.1x from 5.7% to 12%

# Video: Consistent improvement

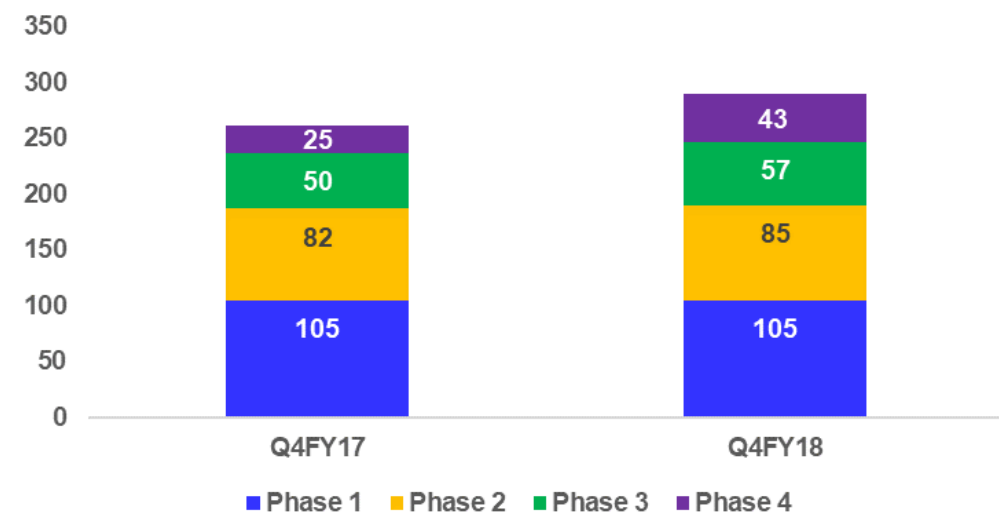
Active Digital Subscribers (Mn)



Subscription Income (Rs. Mn)



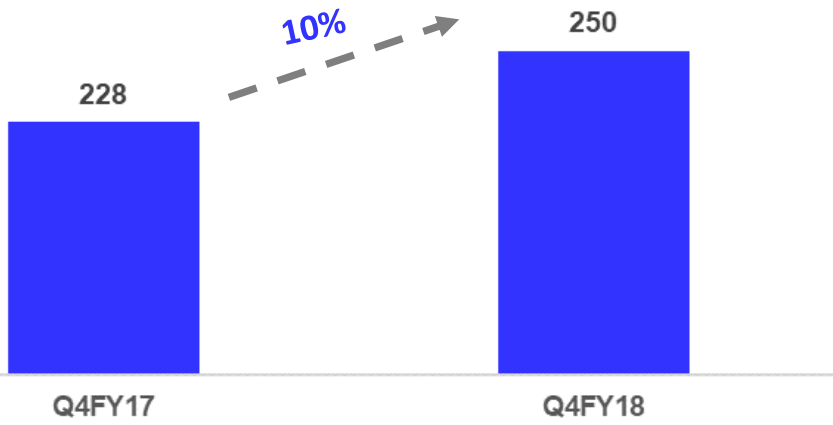
ARPU (Rs. / Sub / Month)



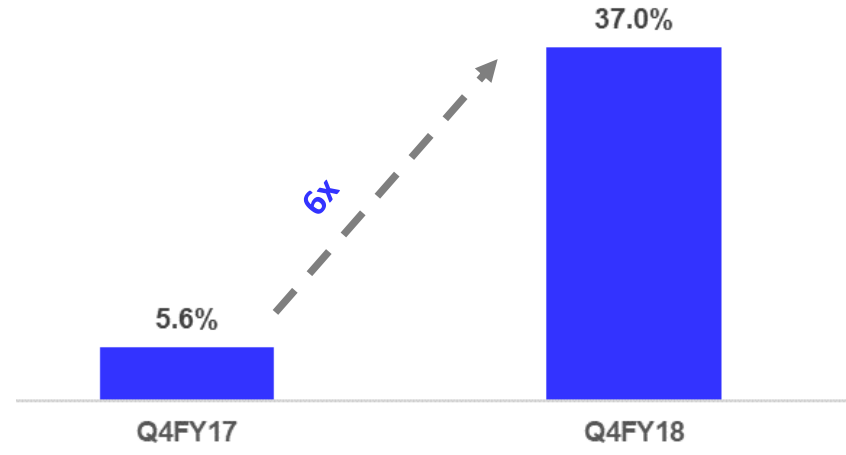
- Overall collection efficiency surpassing 95% in Q4FY18
- Subscription Revenue took a significant leap of 41% in FY18 to Rs 800 Cr

