SITI Cable Network Limited
GYS Global, Tower A, 4th Floor, Sector - 125
Noida, Uttar Pardesh - 201301, India
**Tel.** : +91-0120-4526700
**Website** : www.siticable.com

SITI NETWORK

May 25, 2016

**BSE Limited**
P.J. Tower, Dalal Street,
Mumbai - 400001

**National Stock Exchange of India Limited**
Exchange Plaza,
Plot no. C/1, G Block,
Bandra - Kurla Complex, Bandra (E)
Mumbai - 400051

**Kind Attn: Manager – Corporate Relationship**

**Subject: - Outcome of the Board Meeting**

Dear Sir/Madam,

Pursuant to Regulation 30 and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, {"SEBI (LODR) Regulations, 2015"} this is to inform you that the Board of Directors of the Company at its meeting held today i.e. May 25, 2016, has *inter alia:-*

(i) approved the shifting of registered office of the Company from "135, Continental Building, Dr.Annie Besant Road, Worli, Mumbai – 400 018" to "Madhu Industrial Estate, 4th Floor, P.B. Marg, Worli, Mumbai – 400 013" with immediate effect;

(ii) approved the Postal Ballot Notice for seeking approval of the shareholders of the Company for changing the name of the Company from "Siti Cable Network Limited" to "Siti Networks Limited"

(iii) approved the Audited Financial Results of the Company for the fourth quarter and financial year ended March 31, 2016 – both on standalone and consolidated basis.

We are enclosing herewith:-

(i) Audited Results (both standalone and consolidated) for the fourth quarter and financial year ended March 31, 2016, as per Regulation 33 of SEBI (LODR) Regulations, 2015;

(ii) Form A (for Audit Report with unmodified opinion) in connect with standalone and consolidated financials of the Company for the financial year ended on March 31, 2016 along with Auditors Report thereon;

(iii) Earning Release;

(iv) Copy of extract of financial results to be published in Newspaper as per Regulation 47 of SEBI (LODR) Regulations, 2015.

for your information and record please.

Kindly acknowledge the receipt of this letter and oblige.

Thanking You,

Yours sincerely,
**For Siti Cable Network Limited**

**Suresh Kumar**
**Company Secretary**
**M.No. ACS 14390**

Encl : As stated

# SITI CABLE NETWORK LIMITED

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

## AUDITED FINANCIAL RESULTS (CONSOLIDATED)

(₹ In Lacs)

Statement of consolidated audited results for the year ended March 31, 2016

| | Particulars | Quarter ended March 31, 2016 (Unaudited) | Quarter ended December 31, 2015 (Unaudited) | Quarter ended March 31, 2015 (Unaudited) | Year ended March 31, 2016 (Audited) | Year ended March 31, 2015 (Audited) |
|---|---|---|---|---|---|---|
| 1 | **Income from operations** | | | | | |
| a. | Net sales/income from operations | 34,015.3 | 35,613.7 | 25,048.7 | 115,386.2 | 88,915.4 |
| b. | Other operating income | 1,651.4 | 1,380.7 | 551.8 | 3,505.6 | 1,677.5 |
| | **Total income from operations** | **35,666.7** | **36,994.4** | **25,600.5** | **118,891.8** | **90,592.9** |
| 2. | **Expenses** | | | | | |
| a. | Cost of materials consumed | - | - | - | - | - |
| b. | Purchases of stock-in-trade | 2,303.1 | 1,489.2 | 142.5 | 3,816.9 | 170.7 |
| c. | Changes in inventories of stock-in-trade | - | - | - | - | - |
| d. | Carriage sharing, pay channel and related costs | 16,027.3 | 14,865.5 | 15,698.1 | 56,863.6 | 51,082.2 |
| e. | Employee benefits expense | 1,976.2 | 1,292.0 | 1,567.0 | 6,308.2 | 5,179.0 |
| f. | Depreciation and amortization expense | 5,152.6 | 3,911.9 | 3,389.0 | 16,320.6 | 13,278.6 |
| g. | Other expenses | 5,835.4 | 6,839.0 | 7,252.7 | 22,013.4 | 20,424.7 |
| | **Total expenses** | **31,294.6** | **28,397.6** | **28,049.3** | **105,322.7** | **90,135.2** |
| **3.** | **Profit/(loss) from operations before other income, finance costs, prior period items and exceptional items (1-2)** | **4,372.1** | **8,596.8** | **(2,448.8)** | **13,569.1** | **457.7** |
| 4. | Other Income | 811.5 | 483.1 | 2,271.0 | 2,401.5 | 3,106.9 |
| 5. | **Profit/(loss) before finance costs, prior period items and exceptional items(3+4)** | **5,183.6** | **9,079.9** | **(177.8)** | **15,970.6** | **3,564.6** |
| 6. | Finance cost | 3,509.2 | 3,456.0 | 3,105.3 | 13,782.0 | 12,088.3 |
| 7. | **Profit/(loss) after finance cost but before exceptional items (5-6)** | **1,674.4** | **5,623.9** | **(3,283.1)** | **2,188.6** | **(8,523.7)** |
| 8. | Exceptional Items | (15.8) | - | (2.1) | (15.8) | (1.9) |
| 9. | **Profit/(loss) before tax (7-8)** | **1,690.2** | **5,623.9** | **(3,281.0)** | **2,204.4** | **(8,521.8)** |
| 10. | Tax expense | 888.7 | 21.8 | 1,250.0 | 1,309.4 | 1,666.6 |
| **11.** | **Profit/(loss) after tax (9-10)** | **801.5** | **5,602.1** | **(4,531.0)** | **895.0** | **(10,188.4)** |
| 12 | Prior period items (net) | (6.5) | - | - | 211.1 | - |
| 13 | **Profit/(loss) after tax and prior period items (11-12)** | **808.0** | **5,602.1** | **(4,531.0)** | **683.9** | **(10,188.4)** |
| 14 | Minority Interest | (1,598.1) | 1,697.5 | (1,118.4) | 854.9 | 721.4 |
| 15 | **Profit/(loss) after tax and minority interest (13-14)** | **2,406.1** | **3,904.6** | **(3,412.6)** | **(171.0)** | **(10,909.8)** |
| 16 | Paid-up equity share capital (Face value ₹1/- per share) | 7,941.5 | 6,776.3 | 6,776.3 | 7,941.5 | 6,776.3 |
| 17 | Reserve excluding revaluation reserves as per balance sheet of previous accounting year | | | | 51,195.3 | 11,511.6 |
| 18 | Earnings per share (of ₹ 1/-) (not annualized) | | | | | |
| | a) Basic | 0.3 | 0.6 | (0.5) | (0.0) | (1.8) |
| | b) Diluted | 0.3 | 0.6 | (0.5) | (0.0) | (1.8) |

