

SITI Networks Limited

UG Floor, FC-19 & 20, Sector-16 A, Film City,
Noida, Uttar Pradesh-201301, India

Tel: +91-120-4526700

Website : www.sitinetworks.com



November 9, 2020

To,

The General Manager
Corporate Relationship Department
BSE Limited
Phiroze Jeejeeboy Towers
Dalal Street, Fort,
Mumbai- 400 001
BSE Scrip Code: 532795

The Manager
Listing Department
National Stock Exchange of India limited
Plaza, 5th Floor, Plot no. C/1, G Block
Bandra Kurla Complex, Bandra (E)
Mumbai- 400 051
NSE Scrip Symbol: SITINET

Kind Attn. : Corporate Relationship Department

Subject: Proceedings of the Board Meeting held on November 9, 2020

Dear Sir,

Pursuant to Regulation 30 and other applicable Regulations of the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015, this is to inform you that the Board of Directors of the Company at their meeting held today i.e. on November 9, 2020, has *inter-alia*,:-

- (i) considered and approved the Un-Audited Financial Results of the Company, both on a Standalone and Consolidated basis, prepared under Ind-AS, for the second quarter and half year ended on September 30, 2020, duly reviewed by M/s DNS & Associates, Chartered Accountants, the Statutory Auditors of the Company, pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, together with Limited Review report thereon; and
- (ii) To better meet evolving competitive landscape and to offer cutting edge services to our customers, the Board has given its in principal approval to initiate discussions with the Joint Venture Partner of its material subsidiary company namely Indian Cable Net Company Limited ("ICNCL") for consolidation of operations in East India to attain the benefits of economies of scale and synergy in operations. The Board is of the view that the proposed consolidation of operations, once effected, will offer better control and cost rationalization through better deals with broadcasters and Telco's, thus unlocking value. This will also lead to a common and unified network approach which brings in unified rollouts of new technical initiatives across both existing and new geographies, thus providing immense value and benefits to the customers of the Company.

The Company shall keep updating the Stock Exchanges about the developments in this regard.

Regd. Off. : Unit No. 38, 1st Floor, A Wing, Madhu Industrial Estate, P.B. Marg, Worli, Mumbai - 400 017
Tel. : +91-22-43605555 **CIN No. :** L64200MH2006PLC160733




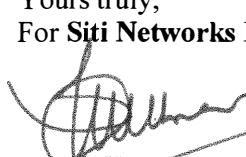
We are enclosing herewith a copy of un-audited Financial Results along with Earning Release and Limited Review Certificate(s) on both standalone and consolidated Financial Statements, issued by the Statutory Auditor of the Company.

You are requested to kindly take the above on record.

Thanking you,

Yours truly,

For **Siti Networks Limited**



Suresh Kumar
Company Secretary & Compliance Officer
Membership No. ACS 14390



Consolidated and Standalone Statement of Assets and Liabilities (₹ in lacs)				
Particulars	Consolidated		Standalone	
	September 30, 2020 Unaudited	March 31, 2020 Audited	September 30, 2020 Unaudited	March 31, 2020 Audited
A. Assets				
1. Non-current assets				
(a) Property, plant and equipment	107,024.9	118,308.5	51,952.8	58,035.9
(b) Capital work-in-progress	5,548.5	5,801.3	2,501.1	2,773.0
(c) Investment property	6,552.8	6,607.4	-	-
(d) Goodwill	4,855.2	4,855.2	-	-
(e) Other intangible assets	19,385.7	20,986.6	12,634.8	13,277.1
(f) Intangible assets under development	85.9	110.7	85.9	110.7
(g) Investments in joint ventures and associates	1,137.9	952.9	-	-
(h) Financial assets				
(i) Investments	1,058.1	1,058.1	35,196.2	35,196.2
(ii) Other financial assets	2,972.3	3,078.7	2,093.3	2,202.6
(i) Deferred tax assets (net)	349.5	263.9	-	-
(j) Other non-current assets	2,247.0	2,094.7	1,116.7	1,016.2
Sub-total of non-current assets	151,217.8	164,118.0	105,580.8	112,611.7
2. Current assets				
(a) Inventories	196.2	134.9	62.4	46.4
(b) Financial assets				
(i) Trade receivables	29,606.7	32,500.9	17,845.1	20,732.5
(ii) Cash and cash equivalents	9,632.6	17,576.4	684.2	253.1
(iii) Bank balances other than (ii) above	0.00	208.6	-	208.6
(iv) Other financial assets	11,535.8	10,625.3	10,913.3	9,488.1
(c) Current tax assets (net)	673.6	989.7	-	-
(d) Other current assets	13,994.7	16,194.8	8,207.5	10,698.3
Sub-total of current assets	65,639.6	78,230.6	37,712.5	41,427.0
Total assets	216,857.4	242,348.6	143,293.3	154,038.7
B. Equity and liabilities				
Equity				
(a) Equity share capital	8,726.7	8,726.7	8,726.7	8,726.7
(b) Other equity	(16,627.2)	(7,875.3)	(34,554.6)	(25,514.9)
(c) Non-controlling interests	11,206.1	10,557.6	-	-
Sub-total of equity	3,305.6	11,409.0	(25,827.9)	(16,788.2)
Liabilities				
1. Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	26,209.3	42,341.3	18,204.1	24,873.1
(ii) Other financial liabilities [other than those specified in item (b)]	5,148.3	9,971.7	399.1	395.7
(b) Provisions	1,181.1	1,037.8	560.4	482.8
(c) Deferred tax liabilities (net)	219.7	588.7	-	-
(d) Other non-current liabilities	422.0	425.7	-	-
Sub-total of non-current liabilities	33,180.4	54,365.2	19,163.6	25,751.6
2. Current liabilities				
(a) Financial liabilities				
(i) Borrowings	14,034.4	13,883.2	13,975.3	13,816.9
(ii) Trade payables				
Total outstanding dues of micro enterprises and small enterprises	14.7	100.3	10.9	6.6
Total outstanding dues of creditors other than micro enterprises and small enterprises	77,859.9	73,042.7	51,073.8	48,415.7
(iii) Other financial liabilities [other than those specified in item (c)]	76,291.3	75,593.0	78,414.4	75,020.1
(b) Other current liabilities	11,873.9	13,688.8	6,452.8	7,785.7
(c) Provisions	297.2	266.4	30.4	30.4
Sub-total of current liabilities	180,371.4	176,574.4	149,957.6	145,075.3
Total equity and liabilities	216,857.4	242,348.6	143,293.3	154,038.7

