

**SITI NETWORKS LIMITED (Formerly SITI Cable Network Limited)**

Regd. Office: Madhu Industrial Estate, 4th Floor, P. B Marg, Worli, Mumbai 400013



UNAUDITED FINANCIAL RESULTS (CONSOLIDATED)						UNAUDITED FINANCIAL RESULTS (STANDALONE)					
Part - I						Part - I					
Statement of Consolidated Unaudited Results for the quarter and nine months ended December 31, 2016						Statement of Standalone Unaudited Results for the quarter and nine months ended December 31, 2016					
Particulars	Quarter ended December 31, 2016	Quarter ended September 30, 2016	Quarter ended December 31, 2015	Nine months ended December 31, 2016	Nine months ended December 31, 2015	Particulars	Quarter ended December 31, 2016	Quarter ended September 30, 2016	Quarter ended December 31, 2015	Nine months ended December 31, 2016	Nine months ended December 31, 2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>1 Income from operations</b>						<b>1 Income from operations</b>					
a. Income from operations	29,628.4	28,525.8	30,646.1	86,050.6	76,485.0	a. Net sales/income from operations	15,937.5	16,324.5	26,224.7	49,266.5	55,367.2
b. Other operating income	218.0	370.9	3,754.0	889.2	4,227.5	b. Other operating income	2,998.9	1,660.8	2,823.6	6,069.7	4,006.2
<b>Total income from operations</b>	<b>29,846.4</b>	<b>28,896.7</b>	<b>34,400.1</b>	<b>86,939.8</b>	<b>80,712.5</b>	<b>Total income from operations</b>	<b>18,936.4</b>	<b>17,985.3</b>	<b>29,048.3</b>	<b>55,336.2</b>	<b>59,373.4</b>
<b>2 Expenses</b>						<b>2 Expenses</b>					
a. Cost of materials consumed	1.2	1.8	16.1	6.1	28.2	a. Cost of materials consumed	1.2	1.8	16.1	6.1	28.2
b. Purchase of stock-in-trade	-	209.7	1,473.1	959.8	1,485.6	b. Purchase of stock-in-trade	1,400.5	1,109.4	8,570.2	4,451.3	10,128.1
c. Carriage sharing, pay channel and related costs	14,439.9	14,340.8	14,865.5	43,624.3	40,836.3	c. Carriage sharing, pay channel and related costs	8,932.1	9,516.1	9,607.9	28,800.1	26,798.7
d. Employee benefits expense	1,907.3	2,069.8	1,425.6	5,889.3	4,507.7	d. Employee benefits expense	1,360.3	1,554.3	1,088.9	4,389.3	3,373.1
e. Depreciation and amortisation expense	6,254.6	5,717.8	3,911.9	17,445.5	11,168.0	e. Depreciation and amortisation expense	2,994.0	3,398.8	2,263.4	9,652.8	6,421.6
f. Other expenses	7,996.3	7,540.9	7,074.9	21,975.5	17,436.8	f. Other expenses	4,587.5	4,430.2	4,067.8	12,731.3	10,775.0
<b>Total expenses</b>	<b>30,599.3</b>	<b>29,880.8</b>	<b>28,767.1</b>	<b>89,900.5</b>	<b>75,462.6</b>	<b>Total expenses</b>	<b>19,275.6</b>	<b>20,010.6</b>	<b>25,614.3</b>	<b>60,030.9</b>	<b>57,524.7</b>