## AUDITED FINANCIAL RESULTS (STANDALONE)

**Part - 1**

(₹ In Lacs)

Statement of standalone audited results for the year ended March 31, 2016

| | Particulars | Quarter ended March 31, 2016 (Unaudited) | Quarter ended December 31, 2015 (Unaudited) | Quarter ended March 31, 2015 (Unaudited) | Year ended March 31, 2016 (Audited) | Year ended March 31, 2015 (Audited) |
|---|---|---|---|---|---|---|
| 1 | **Income from operations** | | | | | |
| a. | Net sales/income from operations | 21,532.4 | 27,479.3 | 19,015.3 | 78,043.9 | 58,144.9 |
| b. | Other operating income | 5,667.7 | 2,823.6 | 1,432.8 | 9,673.9 | 1,770.6 |
| | **Total income from operations** | **27,200.1** | **30,302.9** | **20,448.1** | **87,717.8** | **59,915.5** |
| 2. | **Expenses** | | | | | |
| a. | Cost of materials consumed | - | - | - | - | - |
| b. | Purchase of stock-in-trade | 3,637.5 | 8,586.3 | 2,024.7 | 13,793.8 | 2,974.1 |
| c. | Changes in inventories of stock-in-trade | - | - | - | - | - |
| d. | Carriage sharing, pay channel and related costs | 9,840.9 | 9,607.9 | 10,017.5 | 36,639.6 | 33,270.3 |
| e. | Employee benefits expense | 1,486.2 | 955.2 | 1,010.6 | 4,683.5 | 3,650.6 |
| f. | Depreciation and amortisation expense | 2,856.5 | 2,263.4 | 1,794.4 | 9,278.1 | 7,433.8 |
| g. | Other expenses | 3,656.3 | 3,838.0 | 3,847.9 | 13,741.2 | 13,799.8 |
| | **Total expenses** | **21,477.4** | **25,250.8** | **18,695.1** | **78,136.2** | **61,128.6** |
| **3.** | **Profit/(loss) from operations before other income, finance costs, prior period items (1-2)** | **5,722.7** | **5,052.1** | **1,753.0** | **9,581.6** | **(1,213.1)** |
| 4. | Other income | 355.6 | 193.9 | 671.7 | 1,864.9 | 1,416.1 |
| 5. | **Profit before finance costs, prior period items (3+4)** | **6,078.3** | **5,246.0** | **2,424.7** | **11,446.5** | **203.0** |
| 6. | Finance costs | 3,442.3 | 3,402.0 | 3,080.0 | 13,549.6 | 11,978.7 |
| 7. | **Profit/(loss) before prior period items and tax (5-6)** | **2,636.0** | **1,844.0** | **(655.3)** | **(2,103.1)** | **(11,775.7)** |
| 8 | Prior period items (net) | - | - | 305.9 | 217.6 | - |
| 9 | **Profit/(loss) before tax (7-8)** | **2,636.0** | **1,844.0** | **(961.2)** | **(2,320.7)** | **(11,775.7)** |
| 10 | Tax expense | - | - | - | - | - |
| 11 | **Profit/(loss) after tax (9-10)** | **2,636.0** | **1,844.0** | **(961.2)** | **(2,320.7)** | **(11,775.7)** |
| 12 | Paid-up equity share capital (Face value ₹1/- per share) | 7,941.5 | 6,776.3 | 6,776.3 | 7,941.5 | 6,776.3 |
| 13. | Reserves excluding revaluation reserves as per balance sheet of previous accounting year | | | | 48,404.2 | 10,870.5 |
| 14. | Earnings per share (of ₹ 1/-) (not annualized) | | | | | |
| | a) Basic | 0.4 | 0.3 | (0.2) | (0.3) | (1.9) |
| | b) Diluted | 0.4 | 0.3 | (0.2) | (0.3) | (1.9) |