Susheel Kumar

UNAUDITED FINANCIAL RESULTS (CONSOLIDATED)

UNAUDITED FINANCIAL RESULTS (STANDALONE)

Part-I Statement of consolidated unaudited results for the quarter and six months ended September 30, 2020												Part-II Statement of standalone unaudited results for the quarter and six months ended September 30, 2020											
Particulars		Quarter ended September 30, 2020 (Unaudited)	Quarter ended September 30, 2019 (Unaudited)	Six months ended September 30, 2020 (Unaudited)	Six months ended September 30, 2019 (Unaudited)	Year ended March 31, 2020 (Audited)	(₹ in lacs except per share data)						(₹ in lacs except per share data)										
Income																							
I	Revenue from operations	38,983.6	37,731.1	41,249.6	76,714.7	80,441.5	161,858.5																
II	Other income	198.6	553.4	387.5	752.0	662.9	1,714.0																
III	Total income (I+II)	39,182.2	38,284.5	41,637.1	77,466.7	81,104.4	163,572.5																
Expenses																							
IV	Cost of materials consumed	4.9	7.6	15.4	12.5	25.5	67.8																
	Purchases of stock-in-trade	-	-	-	-	65.0	83.6																
	Pay channel, distribution, carriage sharing and related costs	21,555.7	20,802.6	21,970.5	42,338.3	41,673.0	84,395.6																
	Employee benefits expense	1,699.2	1,646.5	1,851.7	3,345.7	3,907.8	7,477.5																
	Finance costs	3,148.4	3,387.9	4,237.6	6,536.3	8,642.7	15,768.1																
	Depreciation and amortisation expenses	5,329.9	8,609.1	8,573.5	16,939.0	17,044.2	34,570.7																
	Other expenses	7,942.4	8,424.8	8,123.1	16,367.2	17,127.8	35,769.8																
	Total expenses (IV)	42,660.5	42,878.5	44,771.8	85,539.0	88,486.0	178,133.1																
V	Loss for the period before tax and share of profit/(loss) in associates and joint ventures and exceptional items (III-IV)	(3,478.3)	(4,594.0)	(3,134.7)	(8,072.3)	(7,381.6)	(14,560.6)																
VI	Share of profit of associates and joint ventures	74.1	110.9	28.6	185.0	70.5	103.3																
VII	Loss before exceptional items and tax (V-VI)	(3,404.2)	(4,483.1)	(3,106.1)	(7,887.3)	(7,311.1)	(14,457.3)																
VIII	Exceptional items	-	-	-	-	1,962.6	5,017.5																
IX	Loss before tax (VII-VIII)	(3,404.2)	(4,483.1)	(3,106.1)	(7,887.3)	(9,273.7)	(19,474.8)																
Tax expense																							
(1)	Current tax	269.8	311.1	629.5	580.9	646.3	891.4																
(2)	Deferred tax	(275.1)	(212.6)	(257.3)	(487.7)	(1,493.0)	(1,549.5)																
X	Total tax expense	(5.3)	98.5	372.2	(96.8)	(846.7)	(658.1)																
XI	Loss for the period (IX-X)	(3,398.9)	(4,581.6)	(3,478.3)	(7,980.5)	(8,427.0)	(18,816.7)																
Other comprehensive income:																							
XII	Items that will not be reclassified to profit or loss	(7.8)	(29.6)	(5.9)	(37.4)	(11.6)	(131.1)																
	Income-tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-																
XIII	Other comprehensive income for the period (including non-controlling interest)	(7.8)	(29.6)	(5.9)	(37.4)	(11.6)	(131.1)																
XIV	Net (loss)/income attributable to:																						
	A Owners of the parent	(3,406.7)	(4,611.2)	(3,484.2)	(8,017.9)	(8,438.6)	(18,847.8)																
	B Non-controlling interest	(3,971.0)	(4,667.2)	(3,894.2)	(8,638.2)	(8,735.2)	(18,903.7)																
XV	Other comprehensive income attributable to:																						
	A Owners of the parent	572.1	85.6	415.9	657.7	308.2	87.0																
	B Non-controlling interest	(3.2)	(25.0)	(5.1)	(28.2)	(10.0)	(108.3)																
	Total comprehensive income attributable to:	(3,974.2)	(4,692.2)	(3,899.3)	(8,666.4)	(8,745.2)	(19,012.0)																
XVI	Other comprehensive income attributable to:																						
	A Owners of the parent	567.5	81.0	415.1	648.5	306.6	64.2																
	B Non-controlling interest	8,720.5	8,720.5	8,720.5	8,720.5	8,720.5	8,720.5																
XVII	Paid-up equity share capital (Face value ₹ 1/- per share)																						
XVIII	Other equity (excluding revaluation reserves, if any)																						
XIX	Earnings per equity share (of ₹ 1/- each) (not annualised except for year ended March 31, 2020)																						
	a) Basic	(0.4)	(0.5)	(0.4)	(0.9)	(1.0)	(2.2)																
	b) Diluted	(0.4)	(0.5)	(0.4)	(0.9)	(1.0)	(2.2)																