<b>3. (Loss)/profit from operations before other income and finance costs (1-2)</b>	<b>(752.9)</b>	<b>(984.1)</b>	<b>5,633.0</b>	<b>(2,960.7)</b>	<b>5,249.9</b>	<b>3. (Loss)/profit from operations before other income and finance costs (1-2)</b>	<b>(339.2)</b>	<b>(2,025.3)</b>	<b>3,434.0</b>	<b>(4,694.7)</b>	<b>1,848.7</b>
4. Other income	707.2	237.0	489.7	1,435.7	1,609.7	4. Other income	482.5	133.7	200.5	1,027.8	1,659.7
<b>5. (Loss)/profit before finance costs (3+4)</b>	<b>(45.7)</b>	<b>(747.1)</b>	<b>6,122.7</b>	<b>(1,525.0)</b>	<b>6,859.6</b>	<b>5. (Loss)/profit before finance costs (3+4)</b>	<b>143.3</b>	<b>(1,891.6)</b>	<b>3,634.5</b>	<b>(3,666.9)</b>	<b>3,508.4</b>
6. Finance costs	3,597.2	2,800.2	3,505.3	9,364.5	10,421.9	6. Finance costs	3,152.2	2,702.8	3,450.7	8,750.9	10,254.5
<b>7. (Loss)/profit after finance cost (5-6)</b>	<b>(3,642.9)</b>	<b>(3,547.3)</b>	<b>2,617.4</b>	<b>(10,889.5)</b>	<b>(3,562.3)</b>	<b>7. (Loss)/profit after finance costs (5-6)</b>	<b>(3,008.9)</b>	<b>(4,594.4)</b>	<b>183.8</b>	<b>(12,417.8)</b>	<b>(6,746.1)</b>
8. Tax expense	(295.0)	215.4	21.8	574.5	420.7	8. Tax expense	-	-	-	-	-
<b>9. (Loss)/profit after tax (7-8)</b>	<b>(3,347.9)</b>	<b>(3,762.7)</b>	<b>2,595.6</b>	<b>(11,464.0)</b>	<b>(3,983.0)</b>	<b>9. Net (loss)/profit after tax (7-8)</b>	<b>(3,008.9)</b>	<b>(4,594.4)</b>	<b>183.8</b>	<b>(12,417.8)</b>	<b>(6,746.1)</b>
10. Share of profit of associates and joint ventures	32.5	-	2.8	32.5	0.9	10. Other comprehensive income	0.8	0.8	0.8	2.4	2.4
11. Minority interest	(681.7)	926.7	1,132.8	1,253.7	1,538.1	<b>11. Total comprehensive income (9+10)</b>	<b>(3,008.1)</b>	<b>(4,593.6)</b>	<b>184.6</b>	<b>(12,415.4)</b>	<b>(6,743.7)</b>
<b>12. (Loss)/profit after tax, minority interest and share of profit of associates/joint ventures (9+10-11)</b>	<b>(2,633.7)</b>	<b>(4,689.4)</b>	<b>1,465.6</b>	<b>(12,685.2)</b>	<b>(5,520.2)</b>	12. Paid-up equity share capital (Face value ₹ 1/- per share)	7,941.5	7,941.5	6,776.3	7,941.5	6,776.3
13. Other comprehensive income	0.8	0.8	0.8	2.4	2.4	13. Earnings per share (of ₹ 1/- each) (not annualised)					
<b>14 Total comprehensive income (12+13)</b>	<b>(2,632.9)</b>	<b>(4,688.6)</b>	<b>1,466.4</b>	<b>(12,682.8)</b>	<b>(5,517.8)</b>	a) Basic	(0.4)	(0.6)	0.0	(1.6)	(1.0)
15. Paid-up equity share capital (Face value ₹ 1/- per share)	7,941.5	7,941.5	6,776.3	7,941.5	6,776.3	b) Diluted	(0.4)	(0.6)	0.0	(1.6)	(1.0)
16. Earnings per share (of ₹ 1/-) (not annualised)											
a) Basic	(0.3)	(0.6)	0.2	(1.6)	(0.8)						
b) Diluted	(0.3)	(0.6)	0.2	(1.6)	(0.8)						