Anil Jain

SIGNED FOR IDENTIFICATION PURPOSES

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

SITI CABLE NETWORK LTD.

**Notes:-**

1 SITI Cable Network Limited (the "Company") predominantly operates in single business segment of cable distribution in India. Hence there are no separate reportable business or geographical segments as per Accounting Standard on Segment Reporting (AS-17).

2 The above audited financial results for the year ended March 31, 2016 have been reviewed by the Audit Committee and were approved by the Board of Directors in their meeting held on May 25, 2016.

3 This statement of audited financial results has been prepared by applying accounting policies as adopted in the last audited annual financial statements for the year ended March 31, 2015.

4 In view of the mandatory digital addressable system ('DAS') regulation announced by the Government of India, digitisation of cable networks has been implemented in Phase 1, Phase 2 and Phase 3 cities effective November 1, 2012, April 1, 2013 and January 1, 2016 respectively. Owing to the initial delays in implementation of DAS in Phase 1, Phase 2 and Phase 3 cities and challenges faced by all the Multi-System Operators (MSOs) during transition from analogue business to DAS, the Company is in the process of implementation of revenue sharing contracts entered into with the local cable operators (LCOs). Accordingly, the Company has invoiced LCOs/subscribers and recognised subscription revenue under the new DAS regime amounting to ₹ 5,157 lacs (standalone ₹ 4,398 lacs) and ₹ 12,461 lacs (standalone ₹ 10,646 lacs) for the quarter and year ended March 31, 2016 respectively, ₹ 2,240 lacs (standalone ₹ 1,835 lacs) and ₹ 6,662 lacs (standalone ₹ 5,290 lacs) for the quarter and year ended March 31, 2015 respectively and ₹ 2,294 lacs (standalone ₹ 2,194 lacs) for the quarter ended December 31, 2015, 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.

5 The Audit Committee and Board of Directors noted the utilisation of the proceeds of Rights Issue for year ended March 31, 2016 is in line with utilisation schedule approved by the Board of Directors. Out of the total proceeds of ₹ 44,882 lacs, the unutilised amount from the proceeds of Rights Issue as on March 31, 2016 is ₹ Nil lacs.

6 The Audit Committee and Board of Directors noted the utilisation of the proceeds of Preferential allotment of Warrants and Optionally Fullly Convertible Debentures for year ended March 31, 2016 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 Rights Issue as on March 31, 2016 is ₹ 10,905 lacs.

7 The Company continued to incur losses on standalone basis, during year ended March 31, 2016 but in view of the present positive net worth, expected substantial subscription revenue growth and continued financial support from certain stakeholders of the Company, the financial results continue to be prepared on a going concern basis.

8 Figures for the quarter ended March 31, 2016 and March 31, 2015 are the balancing figures between audited figures in respect of financial year and the published year to date figures upto the third quarter of the financial year. Also, the figures of standalone financial results upto the end of the third quarter were only reviewed and not subject to audit and the figures of the consolidated financial results upto the end of third quarter have neither been reviewed nor been subjected to audit.

9 Prior period items, for the year ended March 31, 2016, relates to license fee of ₹ 217.6 lacs pertaining to financial year 2014-2015, recorded in financial year 2015-2016 and for the quarter ended March 31, 2015, prior period item relates to activation income which had been reversed in that quarter amounting to ₹ 305.9 lacs which was booked in previous period. Additionally in consolidated financial results, for the year and quarter ended March 31, 2016, it relates to carriage income of ₹ 6.5 lacs.

10 Exceptional item in consolidated financial results, for the year and quarter ended March 31, 2016, relates to carriage income of ₹ 27.8 lacs and pay channel expenses of ₹ 12 lacs for the year ended March 31, 2016 and for the quarter ended and year ended March 31, 2015, related to carriage income of ₹ 2.1 lacs and ₹ 1.9 lacs respectively.

