

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

September 15, 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 September 15, 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 September 15, 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 first quarter and three months period ended on June 30, 2020, duly reviewed by M/s Walker Chandiook & Co LLP., 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) approved the acquisition of 51% equity stake in E-Net Entertainment Private Limited, through the wholly owned subsidiary company of the Company namely Siti Broadband Services Private Limited.

We are enclosing herewith:-

- (i) ~~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.~~

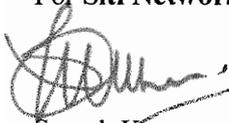
- (ii) the details required to be disclosed with regard to acquisition of 51% equity stake in E-Net Entertainment Private Limited, as **Annexure –A**, in terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with circular no. CIR/CFD/CMD/4/2015 dated September 09, 2015 issued by SEBI.

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



UNAUDITED FINANCIAL RESULTS (CONSOLIDATED)

Particulars	Statement of consolidated unaudited results for the quarter ended			Statement of standalone unaudited results for the quarter ended		
	Three months ended June 30, 2020 (Unaudited)	Preceding three months ended March 31, 2020 (Audited) (Refer note 5)	Corresponding three months ended June 30, 2019 (Unaudited)	Three months ended June 30, 2020 (Unaudited)	Preceding three months ended March 31, 2020 (Audited) (Refer note 5)	Corresponding three months ended June 30, 2019 (Unaudited)
Income						
I Revenue from operations	37,731.1	40,829.3	39,191.9	18,135.8	20,356.1	19,858.9
II Other income	553.4	516.9	275.4	121.6	142.9	123.6
III Total income (I+II)	38,284.5	41,346.2	39,467.3	18,257.4	20,499.0	19,982.5
IV Expenses						
Cost of materials consumed	7.6	23.4	10.1	0.7	19.3	0.5
Purchases of stock-in-trade	-	18.6	65.0	6.2	24.6	73.8
Pay channel, carriage sharing and related costs	20,802.6	21,281.5	19,702.5	9,316.9	9,515.5	9,037.0
Employee benefits expense	1,694.8	1,694.8	2,056.1	927.5	896.1	1,336.9
Finance costs	3,387.9	3,532.1	4,405.1	2,832.0	3,010.5	3,705.7
Depreciation and amortisation expenses	8,609.1	8,879.3	8,470.7	4,892.5	5,386.5	4,690.5
Other expenses	8,424.8	9,653.1	9,004.7	4,952.2	5,221.7	6,376.3
Total expenses (IV)	42,878.5	45,102.8	43,714.2	22,928.0	24,074.2	25,220.7
V Loss for the period before tax and share of profit/(loss) in associates and joint ventures and exceptional items (III-IV)	(4,594.0)	(3,756.6)	(4,246.9)	(4,670.6)	(3,575.2)	(5,238.2)
VI Share of profit/(loss) of associates and joint ventures	110.9	(39.5)	41.9	-	2,800.3	-
VII Loss before exceptional items and tax (V+VI)	(4,483.1)	(3,796.1)	(4,205.0)	(4,670.6)	(6,375.5)	(5,238.2)
VIII Exceptional items	-	3,054.9	1,962.6	-	-	-
IX Loss before tax (VII-VIII)	(4,483.1)	(6,851.0)	(6,167.6)	-	69.9	-
Tax expense						
(1) Current tax	311.1	105.7	16.8	-	-	-
(2) Deferred tax	(212.6)	73.2	(1,235.7)	-	69.9	-
Total tax expense	98.5	178.9	(1,218.9)	(4,670.6)	(6,445.4)	(477.5)
X Loss for the period (IX-X)	(4,581.6)	(7,029.9)	(4,948.7)	(18.2)	(61.3)	(3.8)
XI Other comprehensive income:						
Items that will not be reclassified to profit or loss	(29.6)	(113.6)	(5.7)	(18.2)	(61.3)	(3.8)
Income-tax relating to items that will not be reclassified to profit or loss	-*	-*	-*	-	-	-
Total comprehensive income for the period (including non-controlling interest)	(4,611.2)	(7,143.5)	(4,954.4)	(4,688.8)	(6,506.7)	(5,242.0)
Net (loss)/income attributable to:						
A Owners of the parent	(4,667.2)	(6,889.4)	(4,841.0)	8,720.5	8,720.5	8,720.5
B Non-controlling interest	85.6	(140.5)	(107.7)	(0.5)	(0.7)	(0.6)
Other comprehensive income attributable to:						
A Owners of the parent	(25.0)	(93.3)	(4.9)	(0.5)	(0.7)	(0.6)
B Non-controlling interest	(4.6)	(20.3)	(0.8)	(0.5)	(0.7)	(0.6)
Total comprehensive income attributable to:						
A Owners of the parent	(4,692.2)	(6,982.7)	(4,845.9)	(0.5)	(0.7)	(0.6)
B Non-controlling interest	81.0	(160.8)	(108.5)	(0.5)	(0.7)	(0.6)
XIII Paid-up equity share capital (Face value ₹ 1/- per share)	8,720.5	8,720.5	8,720.5	8,720.5	8,720.5	8,720.5
XIV Other equity (excluding revaluation reserves, if any)						
Earnings per equity share (of ₹ 1/- each) (not annualised except for year ended March 31, 2020)						
a) Basic	(0.5)	(0.8)	(0.6)	(0.5)	(0.7)	(0.6)
b) Diluted	(0.5)	(0.8)	(0.6)	(0.5)	(0.7)	(0.6)