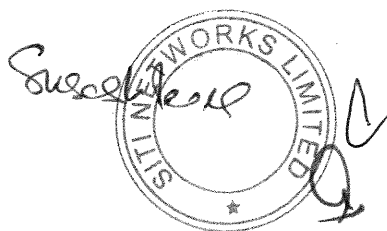
**SITI NETWORKS LIMITED**

Regd. Office: Unit No. 38, 1st Floor, A Wing, Madhu Industrial Estate, P. B. Marg, Worli, Mumbai-400013
Website: www.sitinetworks.com

CIN L64200MH2006PLC160733



Standalone Cash Flow Statement		(₹ in lacs)	
	Six months ended September 30, 2020 (Unaudited)	Six months ended September 30, 2019 (Unaudited)	
A. CASH FLOW FROM OPERATING ACTIVITIES			
Loss before tax	(9,025.1)	(8,980.4)	
Adjustment for:			
Depreciation and amortisation expenses	9,733.4	9,457.4	
Interest income on bank deposits	(84.8)	(114.0)	
Excess provisions written back	-	6.2	
Interest expense for borrowings at amortised cost	5,611.1	6,922.4	
Interest expense on lease liabilities	8.2	-	
Bad debts written off	196.5	839.6	
Unrealised foreign exchange loss	28.1	35.9	
Allowance for expected credit losses	300.0	550.0	
Provision for doubtful capital advances	18.0	-	
Effect of recognising other expense on security deposits as per effective interest method	25.0	4.0	
Measurement of financial assets and financial liabilities at amortised cost	-	(2.7)	
Measurement of optionally convertible debentures at fair value through profit and loss	-	10.6	
Operating profit before working capital changes	6,810.4	8,729.0	
Adjustments for changes in:			
Decrease in trade receivables	2,390.9	7,389.6	
(Increase)/decrease in other financial assets	(1,708.6)	3,273.8	
(Increase)/decrease in other current and non-current assets	(825.2)	138.6	
Increase in inventories	(16.0)	(0.8)	
(Decrease) in other financial liabilities	(990.4)	(975.1)	
Increase/(decrease) in employee benefit obligations	63.0	(93.6)	
(Decrease) in other current and non-current liabilities	(1,342.7)	(2,515.6)	
Increase in trade payables	2,634.4	8,247.9	
Cash generated from operations	7,015.8	24,193.8	
Income taxes refund/(paid)	3,000.5	(608.4)	
Net cash flow generated from operating activities	10,016.3	23,585.4	
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment, and intangible assets	(1,803.0)	(3,623.3)	
Interest received	368.0	220.6	
Margin money deposits and bank deposits matured (net)	318.1	1,474.0	
Net cash flow used in investing activities	(1,116.9)	(1,928.7)	
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds/(Repayment) from borrowings (current, financial liabilities) (net)	158.4	(1,305.8)	
Repayment of borrowings (non-current, financial liabilities)	(5,671.2)	(15,163.4)	
Interest and ancillary borrowing costs paid	(2,955.5)	(5,437.4)	
Net cash flow used in financing activities	(8,468.3)	(21,906.6)	
Net Increase/(decrease) in cash and cash equivalents	431.1	(249.9)	
Cash and cash equivalents at the beginning of the period	253.1	1,141.7	
Cash and cash equivalents at the end of the period	684.2	891.8	
Notes:		(₹ in lacs)	
a. Cash and cash equivalents include:		September 30, 2020	September 30, 2019
Cash on hand		17.0	54.4
Balances with banks on current accounts		639.7	797.4
Cheques and drafts on hand		27.5	40.0
		684.2	891.8
b. The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard 7 (Ind AS 7) on "Statement of Cash Flows".			