11 As approved by the Shareholders, on the basis of recommendation of Nomination and Remuneration Committee, the remuneration paid to CEO and Executive Director of the Company exceeds the prescribed limits under the Companies Act, 2013 by ₹ 41 lacs, for which necessary representation for reconsidering the application has been submitted before Central Government and approval is awaited for the same.

12 During the financial year, the Company has acquired 51% equity share capital in Saistar Digitalmedia Private Limited, Siti Prime Uttaranchal Communication Private Limited, Panchsheel Digital Communication Network Private Limited, Bargachh Digital Communication Network Private Limited and Axom Communications & Cable Private Limited (50%) and 100% equity shares capital in Variety Entertainment Private Limited and Ind net Service Private Limited. The Company has subscribed to Optionally Convetible Debenture (OCD) in SITI Siri Digital Network Private Limited, Saistar Digitalmedia Private Limited, Variety Entertainment Private Limited and Siti Broadband Services Private Limited. Total amount invested into OCD amounts to ₹ 13,466 lacs and amount invested in equity shares ₹ 702.4 lacs.

13 Previous period's/year's amounts have been regrouped and rearranged, wherever necessary.

**Statement of Assets and Liabilities**

| Statement of Assets and Liabilities | Consolidated As at March 31, 2016 | Consolidated As at March 31, 2015 | Standalone As at March 31, 2016 | Standalone As at March 31, 2015 |
|---|---|---|---|---|
| **Particulars** | | | | |
| **A. Equity and liabilities** | | | | |
| **1. Shareholders' funds** | | | | |
| (a) Share capital | 7,947.8 | 6,782.7 | 7,947.8 | 6,782.7 |
| (b) Reserves and surplus | 51,195.3 | 11,511.6 | 48,404.2 | 10,870.5 |
| (c) Money received against share warrants | 5,000.0 | - | 5,000.0 | - |
| **Sub-total - Shareholders' funds** | **64,143.1** | **18,294.3** | **61,352.0** | **17,653.2** |
| 2. Minority Interest | 8,053.6 | 6776.0 | - | - |
| **3. Non-current liabilities** | | | | |
| (a) Long-term borrowings | 78,721.4 | 93,753.6 | 70,333.7 | 90,224.6 |
| (b) Deferred tax Liabilities (net) | 1,637.4 | 1,008.5 | - | - |
| (c) Other long-term liabilities | 22,619.8 | 7,916.5 | 20,277.2 | 7,613.0 |
| (d) Long-term provisions | 535.8 | 453.2 | 388.9 | 324.7 |
| **Sub-total - Non-current liabilities** | **103,514.4** | **103,131.8** | **90,999.8** | **98,162.3** |
| **4. Current liabilities** | | | | |
| (a) Short-term borrowings | 7,550.7 | 4,652.5 | 7,220.0 | 3,441.0 |
| (b) Trade payables | 33,224.7 | 26,141.7 | 21,646.0 | 21,979.8 |
| (c) Other current liabilities | 83,838.5 | 64,306.3 | 67,404.8 | 54,726.4 |
| (d) Short-term provisions | 711.8 | 336.3 | 14.6 | 11.7 |
| **Sub-total - Current liabilities** | **125,325.7** | **95,436.8** | **96,285.4** | **80,158.9** |
| **Total - Equity and liabilities** | **301,036.8** | **223,638.9** | **248,637.2** | **195,974.4** |
| **B. Assets** | | | | |
| **1. Non-current assets** | | | | |
| (a) Fixed assets | 184,577.9 | 108,501.9 | 105,511.3 | 59,281.5 |
| (b) Goodwill on consolidation | 3,033.1 | 918.0 | - | - |
| (c) Non-current investments | 84.2 | 84.2 | 38,600.1 | 24,807.7 |
| (d) Deferred tax assets (net) | 64.8 | 2.5 | - | - |
| (e) Long-term loans and advances | 3,656.1 | 4,048.8 | 1,709.0 | 10,771.1 |
| (f) Other non-current assets | 7,834.5 | 6,301.0 | 7,615.6 | 6,274.9 |
| **Sub-total - non-current assets** | **199,250.6** | **119,856.4** | **153,436.0** | **101,135.2** |
| **2. Current assets** | | | | |
| (a) Current investments | 80.4 | 80.4 | 80.4 | 80.4 |
| (b) Inventories | 1,914.5 | 1,400.3 | 1,430.9 | 1,032.9 |
| (c)Trade receivables | 36,433.3 | 32,834.9 | 40,857.6 | 35,118.5 |
| (d) Cash and bank balances | 37,275.0 | 43,370.6 | 28,230.0 | 39,400.1 |
| (e) Short-term loans and advances | 24,761.6 | 24,901.2 | 23,150.4 | 18,364.0 |
| (f) Other current assets | 1,321.4 | 1,195.1 | 1,451.9 | 843.3 |
| **Sub-total - Current assets** | **101,786.2** | **103,782.5** | **95,201.2** | **94,839.2** |
| **Total - Assets** | **301,036.8** | **223,638.9** | **248,637.2** | **195,974.4** |

SITI Cable Network Limited

V D Wadhwa

Executive Director and CEO

Place : New Delhi
Date : May 25, 2016

SIGNED FOR IDENTIFICATION PURPOSES

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

Anil Jain

SITI CABLE NETWORK LTD.

