

# cloud@core

integrated report 2018

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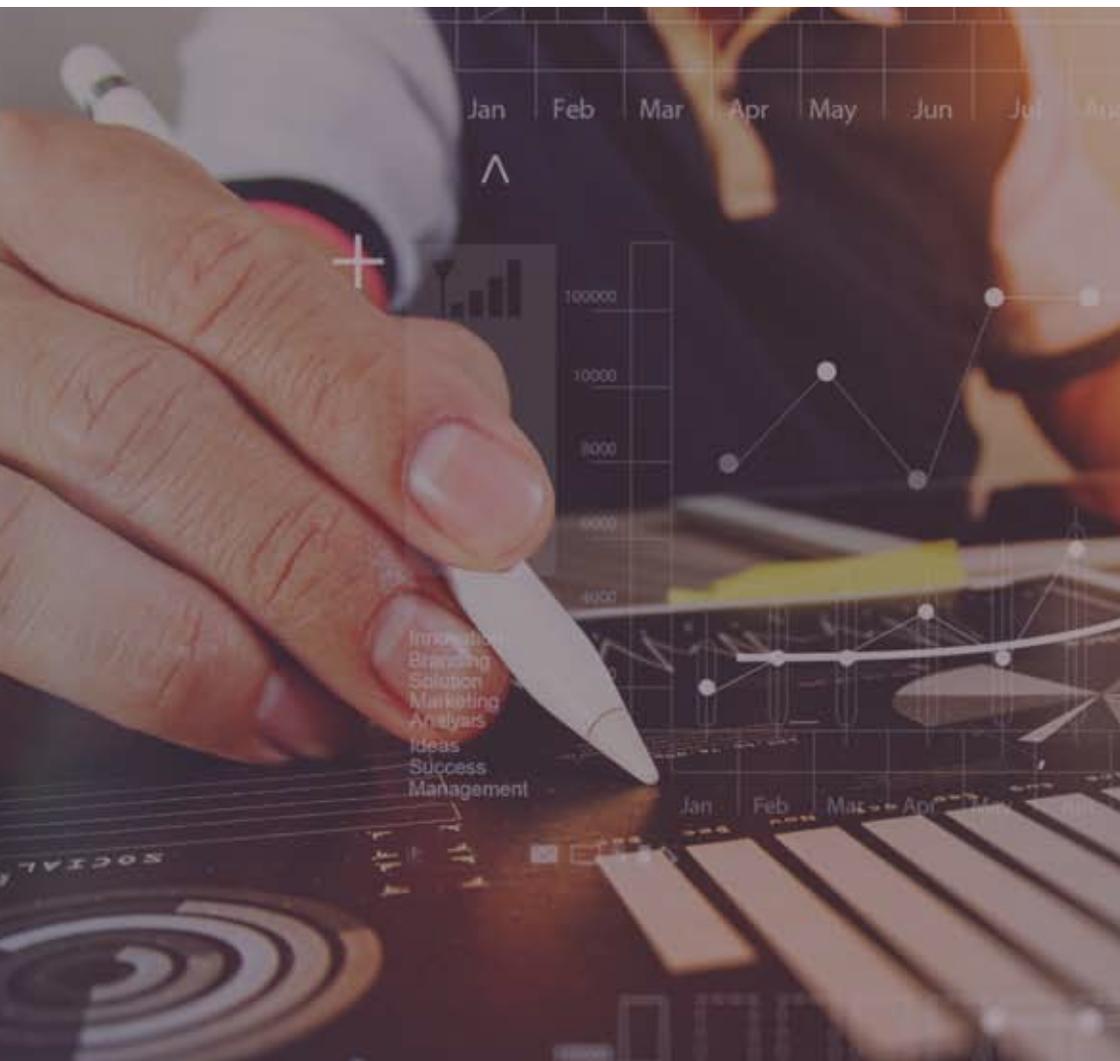
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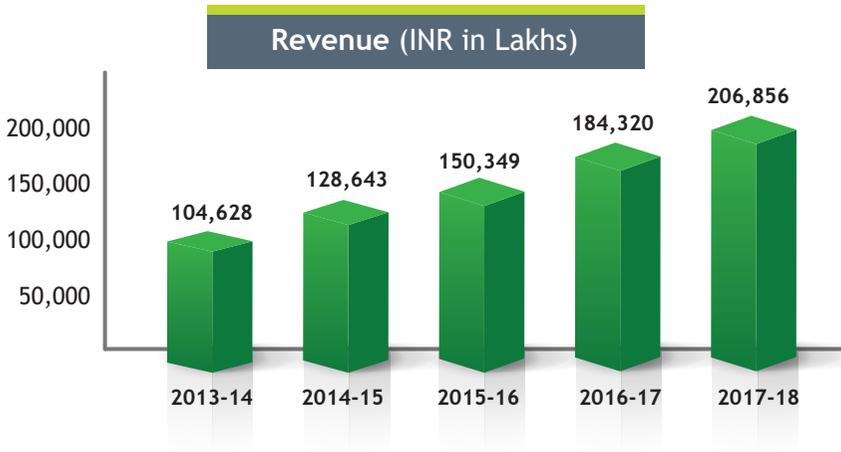


Innovation  
Branding  
Solution  
Marketing  
Analysts  
Ideas  
Success  
Management

# chapter 1

summary ▀

# financial capital



Note : INR 10 lakhs = INR 1 Million

- critical milestone achieved. revenue crosses Rs. 2000 Cr (US\$ 300 Mn) in FY 2017 - 18
- revenue growth 12% YoY, CAGR of 19%\*
- EBITDA growth 11% YoY, CAGR of 15%\*
- PAT growth 44% YoY, CAGR of 28%\*
- recognition by credit agencies: A+ (long-term) and A1+ (short-term) by CARE and ICRA
- board has recommended Dividend distribution to shareholders for fifth consecutive year
- consistent investment in Capital Expenditure YoY
- consistent reduction in rate of interest on loans
- prudent debt equity structure (long term debt to equity 0.35 times)

\* CAGR growth over 5 years

1 USD = INR 65 @ constant exchange rate



# manufactured capital



- India's widest network now spans more than 1550 towns and cities with 3000 PoPs and more than 100000+ links
- iTest clocks record 20 million assessments in a year
- 7<sup>th</sup> International PoP at Marseilles went live
- network connects 45 Data Centers across India
- 6 concurrently maintainable\* data centers having 47 MVA capacity and more than 2 lakhs sq ft.
- data centers with 99.984% uptime.
- modular based approach for cost efficiency
- consistent investments in capital expenditure:
  - 2017-18: 24,347 lakhs
  - 2016-17: 20,076 lakhs
  - 2015-16: 19,849 lakhs

*\*Concurrently-maintainable is the equivalent of Tier 3 in that each service has a like-redundant service always available for every service in the DC like Power, Cooling, HVAC etc.*

# intellectual capital



- aakaash portal - a comprehensive user interface at the client/customer end that allows them self-service on provisioning and complete visibility of their network
- first Private Cloud for the Health vertical
- SMACnet proprietary tool for networks
- Cloudinfinet, ForumNxt and Beacon proprietary applications
- partnership with centres of excellence; data driven decisions
- technology adoption ahead of the curve
- license to operate and skill enhancement
- use of best available technology and know how



## human capital



- knowledge management and investment in training through dedicated learning and development team
- associate headcount increased from 2318 to 2608 during FY 2017-18
- **38,000 Hours of Skill Development** completed during FY 2017-18
- **WebRadio broadcast hits a milestone. Completes 200 episodes in one year**
- 1834 employees availed 40 exclusive eLearning programs

# natural capital



- reduced dependence on non-renewable energies
- usage of wind energy for power requirements
- adoption of EIA guidelines
- lower carbon footprint
- energy efficiency



## social & relationship capital



- Best Data Center practice and Best Managed Network solutions award by CIO peers in the Industry
- Awarded the ICT Company of the year
- CSR contribution of INR 96 lakhs for FY 2017-18



## about this report

This is Sify Technologies Limited's (Sify, the Group or the Company) third Integrated Report. This report details how we created value and opportunities for our stakeholders in the year 2017-18 and indicates the risks affecting our ability to create value over time. Our stakeholders include providers of financial capital, employees, customers, government and society at large.

The report includes material risks, opportunities and outcomes relevant to the Company and its subsidiaries, namely Sify Technologies (Singapore) Pte Ltd, Sify Technologies North America Corporation, Sify Data & Managed Services Limited and Sify Infinit Spaces Ltd.

This report contains information on qualitative and quantitative features of items which are individually or collectively considered to be material to Sify's operations and strategic objectives. Items are considered to be material if they are of significance to our stakeholders and have significant impact on our business.

A multidisciplinary team consisting representatives from different business segments of the Company was formed, to identify material issues for reporting.

The team considered the following aspects to determine material items:

1. Business opportunities
2. Impact on our business
3. Relevance to our stakeholders
4. Our strategy and future plans
5. Various reports submitted to the Board

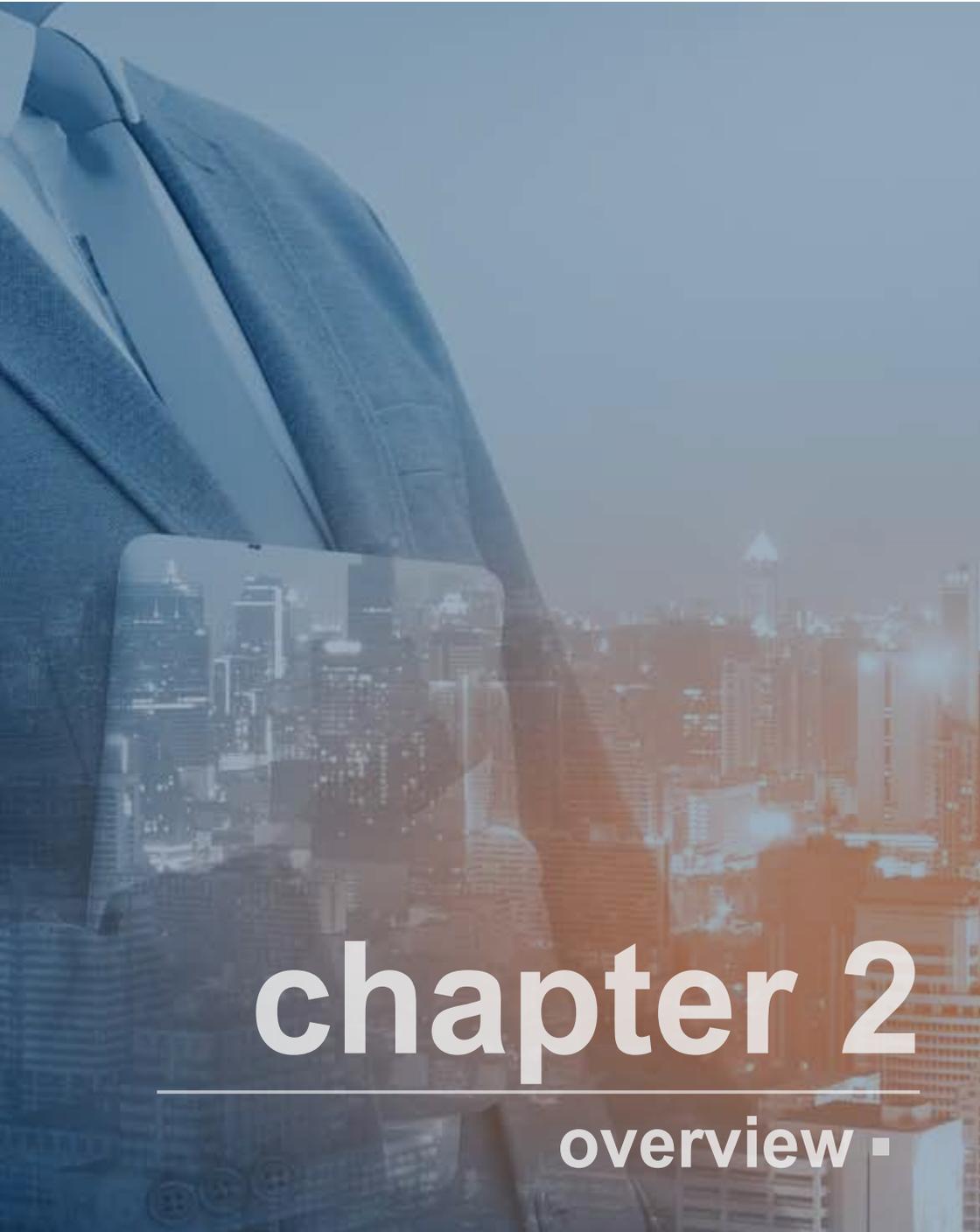
This report is supported by data available from the annual report also available at <http://sifytechnologies.com/investors/financials-information/health-check>

It includes the detailed Annual Statutory Financial Statements prepared under Ind AS and Annual Report in Form 20F filed with the U.S. Securities and Exchange Commission (SEC). This report has been prepared on a voluntary basis and is not certified.



## forward looking statements

*Certain statements contained in this integrated report are forward looking statements that Sify believes are reasonable. Results could, however, differ materially from those set out in the forward looking statements as a result of, amongst other factors, changes in economic and market conditions, changes in regulatory environment and fluctuations in commodity prices and exchange rates. As a result, these forward looking statements are not guarantees of future performance and are based on numerous assumptions regarding Sify's present and future business model, strategy and the environment in which it operates. Undue reliance should not be placed on such forecast or data.*



# chapter 2

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overview ▯



## vision statement



“ We are building a world in which our converged ICT eco-system and our ‘bring-it-on attitude’ will be the competitive advantage to our customers ”

One of the rare examples in which a company’s tangible and intangible strengths become the very identity of the company. And proudly so.

In a world of deep-pocketed players and little differentiation, Sify knew well that its attitude will be its ace. And hence, gave it pride of place in its vision statement. The attitude complimented a full bouquet of services that plotted every service within the ICT eco-system; as a converged, comprehensive offering.