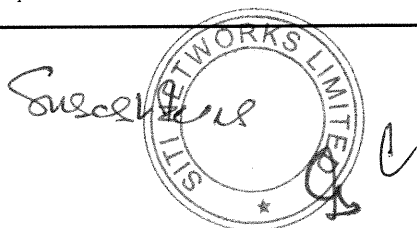
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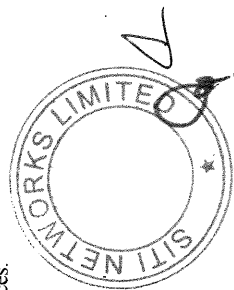


Consolidated Cash Flow Statement		(₹ in lacs)	
	Six months ended September 30, 2020 (Unaudited)	Six months ended September 30, 2019 (Unaudited)	
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax	(7,887.3)	(9,273.7)	
Adjustment for:			
Depreciation and amortisation expenses	16,939.0	17,044.2	
Interest income on bank deposits	(265.5)	(272.2)	
Excess provisions written back	(292.1)	(38.0)	
Share of (profit) of associates and joint ventures	(185.0)	(70.5)	
Interest expense for borrowings at amortised cost	6,489.9	8,221.5	
Interest expense on lease liabilities	13.3	-	
Bad debts written off	78.2	864.6	
Unrealised foreign exchange loss	54.3	36.0	
Allowance for expected credit losses	441.3	981.8	
Provision for doubtful capital advances	18.0	14.9	
Effect of recognising other expense on security deposit as per effective interest method	25.0	4.0	
Measurement of financial assets and financial liabilities at amortised cost	-	(2.7)	
Measurement of investment (non current, financial assets) at fair value through profit and loss	-	(113.0)	
Exceptional items	-	1,962.6	
Operating profit before working capital changes	15,429.1	19,359.5	
Adjustments for changes in:			
Decrease in trade receivables	2,374.8	4,651.5	
(Increase) in other financial assets	(1,168.2)	(1,228.4)	
(Increase) in other current and non-current assets	(571.1)	(544.1)	
(Increase)/decrease in inventories	(61.4)	1.8	
(Decrease)/Increase in other financial liabilities	(911.4)	736.8	
Increase/(decrease) in employee benefit obligations	102.2	(36.3)	
(Decrease)/Increase in other current and non-current liabilities	(1,818.6)	77.7	
Increase in trade payables	4,969.1	12,179.9	
Cash generated from operations	18,344.5	35,198.4	
Income taxes refund/(paid)	2,501.2	(1,100.9)	
Net cash flows from operating activities	20,845.7	34,097.5	
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment, and intangibles assets	(8,971.3)	(3,990.9)	
Purchase of investments (non-current, financial assets)	-	(3,662.0)	
Interest received	520.2	372.7	
Margin money deposits and bank deposits matured (net)	318.3	1,466.0	
Net cash flow used in investing activities	(8,132.8)	(5,814.2)	
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds/(Repayment) from borrowings (current, financial liabilities) (net)	151.1	(2,022.1)	
Repayment of borrowings (non-current, financial liabilities)	(17,206.0)	(17,371.2)	
Interest and ancillary borrowing costs paid	(3,601.8)	(6,596.8)	
Net cash flow used in financing activities	(20,656.7)	(25,990.1)	
Net (decrease)/increase in cash and cash equivalents	(7,943.8)	2,293.2	
Cash and cash equivalents at the beginning of the period	17,576.4	7,156.7	
Cash and cash equivalents at the end of the period	9,632.6	9,449.9	
Notes :			(₹ in lacs)
a. Cash and cash equivalents include:	September 30, 2020	September 30, 2019	
Cash on hand	272.2	2,057.3	
Balances with banks on current accounts	3,693.9	2,277.2	
Cheques and drafts on hand	494.6	46.3	
Deposits with maturity of upto three months	5,171.9	5,069.1	
	9,632.6	9,449.9	
b. The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard 7 (Ind AS-7) on "Statement of Cash Flows".			



