

Siti Networks Limited

April 01, 2024

Facilities/Instruments	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 16, 2024, January 26, 2024, and February 05, 2024, 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.

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.

Detailed description of the key rating drivers:

At the time of last rating on March 02, 2023, the following were the rating weaknesses (updated for the information available from stock exchange).

Key weaknesses

On-going delay in debt servicing:

As per the recent audit report for FY23 and Audit Report available with the company's stock exchange disclosure for FY23 results, there are ongoing delays in debt servicing. The account has been classified as non-performing asset.

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Policy in respect of non-cooperation by issuers](#)

[Consolidation](#)

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Financial Ratios – Non financial Sector](#)

[Policy On Curing Period](#)

[Service Sector Companies](#)

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

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.

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.

Consolidated financials

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)	H1FY24(UA)
Total operating income	1,445.85	1345.35	315.00
PBILDT	192.41	120.50	35.75
PAT	-254.83	-314.32	-83.96
Overall gearing (times)	-1.47	-0.91	NA
Interest coverage (times)	1.60	-2.56	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 March 28, 2024.

Any other information: Not applicable

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

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

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	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 Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	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
1	Fund-based - LT-Cash Credit	LT	50.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (02-Mar-23)	1)CARE D; ISSUER NOT COOPERATING* (03-Jan-22)	1)CARE D; ISSUER NOT COOPERATING* (27-Oct-20)
2	Non-fund-based - LT-BG/LC	LT	37.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (02-Mar-23)	1)CARE D; ISSUER NOT COOPERATING* (03-Jan-22)	1)CARE D; ISSUER NOT COOPERATING* (27-Oct-20)

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

LT: Long term.

Annexure-3: Detailed explanation of 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 all the entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Central Bombay Cable Network Limited	Full	Subsidiaries
2	Indian Cable Net Company Limited	Proportionate	Subsidiaries
3	Master Channel Community Network Private Limited	Proportionate	Subsidiaries
4	Siti Networks India LLP	Full	Subsidiaries
5	Siti Broadband Services Private Limited	Full	Subsidiaries
6	Siti Faction Digital Private Limited	Moderate	Subsidiaries
7	Siti Global Private Limited	Moderate	Subsidiaries
8	Siti Guntur Digital Network Private Limited	Proportionate	Subsidiaries
9	Siti Jai Maa Durgee Communications Private Limited	Moderate	Subsidiaries
10	Siti Jind Digital Media Communications Private Limited	Moderate	Subsidiaries
11	Siti Jony Digital Cable Network Private Limited	Moderate	Subsidiaries
12	Siti Krishna Digital Media Private Limited	Moderate	Subsidiaries
13	Siti Maurya Cable Net Private Limited	Moderate	Subsidiaries
14	Siti Prime Uttaranchal Communication Private Limited	Moderate	Subsidiaries
15	Siti Sagar Digital Cable Network Private Limited	Moderate	Subsidiaries
16	Siti Saistar Digital Media Private Limited	Moderate	Subsidiaries
17	Siti Siri Digital Network Private Limited	Moderate	Subsidiaries
18	Siti Vision Digital Media Private Limited	Moderate	Subsidiaries
19	Siticable Broadband South Limited	Full	Subsidiaries
20	Variety Entertainment Private Limited	Full	Subsidiaries
21	Meghbela Infitel Cable & Broadband Private Limited	Proportionate	Subsidiaries
22	Indinet Service Private Limited	Full	Subsidiaries
23	Siti Karnal Digital Media Network Private Limited	Moderate	Subsidiaries
24	E-Net Entertainment Private Limited	Moderate	Subsidiaries
25	Wire And Wireless Tisai Satellite Limited	Moderate	Subsidiaries

26	C&S Medianet Private Limited	Moderate	Associates
27	Paramount Digital Media Services Private Limited	Moderate	Joint Ventures

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

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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.

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