

Siti Networks Limited (Revised)

March 02, 2023

Facilities	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	87.00	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Ltd. has been seeking information from Siti Networks Limited (SNL) to monitor the rating vide e-mail communications dated January 03, 2023, February 14, 2023 and February 15, 2023 and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating. The rating on SNL's bank facilities will now be denoted as CARE D; ISSUER NOT COOPERATING*.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating.

Detailed description of the key rating drivers

At the time of last rating on January 03, 2022, the following were the rating weaknesses (updated for the information available from stock exchange).

Key Rating Weaknesses
On-going delay in debt servicing:

As per the recent audit report for FY22 and Audit Report available with the company's stock exchange disclosure for FY22 results, there are ongoing delays in debt servicing. The account has been classified as non-performing asset.

Analytical approach: Consolidated. CARE has taken a consolidated view wherein SNL and its 25 subsidiaries, 1 associate entity and 1 joint ventures are considered. List of subsidiaries, associates and joint venture companies are provided in annexure 6.

Applicable criteria
[Policy in respect of Non-cooperation by issuer](#)
[Policy on default recognition](#)
[Financial Ratios – Non financial Sector](#)
[Liquidity Analysis of Non-financial sector entities](#)
[Policy On Curing Period](#)
[Rating Outlook and Credit Watch](#)
About the company and industry
Industry Classification

Macro Economic Indicator	Sector	Industry	Basic Industry
Consumer Discretionary	Media, Entertainment & Publication	Entertainment	TV Broadcasting & Software Production

Siti Networks Limited (SNL) is a part of 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. It has grown to be India's largest Multi-System Operator (MSO) and a leading wired broadband service provider. SNL 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, Electronic Programming Guide and Gaming through a Set Top Box. All products are marketed under SITI brand name.

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

The cable operations of SITI Networks Limited were launched in June 1994. It was then a 100% subsidiary of Zee Telefilms Limited (ZTL). On March 31, 2006, as per the Scheme of Arrangement approved by the High Court in Mumbai, Zee Telefilms Limited (ZTL) was renamed as Zee Entertainment Enterprises Limited (ZEEL) and was demerged into 4 companies, WWIL was one of them. All the TV distribution business of ZTL, which was under SITI Networks Limited was transferred to WWIL.

CARE Ratings Ltd. Has been seeking information from SITI Networks Limited to monitor the rating(s) vide e-mail communications dated January 03, 2023, February 14, 2023 and February 15, 2023 and numerous phone calls. The e-mail communications seeking information are attached as Annexure C. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings.

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	9MFY23 (UA)
Total operating income	730.48	614.43	335.46
PBILDT	116.76	63.40	35.75
PAT	-226.48	-255.32	-68.88
Overall gearing (times)	-1.91	-1.28	NA
Interest coverage (times)	1.06	0.58	NA

A: Audited, UA: Unaudited, NA: Not available; Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: Brickworks Ratings (BWR) reaffirmed the ratings to bank facilities at BWR D; Issuer Not Cooperating as on January 10, 2023.

Any other information: NA

Rating history for the last three years: Please refer Annexure-2

Covenants of the rated instruments/facilities: Detailed explanation of the covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of the various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of facilities

Name of the Facilities	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	50.00	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - LT-BG/LC		-	-	-	37.00	CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020

1	Fund-based - LT-Cash Credit	LT	-	-	-	-	-	1)Withdrawn (14-Feb-20) 2)CARE AA (CE) (CW with Negative Implications); ISSUER NOT COOPERATING* (26-Sep-19) 3)CARE AA+ (SO) (CW with Negative Implications) (01-Apr-19)
2	Non-fund-based - LT-BG/LC	LT	-	-	-	-	-	1)Withdrawn (14-Feb-20) 2)CARE AA (CE) (CW with Negative Implications); ISSUER NOT COOPERATING* (26-Sep-19) 3)CARE AA+ (SO) (CW with Negative Implications) (01-Apr-19)
3	Fund-based - LT-Term Loan	LT	-	-	-	-	-	1)CARE AA (CE) (CW with Negative Implications); ISSUER NOT COOPERATING* (26-Sep-19) 2)Withdrawn (26-Sep-19) 3)CARE AA+ (SO) (CW with Negative Implications) (01-Apr-19)
4	Fund-based - LT-Term Loan	LT	-	-	-	-	-	1)CARE AA (CE) (CW with Negative Implications); ISSUER NOT COOPERATING* (26-Sep-19)

