



SITI CABLE NETWORK LIMITED

Regd. Office: 135, Continental Building, Dr. Annie Besant Road, Worli, Mumbai 400 018.



UNAUDITED FINANCIAL RESULTS (CONSOLIDATED)

(₹ In Lacs)

Statement of consolidated unaudited results for the quarter and nine months ended December 31, 2014						
Particulars	Quarter ended December 31, 2014	Quarter ended September 30, 2014	Quarter ended December 31, 2013	Nine months ended December 31, 2014	Nine months ended December 31, 2013	Year ended March 31, 2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Income from operations						
a. Net sales/income from operations	21,732.3	21,695.3	15,852.3	63,866.6	44,621.7	67,577.3
b. Other operating income	433.1	229.4	665.8	1,125.7	1,768.1	2,146.4
Total income from operations	22,165.4	21,924.7	16,518.1	64,992.3	46,389.8	69,723.7
2. Expenses						
a. Cost of materials consumed	0.4	6.2	189.0	9.0	227.1	234.7
b. Purchases of stock-in-trade	2.7	11.0	4.9	19.2	470.5	722.1
c. Changes in inventories of stock-in-trade	-	-	12.8	-	17.5	5.6
d. Carriage sharing, pay channel and related costs	11,107.1	11,722.6	8,565.1	35,384.2	20,979.5	33,395.3
e. Employee benefits expense	1,218.3	1,283.8	991.2	3,612.0	2,832.3	3,819.3
f. Depreciation and amortization expense	3,871.8	3,087.7	2,298.6	9,889.6	7,468.4	8,379.0
g. Other expenses	5,010.8	4,777.4	4,463.0	13,172.0	12,723.6	20,263.5
Total expenses	21,211.1	20,888.7	16,524.6	62,086.0	44,718.9	66,819.5
3. Profit/(loss) from operations before other income, finance costs, prior period items (1-2)	954.3	1,036.0	(6.5)	2,906.3	1,670.9	2,904.2
4. Other Income	179.2	454.9	1,207.6	835.8	660.3	1,310.4
5. Profit before finance costs, prior period item (3+4)	1,133.5	1,490.9	1,201.1	3,742.1	2,331.2	4,214.6
6. Finance cost	2,987.7	2,958.1	3,121.7	8,983.0	8,787.7	11,911.3
7. Loss after finance cost but before exceptional items (5-6)	(1,854.2)	(1,467.2)	(1,920.6)	(5,240.9)	(6,456.5)	(7,696.7)
8. Exceptional items	0.3	-	-	0.3	-	(3.3)
9. Loss before tax (7-8)	(1,854.5)	(1,467.2)	(1,920.6)	(5,241.2)	(6,456.5)	(7,693.4)
10. Tax expense	(257.3)	(28.6)	(330.1)	416.6	802.9	640.8
11. Loss after tax (9-10)	(1,597.2)	(1,438.6)	(2,250.7)	(5,657.8)	(7,259.4)	(8,334.2)
12. Prior period item (net)	(389.2)	-	(1,220.5)	-	-	-
13. Loss after tax and prior period item (11-12)	(1,208.0)	(1,438.6)	(1,030.2)	(5,657.8)	(7,259.4)	(8,334.2)
14. Minority Interest	836.0	848.0	766.4	1,839.8	1,266.7	1,071.8
15. Loss after tax and minority interest (13-14)	(2,044.0)	(2,286.6)	(1,796.6)	(7,497.6)	(8,526.1)	(9,406.0)
16. Paid-up equity share capital (Face value ₹1/- per share)	6,142.1	6,142.1	4,522.1	6,142.1	4,522.1	5,207.1
17. Reserve excluding revaluation reserves as per balance sheet of previous accounting year	-	-	-	-	-	(15,829.9)
18. Earnings per share (of ₹ 1/-) (not annualized)						
a) Basic	(0.3)	(0.4)	(0.4)	(1.2)	(1.9)	(2.1)
b) Diluted	(0.3)	(0.4)	(0.4)	(1.2)	(1.9)	(2.1)

Notes:

- SITI Cable Network Limited (the "Company") operates in single business segment of cable distribution in India. Hence there is no separate reportable business or geographical segments as per Accounting Standard on Segment Reporting (AS-17).
- The above unaudited financial results for the quarter and nine months period ended December 31, 2014 have been reviewed by the Audit Committee and were approved by the Board of Directors in their meeting held on February 04, 2015.
- The Statutory Auditors have carried out a "Limited review" of the Standalone financial results for the quarter and nine months ended December 31, 2014.
- This statement of financial results has been prepared by applying accounting policies as adopted in the last audited annual financial statements for the year ended March 31, 2014.
- In respect of, outstanding business advances of ₹ 9,342 lacs given to its subsidiaries (including a wholly owned subsidiary) for enhancing the operations and efficiency by way of acquisition of Multi-System Operators (MSOs) direct points, technological up gradation etc. in near future. In view of the indemnity received from the promoters companies who together hold a majority stake in the Company, these advances are considered good and recoverable.
- In view of the mandatory digital addressable system (DAS) regulation announced by the Government of India, digitization of cable networks has been implemented in Phase 1 and Phase 2 cities effective November 1, 2012 and April 1, 2013 respectively. Owing to the initial delays in implementation of DAS in phase 1 cities and challenges faced by all the Multi-System Operators (MSOs) during transition from analogue business to DAS, the Company is in the process of implementation of revenue sharing contracts entered into with the local cable operators (LCOs). Accordingly, the Company has invoiced and recognized subscription revenue after sharing of revenue with the LCOs under the new DAS regime amounting to ₹ 1,929 lacs (standalone ₹ 1,685 lacs) and ₹ 4,014 lacs (standalone ₹ 3,374 lacs) for the quarter and nine months ended December 31, 2014 respectively and ₹ 1,072 lacs (standalone ₹ 839 lacs) and ₹ 2,085 lacs (standalone ₹ 1,689 lacs) for the quarter and six months ended September 30, 2014, based on certain estimates 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.
- The Audit Committee and Board of Directors noted the utilization of the proceeds of Rights Issue and warrants for the nine months ended December 31, 2014 is in line with utilization schedule approved by the Board of Directors. The unutilized amount from the proceeds of Rights Issue and warrants as on December 31, 2014 is ₹ 759 lacs and ₹ 2,698 lacs respectively.
- The Company continued to incur cash losses on standalone basis, during the quarter and nine months ended December 31, 2014 but in view of the present positive consolidated net worth, substantial subscription revenue growth and continued financial support from the promoters companies, the financial results continue to be prepared on a going concern basis.
- Prior period item relates to certain intangible assets earlier expensed off amounting to ₹ 421 lacs and related depreciation amounting to ₹ 32 lacs thereon for the quarter ended December 31, 2014 and adjustment to depreciation and amortisation expense on account of revision in useful life ₹ 1,206 (₹ 800 lacs at standalone), income from operations ₹ 367 lacs (₹ 720 lacs at standalone) and purchase of stock-in-trade ₹ 353 lacs (₹ 706 lacs at standalone) for the quarter ended December 31, 2013.
- With effect from April 1, 2014, the Company has revised the useful lives of its fixed assets to comply with the requirements as mentioned under Schedule II of the Companies Act, 2013. Accordingly, the depreciation expense for the quarter and nine months ended December 31, 2014 is higher by ₹ 517 lacs (standalone financial ₹ 125 lacs) and ₹ 1,345 lacs (standalone financial ₹ 856 lacs) respectively. Similarly, in case of fixed assets whose life has been completed as on March 31, 2014, the carrying value (net of residual value) of those assets amounting to ₹ 556 lacs (amounting to ₹ 167 lacs in standalone financial results) has been adjusted with the opening balances of retained earnings i.e. deficit in statement of profit and loss.
- As approved by the Shareholders, on the basis of recommendation of Nomination and Remuneration Committee duly approved by the Board, the remuneration paid to CEO of the Company is the same after his appointment as Executive Director for which necessary application has been submitted to Central Government for approval.
- Previous period's figures have been regrouped and rearranged, wherever necessary.

UNAUDITED FINANCIAL RESULTS (STANDALONE)

(₹ In Lacs)

Statement of standalone unaudited results for the quarter and nine months ended December 31, 2014						
Particulars	Quarter ended December 31, 2014	Quarter ended September 30, 2014	Quarter ended December 31, 2013	Nine months ended December 31, 2014	Nine months ended December 31, 2013	Year ended March 31, 2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Income from operations						
a. Net sales/income from operations	13,115.9	13,732.5	9,265.6	39,435.4	33,302.7	48,501.9
b. Other operating income	81.4	26.7	197.4	337.9	574.2	1,987.6
Total income from operations	13,197.3	13,759.2	9,463.0	39,773.3	33,876.9	50,489.5
2. Expenses						
a. Cost of materials consumed	2.2	2.0	17.6	24.0	227.1	234.6
b. Purchases of stock-in-trade	90.8	776.5	146.7	925.5	5,703.3	6,655.8
c. Changes in inventories of stock-in-trade	-	-	-	-	-	-
d. Carriage sharing, pay channel and related costs	7,267.3	7,975.5	5,852.7	23,252.8	14,239.0	21,333.8
e. Employee benefits expense	886.3	939.5	703.4	2,640.0	2,057.9	2,727.9
f. Depreciation and amortization expense	1,802.4	1,896.1	1,561.0	5,639.4	5,201.4	5,784.9
g. Other expenses	4,194.2	3,517.0	3,170.9	9,951.8	4,844.5	13,353.8
Total expenses	14,243.2	15,106.6	11,452.3	42,433.5	35,913.2	50,090.8
3. (Loss)/profit from operations before other income, finance costs, prior period items (1-2)	(1,045.9)	(1,347.4)	(1,989.3)	(2,660.2)	(2,036.3)	398.7
4. Other Income	113.3	433.1	1,237.0	744.3	657.8	1,169.7
5. (Loss)/profit before finance costs, prior period item (3+4)	(932.6)	(914.3)	(752.3)	(1,915.9)	(1,378.5)	1,568.4
6. Finance costs	2,950.5	2,931.9	3,099.0	8,898.7	8,719.2	11,799.2
7. Loss before prior period item and tax (5-6)	(3,883.1)	(3,846.2)	(3,851.3)	(10,814.6)	(10,097.7)	(10,230.8)
8. Prior period item (net)	(389.2)	-	(814.0)	-	-	-
9. Loss before tax (7-8)	(3,493.9)	(3,846.2)	(3,037.3)	(10,814.6)	(10,097.7)	(10,230.8)
10. Tax expense	-	-	-	-	-	-
11. Loss after tax (9-10)	(3,493.9)	(3,846.2)	(3,037.3)	(10,814.6)	(10,097.7)	(10,230.8)
12. Paid-up equity share capital (Face value ₹1/- per share)	6,142.1	6,142.1	4,522.1	6,142.1	4,522.1	5,207.1
13. Reserves excluding revaluation reserves as per balance sheet of previous accounting year	-	-	-	-	-	(15,875.3)
14. Earnings per share (of ₹ 1/-) (not annualized)						
a) Basic	(0.6)	(0.6)	(0.7)	(1.8)	(2.2)	(2.3)
b) Diluted	(0.6)	(0.6)	(0.7)	(1.8)	(2.2)	(2.3)

Part - II

Select information for the quarter and nine months ended December 31, 2014

A. Particulars of shareholding						
1. Public Shareholding						
- Number of shares (in lacs)	1,669.7	1,669.7	1,669.7	1,669.7	1,669.7	1,669.7
- Percentage of Shareholding	27.2	27.2	36.9	27.2	36.9	32.1
2. Promoters and Promoter Group Shareholding						
a) Pledged/Encumbered						
- Number of shares (in lacs)	1,994.9	2,107.0	1,317.8	1,994.9	1,317.8	1,865.8
- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	44.6	47.1	46.2	44.6	46.2	52.7
- Percentage of shares (as a % of the total share capital of the Company)	32.5	34.3	29.1	32.5	29.1	35.8
(b) Non - encumbered						
- Number of shares (in lacs)	2,477.5	2,365.4	1,534.7	2,477.5	1,534.7	1,671.7
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	55.4	52.9	53.8	55.4	53.8	47.3
- Percentage of Shares (as a % of the total share capital of the Company)	40.3	38.5	34.0	40.3	34.0	32.1

Particulars	Quarter Ended December 31, 2014
B. Investor Complaints	
Pending at the beginning of the quarter	-
Received during the quarter	1
Disposed off during the quarter	1
Remaining unresolved at the end of the quarter	-

Place : Noida
Date : February 04, 2015

SITI Cable Network Limited

Subhodh Kumar
Director

4/2/15

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Review Report

To the Board of Directors of SITI Cable Network Limited

1. We have reviewed the accompanying standalone statement of unaudited financial results ("the Statement") of SITI Cable Network Limited ("the Company") for the quarter ended 31 December 2014 and the year to date results for the period 1 April 2014 to 31 December 2014, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards, as notified under the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Walker Chandiook & Co LLP
For **Walker Chandiook & Co LLP**
(Formerly *Walker, Chandiook & Co*)
Chartered Accountants
Firm Registration No: 001076N/N500013

Atul Seksaria
per **Atul Seksaria**
Partner
Membership No.: 086370

Place: Noida
Date: 4 February 2015



SITI Cable Network Limited

Third Quarter FY2015 Results

Investor Release
February 4th, 2015

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New Delhi, India; 4th Feb. 2015: The Board of Directors of SITI Cable Network Limited (SCNL) (BSE: 532795, NSE: **SITI CABLE EQ**) in its meeting held today, has taken on record the unaudited consolidated financial results of the Company and its subsidiaries for the quarter ended 31st December, 2014

Unaudited Consolidated Financial Results

Performance Highlights For Q3 FY 2015

Revenue at INR223 Crores; up 26.1% YoY

EBITDA at INR50 Crores; up 9.4% QoQ & 43.1% YoY

Digital subscriber base increased to 4.85 million

Broadband subscriber base increased to 54,000

Condensed Consolidated Statement of Operations: Q3 FY2015

The table below presents the condensed statement of consolidated operations for SITI Cable Network Limited and its subsidiaries:

Income Statement (INR Million)	Quarter Ended			Growth	
	Q3 FY 2014	Q2 FY 2015	Q3 FY 2015	YoY	QoQ
Net Operating Revenues	1,639	2,192	2,216		
Other Income	134	46	18		
Total Revenue	1,773	2,238	2,234	26.1%	-0.2%
Total Expenditure	1,423	1,780	1,734		
EBITDA	350	458	501	43.1%	9.4%
Finance cost	312	296	299		
Depreciation	230	309	387		
Exceptional Items	-	-	-		
PBT	-192	-147	-185		

Corporate Overview

“SITI Cable Network is fully geared to provide the benefits of digitization to the Indian subscriber. The Company continues to provide leadership in the areas of best practices, systems implementation and compliances. Although some minor challenges remain, the Company is leading the industry on a new and evolved growth trajectory ”

said Dr. Subhash Chandra, Chairman

“SITI Cable maintained its growth momentum in the third quarter as well while improving EBITDA Margin from 20.5% to 22.4% QoQ”

“Last mile operators have realized that digitization is a reality now. We see less resistance towards digitization from the LCOs in phase 3 & 4 towns. In fact they see digital cable STB as an opportunity towards offering more channels, better services to their consumers and realising better revenues from their existing customer base. It also helps them in retaining their customer, who would otherwise move to competing technology like DTH for want of better quality services”

said Mr. V D Wadhwa, Executive Director & CEO, SITI Cable

Performance Highlights

Segments (INR Million)	Quarter Ended			Growth	
	Q3 FY 2014	Q2 FY 2015	Q3 FY 2015	YoY	QoQ
Cable	1560	2106	2095	34.3%	-0.5%
Broadband	43	62	70	61.0%	13.0%
Total Revenue	1773	2238	2234	26.1%	-0.2%

Cable Business includes Subscription, Carriage, Activation and Advertisement revenue streams

Operational Metrics	Quarter Ended	
	Q2 FY 2015	Q3 FY 2015
Cable Universe (Mn)	10.0	10.5
Digital Subscribers (Mn)	4.60	4.85
Digital Subscribers added (Mn)	0.30	0.25
Broadband Subscribers	48,000	54,000

Operational Highlights

❖ New Geography Expansion

- Company expanded its footprint by entering into newer markets like Nagpur, Pune, Mysore and Dehradun. Company has also made inroads in Phase 3 & 4 towns in Kerala, MP, Gujarat and Maharashtra. These new geographical imprints will further help in consolidating the company's position as a leading national MSO

❖ Technological Upgradation

- Existing digital head end at Bengaluru upgraded to State of the Art (Ericsson and Harmonic)

❖ SITI will keep the STB seeding momentum ON through proactive seeding in the existing as well as new cities of Phase 3 & Phase 4

❖ Direct Point Acquisition

- Acquisition of direct points initiated in Q2 FY2015 made considerable progress in this quarter. Direct point subscriber base increased to ~40,000

❖ Channels on “a-la-carte” – Step towards increasing ARPUs

- As per the directive from TDSAT, sports and other select content channels are being offered on “a-la-carte” basis to subscribers in order to empower them with the choice of choosing exactly what they would like to view and make channel packaging more bespoke. This is also expected to be one of the key drivers towards enhancement of consumer ARPUs in the medium to long term

About SITI Cable Network Limited

SITI Cable Network Limited (erstwhile known as Wire and Wireless (India) Ltd) is a part of the Essel Group, which is one of India's leading business houses with a diverse portfolio of assets in media, packaging, entertainment, technology-enabled services, infrastructure development and education.

SITI Cable Network Limited is one of India's largest Multi System Operator (MSO). With 56 analogue and 15 digital head ends and a network of more than 14000 Kms of optical fibre and coaxial cable, it provides its cable services in India's ~130+ cities and the adjoining areas, reaching out to over 10 million viewers.

SITI Cable deploys State-of-the-art technology for delivering multiple TV signals to enhance consumer viewing experience. Its product range includes Digital & Analogue Cable Television, Broadband and Local Television Channels. SITI Cable has been providing services in analogue and digital mode, armed with technical capability to provide features like Video on Demand, Pay per View, Electronic Programming Guide (EPG) and Gaming through a Set Top Box (STB). All products are marketed under SITI brand name.

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

Caution Concerning Forward-Looking Statements

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

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