Notes:-

- 1 SITI Networks Limited ('the Company' or 'the Holding Company'), its subsidiaries, associates and joint ventures (collectively referred to as 'the Group') predominantly operate in a single business segment of cable and broadband distribution only in India. The aforesaid is in line with the way operating results are reviewed and viewed by the chief operating decision makers and hence, there are no additional disclosures required to be furnished in terms of Indian Accounting Standard 108 - Operating Segments.
- 2 The standalone and consolidated financial results for the quarter and six months ended September 30, 2020 have been reviewed by the Audit Committee and approved by the Company's Board of Directors in their respective meetings held on November 9, 2020.
- 3 This statement of standalone and consolidated financial results for the quarter and six months ended September 30, 2020 has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and as per the presentation requirements of SEBI Circular CIR/CFD/FAC/62/2016 dated July 05, 2016 and other accounting principles generally accepted in India. Previous year amounts have been regrouped/reclassified wherever considered necessary.
- 4 The statutory auditors have carried out limited review of the standalone and consolidated financial results for the quarter and six months ended September 30, 2020, as prepared by the management of the Company, in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India.
- 5 The Company/the Group continued to incur losses during the quarter and six months ended September 30, 2020 and had negative working capital as at September 30, 2020. The Company/the Group also has negative net worth as at September 30, 2020. As at September 30, 2020, there are instances of delays in payments of obligations and borrowings, but in view of the management, the expected revenue growth and expected improvement in operating margins under the Tariff Order 2017, and other likely mitigating factors such as, continued endeavor to secure additional funds by the Company/its subsidiaries besides on-going discussions with the lenders for debt restructuring, for which revised debt repayment plans are being submitted to the lenders, and continuous dialogue with its vendors. Further, the Company is under discussion with our partners for consolidation of operations in East India to attain the benefits of economies of scale and operational efficiencies, accordingly, these standalone/ consolidated financial results for the quarter and six months ended September 30, 2020 continue to be prepared on a going concern basis in view of the above. In view of aforementioned ongoing discussions with the lenders, *inter alia*, for reducing existing interest rates, additional interest levied, if any, has not been provided for.
- 6 For the quarter ended June 30, 2020, and for quarter and six months ended September 30, 2020, the 'subscription income' included in the 'Revenue from Operations' in these financial results, *inter alia*, includes the amounts payable to the broadcasters' towards their share in relation to the pay channels subscribed by the customers. The aforementioned corresponding amounts (i.e. the broadcasters' share) has also been presented as an expense in these financial results. The said amounts are ₹ 9,316.9 lacs, ₹ 9,204.2 lacs and ₹ 18,521.1 lacs for the quarter ended June 30, 2020, and for quarter and six months ended September 30, 2020 in the standalone financial results and ₹ 19,093.1 lacs, ₹ 19,332.2 lacs and ₹ 38,425.3 lacs for the quarter ended June 30, 2020, and for the quarter and six months ended September 30, 2020 in the consolidated financial results respectively.
- 7 Had these expenses been disclosed on net basis, the 'Revenue from Operations' and the 'Pay channel, carriage sharing and related costs' each would have been lower by ₹ 9,316.9 lacs, ₹ 9,204.2 lacs and ₹ 18,521.1 lacs for the quarter ended June 30, 2020, and for quarter and six months ended September 30, 2020 in the standalone financial results, and ₹ 19,093.1 lacs, ₹ 19,332.2 lacs and ₹ 38,425.3 lacs for the quarter ended June 30, 2020, and for quarter and six months ended September 30, 2020 in the consolidated financial results respectively, though there would have been no impact on the net loss for the quarter and period then ended. The management is in process of evaluating the aforesaid presentation in light of generally accepted accounting principles, including Ind AS-115, 'Revenue from contracts with customers' and industry practices.
- 8 COVID-19 was declared as pandemic by the World Health Organization (WHO) on March 11, 2020 and is continuing to spread across the world and India. Since March 2020, the Indian Government has announced a 21 days nationwide lockdown which has been extended in multiple tranches till 31 May 2020 with relaxation to essential services and selected economic activities. The Company and the Group has continued to operate and provide cable television and broadband distribution services to its customers, which has been declared as an essential service. Based on the management's assessment and review of current economic scenario, the management does not expect any significant impact of COVID-19 on the Company and the Group. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results, and the Company and the Group will continue to closely monitor any material changes arising from future economic conditions and continually assess its impact on the operations and financial matrices.