								2)Withdrawn (26-Sep-19) 3)CARE AA+ (SO) (CW with Negative Implications) (01-Apr-19)
5	Fund- based - LT-Term Loan	LT	-	-	-	-	-	1)CARE AA (CE) (CW with Negative Implications); ISSUER NOT COOPERATING* (26-Sep-19) 2)Withdrawn (26-Sep-19) 3)CARE AA+ (SO) (CW with Negative Implications) (01-Apr-19)
6	Fund- based - LT-Term Loan	LT	-	-	-	-	-	1)Withdrawn (01-Apr-19)
7	Fund- based - LT-Cash Credit	LT	50.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (03-Jan-22)	1)CARE D; ISSUER NOT COOPERATING* (27-Oct-20)	1)CARE D; ISSUER NOT COOPERATING* (14-Feb-20)
8	Non- fund- based - LT-BG/LC	LT	37.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (03-Jan-22)	1)CARE D; ISSUER NOT COOPERATING* (27-Oct-20)	1)CARE D; ISSUER NOT COOPERATING* (14-Feb-20)

*Issuer did not cooperate; based on best available information.

*Long term/Short term.

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities: Not applicable

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Non-fund-based - LT-BG/LC	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Annexure-6: List of subsidiaries/joint ventures/associates of SNL getting consolidated as on March 31, 2022

Sr. No.	Name of the Company/ LLP	% of holdings as on March 31, 2022
	<u>Subsidiaries</u>	
1.	Central Bombay Cable Network Limited	100.00%
2.	Indian Cable Net Company Limited	60.02%
3.	Master Channel Community Network Private Limited	66.00%
4.	Siti Networks India LLP	99.90%
5.	Siti Broadband Services Private Limited	100.00%
6.	Siti Faction Digital Private Limited	51.00%
7.	Siti Global Private Limited	51.00%
8.	Siti Guntur Digital Network Private Limited	74.00%
9.	Siti Jai Maa Durgee Communications Private Limited	51.00%
10.	Siti Jind Digital Media Communications Private Limited	57.50%
11.	Siti Jony Digital Cable Network Private Limited	51.00%
12.	Siti Krishna Digital Media Private Limited	51.00%
13.	Siti Maurya Cable Net Private Limited	50.10%
14.	Siti Prime Uttaranchal Communication Private Limited	51.00%
15.	Siti Sagar Digital Cable Network Private Limited	51.00%
16.	Siti Saistar Digital Media Private Limited	51.00%
17.	Siti Siri Digital Network Private Limited	51.00%
18.	Siti Vision Digital Media Private Limited	51.00%
19.	Siticable Broadband South Limited	100.00%
20.	Variety Entertainment Private Limited	100.00%
21.	Meghbela Infitel Cable & Broadband Private Limited (w.e.f. June 08, 2021)	76.00%
22.	Indinet Service Private Limited	100.00%
23.	Siti Karnal Digital Media Network Private Limited	51.00%
24.	E-Net Entertainment Private Limited	51.00%
25.	Wire And Wireless Tisai Satellite Limited	51.00%
	<u>Associates</u>	
1.	C&S Medianet Private Limited	48.00%
	<u>Joint Ventures</u>	
1.	Paramount Digital Media Services Private Limited (w.e.f. January 30, 2020)	50.00%

Note on the complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

Contact us**Media contact**

Name: Mradul Mishra

Phone: +91-22-6754 3596

E-mail: mradul.mishra@careedge.in**Analyst contact**

Name: Manohar S Annappanavar

Phone: +91 022- 6754 3436

E-mail: manohar.annappanavar@careedge.in**Relationship contact**

Name: Saikat Roy

Phone: +91-22-67543404

E-mail: saiikat.roy@careedge.in**About us:**

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

Disclaimer:

The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors. CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.

For the detailed Rationale Report and subscription information, please visit www.careedge.in