





SITI NETWORKS LTD.

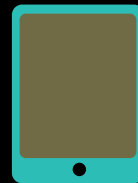



8.3 mn
Digital
Subscribers


~350+
Cities


1.67 lacs
Broadband
Subscribers

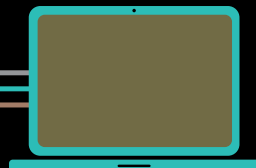

12.2 mn
Viewers



**PRUDENT STRATEGY.
PERSISTENT EXECUTION.**


30,000+ kms
Network


11.9 lacs
Home Passes



2015-16
ANNUAL REPORT

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Attendance Slip
Proxy Form
Route Map

This Annual Report
is available Online at
www.sitinetworks.com

GAINING INDUSTRY LEADERSHIP

VISION

'To gain the leadership position in the industry as a broadband service provider by becoming the preferred choice of consumers by offering high speed internet connectivity and best in class services, leveraging our existing infrastructure and reach in a platform neutral environment, using latest technology as an edge.'

12.2 million

Cable Universe

8.3 million

Digital Cable Subscribers

65,140

HD Subscribers

~350+

Cities with Presence

11.9 lakh

Broadband Homes Passed

1,67,000

Broadband Subscribers

~7%

TV Household Reach

~30,000 km

Fibre + Coaxial Cable Network

21,000+

Strong Franchise
Distribution Network

INTRODUCING SITI

SITI Networks Limited is a part of the Essel Group, one of India's leading business conglomerates, with presence across diverse sectors such as Media, Entertainment, Packaging, Infrastructure, Education, Precious Metals and Technology. The Group has a dominant presence in the Media & Entertainment space through a presence across Broadcasting, News, Publishing, DTH and Cable Television. The Group's flagship, Zee Entertainment is a leading producer, aggregator, and distributor of Indian programming across the world. With 2,10,000+ hours of original content produced and a compelling bouquet of 57 HD channels, ZEE reaches out to ~1 billion+ viewers in 171 countries.

SITI Networks Limited is one of India's largest Multi System Operator (MSO). Our product range includes Digital & Analog Cable Television and Broadband services. With 36 analog and 18 digital head ends and a network of more than 30,000 Kms of optical fibre and coaxial cable, we provide cable services in ~350+ Indian cities and their contiguous

areas, reaching out to over 12.2 million viewers. We deploy state-of-the-art technology for delivering multiple TV signals to enhance consumer viewing experience.

We have the unique advantage of significant existing infrastructure and relationships with business associates to be a leading force in the expanding broadband landscape of India. To build on this strength, we are investing in technology and human capital to transform SITI Networks into a leading broadband service provider. The total subscriber base presently stands at 1.67 lakh with home passes at 11.9 lakh, expected to grow exponentially.

Since the last few years, we have been making consistent and considerable investments to expand reach, add new revenue streams, offer a differentiated experience to consumers, strengthen relationships with partners; and thus create a strong foundation for sustainable and profitable growth.

532795

BSE Code

SITINET

NSE Code

SITINET:IN

Bloomberg Symbol

₹ 30,415 million

Market Capitalisation

*As on June 30, 2016

₹ 1

Face Value Per Share



VALUES



Sensitive

I am empathetic

Open work culture, team empowerment and partner engagement.

Inclusive

I am for everyone and I add value to their lives

First MSO to provide Subscriber Management System – Own Your Customer (OYC) module to business partners

