



SITI Cable Network Limited

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



UNAUDITED FINANCIAL RESULTS (CONSOLIDATED)

UNAUDITED FINANCIAL RESULTS (STANDALONE)

(Rs. In Lacs)

Part-I

(Rs. In Lacs)

Statement of consolidated unaudited financial results for the quarter ended June 30, 2014

Statement of standalone unaudited financial results for the quarter ended June 30, 2014

Particulars	Quarter ended	Quarter ended	Quarter ended	Year ended
	June 30,	March 31,	June 30,	March 31,
	2014	2014	2013	2014
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
1 Income from operations				
a. Net sales/income from operations	20,439.0	22,955.6	13,774.6	67,577.3
b. Other operating income	463.2	378.4	399.7	2,146.4
Total income from operations	20,902.1	23,334.0	14,174.3	69,723.7
2. Expenses				
a. Cost of materials consumed	2.5	7.6	7.0	234.7
b. Purchases of stock-in-trade	5.5	251.6	226.9	722.1
c. Changes in inventories of stock-in-trade	-	(11.9)	4.4	5.6
d. Carriage sharing, pay channel and related costs	12,554.5	12,415.8	6,180.1	33,395.3
e. Employee benefits expense	1,109.9	987.0	901.9	3,819.3
f. Depreciation and amortisation expense	2,898.1	2,117.0	2,478.5	8,379.0
g. Other expenses	3,805.2	7,539.9	3,090.6	20,263.5
Total expenses	20,375.7	23,307.0	13,789.4	66,819.5
3. Profit from Operations before Other Income, finance costs and exceptional items (1-2)	526.4	27.0	384.9	2,904.2
4. Other income	201.8	650.1	254.6	1,310.4
5. Profit before finance costs and exceptional items (3+4)	728.2	677.1	639.5	4,214.6
6. Finance costs	3,037.3	3,123.7	2,613.5	11,911.3
(Loss)/profit after finance cost but before exceptional items (5-6)	(2,309.1)	(2,446.6)	(1,974.0)	(7,696.7)
8. Exceptional Items	-	(5.3)	-	(3.3)
(Loss)/profit before tax (7-8)	(2,309.1)	(2,443.3)	(1,974.0)	(7,693.4)
10. Tax expense	702.5	(162.1)	733.0	640.8
11. Loss after tax (9-10)	(3,011.6)	(2,281.2)	(2,707.0)	(8,334.2)
12 Minority Interest	155.8	(194.9)	169.9	1,071.8
13 Loss after tax and minority interest (11-12)	(3,167.4)	(2,086.3)	(2,876.9)	(9,406.0)
14 Paid-up equity share capital (Face value Rs. 1/- per share)	6,142.1	5,207.1	4,522.1	5,207.1
12 Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year				(15,829.8)
12 Loss per share (of Rs. 1/-) (not annualised)				
a) Basic	(0.5)	(0.5)	(0.6)	(2.07)
b) Diluted	(0.5)	(0.5)	(0.6)	(2.07)

Particulars	Quarter ended	Quarter ended	Quarter ended	Year ended
	June 30,	March 31,	June 30,	March 31,
	2014	2014	2013	2014
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
1 Income from operations				
a. Net sales/income from operations	12,587.0	15,199.1	11,820.1	48,501.9
b. Other operating income	229.8	1,413.4	274.7	1,987.6
Total income from operations	12,816.8	16,612.5	12,094.8	50,489.5
2. Expenses				
a. Cost of materials consumed	19.8	7.5	7.9	234.6
b. Purchases of stock-in-trade	58.2	952.5	3,190.2	6,655.8
c. Changes in inventories of stock-in-trade	-	-	-	-
d. Carriage sharing, pay channel and related costs	8,010.0	7,094.8	3,961.5	21,333.8
e. Employee benefits expense	814.2	670.0	648.4	2,727.9
f. Depreciation and amortization expense	1,908.8	1,383.4	1,712.6	5,784.0
g. Other expenses	2,662.0	4,869.4	2,937.9	13,353.8
Total expenses	13,473.0	14,977.6	12,458.5	50,090.8
3. (Loss)/profit from operations before other income, finance costs and tax (1-2)	(656.2)	1,634.9	(363.7)	398.7
4. Other income	197.9	512.0	402.0	1,169.7
5. (Loss)/profit before finance costs and tax (3+4)	(458.3)	2,146.9	38.3	1,568.4
6. Finance costs	3,016.3	3,080.0	2,587.0	11,799.2
7. Loss before tax (5-6)	(3,474.6)	(933.1)	(2,548.7)	(10,230.8)
8. Tax expense	-	-	-	-
9. Loss after tax (7-8)	(3,474.6)	(933.1)	(2,548.7)	(10,230.8)
10 Paid-up equity share capital (Face value Rs. 1/- per share)	6,142.1	5,207.1	4,522.1	5,207.1
11 Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year				(15,875.3)
12 Loss per share (of Rs. 1/-) (not annualised)				
a) Basic	(0.6)	(0.2)	(0.6)	(2.3)
b) Diluted	(0.6)	(0.2)	(0.6)	(2.3)