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Notes:-

- SITI Networks Limited (formerly SITI Cable Network Limited) (the "Company") predominantly operates in a single business segment of cable distribution in India only. Hence there are no separately reportable business or geographical segments as per Indian Accounting Standard 108 on Operating Segments. Further the Company's Subsidiaries, associates and joints venture together with Company refer to as "Group" predominantly operate in a single business segment of cable distribution in India only. Hence there are no separately reportable business or geographical segments as per Indian Accounting Standard 108, at group level as well
- The above unaudited standalone and consolidated financial results for the quarter and nine months ended December 31, 2016 have been reviewed by the Audit Committee and were approved by the Board of Directors in their meeting held on February 14, 2017.
- This statement of unaudited standalone and consolidated financial results for quarter and nine months ended December 31, 2016 is prepared in compliance with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified in Section 133 of the Companies Act, 2013 read with SEBI Circular CIR/CFD/CMD/15/2015 dated November 30, 2015 and SEBI Circular CIR/CFD/FAC/62/2016 dated July 05, 2016 and other recognised accounting policies and practices. Consequently, results for the corresponding periods presented have been restated to comply with Ind AS to make them comparable.
- The Statutory Auditors have carried out limited review of the unaudited standalone and consolidated financial results for the quarter and nine months ended December 31, 2016 as prepared by the management of the Company.
- 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 are expected to be digitised by January 31, 2017 and March 31, 2017 respectively, as per the extended the 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 LCO's and recognised subscription revenue for the quarter and nine months ended December 31, 2016 and the corresponding 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.
- The Company continued to incur losses during the quarter and nine months ended December 31, 2016 but in view of the present positive net worth and expected substantial subscription revenue growth, the unaudited financial results for the quarter and nine months ended December 31, 2016 continue to be prepared on a going concern basis.
- During the nine months ended December 31, 2016, the Company has acquired 48% equity share capital in C&S Medianet Private Limited and effective 21.8% equity share capital in Voice Snap Services Private Limited.
- As approved by the Shareholders, the remuneration paid to ED and CEO of the Company exceeds the prescribed limits under the Companies Act, 2013, for the period up to September 11, 2016 for which necessary representation for reconsidering the proposal has been submitted before Central Government and approval is awaited for the same.
- The Audit Committee and Board of Directors noted the utilisation of the proceeds of preferential allotment of Warrants and Optionally Fully Convertible Debentures for the nine months ended December 31, 2016, which is in line with utilisation schedule approved by the Board of Directors. Out of the total proceeds of ₹ 53,000 lacs, the unutilised amount from the proceeds of preferential allotment as on December 31, 2016 is Nil lacs.
- Reconciliation of net loss after tax for the quarter and nine months ended December 31, 2015 as reported under previous Indian GAAP vis a vis Ind AS is as below:-

	(₹ in lacs)			
	Consolidated		Standalone	
	Quarter ended December 31, 2015	Nine months ended December 31, 2015	Quarter ended December 31, 2015	Nine months ended December 31, 2015
<b>Net profit / (loss) after tax as reported under previous Indian GAAP</b>	3,904.6	(2,577.0)	1,844.0	(4,956.7)
<b>Adjustments:</b>				
Effect of recognising interest expense on long term borrowings and advances as per effective interest method	(51.2)	(155.6)	(50.6)	(23.1)
Effect of actuarial gain on defined benefit plan taken to other comprehensive income	-0.8	-2.4	(0.8)	(2.4)
Misstatement of financial asset at fair value through profit and loss account	2.3	7.2	2.3	7.2
Effect of provision for expected credit loss	(229.9)	(1,239.8)	(223.7)	(671.1)
Effect of recognition of activation and set top boxes pairing charges	(2,594.1)	(2,512.6)	(1,254.5)	(1,144.2)
Effect of prior period expenses	-	217.6	-	217.6
Effect of ESOP (Employee Stock Option Plan)	(132.9)	(173.4)	(132.9)	(173.4)
Loss attributable to minority interest	567.6	915.8	-	-
<b>Net loss after tax as reported under Ind AS</b>	<b>1,465.6</b>	<b>(5,520.2)</b>	<b>183.8</b>	<b>(6,746.1)</b>
Other comprehensive income after tax	0.8	2.4	0.8	2.4
<b>Total comprehensive income after tax</b>	<b>1,466.4</b>	<b>(5,517.8)</b>	<b>184.6</b>	<b>(6,743.7)</b>

- Previous period's amounts have been regrouped and rearranged, wherever necessary.

Place: New Delhi  
Date: February 14, 2017

**SIGNED FOR  
IDENTIFICATION  
PURPOSES**



For and on behalf of the Board of Directors of  
SITI Networks Limited (formerly SITI Cable Network Limited)  
V. B. Wadhwa  
Executive Director and CEO