For and on behalf of the Board of Directors of
SITI Networks Limited

Suresh Arora
Suresh Arora
Whole Time Director

Place : Noida
Date : November 9, 2020

Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date results of SITI Networks Limited Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of SITI Networks Limited

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of SITI Networks Limited ('the Company') for the quarter and six months ended 30 September 2020, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the accounting principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. As described in note 7 to the accompanying Statement, the Company's 'Revenue from Operations' includes broadcasters' share in subscription income from pay channels, which has correspondingly been presented as an expense, is not in accordance with the requirements of Ind AS-115, 'Revenue from contracts with customers'. Had the management disclosed the same on net basis, the 'Revenue from Operations' and the 'Pay channel, carriage sharing and related costs' each would have been lower by ₹9,204.2 lakhs and ₹18,521.1 lakhs for the quarter and six months ended 30 September 2020, while there would have been no impact on the net loss for the quarter and six months ended 30 September 2020.

The reports on the standalone financial results for the quarter and six months ended 30 September 2019, quarter ended 30 June 2020, and year ended 31 March 2020, which were reviewed and audited by the previous auditors respectively, were also qualified with respect to this matter.

5. Based on our review conducted as above, except for the effects of the matters described in the previous sections, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the accounting principles laid down in

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Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We draw attention to note 5 to the accompanying Statement, which indicates that the Company has incurred a net loss (including other comprehensive income) of ₹4,350.9 lakhs and ₹9,039.7 lakhs during the quarter and six months ended 30 September 2020, and as of that date, the Company's accumulated losses amount to ₹195,181.4 lakhs resulting in a negative net worth of ₹25,827.9 lakhs, and its current liabilities exceeded its current assets by ₹112,245.2 lakhs resulting in negative working capital. Further, as at 30 September 2020, there are delays/defaults in repayment of obligations and borrowings. The above factors along with other matters as set forth in note 5 indicate a material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern. However, basis the impact of Tariff Order 2017, ongoing discussions with the lenders of the Company, and other factors mentioned in the aforesaid note to the Statement, the management is of the view that going concern basis of accounting is appropriate for preparation of these results. Our conclusion is not modified in respect of this matter.
7. The review of unaudited quarterly financial results for the quarter ended 30 June 2020, review of unaudited financial results for the quarter and six months ended 30 September 2019 and audit of financial results for the quarter and year ended 31 March 2020 included in the Statement was carried out and reported by M/s Walker Chandiok & Co LLP, Chartered Accountants, who have expressed their qualified conclusions vide their review reports dated 15 September 2020 and 06 November 2019 respectively, and qualified opinion vide their audit report dated 29 June 2020, respectively, whose reports have been furnished to us and which have been relied upon by us for the purpose of our review of the Statement. Our conclusion is not modified in respect of this matter.

For DNS & Associates

Chartered Accountants

Firm Registration No. 006956C

**Naveen
Kumar
Goyal**

Digitally signed by Naveen Kumar Goyal
DN: c=IN, o=Proxel Advisory Services LLP,
ou=Service Department, cn=Naveen Kumar
Goyal,
serialNumber=115ee36dce0f1f1741bdd990
c8c9b5005fba722666135c9ffe545b8163442,
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18685ad4028e4883f05eb021a91eaf3eb,
st=Rajasthan
Date: 2020.11.09 12:43:54 +05'30'

Naveen Goyal

Partner

Membership No. 511758

UDIN: 20511758AAAAGP8103

Place: Gurugram

Date: 9 November 2020

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of SITI Networks Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of SITI Networks Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of SITI Networks Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint ventures (refer Annexure 1 for the list of subsidiaries, associates and joint ventures included in the Statement) for the quarter ended 30 September 2020 and consolidated year to date results for the period 1 April 2020 to 30 September 2020 being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the accounting principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.

4. As described in note 7 to the accompanying Statement, the Group's 'Revenue from Operations' includes broadcasters' share in subscription income from pay channels, which has correspondingly been presented as an expense which is not in accordance with the requirements of Ind AS-115, 'Revenue from contracts with customers'. Had the management disclosed the same on net basis, the 'Revenue from Operations' and the 'Pay channel, carriage sharing and related costs' each would have been lower by ₹19,332.2 lakhs and ₹38,425.3 lakhs for the quarter and six months ended 30 September 2020, while there would have been no impact on the net loss for the quarter and six months ended 30 September 2020.