**Compliance under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015**

**FORM A (for audit report with unmodified opinion)**

| | | |
|---|---|---|
| 1 | Name of the company | SITI Cable Network Limited |
| 2 | Annual financial statements for the year ended | 31 March 2016 (Standalone) |
| 3 | Type of Audit observation | Un Modified |
| 4 | Frequency of observation | Not Applicable |
| 5 | To be signed by-<br><br>• **CEO & Executive Director**<br>Mr. V.D. Wadhwa<br><br>• **Head – Finance & Accounts**<br>Mr. Anil Jain<br><br>• **Auditor of the company**<br>For **Walker Chandiok & Co LLP**<br>*(formerly Walker, Chandiok & Co)*<br>Chartered Accountants<br>Firm Registration No.:001076N/N500013<br><br>per **Rajni Mundra**<br>Partner<br>Membership No. 58644<br><br>• **Audit Committee Chairman**<br>Mr. B.K. Syngal<br><br>**Place**: New Delhi<br>**Date**: 25 May 2016 | Anil Jain<br><br>Rajni Mundra<br><br>SITI CABLE NETWORK LTD.<br>WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS |

**Compliance under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015**

**FORM A (for audit report with unmodified opinion)**

| | | |
|---|---|---|
| 1 | Name of the company | SITI Cable Network Limited |
| 2 | Annual financial statements for the year ended | 31 March 2016 (Consolidated) |
| 3 | Type of Audit observation | Un Modified |
| 4 | Frequency of observation | Not Applicable |
| 5 | To be signed by-<br><br>• **CEO & Executive Director**<br>Mr. V.D. Wadhwa<br><br>• **Head – Finance & Accounts**<br>Mr. Anil Jain<br><br>• **Auditor of the company**<br>For **Walker Chandiok & Co LLP**<br>*(formerly Walker, Chandiok & Co)*<br>Chartered Accountants<br>Firm Registration No.:001076N/N500013<br><br>per **Rajni Mundra**<br>Partner<br>Membership No. 58644<br><br>• **Audit Committee Chairman**<br>Mr. B.K. Syngal<br><br>**Place**: New Delhi<br>**Date**: 25 May 2016 | Anil Jain<br><br>Rajni Mundra |

# Walker Chandiok & Co LLP

**Walker Chandiok & Co LLP**
(Formerly Walker, Chandiok & Co)
L-41 Connaught Circus
New Delhi 110001
India

T +91 11 4278 7070
F +91 11 4278 7071

**Auditor's Report on Annual 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 Cable Network Limited**

1. We have audited the standalone annual financial results of SITI Cable Network Limited ("the Company") for the year ended 31 March 2016, attached herewith, 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 8 in the annual financial results regarding the figures for the quarter ended 31 March 2016, as reported in these annual financial results, which are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto 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 annual financial results have been prepared on the basis of the annual financial statements and quarterly financial results upto the end of the third quarter, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these annual financial results based on our review of financial results for the nine months period ended 31 December 2015 which were prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India; and our audit of the annual financial statements as at and for the year ended 31 March 2016.

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 CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

3. In our opinion and to the best of our information and according to the explanations given to us the annual financial results:

   (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and

   (ii) give a true and fair view of the net loss and other financial information for the year ended 31 March 2016

Walker Chandiok & Co LLP

For **Walker Chandiok & Co LLP**
*(formerly Walker, Chandiok & Co)*
Chartered Accountants
Firm Registration No.: 001076N/N500013

Rajni Mundra

per **Rajni Mundra**
Partner
Membership No. 58644

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

**Place**: New Delhi
**Date**: 25 May 2016

# Walker Chandiok & Co LLP

**Walker Chandiok & Co LLP**
(Formerly Walker, Chandiok & Co)
L-41 Connaught Circus
New Delhi 110001
India

T +91 11 4278 7070
F +91 11 4278 7071

**Auditor's Report on Consolidated Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**To The Board of Directors of SITI Cable Network Limited**

1. We have audited the consolidated annual financial results ("the Statement") of SITI Cable Network Limited ("the Holding Company"), its subsidiaries and associate (the Holding Company, its subsidiaries and associate are together referred to as "the Group") for the year ended 31 March 2016, attached herewith, 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 8 to the annual financial results regarding the figures for the quarter ended 31 March 2016, as reported in these annual financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date unaudited figures upto the end of the third quarter of the financial year. Also, the figures of standalone financial results up to the end of the third quarter had only been reviewed and not subjected to audit, and the figures of consolidated financial results up to the end of the third quarter have neither been reviewed nor been subjected to audit. These annual financial results have been prepared on the basis of the annual financial statements and quarterly financial results upto the end of the third quarter which are the responsibility of the Company's management. Our responsibility is to express an opinion on the standalone annual financial results based on standalone unaudited financial results for the nine months period ended 31 December 2015 which was prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India; and our audit of the standalone annual financial statements as at and for the year ended 31 March 2016. Further, with respect to consolidated financial results, our responsibility is to express an opinion on the consolidated annual financial results based on our audit of the consolidated annual financial statements as at and for the year ended 31 March 2016.