The net result was that over time, we have built one of the most comprehensive bouquet of services and solutions across the entire spectrum of the ICT landscape. What differentiates us from the rest is the sense of urgency and bring-it-on attitude we impart to every one of our projects.

The current scenario is that clients are engaged with multiple vendors. From an operational standpoint, that is not a smart way. It drains you of effort, time and funds. Instead, we offer to outsource IT off your direct line of supervision, so that you can focus on your core business.

Our competition is the biggest endorser of our attitude, although they might not admit it. But hard-won cases like Department of Posts and UPPCL tell a different story.

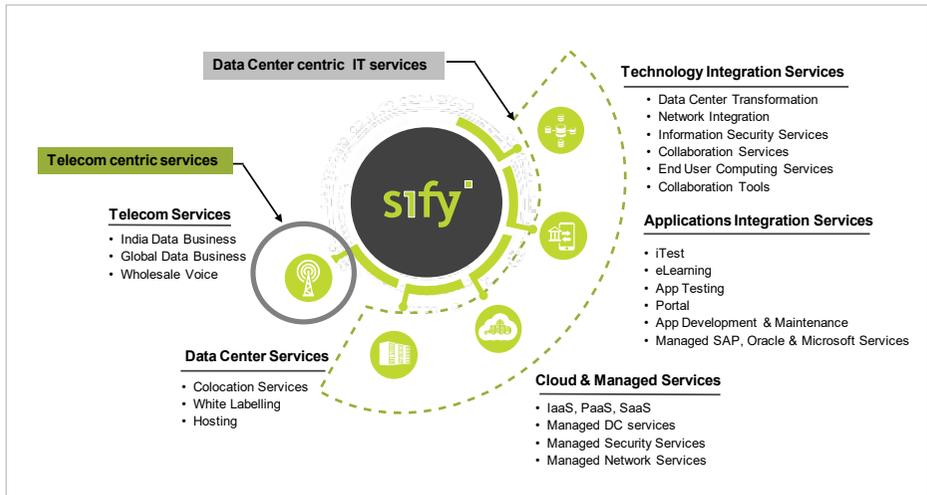


# corporate overview

Given the legacy growth of IT and telecom in India, there is not one credible comparable player in the market who has built strengths across the entire ICT ecosystem. It is rather surprising that IT companies did not foresee the eventual convergence of platforms and build accordingly.

One of the very few successful crossovers from retail to Enterprise, Sify today provides the complete array of ICT solutions and services.

Presently, there are two groups under which the businesses are categorized under, namely Telecom centric services and Data Center centric IT services.



The Telecom centric services overlap all those services that are dependent and offered off our telecom infrastructure like Domestic and International data and wholesale voice.

Our Data Center centric IT Services offer services that are dependent on the Data Center platform such as Colocation services, Cloud and Managed services, Applications Integration services, across both home grown and

Industry standard applications and Technology Integration services; these being knowledge-based practices and hence can be effected beyond geographical boundaries, whether in India or abroad.





## from the desk of the Chairman

The political discourse is recognising the advantages of speaking the same language as the rest of the world. Especially so, in the field of technology. We have had a storied past of supplying the brainpower for the West's IT advancement. The subsequent repositioning of the country's potential has seen a renewed interest in the opportunities available in India. The events over the past year set in motion a cycle of events where 'digitization' was seen as the new manna. And as if, trying to regain lost time, the country went on overdrive to adopt it. It was only natural that such an accelerated demand would become a fertile breeding ground for a reverse brain drain.

The timing seems apt as India is set to see close to 600 million of its population adopt a digital lifestyle, with another 100 million being added in the next two years, according to a recent NASSCOM-Akamai report. The Make in India platform is the bedrock of several of the Government's measures to channel investments into sector traditionally comprising of the local demography. The Economic Survey 2017-18 takes this one step ahead with the announcement of the National Intellectual Property Rights (IPR) policy. This clearly outlines the Government's commitment to build the Indian business environment on par with the rest of the world.

### **How does this equation work for Sify?**

The single important factor that an incoming Corporate would look for is a service partner with knowledge of the ground realities and an ability to stitch the right partnerships to get the work done. Quite naturally, this Corporate would also be understandably cautious in committing huge capex right away without the confidence of a clear picture. They would want to test the waters, understand the direction in which the wind blows and take calculated risks thereafter. As a service provider, that works for Sify.

Our business ethos has always been to offer what the market demands...before it demanded it. Which explains why our current bouquet of services is packaged both as subscription and outcome-based services. The raison d'être being, that immaterial of our service lines, what works in the market is the agility to



*Sify, I would say, is at the right place, at the right time.*

deliver those services across several industry verticals, price points and at a price that is consistent with the results.

This also explains our acceptance among the Indian and MNC Enterprises who require an IT infrastructure and services partner to hit the ground running. During the course of this acceptance, we have been called into defining the IT landscape for several MNCs and handholding Indian MNCs as they traverse the upcoming IT environments.

This journey has had its merits, in that, we have discovered the vulnerable IT touchpoints, acceptable mix of Managed Services and those verticals who are willing undertake the digital transformation. It also meant that we discovered untapped and upcoming opportunities right here at home.

The dream of a USD 1 trillion economy is now more predictable than ever. And I see Sify playing a very crucial role in enabling it.

*Sify, I would say, is at the right place, at the right time.*

**Raju Vegesna**  
Chairman



## from the desk of the CEO

The last couple of years have been dominated by an aggressive move towards subscription modules of IaaS, PaaS, SaaS. Little wonder that, Business Processes itself is now being rebranded as a Service. This is going to be an inescapable phenomenon in a world that prefers to ‘subscribe’ than ‘buy’.

We are already seeing the demand from our clients. A good number of them are preferring to escape the burden of Capex-driven infrastructure and move to a predictable subscription-based model. Not that we are complaining. Far from it, we actually encourage it, given that it is in line with our business thinking of maturing to becoming their IT partner.

When Sify first took the Services route to cater to Enterprises, it set itself on a path of alignment with global trends of offering IT services on a subscription model. World over, the practise of paying for proprietary license software was declining given the shortened shelf life of the software. Occupying a very niche role, that of an IT enabler, helped us to quickly swap our infrastructure focus and build a complete eco-system of services.

Time has proved us right in our business direction. Very recently, software majors have announced their decision to move to the cloud and offer their services on a pay-per-use model. We just decided to take it one step further. We have been able to establish ourselves as a credible partner for our clients in “consumption” as well as “build” model of IT & Communications services. We would continue to expand our portfolio around “Cloud@core” theme across all our business lines.

***Going forward, there will be greater focus on building a cloud iteration for our services.***

From Software-defined and managed networks, Instance based utilization of applications and elastic cloud utility platforms, all hosted out of the Cloud, the client will have an extensive array of services to choose from and pay as he expands.



*Going forward, there will be greater focus on building a cloud iteration for our services.*

A good part of this movement is geared towards building out the eco-system for the Internet-of-things, the inevitable destination for the current IT demographic. And Sify is well placed to cater to that demand. And given that the Cloud will begin to play a central role in the scheme of things, it is not too far to see common SLAs take shape among all the IT service providers.

The challenge is to play the architect's role in drawing up those SLAs.

**Kamal Nath**  
CEO



# from the desk of the CFO

**Predicting Rain does not count. Building Arks does.**  
- Warren Buffet

**Foresight.** That one word defines what Sify has always done. The foresight to see the emerging IT landscape, the foresight to build the right tools and the foresight to equip people accordingly.

The first two, Sifys' leadership bring to the table. The last was a matter of building. From the market perspective, it was only a matter of time when the Indian IT landscape would be called upon to build tools for the global IT landscape. It helped that at the same time, the Indian government displayed the alacrity to accelerate the adoption of automation tools across the board.

## ***Sify now has a fertile ground for growth in India.***

Our services and solutions can be custom fitted to the exacting demands of the Indian IT player; both in scale and price. For the incoming MNC, the direct benefit is a ready-to-use infrastructure and a familiar bouquet of services

To Sify, that meant the flexibility to build to different SLAs for different clients. That we have made the right moves is borne by the numbers.

- 20 quarters of continuous profits
- Revenue CAGR of 19%\*
- EBITDA CAGR of 15%\*
- PAT CAGR of 28%\*

None of this would have been possible without the continuous investment in the infrastructure, both on the Network and DC side. It is therefore heartening to note that the management has the same opinion and has only accelerated that investment.

\*CAGR growth over 5 years



*Sify now has  
a fertile  
ground for  
growth in  
India.*

On the ground, the events of the past year show that automation is now an inescapable phenomenon. As more and more people are being brought into the IT fold in accessing their services, this opens up a huge market with multiple demands. Several factors like WiFi to assist the rural economy, Smart Cities, strengthening of the banking services will all demand higher bandwidth and more convergence of our existing portfolio.

**It is time to cater to that demand.**

**M P Vijay Kumar**  
CFO



# India ICT industry overview

According to a NASSCOM IDC report, the global digital transformation market size is expected to rise at a CAGR of 18.56% from US\$ 1.2 trillion in 2017 to US\$ 2 trillion in 2020. India's IT industry is increasingly focusing on digital opportunities as digital is poised to be a major segment in the next few years. It is also currently the fastest growing segment, growing over 30% annually. Export revenue from digital segment already forms about 20% of the industry's total export revenue as exports have grown at a CAGR of 50.76% to an estimated US\$ 25 billion in FY18. Revenue from digital is expected to comprise 38 % of the forecasted US\$ 350 billion industry revenue by 2025.

Within the digital realm, the Cloud services will see the fastest adoption. The public cloud services market in India is slated to grow 35.9% to reach US\$ 1.3 billion according to IT consultancy, Gartner. Increased penetration of internet (including in rural areas) and rapid emergence of eCommerce are the main drivers for continued growth of data centre co-location and hosting market in India. Various reports peg the expected the growth from class B and C cities to outpace class A cities in under 3 years. When the non-urban areas are better exposed to the potential of digitization, the demand profile of Indian ICT will undergo a drastic change.

Rise in mobile-phone penetration and decline in data costs will add 500 million new internet users in India over the next five years creating opportunities for new businesses, as per private equity and venture capital firm Omidyar Network. Spurring this growth would be eCommerce market in India that is set to grow at 30% annually to hit US\$ 200 billion gross merchandise value by 2026.

The Indian Healthcare Information Technology (IT) market is valued at US\$ 1 billion currently and is expected to grow 1.5 times by 2020.

## Factors contributing to the growth

Indian IT's core competencies and strengths have attracted significant investments from major countries. The computer software and hardware sector in India attracted cumulative Foreign Direct Investment (FDI) inflows US\$ 29.825 billion from April 2000 to December 2017, according to data released by the Department of Industrial Policy and Promotion (DIPP).

Exports of software services from India increased 10.3 % year-on-year to reach US\$ 97.1 billion in FY 2016-17, according to the Reserve Bank of India's (RBI) 'Survey on Computer Software & Information Technology Enabled Services Exports: 2016-17'. Spending on artificial intelligence (AI) by Indian companies is expected to increase by 8-11 % over the coming 18 months backed by rising influence of AI-based solutions across verticals, as per a report by Intel.

India plans to create wireless Technology 5G by the end of the year 2020 which will help India in realising its most important goals of "Increasing the GDP rate", "Creating Employment" and "Digitizing the Economy".

## Government initiatives

The Government of India is exploring new opportunities in various sectors such as providing BPO service from home, digital healthcare and agriculture to achieve the target of making India a US\$ 1 trillion digital economy.

Among them is the plan to set up WiFi facility for around 5.5 lakhs villages by March 2019 with an estimated investment of Rs 3,700 crore (US\$ 555 million) and the government expects to start broadband services with about 1,000 megabit per second (1 gbps) across 1 lakh gram panchayats by the end of 2018.

The Government of India also launched project DARPAN - digital advancement of rural post office for a new India, for improving the quality and adding value to services and achieving financial inclusion for the unbanked rural population.



# India ICT industry overview

## Road ahead

India is the topmost offshoring destination for IT companies across the world. Having proven its capabilities in delivering both on-shore and off-shore services to global clients, emerging technologies now offer an entire new gamut of opportunities for top IT firms in India.

## Competitive landscape

Until a couple of years, these were clearly defined as Telecom players and IT service providers, the latter largely composed of application service providers.

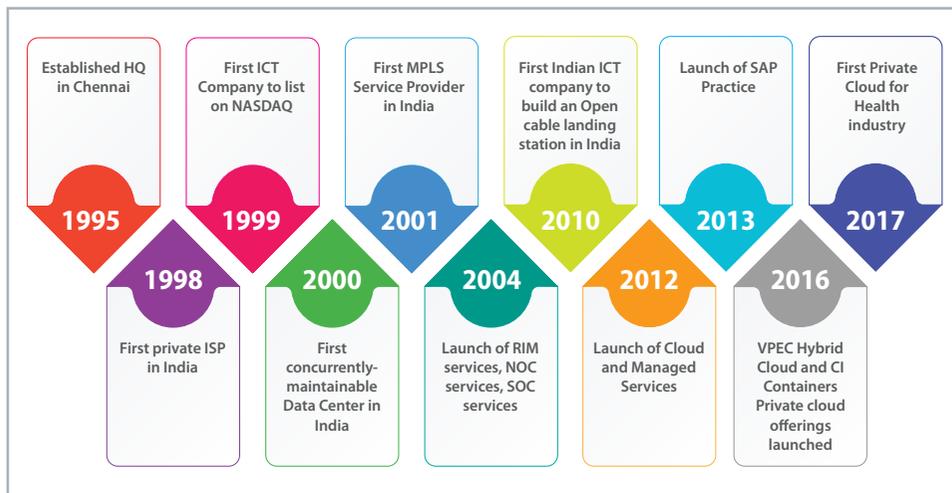
In a converged world, they have realized the futility of their single stream of services. Hence, the current crop of IT service providers is a combination of leaders in specific fields of service who are extending their service in collaboration with other vertical majors.