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Further, with respect to the above matter, qualifications have been given by other firms of Chartered Accountants vide their review reports dated 05 November 2020, 27 October 2020, 07 November 2020, 06 November 2020 and 06 November 2020 on the financial results of the subsidiaries of the Holding Company, namely, Siti Prime Uttranchal Communication Private Limited, Central Bombay Cable Network Limited, Indian Cable Net Company Limited, Siti Jind Digital Media Communications Private Limited and Siti Siri Digital Network Private Limited respectively, and is reproduced by us as under, with the aggregate amount pertaining to such subsidiaries, as also included in the above paragraph:

The company's/group's 'Revenue from Operations' includes broadcasters' share in subscription income from pay channels, which has correspondingly been presented as an expense which is not in accordance with the requirements of Ind AS-115, 'Revenue from contracts with customers'. Had the management disclosed the same on net basis, the 'Revenue from Operations' and the 'Pay channel, carriage sharing and related costs' each would have been lower by ₹9,344.5 lakhs and ₹18,049.3 lakhs for the quarter and six months ended 30 September 2020, while there would have been no impact on the net loss/profit for the quarter and six months ended 30 September 2020.

The reports on the consolidated financial results for the quarter and six months ended 30 September 2019, quarter ended 30 June 2020, and year ended 31 March 2020, which were reviewed and audited by the previous auditors respectively, were also qualified with respect to this matter.

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of the other auditors referred to in paragraph 7 below, except for the effects of the matters described in the previous sections, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the accounting principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.
 6. We draw attention to note 5 to the accompanying Statement, which indicates that the Group has incurred a net loss (including other comprehensive income) of ₹3,406.6 lakhs and ₹8,017.8 lakhs during the quarter and six months ended 30 September 2020, and as of that date, the Group's accumulated losses amount to ₹177,243.1 lakhs resulting in a negative net worth of ₹7,900.5 lakhs, and its current liabilities exceeded its current assets by ₹114,731.7 lakhs resulting in negative working capital. Further, as at 30 September 2020, there are delays/defaults in repayment of obligations and borrowings. The above factors along with other matters as set forth in note 5 indicate a material uncertainty, which may cast significant doubt about the Group's ability to continue as a going concern. However, basis the impact of Tariff Order 2017, ongoing discussions with the lenders of the Holding Company, and other factors mentioned in the aforesaid note to the Statement, the management is of the view that going concern basis of accounting is appropriate for preparation of these results. Our conclusion is not modified in respect of this matter.
 7. We did not review the interim financial results of twenty subsidiaries included in the Statement, whose financial information reflects total assets of ₹121,076.9 lakhs as at 30 September 2020, total revenues of ₹20950.4 lakhs and ₹40400.2 lakhs, total net profit after tax of ₹332.1 lakhs and ₹428.4 lakhs and total comprehensive income of ₹321.1 lakhs and ₹405.6 lakhs for the quarter and six months ended on 30 September 2020 respectively, and cash flows (net) of ₹8,911.2 lakhs for the six months ended 30 September 2020, as considered in the Statement. The Statement also includes the Group's share of net loss after tax of ₹295.9 lakhs and ₹185
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lakhs and total comprehensive loss of ₹295.9 lakhs and ₹185 lakhs, for the quarter and six months ended on 30 September 2020, respectively, as considered in the Statement, in respect of two associates and two joint ventures, whose interim financial results have not been reviewed by us. These interim financial results have been reviewed by other auditors whose review reports have been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures is based solely on the review reports of such other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

8. The Statement includes the interim financial results of two subsidiaries, which have not been reviewed by their auditors, whose financial information reflects total assets of ₹14,960.3 lakhs as at 30 September 2020, total revenues of ₹1,854.4 lakhs and ₹3,590.2 lakhs, net profit after tax of ₹446 lakhs and ₹439.2 lakhs and total comprehensive income of ₹446 lakhs and ₹439.2 lakhs for the quarter and six months ended on 30 September 2020 respectively, cash flow (net) of ₹536.2 lakhs for the six months ended 30 September 2020 as considered in the Statement. These interim financial results have been furnished to us by the Holding Company's management. Our conclusion on the Statement, and our report in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), read with SEBI Circular, in so far as it relates to the aforesaid subsidiaries are based solely on such unreviewed interim financial results. According to the information and explanations given to us by the management, these interim financial results are not material to the Group. Our conclusion is not modified in respect of this matter with respect to our reliance on the financial results certified by the Board of Directors.
9. The review of unaudited quarterly consolidated financial results for the quarter ended 30 June 2020, review of unaudited consolidated financial results for the quarter and six months ended 30 September 2019 and audit of consolidated financial results for the quarter and year ended 31 March 2020 included in the Statement was carried out and reported by M/s Walker Chandiok & Co LLP, Chartered Accountants, who have expressed their qualified conclusions vide their review reports dated 15 September 2020 and 06 November 2019 respectively, and qualified opinion vide their audit report dated 29 June 2020, respectively, whose reports have been furnished to us and which have been relied upon by us for the purpose of our review of the Statement. Our conclusion is not modified in respect of this matter.