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

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 in 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.

3. In our opinion and to the best of our information and according to the explanations given to us, and upon consideration of reports of other auditors, these annual financial results;

   i. include the financial results as at and for the year/period ended 31 March 2016, of the following subsidiaries and associate:

      1) Indian Cable Net Company Limited
      2) Central Bombay Cable Network Limited
      3) Siti Jind Digital Media Communications Private Limited
      4) Siti Jai Maa Durgee Communications Private Limited
      5) Siti Krishna Digital Media Private Limited
      6) Siti Faction Digital Private Limited
      7) Siti Jony Digital Cable Network Private Limited
      8) Siticable Broadband South Limited
      9) Siti Broadband Services Private Limited
      10) Siti Karnal Digital Media Network Private Limited
      11) Siti Vision Digital Media Private Limited
      12) Siti Prime Uttaranchal Communication Private Limited
      13) Wire and Wireless Tisai Satellite Limited
      14) Siti Guntur Digital Network Private Limited
      15) Master Channel Community Network Private Limited
      16) Siti Siri Digital Network Private Limited
      17) Siti Bhatia Network Entertainment Private Limited
      18) Siti Global Private Limited
      19) Panchsheel Digital Communication Network Private Limited
      20) Variety Entertainment Private Limited
      21) Bargachh Digital Communication Network Private Limited
      22) Saistar Digitalmedia Private Limited
      23) Siti Maurya Cable Net Private Limited
      24) Indinet Service Private Limited
      25) Axom Communications & Cable Private Limited
      26) Siti Chhattisgarh Multimedia Private Limited

   ii. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and

   iii. give a true and fair view of the consolidated net loss and other financial information for the year ended 31 March 2016.

4. We did not audit the annual financial statements of 24 subsidiaries included in these consolidated annual financial results, whose financial statements reflect total assets (after eliminating intra-group transactions) of Rs. 113,691 lacs as at 31 March 2016 and the total revenue (after eliminating intra-group transactions) of Rs. 49,037 lacs for the year ended 31 March 2016. These annual financial statements and other financial information have been audited by other auditors, whose audit reports have been furnished to us, and our opinion, to the extent they have been derived from such financial statements, is based solely on the audit reports of such other auditors. Our opinion is not qualified in respect of this matter.

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5. We did not audit the annual financial statements of a subsidiary namely Siti Bhatia Network Entertainment Private Limited, included in these consolidated annual financial results, whose financial statements reflect total assets (after eliminating intra-group transactions) of Rs. 928 lacs as at 31 March 2016 and the total revenue (after eliminating intra-group transactions) of Rs. 428 lacs for the year ended 31 March 2016. These consolidated annual financial results also include the Group's share of net profit of Rs. Nil lacs for the year ended 31 March 2016, in respect of an associate, namely Siti Chhattisgarh Multimedia Private Limited, whose financial statements have not been audited by us. The annual financial statements of such subsidiary and the associate are unaudited and have been furnished to us and certified by the management and our opinion on these consolidated annual financial results, in so far as it relates to the amounts and disclosure included in respect of this subsidiary and associate is based solely on such unaudited annual financial statements. Our opinion is not qualified in respect of this matter. 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.

Walker Chandiok & Co LLP

For **Walker Chandiok & Co LLP**
*(formerly Walker, Chandiok & Co)*
Chartered Accountants
Firm Registration No.: 001076N/N500013

Rajni Mundra

per **Rajni Mundra**
Partner
Membership No. 58644

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

**Place**: New Delhi
**Date**: 25 May 2016

# SITI Cable Network Limited

## Consolidated Financial Results Q4 FY16 & FY16

**Investor Release** **25th May, 2016**

**New Delhi, India; 25th May, 2016:** The Board of Directors of SITI Cable Network Limited (SITI CABLE) (BSE: 532795, NSE: SITI CABLE EQ) in its meeting held today, has taken on record the Audited Consolidated Financial Results of the company for the Fourth Quarter and Full Year ended March 31, 2016.