Traditional Telecom players are now offering Network builds on turn-key basis. Application majors are migrating to the role of project managers and building a web of assorted services. Cloud is viewed as a natural progression for anybody who offers Data Centers. The termination of a network, the guarantee of bandwidth and security all of these are now being offered bundled with CoLocation space.

A commonality with this move is that, both are based on existing or upcoming infrastructure; be it a Network or Data Center. Some examples of this move are players like Bharati offering Telecom enterprise services and Network build while others like WIPRO offer complete Digital transformation services.



## journey so far



In 1998, we were the first private ISP in India. Millions experienced the Internet for the first time on the Sify network. From there, to becoming a pioneer and leader in the ICT space in India, Sify today, is among the largest enterprise service providers on the Indian subcontinent.

From the time we launched our services, we have continually upgraded our technology to provide data services to corporate clients. We were the first private Internet service provider in India to make our entire network IP-based and subsequently Multi-Protocol Label Switching (MPLS)-enabled, which permitted us to continue to grow our corporate customer base.

As of March 31, 2018, we provide services to over 8,500 corporate clients in industries ranging from information technology, manufacturing, banking and financial services industry, pharmaceuticals, retail distribution and the Government.

## business offerings



We have continually reworked our Business model in line with the market demands. Today, our business focusses on those that are dependent on the network part of the business and those that can be facilitated out of our DC side of the business.

### Telecom centric services

The Telecom centric services offer all telecom dependent services like Global and Domestic data and Wholesale Voice. Clients have an option to contract Sify to build a separate network for them or opt to buy bandwidth on our network. Sify also facilitates inbound and outbound data movement through its partnerships with global data carriers.

Currently, this network reaches more than 1550 cities and connects 45 Data centers including Sify's six Concurrently maintainable Data Centers across the cities of Chennai, Mumbai, Noida and Bengaluru.

### Data Center centric IT services

Our Data Center centric IT Services offer services such as Colocation, Cloud and Managed services, Applications Integration either with industry grade or home-grown applications and Technology Integration services that are knowledge-based practices blending some or several of these services.

Within Sify, the business is viewed as follows.

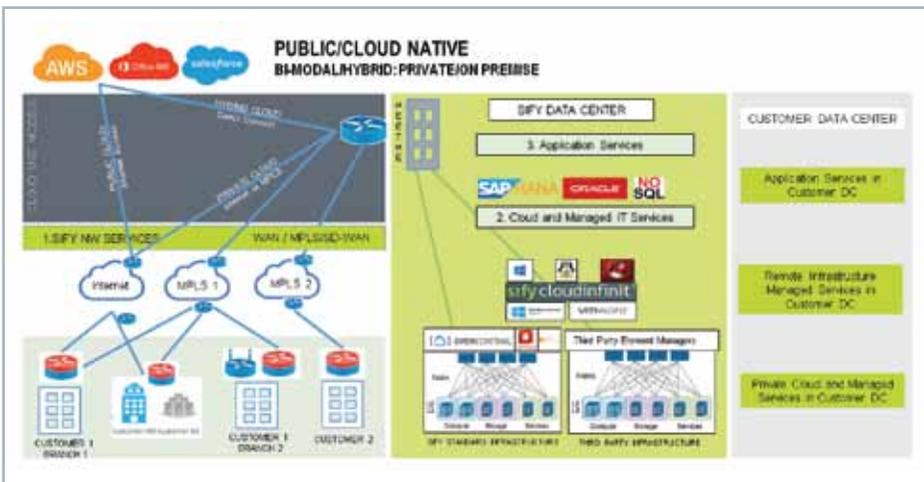
## edge to meet-me-room (Edge2MMR)

Edge refers to any part of the client’s business that uses either Sifys’ or their own network end points to terminate into our DC or in an offshore DC of the client’s choice. Services extended would be in transfer and maintenance of the network until a pre-determined time. In most instances, the client would want us to plan out the network architecture, upgrade the existing switches and transfer a dashboard of the services in line with the SLA.

## meet-me-room to applications (MMR2Apps)

The second part of our Business Model oversees the compute, storage and IT assessments of the client’s data at either onshore or our Data Center and the applications applied on top of it. These might take the shape of home-grown applications like iTest, Forum or industry standard applications like SAP, Oracle or Microsoft. In each of these cases, the client gets the confidence of business continuity and familiarity with the application landscape used.

Illustrated below is our Business Model



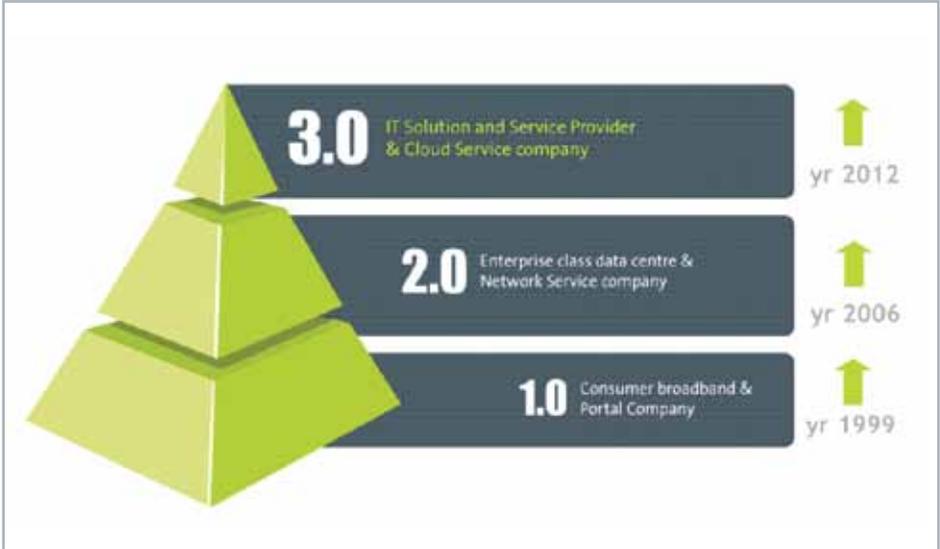


# business maturity

Sify has seen 3 distinct periods of Business evolution. The first, Sify 1.0 was focused on building a retail business revolving around mail and other e-retailed offerings. The primary focus here was to enable broadband services for the common man.

Sify 2.0 saw a shift in the target audience in that, Sify chose to cater to exclusively the Enterprise segment of the market with their offerings of Data Center and Cloud and Managed services.

Sify 3.0, the current phase has seen as much more focused hard-selling of Solutions and Services across all the business, so that a larger audience is served by the same levels of SLAs.





## business strategy

A common thread that runs through all of Sify's business is the strategy of enabling the ICT ecosystem in India for the Enterprise population.

When we started out as India's first Private Internet Player, we promised to the market that we would make the Internet accessible to all. Eventually, having invested in the best of the infrastructure, we chose to expand our market to the growing Enterprise segment which then demanded Data Centers, Applications and Cloud Services.

With niche players emerging, an Enterprise has an elephantine task of evaluating multiple service providers. The net result is multiple vendors, all specializing in their fields with no single one who can comprehend the big picture.

Sify aims to simplify that, either with the in-house services or in partnership with industry leaders.

Sify's converged eco-system addresses this anomaly. On one side, we stitch the relevant relationships in place with the best-of-breed service providers and on the other, we front-end the large transformation within the Enterprise. What the Enterprise gets is a System Integrator who brings the latest to the table and holds the mandate to implement and improvise it.

Any Enterprise who is looking for connectivity will also ponder about how his Data is going to be stored and secured, how future increments of this data are going to be accommodated, how his current applications are going to seamlessly integrate with the incoming applications and what would be the overall security apparatus governing it.

Simply put, our Business Model means nothing without the "Promise of Productivity" and the deliverance on that promise.



# key performance indicators

Amount in Lakhs (unless otherwise mentioned)

PARTICULARS	2017-18	2016-17	2015-16	2014-15	2013-14#
Revenue from Operation	206,856	184,320	150,349	128,643	104,628
EBITDA	28,558	25,704	24,500	20,011	16,201
Profit before tax	9,235	6,431	4,382	3,745	3,482
Profit after tax	9,233	6,424	4,383	3,744	3,482
Dividend Paid (Excluding tax)*	1,734	1,410	1,410	1,367	-
Equity	90,031	82,626	74,989	71,635	68,411
Term Debt	31,956	22,844	26,448	25,680	20,428
Earnings per share (Basic) (Rs)	6.14	4.45	3.11	2.65	2.54
Earnings per share (Diluted) (Rs)	6.11	4.45	3.10	2.65	2.54
Dividend paid per share (Rs)	1.20	1.00	1.00	1.00	-

\*Rs. 1,807 lakhs proposed as dividend for FY 2017-18 at Rs. 1.2 per share

# Figures as per previous GAAP

## key highlights

- Revenue grew by 12% YoY and CAGR of 19% over last 5 years
- EBITDA growth of 11% YoY and CAGR of 15% over last 5 years
- PAT grew by 44% YoY and CAGR of 28% over last 5 years
- Board has recommended Dividend distribution to shareholders for 5th consecutive year
- Credit Rating of A+ (Long-term) and A1+ (Short-term) by CARE and ICRA for FY 2017-18 based on financial stability & improved profitability
- Network span across more than 1550 towns and cities with approximately 3000 PoPs and 100,000+ links
- Network connects 45 Data centers across India

## financial performance

We are proud to announce our fifth year of profitability and the year where our revenue crossed the Rs. 200,000 Lakhs mark. It was a major achievement in terms of growth and this achievement has given us a positive financial standing in the market and the confidence to march forward with an unquenchable “Bring-it-on” attitude. Year 2017-18 will be the fifth consecutive year of dividend declaration.

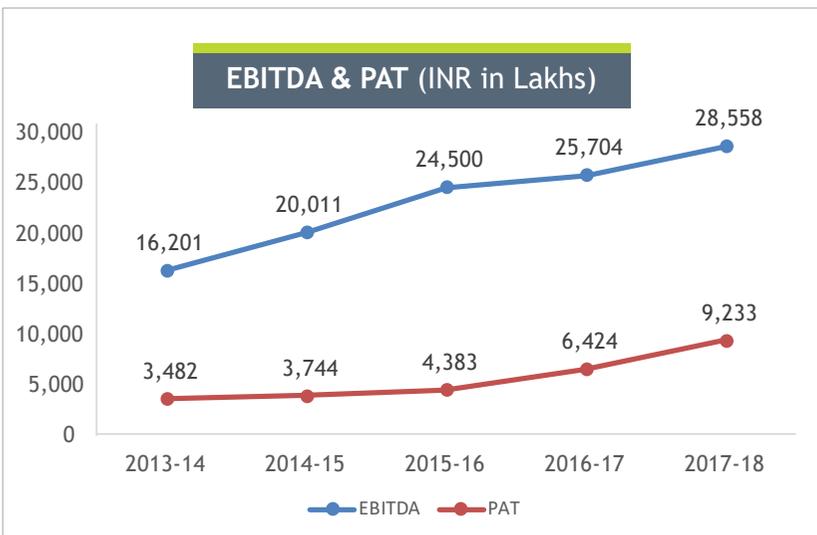
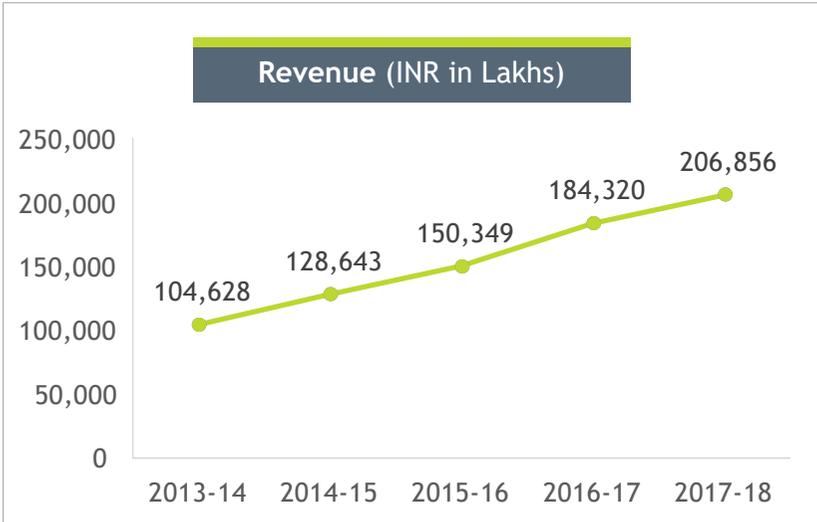
During the year, Board has recommended a dividend of Rs. 1.2 per share to equity shareholders, subject to approval of shareholders at the upcoming Annual General Meeting.

With a sustained focus, we have reached revenues of over Rs. 200,000 lakhs, with an annual compounded growth rate of 19% over 5 years.



# financial performance

The Revenue, EBITDA and PAT trend of our company since 2013-14 till the year 2017-18 is represented as follows.



## operating performance

We have completed the fifth year of achieving profits. Our Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) also have shown improvement over the years from Rs. 16,201 lakhs in the year 2013-14 to Rs. 28,558 lakhs in the year 2017-18. The improvement in operating performance over the years is primarily attributed to the increase in revenues and to some extent the optimization of costs. We invest in increasing the economy scale, by utilizing our existing infrastructure to serve new customers. This strategy helps to reduce the cost per customer and also enables us to provide specific services to the customers at competitive rates without compromising on quality.



# chapter 3

- inputs ■
- activities ■
- outcomes ■
- outlook ■

Success

Solution

Business Strategy  
Innovation  
Branding  
Solution  
Marketing  
Analysis  
Ideas  
Success  
Management

Innovation  
Branding  
Ideas  
Success  
Management

NETWORK

Jun

Jul

Aug

Sep

Oct

Nov

Dec





## 1. financial capital

Financial capital consists of pool of funds available to an organization to create value through conversion into other forms of capital.