Trustworthy

I can be trusted with dependable services

Transparent policies
Longest serving MSO
Loyal Associates

Innovative

I use latest technological advancements

First MSO to provide MPEG-4 set-top boxes



OUR GROWTH STORY

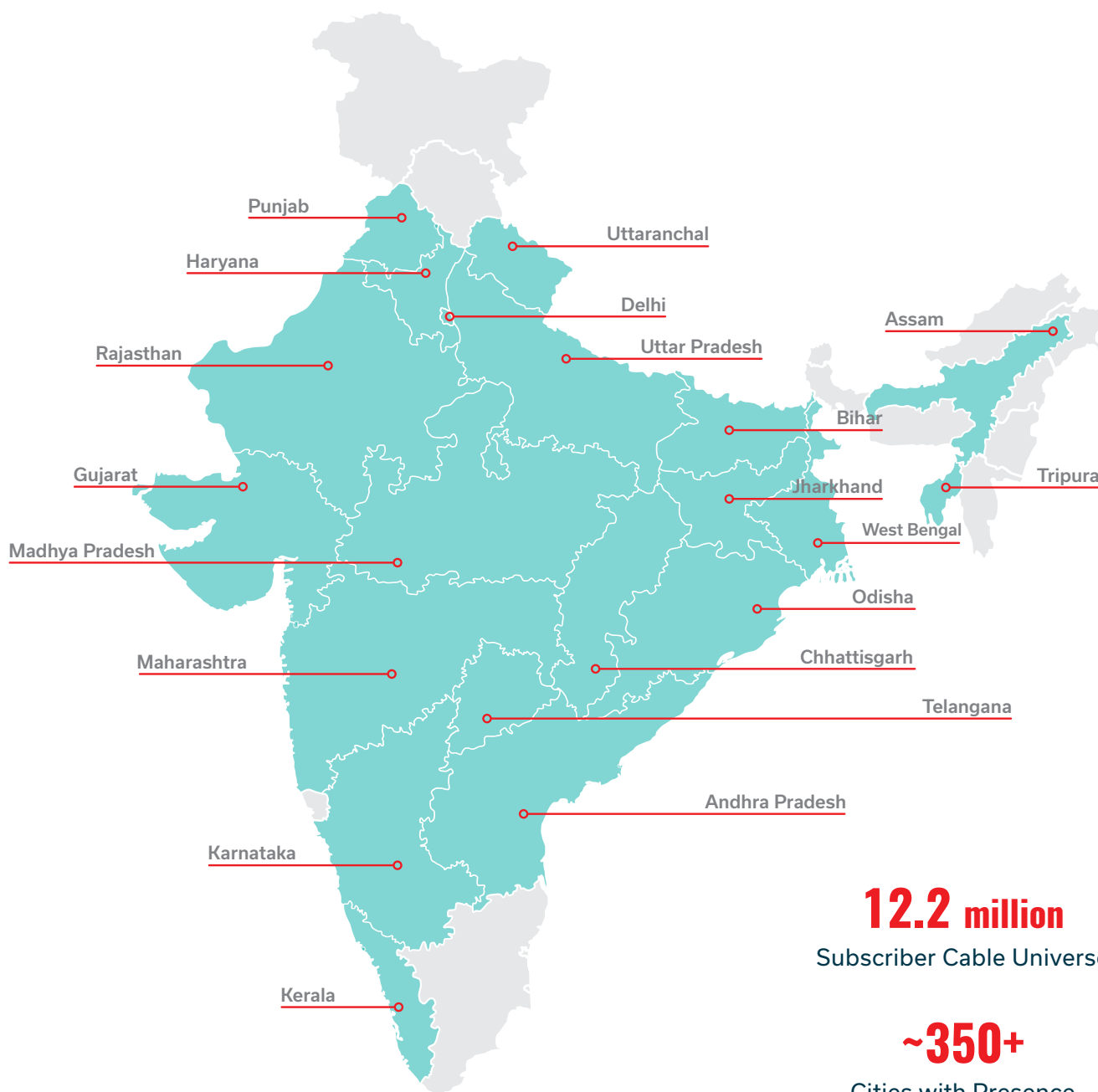
At SITI Networks, we have always progressed through a combination of organic and inorganic growth strategies. This has helped us to leverage opportunities and deliver value-enhancing growth for our shareholders.

