

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

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



AUDITED FINANCIAL RESULTS (CONSOLIDATED)						AUDITED FINANCIAL RESULTS (STANDALONE)					
Part - I						Part - I					
Statement of Consolidated Audited Results for the quarter and year ended March 31, 2017						Statement of Standalone Audited Results for the quarter and year ended March 31, 2017					
Particulars	Quarter ended	Quarter ended	Quarter ended	Year ended	Year ended	Particulars	Quarter ended	Quarter	Quarter ended	Year ended	Year ended
	March 31, 2017	December 31, 2016	March 31, 2016	March 31, 2017	March 31, 2016		March 31, 2017	March 31, 2017	ended December 31, 2016	March 31, 2016	March 31, 2017
	Refer note 4 (Unaudited)	(Unaudited)	Refer note 4 (Unaudited)	(Audited)	(Audited)		Refer note 4 (Unaudited)	(Unaudited)	Refer note 4 (Unaudited)	(Audited)	(Audited)
I Revenue from operation	32,551.8	29,846.3	33,891.5	1,19,491.6	1,14,604.0	I Revenue from operations	22,031.6	18,936.4	26,207.2	77,367.9	85,580.6
II Other income	1,152.8	707.2	701.9	2,588.5	2,311.6	II Other income	600.1	482.5	418.4	1,627.9	2,078.1
III Total Income (I+II)	33,704.6	30,553.5	34,593.4	1,22,080.1	1,16,915.6	III Total Income (I+II)	22,631.7	19,418.9	26,625.6	78,995.8	87,658.7
IV Expenses						IV Expenses					
Cost of materials consumed	165.6	1.2	-	171.7	-	Cost of materials consumed	0.4	1.2	-	6.4	-
Purchase of stock-in-trade	490.2	-	2,303.2	1,450.0	3,817.0	Purchase of stock-in-trade	3,643.1	1,400.5	3,637.4	8,094.4	13,793.8
Carriage sharing, pay channel and related costs	16,089.1	14,439.9	16,027.3	59,713.3	56,863.6	Carriage sharing, pay channel and related costs	9,286.1	8,932.1	9,841.0	38,086.2	36,639.6
Employee benefits expense	2,439.7	1,907.3	1,801.3	8,329.0	6,309.0	Employee benefits expense	1,791.0	1,360.3	1,313.4	6,180.3	4,686.5
Finance costs	3,380.2	3,597.2	3,571.0	12,744.7	13,992.9	Finance costs	3,350.3	3,152.2	3,503.3	12,101.2	13,757.9
Depreciation and amortisation expense	6,672.7	6,254.6	5,377.4	24,118.2	16,545.4	Depreciation and amortisation expense	3,799.6	2,994.0	3,013.7	13,452.4	9,435.3
Other expenses	7,571.2	7,996.3	5,583.4	29,546.7	23,020.3	Other expenses	4,793.6	4,387.5	3,766.2	17,525.0	14,541.2
Total expenses (IV)	36,808.7	34,196.5	34,663.6	1,36,073.6	1,20,548.2	Total expenses (IV)	26,664.1	22,427.8	25,075.0	95,445.9	92,854.3
V Loss for the period before tax and share of (loss)/profit in associates and joint ventures (III-IV)	(3,104.1)	(3,643.0)	(70.2)	(13,993.5)	(3,632.6)	V (Loss)/profit before exceptional items and tax (III-IV)	(4,032.4)	(3,008.9)	1,550.6	(16,450.1)	(5,195.6)
VI Share of (loss)/profit of associates and joint ventures	(12.1)	32.5	(21.5)	20.4	(20.6)	VI Exceptional items	2,023.6	-	-	2,023.6	-
VII Loss before exceptional items and tax (V-VI)	(3,116.2)	(3,610.5)	(91.7)	(13,973.1)	(3,653.2)	VII (Loss)/profit before tax (V-VI)	(6,056.0)	(3,008.9)	1,550.6	(18,473.7)	(5,195.6)
VIII Exceptional items	2,023.6	-	(15.8)	2,023.6	(15.8)	VIII Tax expense	25.8	-	-	25.8	-
IX Loss before tax expenses (VII-VIII)	(5,139.8)	(3,610.5)	(75.9)	(15,996.7)	(3,637.4)	IX (Loss)/profit for the period from continuing operations (VII-VIII)	(6,081.8)	(3,008.9)	1,550.6	(18,499.5)	(5,195.6)
X Tax expense	1,351.9	(295.0)	71.1	1,926.4	491.7	X Other comprehensive income:					
XI Loss for the period (IX-X)	(6,491.7)	(3,315.5)	(147.0)	(17,923.1)	(4,129.1)	Items that will not be reclassified to profit or loss	(15.5)	0.8	0.7	(13.1)	3.0
XII Other comprehensive income:						XI Total comprehensive income	(6,097.3)	(3,008.1)	1,551.3	(18,512.6)	(5,192.6)
Items that will not be reclassified to profit or loss	20.1	0.8	1.6	22.5	0.7						
Total comprehensive (loss)/income for the period (including non-controlling interest)	(6,471.6)	(3,314.7)	(145.4)	(17,900.6)	(4,128.4)	XII Paid-up equity share capital (Face value ₹ 1/- per share)	8,720.5	7,941.5	7,941.5	8,720.5	7,941.5
Net (loss)/income attributable to:						XIII Earnings per share (of ₹ 1/- each) (not annualised)					
A Owners	(6,167.8)	(2,633.8)	781.3	(18,852.9)	(4,739.0)	a) Basic	(0.7)	(0.4)	0.2	(2.1)	(0.7)
B Non-controlling interest	(323.9)	(681.7)	(928.3)	929.8	609.8	b) Diluted	(0.7)	(0.4)	0.2	(2.1)	(0.7)
Other comprehensive (loss)/income attributable to:											
A Owners	12.1	0.5	1.0	13.5	0.4						
B Non-controlling interest	8.0	0.3	0.6	9.0	0.3						
Total comprehensive income attributable to:											
A Owners	(6,155.7)	(2,633.3)	782.3	(18,839.4)	(4,738.6)						
B Non-controlling interest	(315.9)	(681.4)	(927.7)	938.8	610.2						
XIII Paid-up equity share capital (Face value ₹ 1/- per share)	8,720.5	7,941.5	7,941.5	8,720.5	7,941.5						
XIV Earnings per share (of ₹ 1/-) (not annualised)											
a) Basic	(0.7)	(0.4)	0.1	(2.2)	(0.7)						
b) Diluted	(0.7)	(0.4)	0.1	(2.2)	(0.7)						



Neil Jain
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Notes:-

- 1 SITI Networks Limited (formerly SITI Cable Network Limited) (the 'Company' or the 'Holding 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 (Ind AS) 108 on Operating Segments. Further the Holding Company, its subsidiaries, its associates and its joint venture (collectively referred to as 'the Group') also predominantly operate in a single business segment of cable and broadband distribution in India only. Hence the Group has no separately reportable business or geographical segments as per Ind AS 108. The aforesaid is in line with the way operating results are reviewed and viewed by the chief operating decision maker(s).
- 2 The above standalone and consolidated financial results along with comparative figure have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on May 26, 2017.
- 3 This statement of standalone and consolidated financial results for quarter and year ended March 31, 2017 is 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) read with SEBI Circulars CIR/CFD/GMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016 and other recognised accounting policies and practices. Consequently, results for all the preceding/ corresponding periods presented have been restated to comply with Ind AS to make them comparable.
- 4 Figures for the standalone and consolidated financial results for the quarter ended March 31, 2017 and quarter ended March 31, 2016 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 financial results upto the end of the third quarter were only reviewed and not subject 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, 2017 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 IDAS, 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 LCO's and recognised subscription revenue in the quarter and year ended March 31, 2017 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.
- 7 The Company continued to incur losses during the quarter and year ended March 31, 2017, 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 for the quarter and year ended March 31, 2017 continue to be prepared on a going concern basis.
- 8 During the year ended March 31, 2017, the Company acquired 48% equity share capital in C&S Mediant Private Limited, 6.5% equity shares in SITI Jind Digital Media Private Limited and effective 21.8% equity share capital in Voice Stop Services Private Limited.
- 9 The Audit Committee and Board of Directors noted the utilisation of the proceeds of preferential allotment of Warrants for the year ended March 31, 2017, which is in line with utilisation schedule approved by the Board of Directors. Out of the total proceeds of ₹ 15,000 lacs, the unutilised amount from the proceeds of preferential allotment as on March 31, 2017 is ₹ 4,771 lacs.
- 10 As referred in note 6 above, the Company had recognised certain receivables in prior years pertaining to billings done on estimation (net) basis. During the year, the Company has reached further negotiations with the customers and has accordingly written off such old receivables based on management's best estimates, which have been disclosed as exceptional items during the year ended March 31, 2017. Exceptional item in consolidated financial results, for the year and quarter ended March 31, 2016, relates to carriage income and pay channel expenses on net basis for the year ended March 31, 2016.
- 11 The paid up capital of the Company has been increased by ₹ 779.06 lacs on account of conversion of 571.43 lacs warrants, 206.29 lacs optionally fully convertible debenture and allotment of 1.35 lacs equity shares, pursuant to exercise of stock options by employees.
- 12 Reconciliation of equity as reported under previous Indian GAAP vis-a-vis Ind AS as at 31 March 2016:

Particular	As at March 31, 2016	
	Consolidated	Standalone
Equity as per Indian GAAP (including warrants)	64,143.1	61,351.9
Optionally fully convertible debentures classified to equity	7,220.0	7,220.0
Effect of provision for expected credit loss	(10,646.8)	(8,072.5)
Effect of recognition of activation and set top boxes pairing charges	(9,332.7)	(4,953.7)
Effect of recognising interest expense on long term borrowings and advances as per effective interest method	(463.9)	(461.1)
Measurement of financial assets at fair value through profit and loss	62.4	248.9
Effect of fair valuation of property, plant and equipment on transition date	4,601.0	-
Deferred tax impact	817.6	-
Others	(291.5)	(263.4)
Loss attributable to non-controlling interest	1,015.4	-
Total Ind AS adjustments	(7,018.5)	(6,283.8)
Equity as per Ind AS	57,124.6	55,068.1



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Particulars	Consolidated		Standalone	
	As at March 31,			
	2017 Audited	2016 Audited	2017 Audited	2016 Audited
A. Assets				
1. Non-current assets				
(a) Property, plant and equipment	1,40,433.0	1,10,128.9	77,092.3	60,972.7
(b) Capital work-in-progress	41,109.4	51,131.3	20,339.1	34,175.5
(c) Goodwill	5,825.8	6,246.8	-	-
(d) Other intangible assets	24,880.1	22,488.0	10,871.0	8,116.4
(e) Intangible assets under development	1,809.1	2,718.7	1,809.1	2,718.7
(f) Financial assets				
(i) Trade receivable	-	-	-	1,181.9
(ii) Investments	469.7	84.2	38,934.2	38,999.2
(iii) Loans	965.1	7,832.5	711.0	711.4
(iv) Others- Fixed deposits	8,488.6	245.8	8,433.5	7,084.0
(g) Deferred tax assets (net)	58.8	211.3	-	-
(h) Other non-current assets	4,474.8	429.2	648.0	426.5
Sub-total of Non-current assets	2,28,514.4	2,01,516.7	1,58,838.2	1,54,386.3
2. Current assets				
(a) Inventories	929.3	1,178.9	793.9	695.3
(b) Financial assets				
(i) Investments	44.0	125.6	44.0	125.6
(ii) Trade receivables	36,314.0	25,935.8	52,003.4	31,390.9
(iii) Cash and cash equivalents	17,965.6	21,629.0	10,024.7	13,140.0
(iv) Other bank balances	-	15,863.9	-	15,090.0
(v) Loans	9,518.8	2,336.5	3,836.9	-
(vi) Other receivables	5,145.4	236.5	8,068.1	9,151.8
(c) Current tax assets	460.0	797.2	-	-
(d) Other current assets	15,982.0	23,653.6	16,768.7	15,502.8
Sub-total of Current assets	85,459.1	91,757.0	91,559.7	85,096.4
Total assets	3,13,973.5	2,93,273.7	2,50,397.9	2,39,482.7
B. Equity and liabilities				
Equity				
(a) Equity share capital	8,726.7	7,947.7	8,726.7	7,947.7
(b) Other equity	45,006.1	49,176.9	43,848.0	47,120.4
(c) Non-controlling interests	9,204.4	7,834.0	-	-
Sub-total - Equity	62,937.2	64,958.6	52,574.7	55,068.1
Liabilities				
1. Non-current liabilities				
(a) Financial liabilities				
(i) Long-term borrowings	1,03,816.1	79,768.5	92,019.4	71,418.9