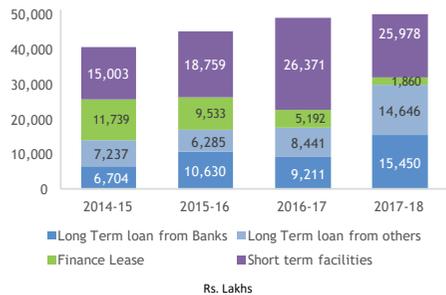
The company generates financing requirements through equity, surplus generated from operations, short term & long-term borrowings from banks and other non-banking financial corporations. The company has credit rating of A+ (long-term) and A1+ (short-term) by CARE and ICRA based on the company’s stability and improved financial performance.

The company has raised funds through long-term borrowings to the extent of Rs. 23,972 lakhs and repaid the long-term borrowings to the extent of Rs. 15,649 lakhs during the year.

The company’s financial capital requirements are raised through borrowings from Banks and NBFCs.

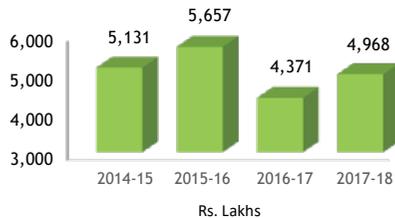
### Summary of borrowings

Summary of borrowings at the end of financial year are given below:



### Finance cost

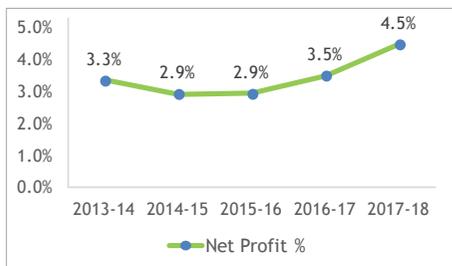
The company periodically reviews the debts requirements and aligns with the market conditions to minimize the Finance cost.



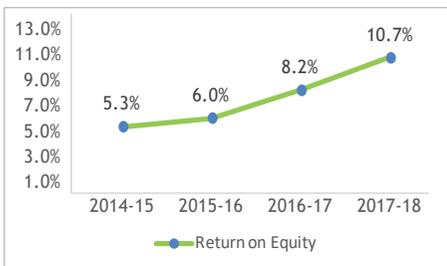
Note : INR 10 Lakhs = INR 1 Million

## key ratio trends

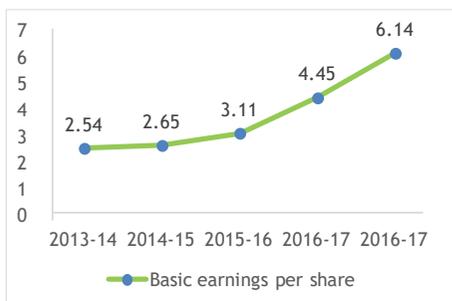
### Net profit by turnover



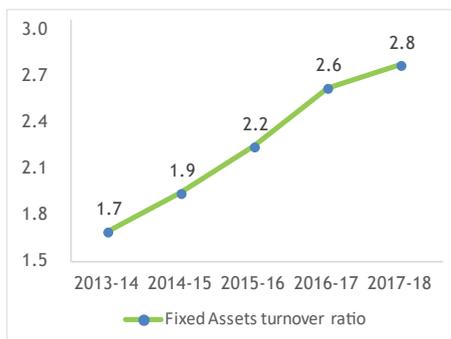
### Return on equity



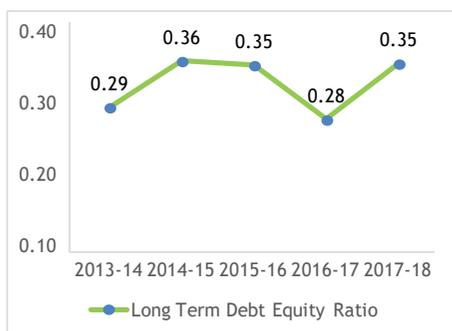
### Basic earnings per share



### Fixed Assets turnover ratio



### Long Term Debt Equity Ratio



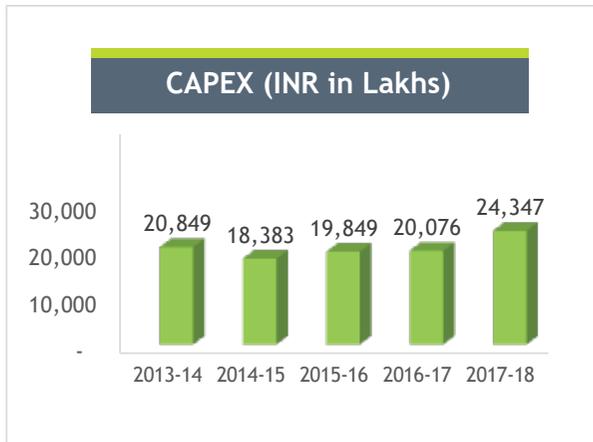


## 2. manufactured capital

Our manufactured capital includes our property, plant and equipment available for use for the provisioning of services. As on March 31, 2018, we have net tangible, and intangible fixed assets (including Capital work in progress) amounting to Rs. 77,874 lakhs.

The company is consistently investing in capital expenditure.

Summary of investment in Capital expenditure over last 5 years is given below:



Since building India's first Concurrently Maintainable Data Center in September 2000, Sify pioneered Managed hosting and Enterprise-ready Cloud services. Sify's Data Centers are strategically located in different seismic zones, with highly redundant power and cooling systems that meet the highest standards of the industry.

We have 6 Concurrently maintainable data centers at the following locations:

- Vashi, Mumbai
- TIDEL Park, Chennai
- Bengaluru, ITPL
- Airoli, Mumbai
- Noida, Delhi
- Rabale, Mumbai





### 3. intellectual capital

#### i. Aakaash portal

A comprehensive user interface at the client/customer end that allows them self-service on provisioning and complete visibility of their network including analytics on performance of each of their network nodes.

It takes the form of an unique real-time dash board that is hosted on our Cloud platform and that can be implemented across any network allowing visibility and intervention on a client’s network thereby cutting down the redressal time sharply.



## ii. SMACnet

A large part of the transformation in the future will be in the way employees, customers and partners interact with the Enterprise. Quite often, the customer and partner's touch point is at the edge - whether it is retail, banking, automobile or consumer durables. This is the cornerstone of Sify's SMACnet strategy.



- **Secure the Social Enterprise** - Two distinct trends defined this; the rise of the millennial workforce and their active inhabiting of a social / collaborative / flexible style of working the virtual social space.

Traditional security models that are rigid will no longer cater to the workplace requirements of the generation and style of work. What will change very fundamentally is the context of the perimeter, the user and the device.

- **Mobile experience** - a mobile strategy is no longer an option, its core to the digital world. Customers, employees, partners all demand mobility and the context of mobility has changed from providing access to providing quality access. At Sify we see **mobile** not about phones but as a fundamental shift that impacts the compute form factor, that allows enterprises to build open offices, that allows enterprises to build a very different consumer experience in verticals such as banking/retail etc. we see this as core to the digital enterprise.

## inputs



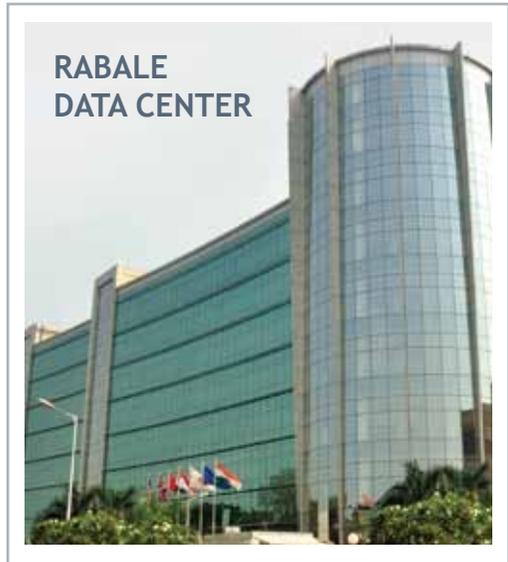
- The next area that we saw as core to the digital enterprise was the context of IT. IT was never connected to the operations of the enterprise in a fundamental way - the enterprise never had a view of the power consumption of the branch, the temperature of the branch as customers walk in, how many walkins do we have in a branch etc. **IoT** is the fundamental glue that connects **Operations to IT**. Understanding this world of analytics is crucial to this strategy.
- **Cloud** - at the heart of the digital enterprise lies the cloud. The internet and MPLS were the world's first main stream virtualisation technologies that enterprises adopted. A couple of years back the network took 2-3 months to provision, IT took 6-12 months to plan and provision. Today it takes 15 minutes to spin up a server instance on Amazon. It still takes 2-3 months to provision the network. We believe the area of technology transformation is to make networks work at the **speed of cloud** for the **cloud**.

### iii. Sify Data Center architecture (SDA 4.0)

Sify's Data Center Architecture (SDA) is the in-house developed Data Center design and operations architecture for Sify's Data Centers. The SDA has evolved from its inception in year 2000 adapting Sify's Data Center experience, business requirement and adapting the international Data Center and infrastructure standards.

The current version SDA 4.0 is based on the Tier 3 concurrently maintainable topology of the Uptime Institute. The SDA 4.0 has adapted the POD based design architecture suiting the vertical and horizontal Data Center scalability with pre-defined capacity modules. Each POD is of 1440KW IT infrastructure with supporting non-IT infrastructure. The 1440KW module can support either a single data hall of 1440KW or multiple data hall within the 1440KW power capacity.

The highlight of this patented design is a truly concurrently maintainable electrical and mechanical infrastructure where the equipment's and distribution paths are designed for maintenance without disrupting the working environment. The design also provides a common backplane where the modules for each POD can be added without any disturbance to the working PODs. The floor is designed keeping the server hall or the white space as the core and has the supporting



rooms located strategically around it, they are the electrical switch rooms, UPS and battery rooms, staging rooms, AHU rooms, BMS room, material handling docks, Staging rooms etc.

The SDA 4.0 provides the following key benefits -

- Modular and Scalable
- Self-sufficient and Sustainable Standardization
- Operational and maintenance best practices

#### iv. ForumNXT

Global companies entering the Indian market need a localized solution to handle local supply chain management challenges. Sify's comprehensive inventory management system - ForumNXT, is built based on the unique requirements of the Indian business environment.

By integrating our cloud-based solution with Sify Cloudinfinite and Amazon's Web Services (AWS) platform, ForumNXT can easily scale to meet the needs of large international businesses. The biggest advantage is that it gives Brands visibility on their products, distribution, challenges, markets and demand.

## inputs



This cloud-based solution, along with its mobile application allows real-time visibility for Brands in a highly competitive market.

ForumNXT enables organizations to oversee and manage their complete supply chain spread over diverse geographies. The AWS solution lets a user interconnect devices and apps through the cloud.

ForumNxt integrates with home-grown IP, Smart Field Force (SFF) which is a Sales force automation solution for Corporates. Smart Field Force is a mobility solution which enables and empowers the field sales team.

Sify deploys and manages this cloud service for the users. We also enable our customers to integrate their Enterprise Resource Planning (ERP) systems with ForumNXT to make sure data is shared with all relevant stakeholders.

## v. iTest

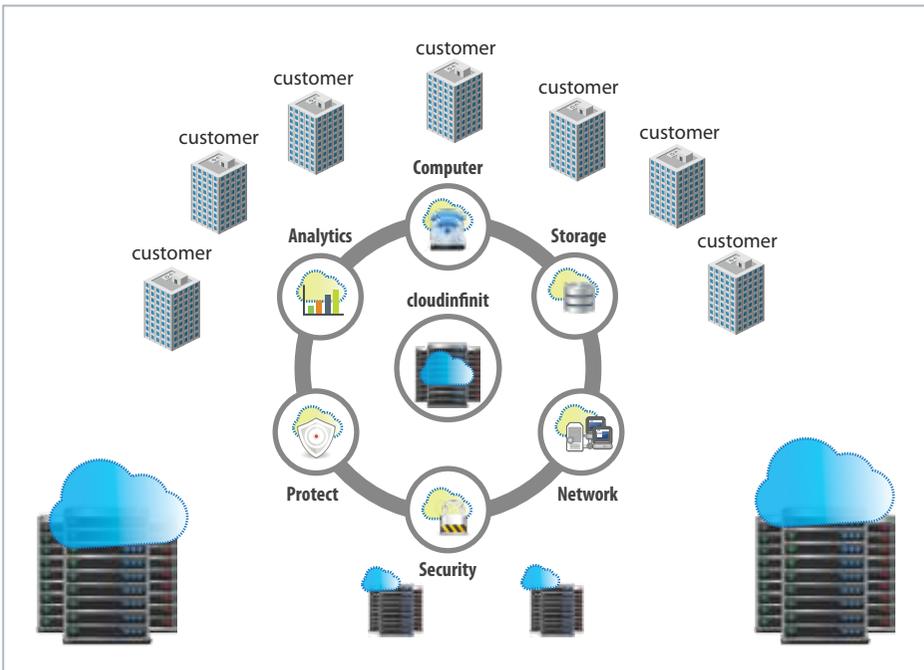


iTest is based on over a decade of experience developing and benchmarking a cloud-based registration and testing engine. It is an online tool for conducting tests for lakhs of students. Results can be obtained instantly. Test data is divided into different categories to support an in-depth analysis and to populate interactive reports. It is easy to use, flexible and secure.

Sify simplifies the entire testing process with this cloud-based service. It has built in integrated tools and templates that can be used to create tests easily and quickly.

The best testimony to the capability of Sify’s indigenous iTest engine is the continued successful conduct online examinations for the Government of India’s Staff Selection Commission, involving nearly 10 million students. Apart from the government, iTest has also found favour with multiple other organizations and hit a landmark 20 million assessments in all this year.

## vi. cloudinfinitt



## inputs



Cloudinfinite offers on-demand infrastructure on a multi-tenant, robust and fully scalable platform to host the most demanding IT applications in an enterprise-grade, secure, highly available and self-service environment backed with stringent service level guarantees.

Cloudinfinite infrastructure is managed by a 24x7 expert technical operations team. The cloudinfinite infrastructure components are hosted in state-of-the-art Concurrently available Data Centers in Mumbai and Bangalore.