For DNS & Associates

Chartered Accountants

Firm Registration No. 006956C

**Naveen
Kumar
Goyal**

Digitally signed by Naveen Kumar Goyal
DN: cn=IN, o=Proxel Advisory Services LLP,
ou=Service Department, cn=Naveen
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serialNumber=115e36dc0ff117941bdd
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Date: 2020.11.09 12:49:35 +05'30'

Naveen Goyal

Partner

Membership No. 511758

UDIN: 20511758AAAAGO9224

Place: Gurugram

Date: 9 November 2020

Annexure 1 to the Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of SITI Networks Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

List of entities included in the Statement

Subsidiaries

1. Central Bombay Cable Network Limited
2. Indian Cable Net Company Limited
3. Master Channel Community Network Private Limited
4. Siti Networks India LLP
5. Siti Broadband Services Private Limited
6. Siti Faction Digital Private Limited
7. Siti Global Private Limited
8. Siti Guntur Digital Network Private Limited
9. Siti Jai Maa Durgee Communications Private Limited
10. Siti Jind Digital Media Communications Private Limited
11. Siti Jony Digital Cable Network Private Limited
12. Siti Krishna Digital Media Private Limited
13. Siti Maurya Cable Net Private Limited
14. Siti Prime Uttaranchal Communication Private Limited
15. Siti Sagar Digital Cable Network Private Limited
16. Siti Saistar Digital Media Private Limited
17. Siti Siri Digital Network Private Limited
18. Siti Vision Digital Media Private Limited
19. Siticable Broadband South Limited
20. Variety Entertainment Private Limited
21. Indinet Service Private Limited
22. Siti Karnal Digital Media Network Private Limited

Joint Ventures

1. Wire And Wireless Tisai Satellite Limited
2. Paramount Digital Media Services Private Limited

Associates

1. Voice Snap Services Private Limited
 2. C&S Medianet Private Limited
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SITI NETWORKS LIMITED

SITI Networks' Q2FY21 Operating EBITDA surges 1.08X Q-o-Q to Rs.792 Mn.

SITI Networks Limited announces consolidated Ind-AS results for Q2FY21

New Delhi, 9th November 2020: **SITI Networks Limited** (BSE: 532795, NSE: SITINET), an Essel Group Company, one of India's largest Multi-System Operators (MSO), has released its Consolidated Audited Financial Results for Q2 FY21, ending September 30, 2020, showcasing **growth through strict control on expenses and operational efficiencies**.

SITI's **Q2 FY21 Operating EBITDA surged 1.08 times** over the previous quarter, **to Rs. 792 Mn.** This jump has been due to strict control over expenses and operating efficiencies. SITI's **Operating EBITDA Margin for Q2 FY21 also expanded by 1.05 times q-o-q to 20.2%** through control of various cost elements.

Total Revenue (excluding activation) also surged 2.3% over the previous quarter to **Rs. 3,910 Mn.** This growth was despite the **Subscription revenue** remaining largely flat compared to the previous quarter at **Rs. 2,734 Mn.**

SITI Broadband also expanded its footprint in **Q2FY21 to Noida, Jaipur, Jodhpur, Saharanpur, Dehradun and Bahadurgarh.** SITI's **continuous** efforts on **improving operational efficiencies** through improvement of its systems, processes and personnel has been yielding results. This has resulted in a better and intimate ground connect with its **24,000+ strong distribution network** resulting in

While commenting on the results, **Mr. Anil Malhotra, CEO of SITI Networks Limited** mentioned:

"SITI's continued focus on operational efficiencies and strict control over expenses has driven growth in Operating EBITDA by 1.08 times q-o-q to Rs.792 Mn and expanding Operating EBITDA margins by 1.05 times q-o-q to 20.2% in Q2 FY21. Our Total Revenue (excluding Activation) also surged 2.3% over the previous quarter to Rs.3,910 Mn in the same period. During the quarter, SITI Broadband also expanded its footprint by commencing services in 6 more cities including Noida, Jaipur, Jodhpur, Saharanpur, Dehradun and Bahadurgarh. We are focused on working closely with our distribution partners for increased sweating of ground assets further. "

About SITI Networks Limited

SITI Networks 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 Networks Limited is one of India's largest Multi System Operator (MSO). With 10 digital head ends and a network of more than 33,000 Kms of optical fibre and coaxial cable, it provides its cable services in India's ~580+ Locations.

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