## FY16 Highlights

- *Profitable Turnaround for the first time in Company's history* with PBT at INR22 Crores
- EBITDA at INR323 Crores; up 92% YoY
- Revenue at INR1,213 Crores; up 30% YoY
- Subscription Income at INR561 Crores ; up 6% YoY
- Broadband Income at INR49 Crores ; up 83% YoY
- Highest ever customer acquisition at 2.7 mn with a Total Digital Subscriber Base of 7.9 Mn; *Largest presence in the country at 312 cities*
- Added ~72,000 Broadband subscribers; Total Broadband Subscriber Base at 1.32 Lakh

| **Income Statement** | | **(INR Million)** |
|---|---|---|
| | **FY16** | **FY15** |
| Revenues | 11,889 | 9,059 |
| Other Income | 241 | 311 |
| **Total Revenue** | **12,130** | **9,370** |
| Total Expenditure | 8,900 | 7,686 |
| **EBITDA** | **3,230** | **1,684** |
| Finance cost | 1,378 | 1,209 |
| Depreciation | 1,632 | 1,328 |
| **PBT** | **221** | **(852)** |
| Tax | 131 | 167 |
| **PAT** | **90** | **(1,019)** |

| Income Statement | | | (INR Million) |
|---|---|---|---|
| | Quarter Ended | | |
| | Q4 FY 2016 | Q3 FY 2016 | Q4 FY 2015 |
| Revenues | 3,567 | 3,699 | 2,560 |
| Other Income | 82 | 48 | 227 |
| **Total Revenue** | **3,648** | **3,748** | **2,787** |
| Total Expenditure | 2,614 | 2,449 | 2,466 |
| **EBITDA** | **1,034** | **1,299** | **321** |
| Finance cost | 351 | 346 | 311 |
| Depreciation | 515 | 391 | 339 |
| **PBT** | **169** | **562** | **(328)** |
| Tax | 89 | 2 | 125 |
| **PAT** | **81** | **560** | **(453)** |

| Revenue Streams (INR Million) | Quarter Ended | | |
|---|---|---|---|
| | Q4 FY 2016 | Q3 FY 2016 | Q4 FY 2015 |
| Subscription | 1,479 | 1,458 | 1,424 |
| Carriage | 634 | 605 | 735 |
| Activation | 782 | 1,050 | 211 |
| Broadband | 159 | 139 | 79 |

| Operational Metrics | Quarter Ended | |
|---|---|---|
| | Q4 FY 2016 | Q3 FY 2016 |
| Cable Universe (Mn) | 12.2 | 12.2 |
| Digital Subscribers (Mn) | 7.9 | 6.8 |
| Digital Subscribers added (Mn) | 1.1 | 1.1 |
| HD Subscribers | 50,170 | 35,372 |
| Broadband Home Passess (Lakhs) | 8.9 | 6.7 |
| Broadband Subscribers | 1,32,500 | 1,07,000 |

## Operational Highlights

- ***Profitable Turnaround*** *for the first time in Company History*; Reported Profit before Tax (PBT) at INR22 Crores in FY16
- ***Highest seeding*** *for a particular year at 2.7 mn*. The Company will continue to aggressively digitize its subscriber base
- *Siti Cable now has the* ***largest Pan India presence at 312 cities,*** in line with its strategy to expand in Phase 3 areas across different geographies
- SITI Cable is now ***offering 45+ HD Channels*** with 8 additional channels in the pipeline in the near future
- ***Broadband***: Added ~4.5 lakh home passes and ~72,000 customers in FY16; Looking to aggressively roll out broadband in select geographies in the near future

- ***Fund infusion by Promoter*** *Group Entities*
  - Encouraged by the improvement in performance in Q4FY16, the promoters infused fresh funding of INR530 Crores. This was the first tranche of the previously announced INR 680 crore funding. The Funding will be utilized primarily for debt reduction
- ***ICRA upgraded the long-term rating*** *of SITI Cable* to A- from BBB+. Further ICRA has a rating of AA (SO) on the term loan facility of SITI Cable. The outlook on the ratings is 'stable'
- SITI Cable Network Limited has been *chosen to be a constituent of the Morgan Stanley Capital International (MSCI)* ***India Domestic Small Cap Index***, effective 31st May, 2016

- **Awards & Recognitions**
  - The Company was awarded at the 7th Broadcasting, Cable & Satellite (BCS) Ratna Awards
    - *Outstanding MSO Providing Technology & Services*
    - *Best CEO Award*
      - Mr. VD Wadhwa, Executive Director & CEO of SITI Cable received the Best CEO Award for his strategic leadership and profitable turnaround of the company
  - Mr. VD Wadhwa, Executive Director & CEO, has been nominated for the "Best CEO category in Asia" for the Asia Communication Awards (ACA) 2016, along with 11 other leading CEO's from the Asia-Pacific Region
  - Consolidated Gross Debt at INR1,116 Crores & Net Debt at INR743 Crores

While commenting on the results Mr. V D Wadhwa, Executive Director & CEO, SITI Cable mentioned that