Part - II

Select information for the quarter ended June 30, 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
- Percentage of Shareholding	27.2	32.1	36.9	32.1
2. Promoters and Promoter Group Shareholding				
a) Pledged/ Encumbered				
- Number of shares (in lacs)	1,971.8	1,865.8	1,712.8	1,865.8
- Percentage of Shares (as a% of the total shareholding of promoter and promoter group)	44.1	52.7	60.0	52.7
- Percentage of shares (as a% of the total share capital of the Company)	32.1	35.8	37.9	35.8
(b) Non - encumbered				
- Number of shares (in lacs)	2,500.7	1,671.7	1,139.7	1,671.7
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	55.9	47.3	40.0	47.3
- Percentage of Shares (as a % of the total share capital of the Company)	40.7	32.1	25.2	32.1

Particulars	Quarter Ended
B Investors Complaint	June 30, 2014
Pending at the beginning of the quarter	-
Received during the quarter	2
Disposed off during the Quarter	2
Remaining unresolved at the end of the quarter	-

For and on behalf of the Board of Directors
SITI Cable Network Limited

Sd/-

Subodh Kumar
Director

Notes:

- SITI Cable Network Limited (the "Company") operates in single business segment of Cable Distribution in India only. 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 ended June 30, 2014 have been reviewed by the Audit Committee and were approved by the Board of Directors in their meeting held on August 12, 2014.
- The Statutory Auditors have carried out a "limited review" of the Standalone financial results for the quarter ended June 30, 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.
- The Company had given business advances to its subsidiaries for acquisition of MSOs/ direct points, technological up gradation etc. to the extent of Rs. 26,094 lacs. The Company firmly believes that these advances would further enhance its operations over near future and in view of the guarantee from the 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 Ministry of Information and Broadcasting, Government of India, digitization of cable networks has been implemented in the cities notified for Phase 1 and Phase 2 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 executing contracts with the subscribers and implementation of revenue sharing contracts entered into with the local cable operators (LCOs). Accordingly, the Company has invoiced and recognized subscription revenue net of sharing of revenue with the LCOs under the new DAS regime amounting to Rs. 13,497.4 lacs (standalone Rs.9,605.34 lacs) for the quarter ended June 30, 2014 respectively 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 for the current period.
- Figures for the quarter ended March 31, 2014 are the balancing figures between audited figures in respect of financial year and the published year to date figures upto the third quarter of the said financial year. Also, the figures of standalone financial results upto the end of the third quarter were only reviewed and not subject to audit.
- During the quarter, 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 ended June 30, 2014 is higher by Rs. 458.18 lacs (standalone financial Rs. 406.55 lacs). 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 Rs. 1,068.84 lacs (amounting of Rs. 167.44 lacs in standalone financial) has been adjusted with the opening balances of retained earnings i.e. deficit in statement of profit and loss.
- The Audit Committee and Board of Directors noted the utilization of the proceeds of Rights Issue for the quarter ended June 30, 2014 which is in line with utilization schedule as approved by the Board of Directors. The unutilised amount as on June 30, 2014 is Rs. 759 lacs.
- The Audit Committee and the Board of Directors noted the utilization of the proceeds of warrants for the quarter ended June 30, 2014 which is in line with utilization schedule as approved by the Board of Directors. The unutilised amount as on June 30, 2014 is Rs. 1,515.4 lacs
- Though the Company has continued to incur cash losses during the current quarter, but in view of the present positive networth, mandatory digitization which will yield substantial subscription revenue and continued financial support from the promoter group, the financial results continue to be prepared on a going concern basis.
- Previous period's figures have been regrouped and rearranged, wherever necessary.

Place : Mumbai
Date : August 12, 2014

Walker Chandiook & Co LLP

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Review Report

To the Board of Directors of SITI Cable Network Limited

1. We have reviewed the accompanying statement of unaudited financial results ("the Statement") of SITI Cable Network Limited ("the Company") for the quarter ended June 30, 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 Sekaria
per **Atul Sekaria**

Partner

Membership No.: 086370

Place: New Delhi

Date: August 12, 2014





SITI CABLE NETWORK LIMITED

Performance Highlights for Q1 2015

- 1. Revenue growth of 46% at Rs. 2110 million in Q1 2015**
- 2. EBITDA growth of 16% at Rs. 363 million for Q1 2015**
- 3. Digital Subscriber Base increased to 4.3 million.**

Q1 FY2015- Highlights

- ❖ Total revenues for the first quarter ended June 30, 2014 was Rs. 2110 million as compared to Rs. 1441 million during corresponding quarter last fiscal, recording a growth of 46 %.
- ❖ The consolidated operating profit (EBITDA) for the first quarter ended June 30, 2014 was Rs. 363 million as compared to Rs. 312 million during corresponding quarter last fiscal.
- ❖ Subscription revenue at Rs. 1057 million as compared to Rs. 321 million same quarter last fiscal recorded a remarkable growth of 229%.