Cloudinfinite services offer a wide range of choices across the portfolio of Compute, Storage, Network, Security, Analytics and Protection services to provide end-to-end IT infrastructure on pay-per-use basis.

### vii. Private cloud for health vertical

In a first of its kind implementation in India, Sify converged the entire database of an Oncology client's hospital chain on a purpose built Private cloud with multiple levels of redundancy. This allowed the patients seamless movement from one partner hospital to another that offered treatment. Conversely, it also converged the entire database into a single library of patient resources for the doctors to refer to and offer a predictable, templated course of treatment.

## 4. human capital

### i. Operations

The foundation of every company is its pool of experienced, qualified and talented resources. The difference with Sify is the emancipation of that human element. This trait is also reflected in the vision statement as the “bring it on” attitude. It is a trait that has long defined Sify’s thrust of pushing beyond boundaries and innovating in the face of constraints, both physical and technological.

### HR philosophy

To be an Employer-of-Choice by creating a high-performance work culture through effective people practices that enables our associates to feel empowered and have a feeling of ownership and pride.

### Talent pool creation

Our hiring philosophy is oriented towards sourcing and hiring candidates with relevant functional knowledge and subject matter expertise. Along with technical skill assessment, candidates are also assessed for specific competencies required to perform the role through case study and scenario based evaluation techniques and online assessment tools. We have set up a scalable talent acquisition practice.

### Campus connect

Every year, fresh engineering & management graduates from identified colleges of repute are hired. The students are screened for aptitude and technical capabilities through online assessments, followed by technical and HR interviews. The selected students are inducted into the system through a robust onboarding and orientation program which includes classroom and on-the-job training on business, products, delivery process, key behavioral and team building skills. The comprehensive training program is concluded with a Graduation day where the students who successfully complete the training are conferred with certificates and allotted to the different teams.



## Performance management system

The appraisal system in Sify is structured such that performance of the associate is reviewed on quarterly basis against a given set of quantifiable metrics and goals set for the subsequent quarter.

Standardised KRAs across all roles have been integrated into the QPR (Quarterly Performance Review). This quarterly performance review system ensures objectivity and timely feedback is given to the associate. Further, in an endeavor to promote a performance driven culture, eLearning modules on Sify's Performance Management system educating the associate and appraiser/ reviewer on the important elements of doing an objective performance assessment has been launched.

## Certification & OEM sponsored programs

Associates identified to play key roles in critical projects are sponsored for high end certification programs and OEM sponsored programs. These programs enable associates to get trained directly by the service owners and experts.

## Technical course reimbursements

Besides Sify's myacademy, Sify provides for reimbursement of specific technical courses in an endeavor to encourage and facilitate development and upgradation of associate's technical skills and technologies to meet the changing needs of the business. In this context, exclusive certification policies have been introduced with the twin objectives of

- Encouraging nominated associates, to complete the required trainings and certifications towards Cisco Gold Certifications within scheduled timeline, and
- Recognizing and rewarding these nominated associates by incentivizing them on completion of the certification per norms.

## Job design, growth and retention

At Sify, we believe that the key to achieving job satisfaction, high performance and enhanced productivity is by providing a platform which offers stimulating and interesting work assignments to associates. The jobs are designed to meet associate aspirations and organizational goals.

Associates who have the expected level of competency and expertise are proactively identified and groomed to take on larger responsibilities. They are placed under a succession planning program depending on their value proposition and longevity in the Organization.

## Rewards and recognitions

Sify appreciates and recognizes enduring commitment and service of its associates and confers service awards to those associates who complete specific years with the company.

Excellence awards for performance are awarded during the Annual Business Summits, to deserving associates who by their sheer passion, commitment and excellence have contributed to Sify's growth and success.

## Employee engagement

Employee engagement forums in Sify are many and varied. Our engagement with each associate commences way before his/her joining. The HR team ensures an ongoing conversation with each associate through a robust onboarding process.

## Onboarding and feedback

Associate onboarding process ensures smooth induction of the associate into the system by catering to his work needs (prior and post joining) and thereby provides a pleasant and memorable experience at work. Associate feedback system at each stage of the employee's association (Day 1, 7, 30, 90) with

## inputs



Sify is recorded through an online survey. This survey acts as a catalyst in helping us receive regular feedback from the associate. The feedback obtained from the survey is shared with concerned stakeholders to facilitate timely interventions and ensure associate satisfaction.

### Talent showcase

Cultural programs and competitions are organized on quarterly basis to enable employees showcase their talent and skills in various fine arts.

### Sports

Tournaments like Cricket, Football etc., are organized at periodic intervals with the objective of promoting physical fitness amongst employees and to encourage their extracurricular activities.

### Health camps

Health camps are conducted at regular intervals in the office premises, with the objective of promoting the general health and well-being of employees. The health camps cover the aspects of General Health, Eye, Dental and Cardio checkups amongst various other health screenings.

### Employee communication

Effective communication is the key to success. At Sify, communication meets are organized at regular intervals where the Chairman and the senior leadership team addresses all the employees across locations on current business performance, significant wins, new alliances, any senior level organizational changes and management expectations. This forum is used as an open house session where associates are encouraged to express their views and relevant information pertaining to the business is shared.

## eZine

eZine is Sify's In-house newsletter which is published quarterly and serves as an effective medium of communication with employees and features various sections covering the Company and business-based events, Industry Interactions, the seminars and conferences in which Sify has actively participated, people matters, client appreciations for our services and employee engagement events. We have so far published 16 issues of eZine.





## Business conferences

Business conferences are organized at National and Regional levels where Sales and Operations teams congregate. Panel discussions, sales roadmap, delivery flow and mechanism, Motivational speaker series, OEM presentations constitute the agenda.

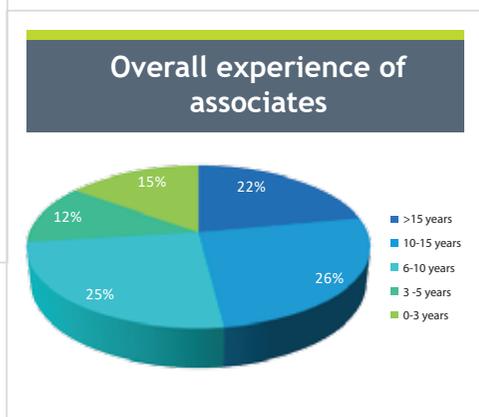
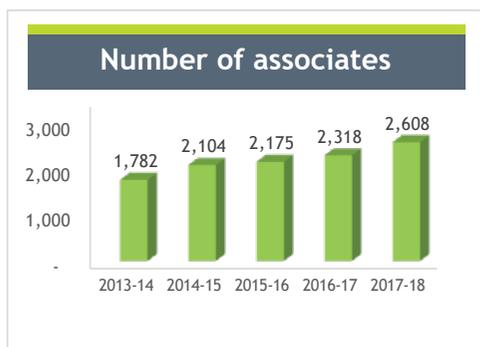


## Sexual harassment provision

Sify has zero tolerance for sexual harassment and the Company has implemented the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made there under. During the financial year 2017-18, the Company received no complaints on sexual harassment.

Further, as an Organisation, it is important for all associates to have an understanding of policies revolving around Code of Conduct, Sexual Harassment, Whistle Blower. To enable understanding, these policies have been developed as learning courses and hosted in Sify’s LMS portal

## Human capital summary



With the continuous growth in our business, there has been resultant growth in employment opportunities being created. A total of 2,608 associates were employed as on March 31, 2018 compared to 2,318 associates as on March 31, 2017. This amounts to an increase of 13% compared to previous year.

Across functions, 127 are dedicated to administrative, 473 form our sales and marketing, 32 are in product and content development, 1904 are dedicated to technology and technical support and 72 are in business process and customer care.



## ii. Learning and development

### Career and development

- In just one year, Sifyites have invested 38,000 Person Hours of “Employee Time” for Skill Development.



- A total of 2,450 Sify Employees went through multi-disciplinary trainings.
- 176 training programs were offered spanning technical and behavioural as well as a variety of tools, domains, Sify Products and Process training were covered.
- For the first time in Sify, a Learning Solutioning function was constituted.
- Sify created 32 inhouse developed Learning Solutions including for 7 of Sify’s Products
- Sify’s unique WebRadio broadcast hit a milestone of 200 episodes this year. Each of the episode is available as Podcasts for anytime use.
- 1,834 employees availed 40 exclusive eLearning programs.
- 63 Leaders across 3 Levels underwent 3 days of exclusive offshore workshop titled Great Leaders, Great Teams, Great Results.
- 25 key resource people at various levels of Product Management underwent a focused Integrated Product Development and Management training.
- 15 Sify Associates were successfully certified as Lead Auditors on Information Security and Management as per ISO 27001:2013

In one year of investment on people, Sify built a Learning Culture and is now progressing to building a structured skill-based organisation.

## 5. natural capital

### i. Green data center

As one of the few initial steps in our drive to create an eco-friendly environment, we have adopted the 'Green Data Center Policy'.

A Data Center is a repository for the storage, management and dissemination of data; the 'green' factor maximizes the process in which the mechanical, lighting, electrical and computer systems are designed for maximum energy efficiency and minimum environmental impact. The construction and operation of a green Data Center includes advanced technologies and strategies.

### ii. Solar and wind energy

As a major breakthrough measure to regulate our dependency on non-renewable sources of energy and exploiting the potential offered by the renewable sources of energy, we kick started our efforts to utilize solar energy and wind energy for our towers and Data Centers, respectively. Power drawn through wind energy is currently being used for our Data Center in Bengaluru and we are in the process of using the power derived from wind energy for our Data Center in Mumbai.

The power generated by windmills is being transmitted to the grids owned by government authorities, from which the power is drawn through regular electricity lines.

### iii. Lower carbon footprint

The facility in Noida is designed to minimize environmental impact. This is applicable for water, air, sound etc. No kind of waste materials, which may pollute the environment, is discharged into the surroundings.

We have adopted the Environment Impact Assessment (EIA) guidelines prescribed by the Ministry of Environment and Forests (MOEF). During the construction and operations phase of our Data Centers, we conduct regular audits (every 6 months) and the findings are submitted to MOEF.



## 6. social and relationship capital

### i. Brand ethics

India, in the 1990's, was a country not exposed to the benefits of the internet. That, along with high capital costs was a natural deterrent to any new technology being born. Also, the costs of infrastructure were prohibitive. Personal computers were a luxury and restricted to either common terminals at offices or the residences of a restricted few.

Sify broke the barrier by introducing the social benefits of the internet to the masses through its public internet access point. Indians thus had a window to the world of internet at a fraction of the cost.

Within a couple of years, brand 'Sify' became a symbol of freedom of expression online and the most visible public institution for online information. Sify continued its 'innovator' trait going forward to build India's first private Data Center at Vashi in September 2000. During the course of building the largest retail internet chain, Sify realized the benefits of taking its services, namely networks and Data Centers to the enterprise business community.

In a way this led to Sify broadening its scope of business from retail to enterprise services.

Among the values that brand 'Sify' shares with its more prominent peers was a factor of developing technology that is for the common good. In doing so, Sify has built unshakeable relationships with its stakeholders.

As a brand trait, Sify would own 'innovator' and 'disruptor' in equal measure. Innovator, because Sify has brought to India and Indians, technology that was hitherto unknown or beyond their realm. Disruptor, because Sify helped

lower the cost of adoption of these technologies thereby making it available to a larger section of society.

The Noida Data Center also complies with green norms established worldwide for commercial buildings. For example, the water is completely recycled, all common areas use motion-based sensors, and devices that optimise energy consumption.

Sify's association with investors dates back to the time it listed on the NASDAQ in 1999. From that date Sify has been an avowed follower of all the statutory norms of NASDAQ. In the 18 years that we have been listed, Sify has maintained a strict formal relationship with all investors, combining an allegiance to the SOX Act and its own high standards of ethical performance. All investors are kept abreast of all information without any malice. Periodic meetings with investors have helped to keep the personal touch while catering to a larger business demand.

## ii. Corporate social responsibility

As a responsible business corporation, Sify takes pride in being socially committed and focused on building sustainable and effective Corporate Social Responsibility (CSR) initiatives by focusing on three pillars - Community Development, Employability Enhancement and Environment Sustenance. Sify has contributed towards the below CSR initiatives during the year 2017-18:

- Sify contributed Rs. 63 lakhs to a 30-bed hospital for treating physically disabled and polio patients at Dwaraka Tirumala under the banner of Sri Venkateswara Institute of Research and Rehabilitation for the Disabled (VIRRD).
- Another contribution of Rs. 25 lakhs was made to NGO, Jateeya Vidya Seva Samithi in Guntur district of Andhra Pradesh.
- A third contribution of Rs. 8 lakhs was made to Hanuman Mani Education & Culture Trust, an NGO that aims to rekindle love for Hindu philosophy and culture in today's youth.



