



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 six months ended September 30, 2016						Statement of Standalone Unaudited Results for the quarter and six months ended September 30, 2016				
Particulars	Quarter ended September 30, 2016	Quarter ended June 30, 2016	Quarter ended September 30, 2015	Six months ended September 30, 2016	Six months ended September 30, 2015	Quarter ended September 30, 2016	Quarter ended June 30, 2016	Quarter ended September 30, 2015	Six months ended September 30, 2016	Six months ended September 30, 2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1. Income from operations	28,525.8	27,896.4	23,119.6	56,422.2	45,885.0	16,324.5	17,004.5	14,563.9	33,329.0	29,142.5
a. Net sales/income from operations	370.9	300.3	267.3	671.2	473.5	1,660.8	1,410.0	606.1	3,070.8	991.3
b. Other operating income	28,896.7	28,196.7	23,386.9	57,093.4	46,358.5	17,985.3	18,414.5	15,170.0	36,399.8	30,133.8
Total income from operations										
2. Expenses	1.8	3.1	10.5	4.9	12.1	1.8	3.1	10.5	4.9	12.1
a. Cost of materials consumed	209.7	750.1	12.5	959.8	12.5	1,109.4	1,941.5	1,389.2	3,050.9	1,557.9
b. Purchases of stock-in-trade	14,340.8	14,843.6	12,400.9	29,184.4	25,970.8	9,516.1	10,352.0	8,052.2	19,868.1	17,191.6
c. Carriage sharing, pay channel and related costs	2,069.8	1,912.2	1,708.3	3,982.0	3,041.6	1,554.3	1,474.6	1,244.2	3,028.9	2,242.9
d. Employee benefits expense	5,717.8	5,473.1	3,671.5	11,190.9	7,256.1	3,398.8	3,239.9	2,144.9	6,658.7	4,158.2
e. Depreciation and amortisation expense	7,540.9	6,438.3	5,300.5	13,979.2	9,927.0	4,430.2	3,713.6	3,141.3	8,143.8	6,707.2
f. Other expenses	29,890.8	29,420.4	23,104.2	59,301.2	46,220.1	20,010.6	20,744.7	15,982.3	40,755.3	31,869.9
Total expenses										
3. Loss from operations before other income, finance costs and exceptional items (1-2)	(984.1)	(1,223.7)	282.7	(2,207.8)	138.4	(2,025.3)	(2,330.2)	(812.3)	(4,355.5)	(1,736.1)
4. Other Income	237.0	491.5	876.0	728.5	1,120.0	133.7	411.7	813.0	545.4	1,650.5
5. (Loss)/profit before finance costs and exceptional items(3+4)	(747.1)	(732.2)	1,158.7	(1,479.3)	1,258.4	(1,891.6)	(1,918.5)	0.7	(3,810.1)	(85.6)
6. Finance cost	2,800.2	2,967.1	3,476.3	5,767.3	6,915.4	2,702.8	2,895.9	3,422.5	5,598.7	6,803.8
7. Loss after finance cost but before exceptional items (5-6)	(3,547.3)	(3,699.3)	(2,317.6)	(7,246.6)	(5,657.0)	(4,594.4)	(4,814.4)	(3,421.8)	(9,408.8)	(6,889.4)
8. Exceptional items	-	-	-	-	-	-	-	-	-	-
9. Loss before tax (7-8)	(3,547.3)	(3,699.3)	(2,317.6)	(7,246.6)	(5,657.0)	(4,594.4)	(4,814.4)	(3,421.8)	(9,408.8)	(6,889.4)
10. Tax expense	215.4	654.1	346.2	869.5	398.9	0.8	0.8	0.8	1.6	1.6
11. Loss after tax (9-10)	(3,762.7)	(4,353.4)	(2,663.8)	(8,116.1)	(6,055.9)	(4,593.6)	(4,813.6)	(3,421.0)	(9,407.2)	(6,887.8)
12. Minority Interest	926.7	1,008.6	479.3	1,935.3	755.5	7,941.5	7,941.5	6,776.3	7,941.5	6,776.3
13. Loss after tax and minority interest (11-12)	(4,689.4)	(5,362.0)	(3,143.1)	(10,051.4)	(6,811.4)	-	-	-	-	-
14. Other Comprehensive income	0.8	0.8	0.8	1.6	(6,809.8)	-	-	-	-	-
15. Total comprehensive income (13+14)	(4,688.6)	(5,361.2)	(3,142.3)	(10,049.8)	(6,809.8)	-	-	-	-	-
16. 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	-	-	-	-	-
17. Earnings per share (of ₹ 1/-) (not annualised)	(0.6)	(0.7)	(0.5)	(1.3)	(1.0)	(0.6)	(0.6)	(0.5)	(1.2)	(1.0)
a) Basic	(0.6)	(0.7)	(0.5)	(1.3)	(1.0)	(0.6)	(0.6)	(0.5)	(1.2)	(1.0)
b) Diluted										