Mumbai, India; Aug 12, 2014 – 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 June 30, 2014. The total revenues for the quarter were Rs 2110 million and operating profit (EBITDA) was Rs. 363 million.

Commenting on the results of the company, Mr. Subhash Chandra, Chairman stated, "The performance during the quarter reflects the investment that SITI is making to grow its business and market share. This has been accompanied by a strong improvement in both top line and bottom line growth of the company during the quarter due to continued emphasis on providing quality services to our consumers and superior technological support to our business partners. Mr Chandra further mentioned that Broadcasters, MSO's and Local Cable Operators have to work together for improvement in Consumer ARPU's, which will ensure a significant improvement in the health of the overall media industry and its stakeholders".

Mr. V D Wadhwa, Chief Executive Officer, SITI Cable commented, "We continue to focus on improvement in quality of our services to our viewers and improvement in our subscription revenues. The results for the quarter are reflective of these efforts. The subscriber revenue during the quarter has shown robust growth of 229% and with the starting of package billing in DAS II cities and likely roll out of digitization in phase III & IV, it is set to further improve in the coming quarters".



EARNINGS RELEASE FOR THE QUARTER ENDED JUNE 30, 2014

Commenting on the changes in the industry landscape, Mr. Wadhwa added, these are challenging but exciting times and the entire industry is going through a major overhaul and Siti Cable is playing a crucial role in taking the lead in introduction and implementation of the best practices for improvement of overall health of the industry and garnering the support of other MSO's as well in its efforts, which will eventually result in significant improvement in the financial performance of all the stakeholders".

Condensed consolidated statement of operations – 1Q FY2015

The table below presents the condensed statement of consolidated operations for SITI Cable Network Limited and its subsidiaries for the first quarter of FY2015, as published:

Siti Cable - Consolidated (Rs. Million)	Q1 FY2015	Q1 FY2014	% of Total Revenue		% Growth
			Q1 FY2015	Q1 FY2014	
Net Operating Revenues	2090.2	1416.0	99%	98%	48%
Other Income	20.2	25.5	1%	2%	-21%
Total Revenue	2110.4	1441.4	100%	100%	46%
Total Expenditure	1747.8	1129.7	83%	78%	55%
Operating Profit/(Loss) = EBITDA	362.6	311.8	17%	22%	16%
Finance cost	303.7	261.4	14%	18%	16%
Depreciation	289.8	247.8	14%	17%	17%
Exceptional Item	0.0	0.0	0%	0%	0%
PBT	-230.9	-197.4	-11%	-14%	-17%
Provision for tax	70.3	73.3	3%	5%	-4%
PAT	-301.2	-270.7	-14%	-19%	-11%

Consolidated Revenue:

The Company has registered Total revenue of Rs. 2110 million as compared to Rs. 1441 million during corresponding quarter of the last fiscal. Operating revenue is primarily generated from subscriber related income, income from bandwidth charges, income from advertisements and other operating revenues.

Consolidated Expenditure:

The Company's main operating expenses include cost of services, employees' cost, selling & distribution expenses and other expenditure. Total consolidated expenses stood at Rs. 1748 million for the first quarter ended June 30, 2014 as against to Rs. 1130 million during the corresponding



EARNINGS RELEASE FOR THE QUARTER ENDED JUNE 30, 2014

quarter of the last fiscal. Major cost item was cost of goods & services recorded as Rs. 1425 million during the quarter representing 82% of the of the total operating expenses in comparison to Rs. 767 million in the corresponding quarter of the last fiscal.

The table below will enable a better understanding of the operation cost:

Siti Cable - Consolidated (Rs. Million)	Q1 FY2015	Q1 FY2014	% of Total Revenue		% Growth
			Q1 FY2015	Q1 FY2014	
Cost of Goods & Services	1424.5	767.2	68%	53%	86%
Staff Costs	111.0	90.2	5%	6%	23%
Administrative Expenses	161.9	218.6	8%	15%	-26%
Selling & Distribution Expenses	50.3	53.7	2%	4%	-6%
Total Operational Cost	1747.8	1129.7	83%	78%	55%

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 14 digital head ends and a network of more than 12000 Kms of optical fibre and coaxial cable, it provides its cable services in India's 80 key 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, Analogue Cable Television, Digital 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.

For More information about SITI CABLE and its businesses, please log on to www.siticable.com



EARNINGS RELEASE FOR THE QUARTER ENDED JUNE 30, 2014

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.