* rounded off to ml

See accompanying notes to the financial results.

UNAUDITED FINANCIAL RESULTS (STANDALONE)

Particulars	Statement of standalone unaudited results for the quarter ended			Statement of standalone unaudited results for the quarter ended		
	Three months ended June 30, 2020 (Unaudited)	Preceding three months ended March 31, 2020 (Audited) (Refer note 5)	Corresponding three months ended June 30, 2019 (Unaudited)	Three months ended June 30, 2020 (Unaudited)	Preceding three months ended March 31, 2020 (Audited) (Refer note 5)	Corresponding three months ended June 30, 2019 (Unaudited)
Income						
I Revenue from operations	18,135.8	20,356.1	19,858.9	18,135.8	20,356.1	19,858.9
II Other income	121.6	142.9	123.6	121.6	142.9	123.6
III Total income (I+II)	18,257.4	20,499.0	19,982.5	18,257.4	20,499.0	19,982.5
IV Expenses						
Cost of materials consumed	0.7	19.3	0.5	0.7	19.3	0.5
Purchases of stock-in-trade	6.2	24.6	73.8	6.2	24.6	73.8
Pay channel, carriage sharing and related costs	9,316.9	9,515.5	9,037.0	9,316.9	9,515.5	9,037.0
Employee benefits expense	927.5	896.1	1,336.9	927.5	896.1	1,336.9
Finance costs	2,832.0	3,010.5	3,705.7	2,832.0	3,010.5	3,705.7
Depreciation and amortisation expenses	4,892.5	5,386.5	4,690.5	4,892.5	5,386.5	4,690.5
Other expenses	4,952.2	5,221.7	6,376.3	4,952.2	5,221.7	6,376.3
Total expenses (IV)	22,928.0	24,074.2	25,220.7	22,928.0	24,074.2	25,220.7
V Loss before exceptional items and tax (III-IV)	(4,670.6)	(3,575.2)	(5,238.2)	(4,670.6)	(3,575.2)	(5,238.2)
VI Exceptional items	-	2,800.3	-	-	2,800.3	-
VII Loss before tax (V-VI)	(4,670.6)	(6,375.5)	(5,238.2)	(4,670.6)	(6,375.5)	(5,238.2)
Tax expense						
(1) Current tax	-	69.9	-	-	69.9	-
(2) Deferred tax	-	-	-	-	-	-
Total tax expense	-	69.9	-	-	69.9	-
IX Loss for the period (VII-VIII)	(4,670.6)	(6,445.4)	(5,238.2)	(4,670.6)	(6,445.4)	(5,238.2)
X Other comprehensive income:						
Items that will not be reclassified to profit or loss	(18.2)	(61.3)	(3.8)	(18.2)	(61.3)	(3.8)
Income-tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
Total comprehensive income (IX+X)	(4,688.8)	(6,506.7)	(5,242.0)	(4,688.8)	(6,506.7)	(5,242.0)
XII Paid-up equity share capital (Face value ₹ 1/- per share)	8,720.5	8,720.5	8,720.5	8,720.5	8,720.5	8,720.5
XIII Other equity (excluding revaluation reserves, if any)						
Earnings per equity share (of ₹ 1/- each) (not annualised except for year ended March 31, 2020)						
a) Basic	(0.5)	(0.7)	(0.6)	(0.5)	(0.7)	(0.6)
b) Diluted	(0.5)	(0.7)	(0.6)	(0.5)	(0.7)	(0.6)

See accompanying notes to the financial results.



Susmita



SITI NETWORKS LIMITED

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Website: www.sitinetworks.com

CIN L64200MH2006PLC160733

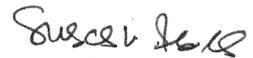
Notes:-

- 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 ended June 30, 2020 have been reviewed by the Audit Committee and approved by the Company's Board of Directors in their respective meetings held on September 15, 2020.
- 3 The above results have 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.
- 4 The statutory auditors have carried out limited review of these standalone and consolidated financial results for the quarter ended June 30, 2020 and have expressed a modified review conclusion on these results.
- 5 Figures for the standalone and consolidated financial results for the quarter ended March 31, 2020 are the balancing figures of the full financial year ended March 31, 2020 and the published year to date figures upto the third quarter of the year ended March 31, 2020.
- 6 The Company/the Group continued to incur losses during the quarter ended June 30, 2020 and had negative working capital as at June 30, 2020. The Company/the Group also has negative net worth as at June 30, 2020. As at June 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 endeavour 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, these standalone/consolidated financial results for the quarter ended June 30, 2020 continue to be prepared on a going concern basis.
- 7 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.
- 8 For the quarter ended June 30, 2020, June 30, 2019 and March 31, 2020 and year ended March 31, 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 Broadcaster's share) has also been presented as an expense in these financial results. The said amounts are ₹ 9,316.9 lacs, ₹ 9,037.0 lacs, ₹ 9,515.5 lacs and ₹ 39,023.8 lacs for quarter ended June 30, 2020, June 30, 2019 and March 31, 2020 and year ended March 31, 2020 respectively in the standalone financial results and ₹ 19,093.1 lacs, ₹ 18,103.8 lacs, ₹ 19,340.7 lacs and ₹ 77,575.4 lacs for quarter ended June 30, 2020, June 30, 2019 and March 31, 2020 and year ended March 31, 2020 respectively in the consolidated financial results.

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, ₹ 9,037.0 lacs, ₹ 9,515.5 lacs and ₹ 39,023.8 lacs for quarter ended June 30, 2020, June 30, 2019 and March 31, 2020 and year ended March 31, 2020 respectively in the standalone financial results and ₹ 19,093.1 lacs, ₹ 18,103.8 lacs, ₹ 19,340.7 lacs and ₹ 77,575.4 lacs for quarter ended June 30, 2020, June 30, 2019 and March 31, 2020 and year ended March 31, 2020 respectively in the consolidated financial results. However, there would not have been any impact on the net loss for the respective quarters and year ended in both the standalone and consolidated financial results. 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.
- 9 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.
- 10 Due to the aforementioned nationwide lockdown causing local disturbances, the management of two subsidiary companies were unable to complete the limited review process within the prescribed timelines. As a result, the Statement includes total revenues of ₹ 1,735.8 lakhs, total net loss after tax of ₹ 6.8 lakhs, and total comprehensive income of ₹ (6.8) lakhs for the quarter ended 30 June 2020 relating to these two subsidiaries, which have not been subjected to review by their auditors and are based on the financial results prepared by their management.

Place : Noida
Date : September 15, 2020

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


Suresh Arora
Whole Time Director



Independent Auditor's Review Report on Standalone 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 standalone unaudited financial results ('the Statement') of SITI Networks Limited ('the Company') for the quarter ended 30 June 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. The 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. 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 8 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 which is not in accordance with the requirements of Ind AS115, '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 ₹ 9,316.9 lakhs for the quarter ended 30 June 2020, while there would have been no impact on the net loss for the quarter ended 30 June 2020.

Walker Chandiook & Co LLP

Independent Auditor's Review Report on Standalone 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) (cont'd)

Our reports on the standalone financial results for the quarter ended 30 June 2019 and year ended 31 March 2020 were also qualified with respect to this matter.

5. Based on our review conducted as above, except for the effects of the matter described in previous section, 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 6 to the accompanying Statement, which indicates that the Company has incurred a net loss (including other comprehensive income) of ₹ 4,688.8 lakhs during the quarter ended 30 June 2020, and as of that date, the Company's accumulated losses amount to ₹ 190,830.7 lakhs resulting in a negative net worth of ₹ 21,477.2 lakhs and its current liabilities exceeded its current assets by ₹ 111,196.4 lakhs resulting in negative working capital. As at 30 June 2020, there are delays/ defaults in repayment of obligations and borrowings. The above factors along with other matters as set forth in note 6, 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 discussion with the lenders of the Company, and other factors mentioned in 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.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013

**RAJNI
MUNDRA**

Digitally signed by RAJNI MUNDRA
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Rajni Mundra
Partner
Membership No. 058644
UDIN: 20058644AAAADK7050

Place: New Delhi
Date: 15 September 2020

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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 June 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. 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.

Walker Chandiook & Co LLP

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) (cont'd)

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 8 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 ₹ 19,093.1 lakhs for the quarter ended 30 June 2020, while there would have been no impact on the net loss for the quarter ended 30 June 2020.

Our reports on the consolidated financial results for the quarter ended 30 June 2019 and year ended 31 March 2020 were also qualified with respect to this matter

Further, with respect to the above matter, qualifications have been given by other firms of Chartered Accountants vide their review reports dated 08 September 2020, 07 September 2020, 09 September 2020, 07 September 2020 and 08 September 2020 on the financial results of the subsidiaries of the Holding Company, namely, Siti Prime Utranchal 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 ₹ 8,704.8 lakhs for the quarter ended 30 June 2020, while there would have been no impact on the net loss/profit for the quarter ended 30 June 2020.

5. The Statement includes total revenues of ₹ 1,735.8 lakhs, total net loss after tax of ₹ 6.8 lakhs, and total comprehensive income of ₹ (6.8) lakhs for the quarter ended 30 June 2020 relating to two subsidiaries, which have not been subjected to review and are based on the financial results of the two subsidiaries furnished to us by the Holding Company's management. Our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiaries, is based solely on such unreviewed financial results. Accordingly, we are unable to comment on the impact, if any, on the accompanying Statement if the aforesaid financial results had been reviewed, other than the impact of the matter described in paragraph 4 above.

Our opinion on the consolidated financial results for the year ended 31 March 2020 was also modified with respect to this matter.

6. 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 8 below, except for the effects and possible 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.

Walker Chandiook & Co LLP

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) (cont'd)

7. We draw attention to note 6 to the accompanying Statement, which indicates that the Group has incurred a net loss of (including other comprehensive income) ₹ 4,611.2 lakhs during the quarter ended 30 June 2020, and as of that date, the Group's accumulated losses amount to ₹ 173,264.8 lakhs resulting in a negative net worth of ₹ 3,912.3 lakhs and its current liabilities exceeded its current assets by ₹ 106,229.6 lakhs resulting in negative working capital. As at 30 June 2020, there are delays/ defaults in repayment of obligations and borrowings. The above factors along with other matters as set forth in note 6 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 discussion 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.
8. We did not review the interim financial results of twenty subsidiaries included in the Statement, whose financial information reflects total revenues of ₹ 19,449.8 lakhs, total net profit after tax of ₹ 96.3 lakhs and total comprehensive income of ₹ 84.5 lakhs for the quarter ended on 30 June 2020, as considered in the Statement. The Statement also includes the Group's share of net profit after tax of ₹ 110.9 lakhs and total comprehensive income of ₹ 110.9 lakhs, for the quarter ended on 30 June 2020, 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.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013

RAJNI MUNDRA
Digitally signed by RAJNI MUNDRA
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Rajni Mundra
Partner
Membership No. 058644
UDIN: 20058644AAAADL2932

Place: New Delhi
Date: 15 September 2020

Walker Chandiook & Co LLP

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

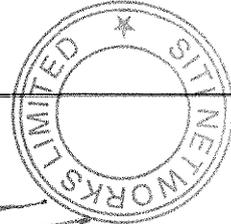
Associates

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

ANNEXURE – A

Disclosure pursuant to Regulation 30 read with Schedule III (A)(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with circular no. CIR/CFD/CMD/4/2015 dated September 09, 2015 issued by SEBI

1.	Name of the target entity, details in brief such as size, turnover etc.	E-Net Entertainment Private Limited, Turnover during the FY 19-20 is Rs.13.51 lakh
2.	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at “arm’s length”	Not Applicable
3.	Industry to which the entity being acquired belongs	Internet Service Provider
4.	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	This acquisition will help the wholly owned subsidiary company of the Company namely Siti Broadband Services Pvt. Ltd. to make its presence within the territory of Andhra Pradesh and Telangana through E-Net Entertainment Private Limited, being the target company.
5.	Brief details of any governmental or regulatory approvals required for the acquisition	Not Applicable
6.	Indicative time period for completion of the acquisition	3 Months
7.	Nature of consideration - whether cash consideration or share swap and details of the same	Consideration will be payable in cash.
8.	Cost of acquisition or the price at which the shares are acquired	Maximum consideration of Rs.12.75 lakh to be paid by Siti Broadband Services Pvt. Ltd. (wholly owned subsidiary company of the Company) for acquisition of 51% Equity Shares in the paid-up Equity Share Capital of E-Net Entertainment Private Limited
9.	Percentage of shareholding / control acquired and / or number of shares acquired	51% equity stake in the Equity Share Capital of E-Net Entertainment Private Limited will be acquired by Siti Broadband Services Pvt. Ltd., wholly owned subsidiary company of the Company.
10.	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information	E-Net Entertainment Private Limited, incorporated on 06.04.2004 under the Companies Act 1956, is engaged in business of Broadband Services. E-Net Entertainment Private Limited has presence in state of Andhra Pradesh, India. Last 3 years turnover of E-Net Entertainment Private Limited, are as follows;
		FY 19-20 – Rs.13.51 lakh FY 18-19 – Rs.29.92 lakh FY 17-18 – Rs.410.49 lakh

SITI NETWORKS LIMITED

SITI Networks Posts strong operating EBITDA at Rs. 735 Mn

- Operating EBITDA at Rs.735 Mn
- Operating EBITDA Margin stands at 19.2%
- Total Revenue down marginally by 2.6% y-o-y to Rs. 3,823 Mn
- Subscription ARPU leaps 1.02x q-o-q to Rs.128

SITI Networks Limited announces consolidated Ind-AS results for Q1 FY21

New Delhi, 15th September 2020: **SITI Networks Limited** (BSE: 532795, NSE: SITINET), an Essel Group Company, with presence across 580+ locations in India, has released its Consolidated Audited Financial Results for Q1 FY21.

Continuing with the steady performance from last fiscal, SITI reported its **Operating EBITDA at Rs.735 Mn** in Q1 FY21 despite Severe lock down norms and Containment Zones, impacted the normal business operations. SITI performance has been also adversely effected by the deadly cyclone “AMPHAN” in the East Indian territory where SITI has a very prominent stronghold. **Operating EBITDA Margin for Q1 stands at 19.2%**

SITI further expanded its foothold in the broadband business to three new tier-2 cities in Q1. SITI has continued to update its systems and processes across multiple touchpoints to be **fully compliant to the New Tariff regime**. The company has continued to work with all stake-holders, be it the Regulator, Broadcasters, LCOs and above all its esteemed customers to deliver its services.

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

“The ministry of information and broadcasting has included cable services under essential services to provide uninterrupted-cable-services and SITI has performed significantly well in view of the world wide impact of Covid-19 under severe lockdown in the entire country and migration of urban population in Q1FY21. Furthermore, Cyclone Amphan in our strong hold territory of Eastern India have also impacted our business during the Q1FY21. However, with key focus on our operational efficiencies, our employees, LCOs and their respective families got infected and some lost their lives too but they ensured seamless connectivity on the ground in pandemic. This paves the way for strong recovery and growth in the coming times”

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 and adjoining areas.

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.