Haril Jain

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Particulars	Consolidated and standalone statement of assets and liabilities	
	As at September 30, 2016	
	Consolidated	Standalone
	2016	2016
	(Unaudited)	(Unaudited)
(₹ in lacs)		
A. Assets		
1. Non-current assets		
Fixed assets		
(a) Property, plant and equipment	155,481.7	64,065.1
(b) Capital work-in-progress	4,942.0	32,759.2
(c) Goodwill on consolidation	3,033.1	-
(d) Other intangible assets	28,643.5	9,068.0
(e) Financial assets		
(i) Investments	84.2	38,731.7
(ii) Loans	943.0	645.4
(iii) Others- Fixed deposits	7,655.7	7,358.8
(f) Non current tax assets	1,021.0	-
(g) Other non-current assets	959.0	746.9
Sub-total of Non-current assets	202,763.2	153,375.1
2. Current assets		
(a) Inventories	1,932.0	1,410.3
(b) Financial assets		
(i) Investments	130.3	130.3
(ii) Trade receivables	29,899.4	36,936.7
(iii) Cash and bank balances	10,663.2	5,239.1
(iv) Loans	164.9	164.9
(v) Others - unbilled revenue and interest accrued on fixed deposits	9,931.2	7,908.4
(vi) Others	5,894.9	5,512.2
(c) Current tax assets	28,141.9	26,270.8
(d) Other current assets	86,757.8	83,571.7
Sub-total of Current assets	289,521.0	236,946.8
Total assets	492,284.2	390,321.9
B. Equity and liabilities		
Equity		
(a) Equity share capital	7,941.5	7,941.5
(b) Other equity	35,316.1	38,620.9
(c) Non-controlling interests	9,978.6	-
Sub-total - Equity	53,236.2	46,562.4
Liabilities		
1. Non-current liabilities		
(a) Financial liabilities		
(i) Long-term borrowings	89,351.3	80,680.0
(ii) Other financial liabilities-payable for fixed assets	19,956.1	19,956.1
(b) Provisions	599.7	447.4
(c) Deferred tax liability (net)	1,486.0	-
(d) Other non-current liabilities	5,901.0	3,449.5
Sub-total - Non-current liabilities	117,294.1	104,533.0
2. Current liabilities		
(a) Financial liabilities		
(i) Borrowings	3,664.8	2,930.6
(ii) Trade payables	37,102.1	29,387.8
(iii) Other financial liabilities-payable for fixed assets, interest accrued, book overdraft etc	58,580.8	46,622.3
(b) Other current liabilities	16,751.6	6,894.7
(c) Provisions	2,891.4	16.0
Sub-total of current liabilities	118,990.7	85,851.4
Total equity and liabilities	289,521.0	236,946.8

Place : New Delhi
Date : November 22, 2016

Anil Jain
[Signature]

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.
- The above unaudited standalone financial results for the quarter and six months ended September 30, 2016 have been reviewed by the Audit Committee and were approved by the Board of Directors in their meeting held on November 22, 2016.
- This statement of unaudited financial results for quarter and the six months ended September 30, 2016 is in compliance with Indian Accounting Standards (Ind 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/2/2016 dated July 05, 2016 and other recognised accounting policies and practices. Consequently, results for the quarter and six months ended September 30, 2015 have been restated to comply with Ind AS to make them comparable.
- The Statutory Auditors have carried out limited review of the unaudited standalone financial results for the quarter and six months ended September 30, 2016. The Ind AS compliant financial results, pertaining to the corresponding quarter and six months ended September 30, 2015, have not been subjected to limited review or audit by the statutory auditors, however, the management has exercised necessary due diligence to ensure that these financial results provide a true and fair view of the Company's affairs.
- The digitisation of cable networks has been implemented in Phase 1, 2 and 3 cities starting from November 1, 2012 onwards and Phase 4 cities are expected to be digitised by January 1, 2017. 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 has invoiced LCO's and recognised subscription revenue amounting to ₹ 11,432 lacs (Standalone ₹ 6,561 lacs) and ₹ 20,995 lacs (Standalone ₹ 12,071 lacs) for the quarter and six months ended September 30, 2016 respectively and ₹ 2,476 lacs (Standalone ₹ 2,282 lacs) and ₹ 4,923 lacs (Standalone ₹ 4,208 lacs) for the quarter and six months ended September 30, 2015 and ₹ 9,563 lacs (Standalone ₹ 5,510 lacs) for the quarter ended June 30, 2016, 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 six months ended September 30, 2016 but in view of the present positive net worth and expected substantial subscription revenue growth, the unaudited financial results for the quarter and six months ended September 30, 2016 continue to be prepared on a going concern basis.
- During the quarter ended June 30, 2016, the Company has acquired 48% equity share capital in C&S Medianet 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 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 six months ended September 30, 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 September 30, 2016 is Nil lacs.
- Reconciliation of net loss after tax for the quarter and six months ended September 30, 2015 as reported under previous Indian GAAP vis a vis Ind AS is as below:-

	Consolidated		Standalone	
	Quarter ended September 30, 2015	Six months ended September 30, 2015	Quarter ended September 30, 2015	Six months ended September 30, 2015
Net loss after tax as reported under previous Indian GAAP	2,771.2	6,481.7	3,117.5	6,800.7
Adjustments				
Effect of recognising interest expense on long term borrowings and advances as per effective interest method	51.6	103.1	51.5	(27.5)
Effect of actuarial gain on defined benefit plan taken to other comprehensive income	0.8	1.6	0.8	1.6
Measurement of financial asset at fair value through profit and loss account	(2.4)	(4.8)	(2.4)	(4.9)
Effect of provision for expected credit loss	287.5	575.0	223.6	447.3
Effect of recognition of activation and set top boxes pairing charges	34.4	(127.7)	30.8	(110.2)
Effect of prior period expenses	-	(217.6)	-	(217.6)
Net loss after tax as reported under Ind AS	3,143.1	6,811.4	3,421.8	6,889.4
Other comprehensive income after tax	(0.8)	(1.6)	(0.8)	(1.6)
Total comprehensive income after tax	3,142.3	6,809.8	3,421.0	6,887.8
Loss for the period under Ind AS attributable to				
Equity holders of the Company	3,897.8	7,289.1	-	-
Minority Interest	(755.5)	(479.3)	-	-

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

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

V D Wadhwa
Executive Director and CEO