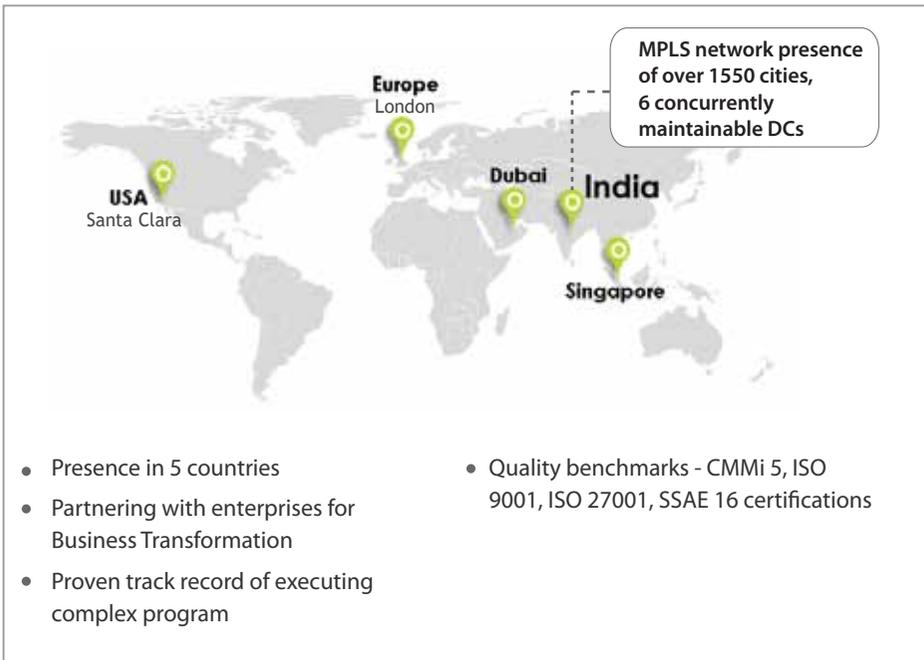
# business activities

As detailed earlier, the business is now reorganized off the two infrastructure stacks, namely Telecom centric services and Data Center centric IT services

## 1. Telecom services

Beginning life as a connectivity player, Sify traversed the telecom landscape and today positions itself as a Digital Transformation specialist in the Telecom space. From pioneering the Internet adoption in a country when access was severely restricted to today being recognized as the go-to company for all enterprise telecom needs, Sify has come a long way.

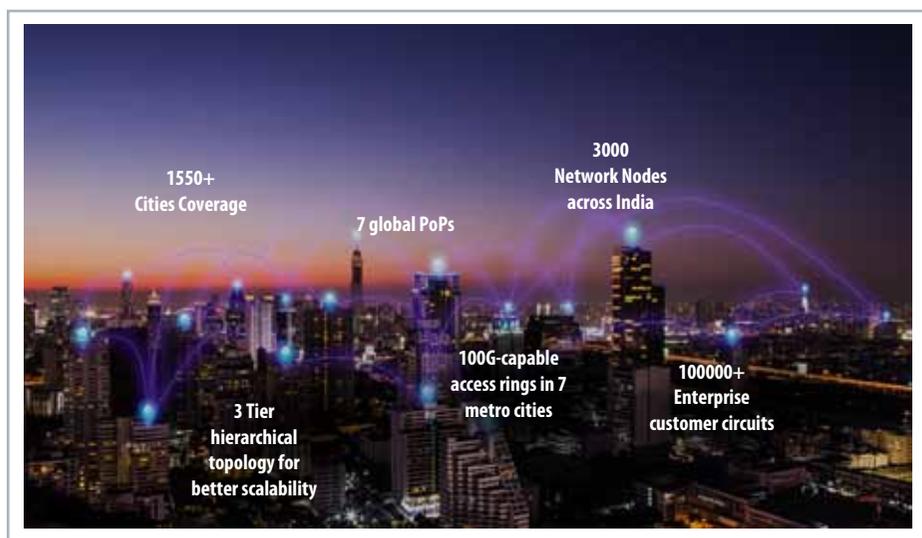
With Sify, services don't just stop with Domestic and International Data and Wholesale Voice.



## India footprint

While connectivity within India is a given, Sify's focus today is to build hyperscale networks, starting with the metro cities. These enable faster, secure and reliable connectivity between the client's offshore location and his premises.

This hyper scale network also connects our Data Centers and our Cable landing station, enabling seamless cloud connectivity for clients both within and outside the country.



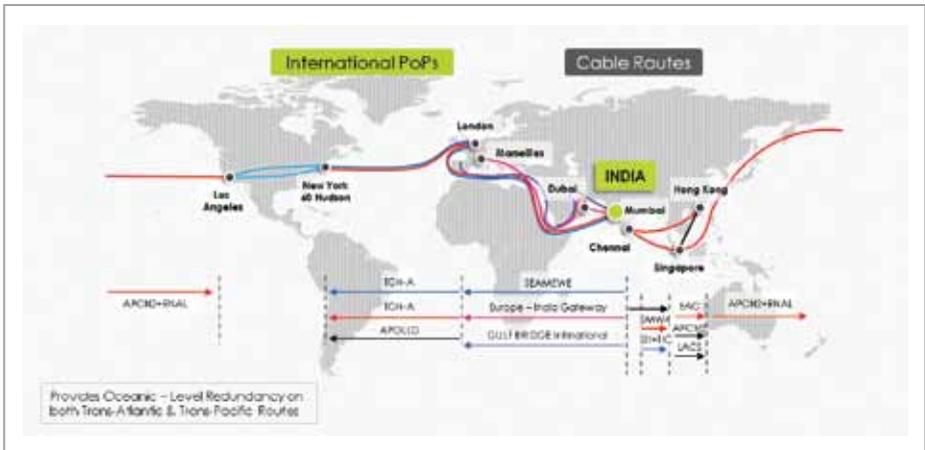


# business activities

## Open cable landing station

Previously, telecom interconnectivity into India came with an exorbitant price tag as the access to interconnects was monopolized by the traditional telecom players with their cable landing stations.

When Sify launched its Open cable landing station, it helped lower the entry barrier by helping connect other Telcos, Enterprises, OTT players etc. This also enabled expanding the available Bandwidth capacity within the country. Today, Sify, both as an investor and as an accessibility provider enables connectivity on both Pacific and Atlantic sides through multiple level partnerships.



## Internet of Things (IoT)

In a world where organizations need to evolve rapidly in keeping with the dynamics of the business world, their communication networks need to keep pace with these changes in technology, both from a bandwidth and latency

point. Sify is putting in place the metro network rings with the capacity to scale up to 100G that will support the whole spectrum of connectivity solutions for the emerging domain of IoT.

## Enterprise Managed services

With two decades of learning behind us, the telecom business is now moving up the value chain by building the full stack of Managed Services for Enterprises who want to migrate their legacy networks to new age software-defined networks. This, in combination with the chain of DC and hyper-scale networks, is an appealing proposition for any client who wishes to offshore their Telecom and IT services.

## AMS-IX India

AMS-IX India is a collaboration between Sify and the European based AMS-IX. Customers will be able to connect to the IX via dedicated ports with speeds of (multiple) 1Gbps or 10Gbps. AMS-IX India will serve as a neutral and independent peering platform with unrivalled quality offering both private and public peering services at carrier-grade level to Internet Service Providers (ISPs), Internet Content Providers (ICPs), and Telecom operators. By connecting to the exchange, content providers and eyeball networks are able to exchange their internet traffic and benefit from reduced latency and costs.



# business activities

## 2. Data Center services

Sify, is one of the few home-grown Data Center major with a clear understanding of the ground realities of the business. We commissioned our first Data Center on 08th September, 2000 when the concept of Concurrently Maintainable was still nascent. Sify introduced to the Indian Enterprises measurable quadrants like power derived workloads, rack efficiency and optimal partitioning between hard and virtual storage. In the 17 years that we have offered the Data Center services, we have been called upon to draw up the Data Center blue prints for several of our recurring customers.



Right from our first Data Center in Vashi, Mumbai in 2000, we have invested in top of the line technologies across all our networks with every new Data Center taking the game forward. The Sify SDA 4.0 is an architectural framework IP that has found acceptance in the several Data Centers that we have built for our customers.

These DCs also offer a multitude of Value Added services over the traditional notion of basic co-location and Opex driven storage solutions. With more than 2 Lakhs square feet coverage today including the new Data Centers, we are among the largest to offer Data Center space in the Indian market.

We operate 6 Concurrently Maintainable Data Centers of which three are located in Mumbai (Bombay) and one each at Noida (UP), Chennai (Madras) and Bengaluru, which are designed to act as reliable, secure and scalable facilities to host mission-critical applications. We offer co-location services which allow customers to bring in their own rack-mountable servers and house them in shared racks or hire complete racks, and even 'secure cages' at the hosting facility as per their application requirements. We also offer a wide variety of managed hosting services, such as storage, back-up and restoration, performance monitoring and reporting, hardware and software procurement and network configuration.

Across all its Data Centers, Sify offers the following world-class services:

- Rack space- half rack and full rack
- Caged enclosures with access control system
- Dedicated CCTV cameras
- Cross-connect services
- Rack cabling - power and network
- Dedicated seating space
- Static Transfer Switch
- Internet connectivity at the DC- fixed bandwidth or data transfer model
- Fireproof vaulting & off-site tape movement services
- Asset migration
- Managed services
- Managed shared firewall services
- Tape backup services
- Remote hands support
- FortKnox™ services - Security services suite
- Private connectivity to national and international Internet exchanges and multiple Public Cloud environments (Specific to DC's)

# business activities



## 3. Cloud & Managed services

The last few years saw the emergence of Cloud or virtual infrastructure as a tangible product offering. Several Emerging Enterprises saw the benefits of subscribing to services as-you-go as against investing in Capex - driven infrastructure. The advent of this business was the quality of high class networks and promise to remotely manage your infra, immaterial of where it was connected from and plugging into it when the enterprises choses to. This eliminated the need for cumbersome DC monitoring and the associated cost of ownership.

Sify's Data Center Transformation Services helps you create a technology operating environment that drives productivity, agility and innovation. It's not only about improving infrastructure or performance but additionally about re-aligning outcomes to support business growth in a rapidly changing world with evolving customer expectations. Key attributes of a successful data center transformation recast enterprise IT as more competitive, efficient, agile and cost-effective.

Sify's Data Center Services (DCS) offers industry specific solutions keeping application and technology landscape as center point for respective verticals and builds business outcome focused techno-commercial models helping customers aligned IT with business objectives. Sify's focus in digitally driven world is to help customers move on cloud strategy as the foundation for digital business models, and our DCS services portfolio helps customers evolve new normal of end to end cloud & managed services.







## business activities

In order to offer the best-of-breed solutions, we chose to partner with the leaders in the businesses like HP and VMware. Our cloud hosting services are also SAP Gold certified giving the much needed SLAs to our customers about the quality of our offerings.

Our on-demand hosting (cloud) services offers end-customers with the best in class solutions to Enterprises. We have joined the global program of two world majors and offer their suite of on-demand cloud services giving them the option to “rent” software licenses on a monthly “pay as you go” basis. This model is aimed at helping Indian companies, both large and small, to safely tap computing capacity inside and outside their firewalls to help ensure quality of service for any application they choose to operate.

Our Remote and Onsite Infrastructure Managed services provides continuous proactive management and support of customer operating systems, applications and database layers through deploying specialized monitoring tools and infrastructure experts to ensure that our customers’ infrastructure is performing optimally. We encourage our customers to subscribe for service catalog-based IT delivery model over traditional deliverable based models to get business outcome delivered than just SLAs. Our Center of Innovation practice keep advising our customers on the future technology roadmap and how technology transformation can help deliver better services to end customers.

Our innovative SLA driven utility-based On-Demand storage service manages the complete lifecycle of enterprise information, from its inception to its final disposal. The fully managed, utility based, On-Demand, scalable storage platform is powered by global major in Data Systems. Sify’s On-Demand storage service reduces the complexities of deploying and managing multiple storage tiers and lowers operational costs by automating management with flexible need-based pricing.

Our flexible payment options include no upfront costs and instead accrue charges based on component deployed, per-transaction, per-usage or

per-business outcome. Sify does not hesitate to innovate on commercial models specific to customer and their business-aligned IT strategy.

## 4. Applications Integration services

When Sify began its foray into the Enterprise space, a large part of its services were offered off the infrastructure platforms of Network and Data Centre with a growing interest in the Cloud services.

As Cloud moves to the core of everything in IT, we have incubated a business around Enterprise Application and Platform Services around Industry Standard products like Microsoft, SAP and Oracle. For an incoming Enterprise, this assuages his comfort of dealing with Platforms that he was comfortable with in his home country.

Sify today offers a complete bouquet of services around these products including Cloud Infra Services (e.g. SAP Private Cloud, Oracle Exadata as a Service, and Microsoft Azure & Azure Stack), their Implementation and Migration Services around these Applications and Platforms and Infrastructure and Application Managed Services. Prior to these partnership with industry majors, Sify had built a credible suite of home-grown applications like iTest, Forum and Beacon. Today these applications have begun to see a renewed interest flamed largely by the country's automation ambition.

In doing so, it was Sify's resolve to offer a complete set of services coupled with our other business lines around Network, Data Centre and Integration Services.

## 5. Technology Integration services

The nearly two decades spent maturing into India's premier ICT player has led to building an enviable knowledge bank of integrating, monitoring, maintaining and upgrading every facet of service as demanded by a quickly converging market.

Sify offers turnkey solutions to clients who are new to both technology and technology refreshes. We do this by leveraging our homegrown expertise in design, implementation and maintenance to deliver end-to-end managed IT services across Data Center, network and security.

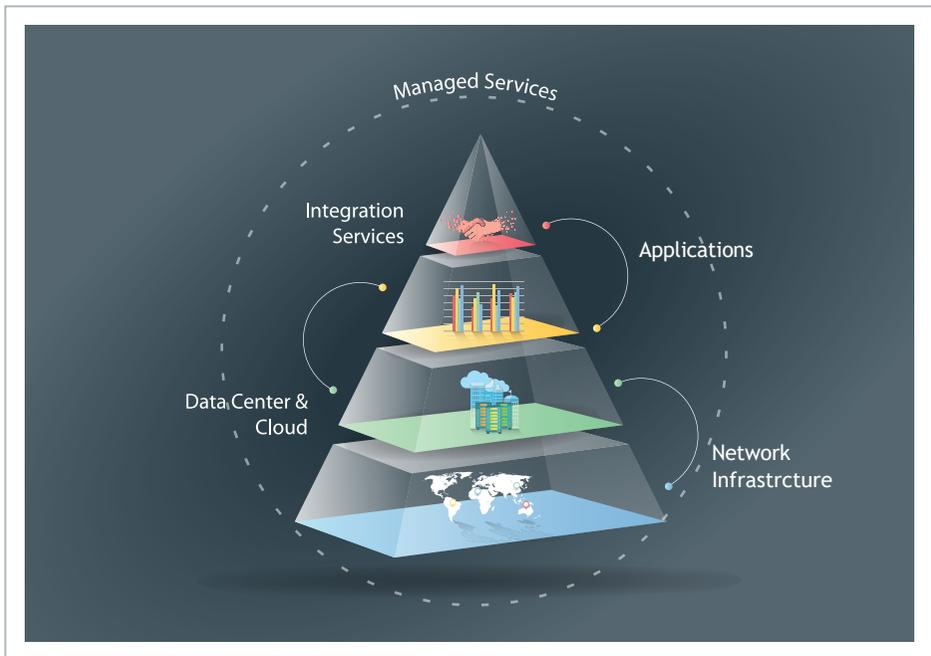


# business activities

As described, this business takes the knowledge developed from building Network architecture, Unified Communication and Access, Collaborative tools, Data Center build, Virtualization, LAN and WAN Architecture and End Point Security and offers them as a complete solution package to customers.