- 1992**
Cable business commenced by promoters
- 2006**
Wire and Wireless (India) Ltd. incorporated
- 2007**
Implemented CAS in metros of Delhi, Mumbai, Kolkata and Chennai
- 2008**
Initiated mass digitisation through Headend-in-the-Sky (HITS) Services
- 2009**
Rights issue of ₹ 4,500 million fully subscribed
- 2010**
Became India's largest MSO in the cable industry
- 2011**
Expanded further across 54 key cities

- 2012**
 - Implemented DAS in Phase 1 Cities; Delhi, Mumbai and Kolkata
 - Offered 400 Standard Definition (SD) channels
 - Consolidated pan-India presence through strategic expansions in Uttar Pradesh and Central India
 - Started offering broadband services in Eastern region on EOC Technology
- 2013**
 - Implemented DAS in Phase 2 cities
 - Operationalised 'Own Your Customer' Customer Management System
 - Achieved 3 million digital subscriber base
 - Fund infusion of ₹ 3,240 million by promoters
- 2014**
 - Achieved 4 million digital subscriber base
 - Broadband launched in Delhi on DOCSIS2/3 technology
 - Package-wise billing started in DAS Phase 1 cities
 - Started providing 18 HD channels

- 2015**
 - Successfully raised ₹ 2,210 million from the secondary market through the QIP route in February 2015; marquee investors included HDFC, UBS, Reliance Mutual Fund and others
 - Digital cable subscribers at 5.38 million with a cable universe of 10.5 million; internet subscribers at 70,100
 - Providing 500 SD and 30+ HD channels
 - Ready to roll out cable operations in 70 more cities and broadband services in 8 cities
- 2016**
 - Achieved financial turnaround for the first time; Reported PAT of ₹ 90 million and PBT of ₹ 220 million in 2015-16
 - Fund infusion of ₹ 5,300 million by Promoters through Optionally Fully-Convertible Debentures (OFCDs) & Convertible Warrants
 - Acquired majority stakes/entered into strategic partnerships with regional MSO's in Assam, Maharashtra, Gujarat and Odisha
 - Chosen to be a constituent of the Morgan Stanley Capital International (MSCI) India Domestic Small Cap Index
 - Started providing OTT services in partnership with Ditto TV

AN EXTENSIVE NETWORK FOR INDIA



MAKING STRATEGY DELIVER RESULTS

STRATEGY

INCREASE DIGITAL SUBSCRIBER BASE

- Expand in Phase 3/ contiguous territories via organic as well as inorganic growth
- Consolidate to derive synergies and value
- Expand in high TAM/ BARC rated cities

OBJECTIVE

- Digital subscriber base at ~13-14 million with inclusion of Phase 3 and 4 at completion of digitisation

BROADBAND & VAS

- Focus cities – NCR, West Bengal, select cities of Haryana and Central India using primarily DOCSIS 2/3 technology
- Offer HD Services and VAS such as OTT, Video on Demand (VoD), Movies on demand (MoD), others

- ~2 million broadband subscribers by FY21E

MARGIN EXPANSION

- Improve collections from LCOs
- Optimisation of (Content Carriage) Cost; Optimisation of resources
- ARPU growth from package based billing and increase in package prices

- Expansion of Operating EBITDA Margins

COMPETITIVE EDGE THAT DEFINES EXECUTION

Our capabilities enable us to make the most of a widening opportunity landscape after closely monitoring various aspects of policy and regulatory interventions, and their long-term implications.

PART OF AN USD 9.7 BILLION* GROUP, INDIA'S LEADING MEDIA CONGLOMERATE

- Promoter entity (Essel Group) is India's leading media conglomerate with interests spanning broadcasting (one of India's largest network of Hindi GEC, multilingual entertainment and special interest channels as well as 10 news channels in six languages), distribution (India's first and largest DTH TV business) and SITI Networks (India's oldest and second largest MSO), as well as print (National English newspaper)
- Better deal terms through collaboration and stronger negotiation abilities, leveraging economies of scale across the network

STRONG SYSTEMS AND PROCESSES

- 'Own Your Customer' Subscriber Management System provides robust back end and customer insights; majority of CAF forms collected
- Proactive carriage sharing with LCOs
- Uniform commercial policies in place
- Advanced technology and infrastructure

ROBUST EXECUTION

- Strong operating team and execution capabilities
- Effective control and alignment of subsidiaries
- Value unlocking through consolidation and integration of Local MSOs