*"Our strategy of tighter control on cost lines and improving monetization has started yielding results and the company's profitable turn-around, first time in 20 years, is a testament to that.*

*We continue on our journey of being the fastest growing company in Cable and Broadband by expanding the breadth & width of our distribution. As a part of our strategy, we are working on gaining Industry leadership through organic and inorganic growth.*

*Our growth story was recognized not only by the promoters who increased their stake, but also by independent agencies like ICRA who upgraded the long term rating of SITI Cable to [ICRA]A- from [ICRA]BB+. Morgan Stanley Capital International (MSCI) will also be including SITI Cable as constituent of their India Domestic Small Cap Index with effect from 31st May 2016.*

*Having expanded in DAS Phase 3, our biggest challenge in FY17 will be monetization. We are well positioned to scale up our Broadband operations aggressively in new geographies in FY17."*

## About SITI Cable Network Limited

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 Cable Network Limited is one of India's largest Multi System Operator (MSO). With 36 analogue and 18 digital head ends and a network of more than 30,000 Kms of optical fibre and coaxial cable, it provides its cable services in India's ~300+ cities and the adjoining areas, reaching out to over 12.2 million viewers.

SITI Cable 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 Cable has been providing services in analogue and digital mode, armed with technical capability to provide features like Video on Demand, Pay per View, Electronic Programming Guide (EPG) and Gaming through a Set Top Box (STB). All products are marketed under SITI brand name.

**Note: This earnings release contains consolidated results that are unaudited and prepared as per Indian Generally Accepted Accounting Principles (GAAP).**

## Caution Concerning Forward-Looking Statements

This document includes certain forward-looking statements. These statements are based on management's current expectations or beliefs, and are subject to uncertainty and changes in circumstances. Actual results may vary materially from those expressed or implied by the statements herein due to changes in economic, business, competitive, technological and/or regulatory factors. SITI Cable Network Limited is under no obligation to, and expressly disclaims any such obligation to, update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.

## Key Contact - Investor Relations

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# SITI CABLE NETWORK LIMITED

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## Extract of Standalone and Consolidated Financial Results for the Quarter (unaudited) / Twelve Months (Audited) ended on March 31, 2016

Rs.lacs

| Particulars | Standalone | | | | Consolidated | | | |
|---|---|---|---|---|---|---|---|---|
| | Quarter ending 31.03.2016 | Quarter Ending 31.03.2015 | Financial Year ending on 31.03.2016 | Financial Year ending on 31.03.2015 | Quarter ending 31.03.2016 | Quarter Ending 31.03.2015 | Financial Year ending on 31.03.2016 | Financial Year ending on 31.03.2015 |
| Total Income from Operations | 27,200.1 | 20,448.1 | 87,717.8 | 59,915.5 | 35,666.7 | 25,600.5 | 118,891.8 | 90,592.9 |
| Profit / (Loss) before tax | 2,636.0 | -961.2 | -2,320.7 | -11,775.7 | 1,690.2 | -3,281.0 | 2,204.4 | -8,521.8 |
| Net Profit / (Loss) from ordinary activities after tax | 2,636.0 | -961.2 | -2,320.7 | -11,775.7 | 808.0 | -4,531.0 | 683.9 | -10,188.4 |
| Net Profit / (Loss) for the period after tax (after Extraord nary / Exceptional Items) | 2,636.0 | -961.2 | -2,320.7 | -11,775.7 | 808.0 | -4,531.0 | 683.9 | -10,188.4 |
| Equity Share Capital | 7,941.5 | 6,776.3 | 7,941.5 | 6,776.3 | 7,941.5 | 6,776.3 | 7,941.5 | 6,776.3 |
| Reserves (excluding Revaluation Reserve as shown in the Balance Sheet of the previous year) | | | 48,404.2 | 10,870.5 | | | 51,195.3 | 11,511.6 |
| Earning Per Share (before Extraordinary / Exceptional Items) (of Rs.1/- each) Basic and Diluted | 0.4 | -0.2 | -0.3 | -1.9 | 0.3 | -0.5 | -0.0 | -1.8 |
| Earning Per Share (After Extraordinary / Exceptional Items) (of Rs.1/- each) Basic and Diluted | 0.4 | -0.2 | -0.3 | -1.9 | 0.3 | -0.5 | -0.0 | -1.8 |

Note : The above is an extract of the detailed format of Audited Financial Results for the fourth quarter of FY 2015-16 and Twelve months ended March 31, 2016 filed by the Company with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Audited Financial Results for the fourth quarter of FY 2015-16 and Twelve months ended March 31, 2016 are available on the Stock Exchange websites (www.bseindia.com and www.nseindia.com) and also on the Company's website www.siticable.com

For Siti Cable Network Limited

V.D.Wadhwa
Executive Director & CEO

Anil Jain