# Broadband: Steady Growth

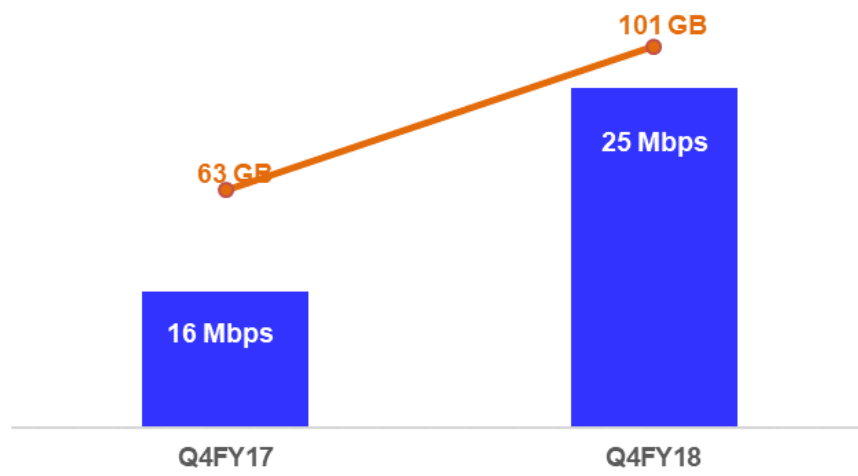
Broadband Subscribers (Lakhs)



% Base on Lock-in Plans



Average Speed & Consumption Per Sub

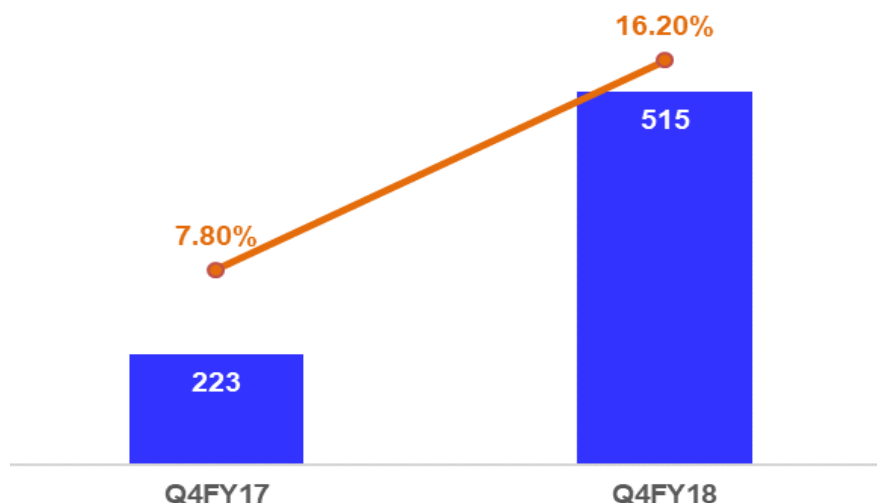


- 16.8 lakh Home Passes
- % Base on lock-in plans increased to 37% from 5.6%
- Blended Q4FY18 ARPU @ Rs.462



# Improving Operational Performance sequentially (Consolidated)

Operating EBITDA (Rs Mn) & Margins (%)



- Operating EBITDA Margins significantly expanded by 900 bps YoY to 16.2% in Q4FY18
- Operating EBITDA improved significantly by 145% YoY to Rs 51.5 Cr

## Key Initiatives

### Harnessing operational Leverage

- Looking at improving utilization levels and sweating existing assets

### Improving Monetization

- Proactive dunning, realignment of distributor policy and closer engagement with LCOs

### IP location wise monitoring

- Identification and closure of Unsustainable locations running on IP Bandwidth

### Inventory Control

- Under process to create centralized process for Inventory controls, movement and warehousing

# Conference Call

On the 17<sup>th</sup> May 2018 for the Q4FY18 Results



## **SITI Networks Limited**

On 17th May 2018, SITI Networks Limited (BSE: 532795, NSE: SITINET EQ) is due to announce its audited Financial Results for the Fourth Quarter and Fiscal Year 2018

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 17<sup>th</sup> May 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:** 17<sup>th</sup> May 2018

**Time:** 06:00 PM (India Time); 08:30 PM (HK/SG Time)

**Call Leader:** Ankit Saint

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

Primary Access Toll Number: +91 22 6280 1229

Secondary Access Toll Number: +91 22 7115 8130

### **Local Access Number**

**+91-7045671221**

Available in - Ahmedabad, Bangalore, Chandigarh, Chennai, Gurgaon (NCR), Hyderabad, Kochi/Cochin, Kolkata, Lucknow, Pune.

*Accessible from all carriers.*

### **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.

# ZINDAGI KA NETWORK



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