(ii) Other financial liabilities-payable for fixed assets	19,785.7	23,155.2	19,827.3	20,277.1
(b) Provisions	784.5	607.9	507.0	388.9
(c) Deferred tax liability (net)	1,196.1	343.4	-	-
(d) Other non-current liabilities	12,188.6	5,642.3	4,269.0	2,958.3
Sub-total - Non-current liabilities	1,37,771.0	1,09,517.3	1,16,622.7	95,043.2
2. Current liabilities				
(a) Financial liabilities				
(i) Borrowings	1,960.6	329.7	438.6	-
(ii) Trade payables	40,872.6	32,939.2	26,985.9	21,646.0
(iii) Other financial liabilities-payable for fixed assets, interest accrued, book overdraft etc	51,185.0	75,552.7	44,769.5	60,514.2
(b) Other current liabilities	17,629.2	9,301.0	8,993.1	7,196.6
(c) Provisions	1,617.9	675.2	13.4	14.6
Sub-total of current liabilities	1,13,265.3	1,18,797.8	81,200.5	89,371.4
Total equity and liabilities	3,13,973.5	2,93,273.7	2,50,397.9	2,39,482.7

13 Reconciliation of net profit/(loss) after tax as reported under previous Indian GAAP vis-a-vis Ind AS is as below:

(₹ in lacs)

	Consolidated		Standalone	
	Quarter ended March 31, 2016	Year ended March 31, 2016	Quarter ended March 31, 2016	Year ended March 31, 2016
Net profit / (loss) after tax as reported under previous Indian GAAP	2,406.1	(171.0)	2,636.0	(2,320.7)
Adjustments:				
Effect of recognising interest expense on long term borrowings and advances as per effective interest method	(42.9)	(211.0)	(68.0)	(234.2)
Effect of actuarial gain on defined benefit plan taken to other comprehensive income	1.6	-0.7	(0.8)	(3.0)
Measurement of financial asset at fair value through profit and loss	(19.7)	9.6	(19.7)	9.6
Effect of provision for expected credit loss	138.1	(1,101.8)	(223.7)	(894.8)
Effect of recognition of activation and set top boxes pairing charges	(1,772.3)	(4,287.4)	(992.8)	(2,137.2)
Effects of prior period items	(6.5)	211.1	-	217.6
Other	(220.2)	(230.2)	(36.4)	(36.4)
Measurement of financial assets and financial liabilities at amortise cost	-	-	82.6	203.6
Effect of ESOP (Employee Stock Option Plan)- Prior period	173.4	-	173.4	-
Tax impact of the above	817.6	817.6	-	-
Loss attributable to non-controlling interest	(691.2)	224.4	-	-
Net profit/(loss) after tax as reported under Ind AS	783.9	(4,739.3)	1,550.5	(5,195.6)
Other comprehensive income after tax	(1.6)	0.7	0.8	3.0
Total comprehensive income	782.3	(4,738.6)	1,551.3	(5,192.6)

14 Previous period/s/year's amounts have been regrouped and rearranged, wherever necessary and in compliance with Ind AS.

Place : New Delhi
Date : May 26, 2017

For and on behalf of the Board of Directors of
SITL Networks Limited (Formerly SITL Cable Network Limited)

[Signature]
D. Wadhwa
Executive Director and CEO



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Anil Jain