

Siti Networks Ltd
October 27, 2020

Rating			
Facilities	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	87.00 (Rupees Eighty Seven crore only)		

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated September 26, 2020, placed the rating of Siti Networks Limited (SNL) under the 'Issuer non-cooperating' category as SNL had failed to provide information for monitoring of the rating as agreed to in its Rating Agreement. SNL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and emails dated October 06, 2020, October 08, 2020 and October 12, 2020. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

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 February 14, 2020 the following were the rating strengths and weaknesses:
(updated for the information available from Registrar of Companies, stock exchanges etc.)*

Key Rating Weakness

On-going delay in debt servicing:

As per the recent audit report for FY20 and Audit Report available with the company's stock exchange disclosure for FY20 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 23 subsidiaries, 2 associate entities and 2 joint ventures are considered. List of subsidiaries, associates and joint venture companies are provided as **Annexure 3**

Applicable criteria

Policy in respect of Non-cooperation by issuer
Criteria on assigning 'Outlook' and 'Credit Watch' to Credit Ratings
CARE's Policy on Default Recognition
Rating Credit Enhanced Debt
Short Term Instruments
Financial ratios – Non-Financial Sector
Liquidity Analysis of Non-Financial Sector Entities

Background:

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

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

*Issuer did not cooperate; Based on best available information

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.

Brief Financials (Rs. crore)#	FY19 (A)	FY20 (A)
Total operating income	1451.86	1627.66
PBILDT	333.33	352.23
PAT	-264.28	-188.17
Overall gearing (times)	101.14	NM
Interest coverage (times)	1.95	2.23

A: Audited; NM: Not Meaningful

#as per the exchange disclosure of the company

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	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*

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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 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	-	-	-	-	1)Withdrawn (01-Jun-18)	1)CARE AA+ (SO); Stable (07-Mar-18)
2.	Fund-based - LT-Cash Credit	LT	-	-	-	1)Withdrawn (14-Feb-20) 2)CARE AA (CE) (Under Credit watch with Negative Implications); ISSUER NOT COOPERATING* (26-Sep-19)	1)CARE AA+ (SO) (Under Credit watch with Negative Implications) (08-Feb-19) 2)CARE AA+ (SO); Stable (01-Jun-18)	1)CARE AA+ (SO); Stable (07-Mar-18)

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
						3)CARE AA+ (SO) (Under Credit watch with Negative Implications) (01-Apr-19)		
3.	Fund-based - LT-Term Loan	LT	-	-	-	-	1)Withdrawn (01-Jun-18)	1)CARE AA+ (SO); Stable (07-Mar-18)
4.	Non-fund-based - LT-BG/LC	LT	-	-	-	1)Withdrawn (14-Feb-20) 2)CARE AA (CE) (Under Credit watch with Negative Implications); ISSUER NOT COOPERATING* (26-Sep-19) 3)CARE AA+ (SO) (Under Credit watch with Negative Implications) (01-Apr-19)	1)CARE AA+ (SO) (Under Credit watch with Negative Implications) (08-Feb-19) 2)CARE AA+ (SO); Stable (01-Jun-18)	1)CARE AA+ (SO); Stable (07-Mar-18)
5.	Fund-based - LT-Term Loan	LT	-	-	-	-	1)Withdrawn (01-Jun-18)	1)CARE AA+ (SO); Stable (07-Mar-18)
6.	Fund-based - LT-Term Loan	LT	-	-	-	-	1)Withdrawn (01-Jun-18)	1)CARE AA+ (SO); Stable (07-Mar-18)
7.	Term Loan-Long Term	LT	-	-	-	-	1)Withdrawn (01-Jun-18)	1)CARE AA+ (SO);

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								Stable (07-Mar-18)
8.	Term Loan-Long Term	LT	-	-	-	-	1)Withdrawn (01-Jun-18)	1)CARE AA+ (SO); Stable (07-Mar-18)
9.	Fund-based - LT-Term Loan	LT	-	-	-	1)CARE AA (CE) (Under Credit watch with Negative Implications); ISSUER NOT COOPERATING* (26-Sep-19) 2)Withdrawn (26-Sep-19) 3)CARE AA+ (SO) (Under Credit watch with Negative Implications) (01-Apr-19)	1)CARE AA+ (SO) (Under Credit watch with Negative Implications) (08-Feb-19) 2)CARE AA+ (SO); Stable (01-Jun-18)	1)CARE AA+ (SO); Stable (07-Mar-18)
10.	Fund-based - LT-Term Loan	LT	-	-	-	1)Withdrawn (26-Sep-19) 2)CARE AA (CE) (Under Credit watch with Negative Implications); ISSUER NOT COOPERATING* (26-Sep-19) 3)CARE AA+ (SO) (Under Credit watch with Negative Implications) (01-Apr-19)	1)CARE AA+ (SO) (Under Credit watch with Negative Implications) (08-Feb-19) 2)CARE AA+ (SO); Stable (01-Jun-18)	1)CARE AA+ (SO); Stable (07-Mar-18)
11.	Fund-based - LT-Buyers Credit	LT	-	-	-	-	1)Withdrawn (01-Jun-18)	1)CARE AA+ (SO); Stable

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								(07-Mar-18)
12.	Fund-based - LT-Term Loan	LT	-	-	-	-	1)Withdrawn (01-Jun-18)	1)CARE AA+ (SO); Stable (07-Mar-18)
13.	Fund-based - LT-Term Loan	LT	-	-	-	1)CARE AA (CE) (Under Credit watch with Negative Implications); ISSUER NOT COOPERATING* (26-Sep-19) 2)Withdrawn (26-Sep-19) 3)CARE AA+ (SO) (Under Credit watch with Negative Implications) (01-Apr-19)	1)CARE AA+ (SO) (Under Credit watch with Negative Implications) (08-Feb-19) 2)CARE AA+ (SO); Stable (01-Jun-18)	1)CARE AA+ (SO); Stable (07-Mar-18)
14.	Fund-based - LT-Term Loan	LT	-	-	-	1)Withdrawn (01-Apr-19)	1)CARE BBB- (Under Credit watch with Negative Implications) (08-Feb-19) 2)CARE A-; Negative (31-Dec-18) 3)CARE A-; Stable (01-Jun-18)	1)CARE A-; Stable (13-Feb-18) 2)CARE A-; Stable (10-Apr-17)
15.	Fund-based - LT-Cash Credit	LT	50.00	CARE D; ISSUER NOT COOPERATING*	-	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* (14-Feb-20)	-	-

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		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018

*Issuer did not cooperate; Based on best available information

Annexure-3: Detail of Subsidiaries, associates and joint ventures

Sl. No.	Name of the companies	% of holdings as on March 31, 2020
	<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%
	<u>Associates</u>	
1.	Voice Snap Services Private Limited	40.00%
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 4: Complexity level of various instruments rated for this Company

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

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

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