

SITI Networks Limited

February 07, 2019

Summary of rated instruments

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term Loan	125.00	125.00	[ICRA]BBB- (Negative), withdrawn
Long-term, Non-fund Based Limits	75.00	75.00	[ICRA]BBB- (Negative), withdrawn
Total	200.00	200.00	

*Instrument details are provided in Annexure-1

Rationale

The rating has been withdrawn at the request of the company and upon receipt of the no objection certificate from the bankers, in accordance with ICRA's policy on withdrawal and suspension of credit rating.

Key rating drivers

Key rating drivers have not been captured since the ratings have been withdrawn.

Liquidity position

Liquidity position has not been captured since the ratings have been withdrawn.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology
Parent / Group Support	Not applicable
Consolidation / Standalone	Not applicable

About the Company:

SITI Networks Limited (formerly known as SITI Cable Network Limited, SCNL) is a part of the Essel Group, which is present across various industries like media, entertainment, technology-enabled services, infrastructure development and education. Mr. Subhash Chandra is the promoter of the Group.

SNL came into existence as a part of the demerger scheme from ZEEL. Following the scheme of arrangement, the cable TV distribution business, which was under ZEEL and SCNL (then a 100% subsidiary of Zee Telefilms Limited), was transferred to SNL with effect from March 31, 2006.

SNL is one of India's largest MSOs providing digital and analogue cable TV services to customers across India, as well as cable broadband services in eastern and northern India. It has 15 digital head ends and a network of more than 32,500 kilometre of optical fibre and coaxial cable. It provides cable services to more than 580 cities in India with an active digital subscriber base of 11.75 million as on September 30, 2018. In addition, SNL also has a subscriber base of 163,000 (as on September 30, 2018) for its broadband services.

SNL is headquartered at Noida (Uttar Pradesh), and was listed on the National Stock Exchange and the Bombay Stock Exchange in 2006.

For the 12 months that ended on March 31, 2018, SNL (consolidated) reported a net loss of Rs. 169.3 crore on an operating income (OI) of Rs. 1,410.4 crore, as against a net loss of Rs. 179.4 crore on an OI of Rs. 1,194.9 crore for the 12 months that ended on March 31, 2017. For the six months that ended on September 30, 2018 (unaudited), SNL reported a net loss of Rs. 104.9 crore on an OI of Rs. 736.8 crore, as against a net loss of Rs. 67.6 crore on an OI of Rs. 717.3 crore for the six months that ended on September 30, 2017.

Key financial indicators (audited, consolidated)

SNL	FY2017	FY2018
Operating Income (Rs. crore)	1,194.9	1,410.4
PAT (Rs. crore)	-179.4	-169.3
OPBDIT/ OI (%)	17.4%	22.5%
RoCE (%)	-2.2%	-0.9%
Total Debt/ TNW (times)	2.3	3.2
Total Debt/ OPBDIT (times)	6.9	4.6
Interest Coverage (times)	1.6	2.2

Source: SITI Networks Limited

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)*	Current Rating (FY2019)				Chronology of Rating History for the Past 3 Years							
				Date & Rating				Date & Rating in FY2018			Date & Rating in FY2017		Date & Rating in FY2016		
				February 2019	February 2019	November 2018	June 2018	April 2018	March 2018	December 2017	May 2017	August 2016	April 2016	-	
1	Non-fund Based Limits	75.00	NA	[ICRA]BBB- (Negative); withdrawn	[ICRA]BBB- (Negative)	[ICRA]A- (Negative)	[ICRA]A- (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Stable)	-	-	-
2	Term Loan 1	125.00	72.45	[ICRA]BBB- (Negative); withdrawn	[ICRA]BBB- (Negative)	[ICRA]A- (Negative)	[ICRA]A- (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Stable)	-
3	Term Loan 2	75.00	71.25	-	[ICRA]BBB- (Negative); withdrawn	[ICRA]A- (Negative)	[ICRA]A- (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Stable)	-	-	-
4	Cash Credit Facility	25.00	NA	-	[ICRA]BBB- (Negative); withdrawn	[ICRA]A- (Negative)	[ICRA]A- (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Stable)	-
5	Term Loan 3	50.00	31.00	-	[ICRA]AA (SO); Stable); Withdrawn	[ICRA]AA (SO); Stable)	[ICRA]AA (SO); Stable)	[ICRA]AA (SO); Stable)	[ICRA]AA (SO); Stable)	[ICRA]AA (SO); Stable)	[ICRA]AA (SO); Stable)	[ICRA]AA (SO); Stable)	[ICRA]AA (SO); Stable)	[ICRA]AA (SO); Stable)	-

*As on March 31, 2018

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Non-fund Based Limits	-	-	-	75.00	[ICRA]BBB- (Negative); withdrawn
NA	Term Loan 1	December 26, 2014	12.00%	December 31, 2019	125.00	[ICRA]BBB- (Negative); withdrawn

Source: SITI Networks Limited

ANALYST CONTACTS

Subrata Ray

+91 22 6114 3408
subrata@icraindia.com

Kinjal Shah

+91 22 61143442
kinjal.shah@icraindia.com

Sakshi Suneja

+91 22 6114 3438
sakshi.suneja@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries:

+91- 124- 2866928(open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited

Corporate Office

Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002

Tel: +91 124 4545300

Email: info@icraindia.com

Website: www.icra.in

Registered Office

1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001

Tel: +91 11 23357940-50

Branches

Mumbai + (91 22) 24331046/53/62/74/86/87
Chennai + (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,
Kolkata + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,
Bangalore + (91 80) 2559 7401/4049
Ahmedabad+ (91 79) 2658 4924/5049/2008
Hyderabad + (91 40) 2373 5061/7251
Pune + (91 20) 020 6606 9999

© Copyright, 2019 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents