

BUSINESS RESPONSIBILITY REPORT

SECTION A – GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) :

L64200MH2006PLC160733

2. Name of the Company :

Siti Networks Limited

3. Registered Address :

4th Floor, Madhu Industrial Estate,
Pandurang Budhkar Marg, Worli, Mumbai 400013

4. Website :

www.sitinetworks.com

5. Email id :

csandlegal@siti.esselgroup.com

6. Financial Year Reported :

April 1, 2016 – March 31, 2017

7. Sector(s) that the Company is engaged in (industry activity code-wise)

The Company is a Multi System Operator and is mainly engaged in the business of distribution of signals of Television Channels of various broadcasters, falling into 'Telecommunications' services – NIC Code (2008) -61103.

8. List three key products/services that the Company manufactures/provides (as in balance sheet)

The Company is a Multi System Operator and is mainly engaged in the business of distribution of signals of television channels of various broadcasters.

9. Total number of locations where business activity is undertaken by the Company

- Number of International Locations (Provide details of major 5) - Nil
- Number of National Locations

The Company provides its cable services in India's ~580 locations.

10. Markets served by the Company

The Company is providing its services to more than 13 million subscribers across ~580 locations.

SECTION B – FINANCIAL DETAILS OF THE COMPANY

1. Paid Up Capital (₹) :

₹ 872.07 Million

2. Total Revenue (₹) :

₹ 7,736.79 million on standalone basis and ₹ 11,949.16 million on consolidated basis.

3. Total Profit /(loss) after Taxes (₹) :

₹ (1,849.95) million on standalone basis and ₹ (1,792.31) million on consolidated basis.

4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)

Not Applicable, as the Company had incurred losses for three consecutive preceding financial years. Therefore, the spending on CSR activities as prescribed under Companies (Corporate Social Responsibility Policy) Rules, 2014 is not applicable.

5. List of activities in which expenditure in 4 above has been incurred

Not Applicable, as the Company has incurred losses during the last three preceding financial years.

SECTION C – OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

As at March 31, 2017, the Company has 25 Subsidiary Companies.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such Subsidiary Company(s)

No

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

No

during the financial year ended March 31, 2017 was ultimately shouldered by Mr.V.D.Wadhwa (DIN - 00439684), erstwhile Executive Director & CEO of the Company.

b) Details of the BR Head

During the financial year ended March 31, 2017:

 DIN Number : 00439684

 Name : Mr. V.D.Wadhwa

 Designation : Executive Director & CEO (resigned w.e.f. June 5, 2017)

 Telephone Number : 0120 -4526707

 Email id : csandlegal@siti.esselgroup.com

SECTION D- BR INFORMATION

1. Details of Director/Directors responsible for BR

a) Details of the Director/Director responsible for implementation of the BR policy/policies

All Corporate Policies including the Business Responsibility Policies of the Company are engrained in day-to-day business operations of the Company and are implemented by Management at all levels. The responsibility for implementation of BR Policies of the Company

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

Sr. No.	Questions	Business Ethics	Product Responsibility	Employee Well Being	Shareholder Engagement	Human Rights	Environment Protection	Public & Regulatory Policy	CSR	Customer relation
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for....	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes
3	Does the policy conform to any national /international standards? If yes, specify?	NA	Yes	NA	Yes	Yes	NA	NA	No	NA
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Yes	No	No	No	No	No	No	No	No
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Yes	No	No	No	No	No	No	No	No
6	Indicate the link for the policy to be viewed online?	Most of the relevant policies are disseminated and uploaded for information of relevant stakeholders and employees.								

