

Siti Networks Limited

January 03, 2022

Rating

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	87.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	87.00 (Rs. Eighty-Seven Crore Only)		

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. has been seeking information from Siti Networks Limited (SNL) to monitor the rating vide e-mail communications dated October 06, 2021 and December 15, 2021 among others 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(s).

Detailed description of the key rating drivers

At the time of last rating on October 27, 2020 the following were the rating strengths and 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 FY21 and Audit Report available with the company's stock exchange disclosure for FY21 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 24 subsidiaries, 1 associate entity and 2 joint ventures are considered. List of subsidiaries, associates and joint venture companies are provided in annexure 5.

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

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. With 15 digital head ends and a network of more than 33,000 km of optical fibre and coaxial cable, it provides its cable services in India to ~580 locations and adjoining areas, reaching out to over 11.55 million digital viewers. SNL 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. 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

Brief Financials (Rs. crore)	31-03-2020 (A)	31-03-2021 (A)	30-09-2021 (UA)
Total operating income	1,617.43	1,544.26	730.55
PBILDT	323.52	250.46	100.99
PAT	(213.50)	(241.42)	(120.23)
Overall gearing (times)	NM	NM	NM
Interest coverage (times)	2.05	1.98	1.63

A: Audited; UA: Unaudited; NM: Not Meaningful

Status of non-cooperation with previous CRA: Not Applicable

Any other information:

Disclosure of Interest of Independent/Non-Executive Directors of CARE Ratings Ltd.:

Mr. Adesh Kumar Gupta who is an Independent Director on the Board of ZEEL is Independent Director of CARE Ratings Ltd. Independent Directors of CARE Ratings Ltd. are not a part of CARE Rating Ltd.'s Rating Committee and do not participate in the rating process.

Rating History for last three years: Please refer Annexure-2

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

Complexity level of various instruments rated for this company: Annexure 4

Annexure-1: Details of Instruments / Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. 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*

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Fund-based - LT-Term Loan	LT	-	-	-	-	-	1)Withdrawn (01-Jun-18)
2	Fund-based - LT-Cash Credit	LT	-	-	-	-	1)Withdrawn (14-Feb-20) 2)CARE AA (CE) (CWN); ISSUER NOT COOPERATING* (26-Sep-19) 3)CARE AA+ (SO) (CWN) (01-Apr-19)	1)CARE AA+ (SO) (CWN) (08-Feb-19) 2)CARE AA+ (SO); Stable (01-Jun-18)
3	Fund-based - LT-Term Loan	LT	-	-	-	-	-	1)Withdrawn (01-Jun-18)
4	Non-fund-based - LT-BG/LC	LT	-	-	-	-	1)Withdrawn (14-Feb-20)	1)CARE AA+ (SO) (CWN)

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
							2)CARE AA (CE) (CWN); ISSUER NOT COOPERATING * (26-Sep-19) 3)CARE AA+ (SO) (CWN) (01-Apr-19)	(08-Feb-19) 2)CARE AA+ (SO); Stable (01-Jun-18)
5	Fund-based - LT-Term Loan	LT	-	-	-	-	-	1)Withdrawn (01-Jun-18)
6	Fund-based - LT-Term Loan	LT	-	-	-	-	-	1)Withdrawn (01-Jun-18)
7	Term Loan-Long Term	LT	-	-	-	-	-	1)Withdrawn (01-Jun-18)
8	Term Loan-Long Term	LT	-	-	-	-	-	1)Withdrawn (01-Jun-18)
9	Fund-based - LT-Term Loan	LT	-	-	-	-	1)Withdrawn (26-Sep-19) 2)CARE AA (CE) (CWN); ISSUER NOT COOPERATING * (26-Sep-19) 3)CARE AA+ (SO) (CWN) (01-Apr-19)	1)CARE AA+ (SO) (CWN) (08-Feb-19) 2)CARE AA+ (SO); Stable (01-Jun-18)
10	Fund-based - LT-Term Loan	LT	-	-	-	-	1)Withdrawn (26-Sep-19) 2)CARE AA (CE) (CWN); ISSUER NOT COOPERATING * (26-Sep-19) 3)CARE AA+ (SO) (CWN) (01-Apr-19)	1)CARE AA+ (SO) (CWN) (08-Feb-19) 2)CARE AA+ (SO); Stable (01-Jun-18)
11	Fund-based - LT-Buyers Credit	LT	-	-	-	-	-	1)Withdrawn (01-Jun-18)
12	Fund-based - LT-Term Loan	LT	-	-	-	-	-	1)Withdrawn (01-Jun-18)
13	Fund-based - LT-	LT	-	-	-	-	1)Withdrawn	1)CARE

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
	Term Loan						(26-Sep-19) 2)CARE AA (CE) (CWN); ISSUER NOT COOPERATING * (26-Sep-19) 3)CARE AA+ (SO) (CWN) (01-Apr-19)	AA+ (SO) (CWN) (08-Feb-19) 2)CARE AA+ (SO); Stable (01-Jun-18)
14	Fund-based - LT-Term Loan	LT	-	-	-	-	1)Withdrawn (01-Apr-19)	1)CARE BBB- (CWN) (08-Feb-19) 2)CARE A-; Negative (31-Dec-18) 3)CARE A-; Stable (01-Jun-18)
15	Fund-based - LT-Cash Credit	LT	50.00	CARE D; ISSUER NOT COOPERATING *	-	1)CARE D; ISSUER NOT COOPERATING * (27-Oct-20)	1)CARE D; ISSUER NOT COOPERATING * (14-Feb-20)	-
16	Non-fund-based - LT-BG/LC	LT	37.00	CARE D; ISSUER NOT COOPERATING *	-	1)CARE D; ISSUER NOT COOPERATING * (27-Oct-20)	1)CARE D; ISSUER NOT COOPERATING * (14-Feb-20)	-

* Long Term / Short Term

Annexure-3: Detailed explanation of covenants of the rated facilities: Not Applicable**Annexure 4: Complexity level of various instruments rated for this company**

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

Annexure 5: Detail of Subsidiaries, associates and joint ventures

Sl. No.	Name of the companies	% of holdings as on March 31, 2021
	<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.	Siti Godaari Digital Services Private Limited (till 20 November 2019)	-
22.	Indinet Service Private Limited	100.00%
23.	Siti Karnal Digital Media Network Private Limited	51.00%
24.	E-Net Entertainment Private Limited (hereinafter referred as "ENEPL") (w.e.f. December 15, 2020)	51%
	<u>Associates</u>	
1.	Voice Snap Services Private Limited	-
2.	C&S Medianet Private Limited	48.00%
	<u>Joint Ventures</u>	
1.	Wire And Wireless Tisai Satellite Limited	51.00%
2.	Paramount Digital Media Services Private Limited (with effect from 30 January 2020)	50.00%

Annexure 6: Bank Lender Details for this Company

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

Note on complexity levels of the rated instrument: CARE Ratings Ltd. 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.

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About CARE Ratings Limited:

Established in 1993, CARE Ratings Ltd. is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India (SEBI), it has also been acknowledged as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). With an equitable position in the Indian capital market, CARE Ratings Limited provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions backed by knowledge and assessment provided by the company.

With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

Disclaimer

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Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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