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Sr. No.	Questions	Business Ethics P1	Product Responsibility P2	Employee Well Being P3	Shareholder Engagement P4	Human Rights P5	Environment Protection P6	Public & Regulatory Policy P7	CSR P8	Customer relation P9
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
8	Does the Company have in-house structure to implement the policy/policies.	All Corporate Policies including Business Responsibility Policy are engrained in all day-to-day business operations of the Company and are implemented at all Management levels and monitored by the Executive Director from time to time								
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes								
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Policies are evaluated regularly by the Executive Director and/or respective Senior Executives								

2a. If answer to S.No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S./No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	Within the overall guidance of the Board, the Corporate Policies are framed and/or modified from time to time. Policies have been implemented and followed over a period of time as per industry norms and/or best practices and were not approved by the Board specifically. However, these Policies as and when approved are released for implementation by the CEO(s) and/or Executive Directors of the Company at the relevant point in time.								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance Related to BR



Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The assessment of BR performance is done on an ongoing basis by the Executive Director / CEO and Senior Management of the Company.



Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This is second year the Company had started publishing BR report from financial year 2015-16 on yearly basis. The BR report is/shall be available at www.sitinetworks.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1

BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

- 1. Does the policy relating to ethics, bribery and corruption apply only the Company? Yes/No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/ Others?**

The Company considers Corporate Governance as an integral part of management. The Company has a Code of Conduct that is approved by the Board of Directors and this code is applicable to all Board Members and Senior Management. The code is available on the Company's website: www.sitinetworks.com. Additionally, as part of HR policy the Company has framed/circulated policies which deal with (i) Ethics at work place; and (ii) restraining giving and receiving of gifts and other benefits in the course of business relationship etc. These policies are applicable to the employees at all levels, including subsidiaries.

Though the Company's policies currently do not apply to external stakeholders including suppliers, contractors, NGOs etc., the Company follows zero tolerance on any acts of bribery, corruption etc. by such agencies during their dealings with the Company.

- 2. How many stakeholders' complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

As mentioned in the Corporate Governance Report, 4 complaint was received from investors during the FY 2016-17, the same have been resolved. Additionally, on an ongoing basis the complaints / grievances / views from viewers and other stakeholders are dealt with by respective functions within the Company.

PRINCIPLE 2

BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE

- 1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.**

The Company is a Multi System Operator and is mainly engaged in the business of distribution of signals of television channels of various broadcasters, are in compliance with applicable regulations/advisories, issued by Ministry of Information and Broadcasting and the self-regulatory guidelines / advisories issued by Telecom Regulatory Authority of India, from time to time.

- 2. For each such product, provide the following details in respect of resource use (energy, water, raw materials etc.) per unit of product (optional) including a) Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain and b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

The Company's business operations as a service provider, requires minimal energy consumption. Though every endeavour is made to ensure optimal use of energy, avoid wastages and conserve energy as far as possible

- 3. Does the Company have procedures in place for sustainable sourcing (including transportation). If yes, what percentage of your inputs was sourced sustainably?**

The Company maintains a healthy relationship with its content providers, vendors and other suppliers and the business policies of the Company include them in its growth. The process of vendor registration lays emphasis on conformity of safe working conditions, prevention of child labour, business ethics and general housekeeping by the vendor.

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- 4. Has Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors.**

Most of the business operations of the Company are carried out from commercial hubs of the country and the content provider and other goods and service providers required for the day-to-day operations are sourced from local vendors and small producers, which has contributed to their growth. However, the Company imports set top boxes from foreign vendors due to lack of indigenous vendors. The Company distributes the signals of television channels of various Broadcasters to its subscribers mainly through local cable operators.

- 5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (Separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

As the Company is a service provider, it does not discharge any effluent or waste.

PRINCIPLE 3

BUSINESS SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES

- 1. Please indicate the total number of employees:** 657
- 2. Please indicate the total number of employees hired on temporary/ contractual/ casual basis:** 1353
- 3. Please indicate the number of permanent women employees:** 39
- 4. Please indicate number of permanent employee with disabilities:** 2
- 5. Do you have employee association that is recognized by management?** No employee association exists
- 6. What percentage of your permanent employees are members of this recognized employee association?:** NA

- 7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year:** Nil

- 8. What percentage of your above mentioned employees were given safety and skill up-gradation training in the last year?**

The Company organizes various training sessions in-house on a regular basis and also sponsors its employees to attend training sessions organized by external professional bodies to facilitate upgradation of skill of employees handling relevant functions, basic fire and safety training. These trainings are generally attended by majority of employees.

PRINCIPLE 4

BUSINESSES SHOULD RESPECT INTEREST OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED

- 1. Has the Company mapped its internal and external shareholders?**

The Company has mapped its internal and external stakeholders, the major/key categories include (i) Central and State Governments / regulatory authorities viz. the Ministry of Information & Broadcasting, Ministry of Corporate Affairs, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and Depositories (ii) Broadcaster; (iii) Cable Operators, (iv) Vendors; (v) Financial Institutions; (vi) Banks; (vii) domestic & international investors and (viii) professional service providers.

However, the process of mapping of stakeholders is an ongoing effort of updation on regular basis.

- 2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?**

Yes

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof

As part of its business operations, the Company supports various initiatives to create a greener and safer world.

PRINCIPLE 5

BUSINESS SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint ventures/ suppliers/ contractors/ NGOs/ Others?

The Company believes that an organization rests on a foundation of business ethics and valuing of human rights. The Company adheres to all statutes which embodies the principles of human rights such as prevention of child labour, woman empowerment etc. The Company promotes awareness of the importance of human rights within its value chain and discourages instances of any abuse.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?

There were no complaints reported on violation of any Human rights during the financial year 2016-17.

PRINCIPLE 6

BUSINESS SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

1. Does the policy related to principle 6 cover only the Company or extend to the Group/ Joint ventures/ suppliers/ contractors/ NGOS/ Others?

Nurturing and safeguarding the environment for long term sustainability is of prime importance. The Company, on standalone basis, has undertaken several green initiatives at all its office locations during the year.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.? Y/N. If yes, please give hyperlink for webpage etc.

No

3. Does the Company identify and assess potential environmental risks?

No, the Company being in the business of Multi System Operator ('MSO') does not involve in any manufacturing activity.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

No, the Company being in the business of Multi System Operator ('MSO') does not involve in any manufacturing activity.

5. Has Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy etc.? Y/N. If yes, please give hyperlink to webpage etc.

No, the Company being in the business of Multi System Operator ('MSO') does not involve in any manufacturing activity.

6. Are the Emissions/Waste generated by the Company within permissible limits given by CPCB/SPCB for the financial year being reported?

No, the Company being in the business of Multi System Operator ('MSO') does not involve in any manufacturing activity.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as of end of financial year.

Nil

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PRINCIPLE 7

BUSINESS, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

1. **Is your Company a member of any trade and chambers or association? If yes, name only those major ones that your business deals with.**

The Company is a Member of All India Digital Cable Federation.

2. **Have you advocated/lobbied through above associations for advancement or improvement of public good? Yes/No; If yes, specify the broad areas**

The Company has been active in various business associations and supports / advocates on various issues for better viewer experience through implementation of Digital Addressable System ('DAS').

PRINCIPLE 8

BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

1. **Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8?**

Due to losses incurred during the last three preceding financial years, spending on CSR activities are not applicable to the Company. However, as part of its business operations, the Company supports various initiatives to create a greener and safer world.

2. **Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organisation?**

Not Applicable.

3. **Have you done any impact assessment of your initiative?**

No.

4. **What is Company's direct contribution to community development projects Amount in INR and the details of the projects undertaken?**

Not Applicable

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community?**

Not Applicable.

PRINCIPLE 9

BUSINESS SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

1. **What percentage of customer complaints/ consumer cases as on the end of financial year?**

There are no material consumer cases / customer complaints outstanding as at the end of financial year.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws?**

Yes

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and or anti-competitive behavior during the last five years and pending as of end of financial year?**

None

4. **Did your Company carry out any consumer survey/consumer satisfaction trends?**

Yes, the Marketing Department on a regular basis carries out surveys (either web-based or otherwise) for identifying consumers viewing behavior and emerging trends on consumer preferences. The Company also carries out studies from time to time on process requirement areas through consulting firms.