This business is also responsible for Sify being part of the biggest deals in ground-up technology refreshes for some of India's prominent private and Government clients.

An effective illustration effectively describing our model of services is as below.





# business strategy

## Strategy

Our continuous growth is a direct outcome linked with our well-planned strategy. Our strategies include but are not limited to the following:

- Invest in newer more efficient technologies.
- Expand sales distribution channels through strategic alliances to take advantage of sales and marketing capabilities of strategic partners.
- Pursue selective strategic investments and acquisitions.
- Build custom turnkey IoT solutions for businesses to let enterprises choose IoT as a managed cloud service.
- Guide businesses to understand and design effective training, aligned to business outcomes and learning objectives.
- Bring in a Vertical strategy to bundle products and solutions to cater to the unique needs of industry verticals.
- Expand into international markets for managed network services.

## India

- Expand footprint in India through network and data center - gain market share by expanding awareness of the Sify brand name.
- Strengthen end-to-end services for ICT and remain the only comprehensive service provider in India.

## USA

- Expand into USA by offering managed services for Cloud customers.
- Offer third party application services to prospective customers entering India.

# business strategy



## Europe

- Expand our footprint in Europe by specifically catering to the managed services market and simultaneously feeding the growing Voice interconnect market.

## Future focus

57% of Indian enterprises have adopted public cloud and 50% hybrid cloud. The Government of India has empanelled 11 Cloud Service Providers for Cloud adoption by the government services. This goes to prove that Cloud is here to stay. This has also necessitated a relook at the platform and delivery mechanisms at the service providers' end. And a unanimous consensus is that Cloud will become Core to everything.

As an early mover on the Cloud, we are at an advantage to build multiple iterations of the cloud and also along Business Vertical lines. A few examples are those that are being rolled out for the banking, insurance, health and eCommerce industry.

While a good part of the Cloud iteration rests on the homegrown Cloudinfinite platform, there are also those that are offered as 3rd party services like AWS and Azure migration and management platform and even instance-based usage for applications like SAP, Oracle, O365 etc. In order to better promote these offerings, detailed marketing materials are being rolled out into the market that clearly elucidate the unique selling propositions of Sify's services with Cloud@Core.

Eventually, Sify sees a considerable workload across Platforms, Applications, Solutions and even Security being offered and serviced off the cloud. And that will be the thrust in the years to come.



# outcomes

## i. Returns to shareholders

We have been successful in generating profits in last few years and thus providing increasing return on equity to our shareholders. The return on equity has increased to 10.7% during current year compared to 8.2% during previous year. The Company has distributed dividend of Rs. 1.2 per share during the previous year. Further, the Board has recommended a dividend of Rs. 1.2 per share for financial year 2017-18.

## ii. Rewards and recognition

Sify appreciates and recognizes enduring commitment and service of its associates and confers service awards to those associates who complete specific years with the company.

Excellence awards for performance are awarded to deserving associates who by their sheer passion, commitment and excellence have contributed to Sify's growth and success.

## iii. Customer satisfaction

The success of our business depends largely on on-time delivery and in-line with the SLAs defined. The continuous growth in our customer base and revenues clearly indicate that we enjoy a fair amount of customer goodwill. Our range of services and knowledge practises allow us to cater to every section of the customer base across multiple price points.

## iv. Brand value

A brand is distinguished by the value it creates in the lives of the consumers. When Sify first started commercial operations, the guiding factor was to enable the internet for the common man. This endeavor found resonance with the public who identified Sify with all things concerning the internet. Along the way, we were able to quickly bring to the market multiple services all revolving around the internet that greatly enhances the quality of the consumer experience.

## outcomes



This is a reputation that Sify zealously guards by expanding both the scope and the scheme of its services. Today, Sify sits at the pinnacle of a rooster of ICT services, all organically grown from our first business of connectivity and yet revolves in one form or the other around the Internet.

The ethos of brand Sify is to 'Enable'.

Whether in business or in our social commitments, 'Keeping you ahead' is a simple but profound way to give back. This guides every single step we have taken to date. A deeper dive will show a societal contribution as an outcome of that action. The tonality of the brand has only been to state the facts, never brag. The rest is left to the audience to assimilate.

Even the online persona of the brand states the service upfront and gives evidence in the voice of the customers; never once stating beyond the obvious. The new avatar of the website best exemplifies this, the language of speaking with visuals. The highly responsive website is completely search engine compatible and keyword graded.

### v. Employment opportunities

With the continuous growth in our business, there has been resultant growth in employment opportunities being created. A total of 2,608 associates were employed as on March 31, 2018 compared to 2,318 associates as on March 31, 2017. This amounts to an increase of 13% compared to previous year.

Function-wise, 127 are dedicated to administrative, 473 form our sales and marketing, 32 are in product and content development, 1904 are dedicated to technology and technical support and 72 are in business process and customer care.

### vi. Support to ICT industry

As of March 31, 2018, we serve over 8,500 corporate customers; across multiple verticals. We render services across all industry segments such as automotive, banking and finance, governments, manufacturing, healthcare,

retail & consumer, and telecom. As part of the nation building process, we take part in all the opportunities offered by the government sector (both State and Central) and have successfully completed many projects.

There has been a shift in our revenue contribution from the two business units. Data Center centric IT services now contributes 52% of revenues while Telecom centric services contributes 48%. Individually, Data Center business contributes about 12%, Cloud and Managed Services 5%, Applications Integration services 19% and Technology Integration services 16%.

## vii. Competitive advantage

With our converged ICT ecosystem and 'bring it on' attitude we provide competitive advantage to our customers. Competitive advantage is the strategic advantage business/individual entity has over its rival entities within its competitive industry. The strategic advantage can be on cost, technology, people or time.

## viii. Growth of suppliers

In the close to two decades of our growth, there are a number of vendors and suppliers, both technical and otherwise, who give credit to their growth to Sify. With time, we have seen many of them have grown from fledging companies to organisations of repute. As a brand, this is telling commentary on successfully growing an efficient ecosystem.

## ix. Positive social impact

Our contribution to society is essential for sustainability of our business operations. We have created a positive social impact through our CSR activities. During the year, Company has contributed Rs 96 lakhs on CSR activities compared to Rs 84 lakhs spent during previous year.

## x. Lower environmental impact

We have been consistently focusing on reducing the impact of our operations on the environment. Use of green technology in our Noida Data Center, utilisation of solar energy and wind energy for our towers and Data Centers are instances of our efforts in reducing impact on environment.



## risks and opportunities

### **i. The economic environment, increased pricing pressure and decreased utilization rates could negatively impact our revenues and operating results.**

Spending on technology products and services has seen fluctuations in the recent past as a result of the global economic slowdown. Factors such as the pace of recovery, management of large government deficits, sovereign ratings of government bonds, which we believe remains challenging in many countries and may continue to be challenging in the near future, or any slowdown in global IT spending may adversely affect our revenue growth, due to the markets in which our clients operate. Global economic performance also has a bearing on our Infrastructure and e-Learning businesses. Currency fluctuations will also lead to variations in revenue. The Infrastructure Managed Services, International Long Distance ('ILD') business and eLearning may be affected on the back of fluctuating prices.

With regard to the Indian economy, we continue to experience pricing pressure due to competition in the markets in which we operate. Lead times for orders or contracts have become much longer, as we have longer credit periods. These factors have affected and will affect the growth in demand for our Enterprise business. Our business may not be compatible with delivery methods of internet access services developed in the future and we will have to continue investing in the future. Our utilization rates of the existing and prospective infrastructure will determine our profitability. We may not utilize our infrastructure at the optimum level which would impact our revenue.

Reduction in IT spending, inability to maintain or increase prices, extended credit terms and inability to maintain or improve utilization rates of our infrastructure may adversely impact our revenues, gross profits, operating margins and results of operations.

### Mitigating strategy

We are adopting measures in order to ensure that we offer services at competitive prices to our customers. Regular budgets are prepared and the same is compared with actual performance. Adequate measures are taken to ensure tighter control on expenses and build infrastructure in cost effective manner with innovation in design and operations management.

### ii. Currency fluctuations may affect the results of our operations or the value of our ADR.

The exchange rate between the Indian rupee and the U.S. dollar has changed significantly in recent years and may continue to fluctuate substantially in the future. We have receivables and payables in foreign currency. Exchange rate fluctuations may adversely affect our cash flows arising on account of settlement of these balances.

### Mitigating strategy

We use derivative financial instruments, such as foreign exchange forward and option contracts, to hedge the risk of changes in foreign exchange rates on receivables and payables.

### iii. Intense competition in our businesses could prevent us from improving our profitability.

A significant number of competitors have entered India's Internet service provider industry. The large players may enjoy significant competitive advantages over us, including greater financial resources, which could allow them to charge prices that are lower than ours in order to attract customers.

### Mitigating strategy

We have maintained sound relationship with our customers by delivering quality services on a timely basis. We have been continuously monitoring our costs with budgets. This enables us to maintain competitive prices for our products and services.

## outlook



### **iv. Procuring power at lower costs for data centers by the competitors may put us at a disadvantage in terms of pricing for our data center operations.**

The single largest operating cost in Data Centers is power. Currently all Data Centers are located in proximity to or at the edge of major urban centers such as Mumbai, Chennai, Bengaluru and Noida. Inexpensive land and labor allow companies to locate new Data Centers in remote locations. We may neither be in a position to develop Data Centers at remote locations where power is cheap nor procure power at cheaper rates for our Data Centers. If our competitors procure power at lower cost, they may have an advantage over us with respect to pricing. Our inability to offer competitive pricing may result in loss of customers and will impact our business and result of operations.

#### **Mitigating strategy**

Power is the critical billing factor in data centers. Since this will increase with time we are adopting measures to reduce our dependency on power by adopting alternate sources like renewable power from Wind, Solar and Water.

### **v. Our business may not be compatible with delivery methods of internet access services developed in the future.**

We face the risk that fundamental changes may occur in the delivery of Internet access services in India. The Internet market has seen significant changes in the recent past from connecting fixed locations to connecting Mobile devices and now connecting ‘things’ of late. To continue to be relevant in this dynamic and disruptive environment, we have to develop new technology or modify our existing technology. Our pursuit of these technological advances, whether directly through internal development or

with third party licenses may require substantial investment in capital and time. We may be unable to adapt our Internet services business to alternate delivery means and new technology might not be available to us at all.

### Mitigating strategy

We have recruited professionals from all fields having strong technical background and specialized knowledge. Necessary training programs are conducted on regular basis for our associates so as keep them updated with knowledge about latest technologies and to overcome any challenges arising on account of technological advancement.





## India opportunities

With opportunities in new technology areas, such as internet of things (IoT), artificial intelligence (IA) and movement from 4G to 5G and 6G, the Indian telecom sector is poised for rapid growth.

According to a report prepared by GSM Association (GSMA) in collaboration with the Boston Consulting Group (BCG), the country is the fourth largest app economy in the world. As the world's second-largest telecommunications market with a subscriber base of 1.05 billion, the Indian mobile economy is expected to contribute substantially to India's GDP.

Some of the things catching pace in 2018 would be the government's plan to provide wifi facility to 550,000 villages by March 2019 at an estimated cost of Rs. 3,700 crore. 2018 would also throw up numbers on governments' allocation of Rs. 10,000 crore for roll-out of optical fibre-based broadband network across 150,000 cumulative gram panchayats and Rs. 3,000 crore for laying optical fibre cable and procuring equipment for the Network For Spectrum (NFS) project for FY18.

According to the Department of Telecommunications, India has also set up a high level "5G India 2020 Forum" with the primary objective of early deployment of 5G in India and a globally competitive product development and manufacturing ecosystem targeting 50% of the Indian market and 10 % of the global market over the next 5-7 years.

The Government also plans to auction the 5G spectrum in bands like 3,300 MHz and 3,400 MHz to promote initiatives like Internet of Things (IoT), machine-to-machine communications, instant high definition video transfer as well as its Smart Cities initiative. It has launched a phased manufacturing programme (PMP) aimed at adding more smartphone components under the Make in India initiative thereby giving a push to the domestic manufacturing of mobile handsets.

It is expected as these initiatives take shape and the mobile players find stable ground, the year 2018 could be the much-awaited period of profitable growth for the industry!

According to 451 Research Market Monitor, the cloud computing-as-a-service market will grow at a CAGR of 25% over the next four years as digital transformation takes hold in India and more businesses start outsourcing their IT infrastructure.

The cloud computing market in India, comprising IaaS, PaaS and SaaS, will reach \$1.02 billion revenue by 2021.

Hyperscale cloud and IT services providers are looking to reach India's potential market of customers are further driving demand for multi-tenant Data CenterData Center capacity in the country.

84% of India's Data CenterData Center supply is today concentrated in five markets: Mumbai, Chennai, New Delhi, Bangalore and Pune. Almost one-third of all built-out footprint in the country is located in Mumbai, due to the critical role the city plays in Asia-Pacific's financial services industry, its large population and multiple international subsea cable landings.

Most providers already offer a range of managed services and many have even launched their own public and private cloud platforms. Local companies such as Netmagic Solutions, NxtGen and Reliance Communications have resulted in partnerships and acquisitions involving global players including ST Telemedia and NTT Communications.

Providers in Mumbai are adding space to satisfy the requirements of global hyperscalers that are moving their operations closer to the city's 21 million residents.

451 Research expects this demand from hyperscale cloud services providers to result in another year of solid growth in 2018, even with intensifying competition and rising land and power costs.





## competition and our market standing

Viewed from an industry perspective, Sify is India's only enabler for both Telecom and IT players alike. Our uniqueness stems from offering the largest MPLS for any company looking for connectivity, an industry leading coLocation and Cloud services, a significant System Integration service and a growing knowledge practice.

From a connectivity angle, all the big Telecom companies like Bharti, BSNL, Reliance and TCL will qualify as competition.

On the Data Center front, our advantage is an industry leading 99.984% uptime and 47MWA of power across 6 Concurrently Maintainable DCs. Currently these DCs accommodate both coLocation and cloud services. And in time, we see the demand for Cloud services increasing.

The strength of the business can be gauged by the fact that the Sify Data Center Architecture Ver4.0 (SDA 4.0) has found a market in the 15 DCs that we built for other clients, including 6 State governments.

Competition is from players like Netmagic (now owned by NTT), CtrlS, Reliance Communication and Nxtra Data.

On the Cloud and Managed Services, the advantage we hold is the unique self-sustaining portal for Cloud space, cloudinfinite, that a potential customer can log in to and choose his consumption pattern and pay as he grows. Peer group has players like Amazon Web Services and IBM.

Applications Integration Services offers a unique blend of home grown and Industry standard applications. This makes us both collaborator and

competitor for several players like SAP, Oracle and Microsoft while being on par with Industry legacy giants like TCS and Wipro.

Technology Integration Services is quite unique in its capability and hence rather thin in competition. It's Sify being a ground-up System integrator and a Digital transformation evangelist. An example of competition would be born-again system integrators like Wipro who don't have the advantage of a network like we do.





# chapter 4

team ■



## Board of Directors

The Board of Directors functions as the supervisory and controlling body for the company. The Board with its exclusive jurisdiction over policies and strategies of the company guides and leads the company in every phase.

### Raju Vegesna

Chairman and Managing Director

Mr. Raju Vegesna is a serial technology entrepreneur with a multi-decade series of successes. Before he took over as Chairman and Managing Director of Sify, he was the founder and CEO of ServerEngines, an industry leader in network and storage convergence products that grew rapidly from its inception in 2003 to its acquisition by Emulex in 2010. Mr. Vegesna then served as Chief Strategist for Emulex, responsible for the company's strategic direction and evangelizing the adoption of Emulex products to key customers and partners.



Mr. Vegesna currently serves as the Chairman and Managing Director of Sify Technologies Limited, after having purchased a majority stake in 2005. Prior to ServerEngines, Mr. Vegesna founded ServerWorks Corporation in 1994. He led the company which became the world leader in computer chipsets, commanding a 90% market share in the x86 server chipset market. ServerWorks was acquired by Broadcom Corporation for US\$1.8 billion in 2001. Before ServerWorks, Mr. Vegesna co-founded and served as chief architect of Ross Technology Inc., spearheading the creation of the HyperSparc processor, a CPU used by Sun Microsystems to create its first multiprocessor computer servers.

Before joining Ross Technology, Mr. Vegesna worked as an engineer for Motorola, where he created the microcode for Motorola's 68030 processor and the specification for the 68040 microprocessor.

He received a master's degree in computer engineering from Wayne State University and a bachelor's degree in electronics engineering from Bangalore University. Mr. Vegesna holds several patents on microprocessors and multiprocessor technologies. The Raju Vegesna Foundation funds programs to address the availability of clean water and education for communities in need.

## Ananda Raju Vegesna

Executive Director

Mr. Ananda Raju Vegesna has been the Executive Director of Sify from June 2007.

He is also the Director of Infinity Satcom Universal Private Limited and Director of Village Inns (India) Limited, Raju Vegesna Infotech & Industries Limited, Raju Vegesna Developers Private Limited and Ramanand Core Investment Company Private Limited.



## Vegesna Bala Saraswathi

Director



Mrs. Bala Saraswathi Vegesna served as Finance Controller of ServerWorks Corporation and is presently the Director of the Raju Vegesna foundation. Today, she guides the foundation in its multiple welfare activities, both in India and the U.S.

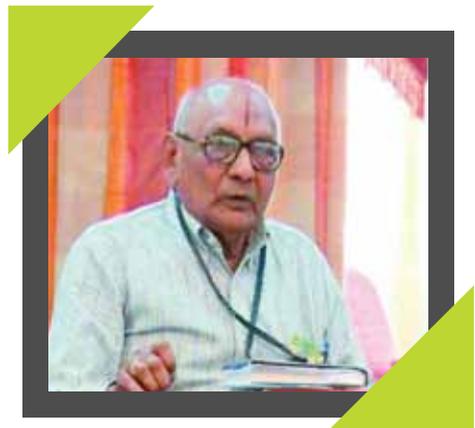
Mrs. Bala is a nominee of M/s Infinity Capital Ventures LP (Infinity), USA on the Board

## Padma Shri Dr. T H Chowdary

Director

Padma Shri Dr. Chowdary runs the Secunderabad-based Center for Telecommunication Management and Studies. His years of service with the government established him as a consummate advisor and mentor for new age industries.

He was awarded the Padma Shri, the fourth highest civilian award in India, by the Government.



From 1989-1993, he was the Chairman of the Bharatiya Vidya Bhavan (the Indian Institute of Culture) Hyderabad, establishing and managing eight public schools in the States of Andhra Pradesh and Karnataka. He was also previously on the Governing Body of the University College of Engineering,

Osmania University and served as member of the Governing Board of the American Studies Research Center (ASRC), Hyderabad.

Mr. Chowdary is a senior member of the IEEE, New York, Fellow of the Institution of Engineers in India, Distinguished Fellow of the Institute of Electronics & Telecom Engineers in India and was a past President of IETE in India. An active philanthropist and community leader, he is the Chairman of Pragna Bharati, an association of national intellectuals that publishes articles on different topics in vernacular dailies and periodicals.

## Dr. Siripurapu Kesava Rao

Director

A career bureaucrat, Dr. S. K. Rao was Director General of the Administrative Staff College of India (ASCI), a management training institution for in-service administrators and managers in public and private sectors. Previously, he served as an economic adviser to the Ministry of Commerce in New Delhi.



For over two decades, Mr. Rao served in the Economic Affairs Division at the Commonwealth Secretariat in London in various diplomatic capacities before becoming Director of the Strategic Planning and Evaluation Division. He currently serves on the governing bodies of the National Institute of Public Finance, New Delhi and the National Police Academy, Hyderabad, India. He has been a Director on the Board of Sify from 2005.

## C B Mouli

Director



Mr. C B Mouli is an expert in taxation and corporate law. He currently chairs the Audit committee for Sify in addition to his duties as Director.

Mr. Mouli is a member of the Institute of Chartered Accountants of India and also holds a Bachelor of Law Degree. He is a partner of C.B. Mouli & Associates, a Chartered Accountants firm. He is also a Director on the Board of Ammana Bio Pharma Limited and Ammana Equity Fund Private Limited.

## C E S Azariah

Director

Mr. C E S Azariah rose through the ranks of India's oldest banking institution, the State bank of India, before retiring as Chief General Manager. He then joined the Fixed Income, Money Markets & Derivatives Association of India (FIMMDA) as CEO. At FIMMDA, he was a member of the High Power Committee on Corporate Bonds and Securitization (R.H.Patil Committee).



He set up the Corporate Bond Trade Reporting Platform and drafted "FIMMDA's Code of Conduct" which has since been mandatorily used by all market participants.



# committees of Board of Directors

Our Board has constituted various committees as below:

## 1. Audit committee

Our Audit Committee comprises three independent directors; Mr C B Mouli, Dr S K Rao and Mr C E S Azariah as determined under the applicable NASDAQ rules and Indian Companies Act, 2013.

The Audit Committee has a charter which sets out its responsibilities. The primary objective of the Audit Committee is to monitor and provide effective supervision of our financial reporting process with a view towards ensuring accurate, timely and proper disclosures and the transparency, integrity and quality of financial reporting. Our audit committee oversees the work carried out in the financial reporting process by our management, including the internal auditors and the independent auditor and reviews the processes and safeguards employed by each. In addition, our audit committee has the responsibility of oversight and supervision over our system of internal controls over financial reporting, audit process and process for monitoring the compliance with related laws and regulations.

The Audit Committee recommends to our Board the appointment of our independent auditors and approves the scope of both audit and non-audit services. All members of the Audit Committee meet the independence requirements and majority of them meet financial literacy requirements as defined by applicable NASDAQ and SEC rules.

## 2. Compensation committee

Our Compensation Committee consists of four Directors, Mr Ananda Raju Vegesna - Executive Director, Padma Shri Dr T H Chowdary, Dr S K Rao and Mr C E S Azariah as determined under applicable NASDAQ rules.

The Compensation Committee has a charter which sets out its responsibilities. The Compensation Committee determines the salaries, benefits and stock option grants for our employees, consultants, directors and other individuals

compensated by our Company. It also administers our compensation plans.

The Company has also formed “Nomination and Remuneration Committee” in accordance with the Companies Act. It consists of four Directors, Mr Ananda Raju Vegesna, Padma Shri Dr T H Chowdary, Dr S K Rao and Mr C E S Azariah.

### 3. Corporate social responsibility committee

Section 135 of the Indian Companies Act, 2013, requires the company to spend 2% of the average net profits from the three preceding financial years towards Corporate Social Responsibility (CSR) activities. For this purpose, the Board has constituted the Corporate Social Responsibility Committee (CSR).

The CSR Committee of the board consists of Mr Raju Vegesna, Mr Ananda Raju Vegesna and Mr C E S Azariah. The purpose of the CSR Committee is to monitor the implementation of the CSR projects, programs and activities undertaken by the Company.

The Committee submits its report to the Board and the Board reports the same in its report to the shareholders annually.

### 4. Nominating committee

The Nominating Committee of the Board consists exclusively of the following non-executive, independent directors as determined under applicable NASDAQ rules: Dr T H Chowdary, Dr S K Rao and Mr C E S Azariah.

The purpose of our Nominating Committee is to oversee our nomination process for our top level management and specifically to identify, screen and review individuals qualified to serve as our Executive Directors, Non-Executive Directors and Independent Directors consistent with criteria approved by our Board and to recommend, for approval by our Board, nominees for election at our annual general meeting of shareholders. The actions of the Nominating Committee is guided by a charter which sets out its responsibilities.



## management team



### Raju Vegesna

Chairman and  
Managing Director

Mr. Vegesna is a well-documented techno-entrepreneur with a series of successful start-ups behind him. He brings the same efficacy, sense of purpose and deep understanding of the Indian market to his role as Chairman.

He was instrumental in reorienting Sify towards the then nascent Enterprise market in India. The current success of Sify is a testimony to his foresight and alacrity and his investment of both capital and intellect shows his firm commitment to the cause of Sify and his ambition in making it the ICT leader in India.



## David Nishball

Chief Strategy Officer

Mr. David Nishball is one of the leading experts in building and managing Enterprise telecom operations in the Asia Pacific Region, having led the Enterprise segment for a number of global

operators, joint venture companies and emerging market operators.

He brings close to three decades of experience spanning various roles and functions in the telecommunications industry, more than two decades of which is in the Asia Pacific Region.

Prior to Sify, David was President of Airtel Enterprise Services from 2007-2010.

## Kamal Nath

Chief Executive Officer



Mr. Kamal Nath serves as the Chief Executive Officer of Sify Technologies Limited India operations since August 2012. He is a Graduate in Electronics and Communications from BIT, Sindri.

Prior to joining Sify, Kamal Nath had a 17-year tenure at HCL Tech, where he led various transformational engagements with large enterprises, incubated new business services, created innovative business models, and developed new and high-growth vertical customer segments.

He was a founding member of HCL Comnet Ltd, the infrastructure services division of HCL Tech. A seasoned industry veteran, he has in-depth knowledge of systems integration, IT infrastructure management, technology integration and strategic outsourcing services.



## M P Vijay Kumar

Chief Financial Officer

Mr. M P Vijay Kumar serves as Chief Financial Officer since October 2007 and has over two decades of experience in corporate audits, financial/management consulting, legal advisory services, management audit and investment banking.

He is a Chartered Accountant and a Fellow Member of the Institute of Chartered Accountants of India (ICAI), Fellow Member of the Institute of Company Secretaries of India and Associate member of the Institute of Cost and Works Accountants of India.

He was a partner for over seven years with Yoganandh & Ram, an established chartered accountants firm. Prior to joining Yoganandh & Ram, he was employed with Sundaram Finance Services Ltd, Chennai, the Investment Banking arm of Sundaram Finance Limited. The firm provides a wide range of financial services. His responsibilities there included Head of investment banking, finance, accounts and he served as Company Secretary.



## C R Rao

Chief Operating Officer

Mr. C R Rao is a Graduate in Commerce and Law and also holds an MBA. He comes with an overall experience of close to 3 decades in Strategic Planning and Operations Management.

Prior to joining Sify, he was with GSA Lufthansa as Vice President, responsible for Tamil Nadu and Andhra Pradesh.



## Mark Ryder

Managing Director - Europe

Mr. Mark Ryder joined us in January 2017 as Managing Director-European Operations to spearhead Sify's expansion plans focusing on supporting European businesses.

He brings a wealth of experience from a strong background in IT and Telecommunications in companies such as Verizon and Level 3. He also helped build European start-ups Colt and Zayo (formerly Geo). Mark has over two decades of leadership experience across Wholesale, Enterprise, Public sector and Channel markets.

He is mandated with building the European business to help Sify realize its ambition to be a global ICT services company.



## our vision, mission & values

### our vision

“We are building a world in which our converged ICT ecosystem and our bring-it-on attitude will be the competitive advantage to our customers”

### our mission

- Seed Entrepreneurial abilities within the organization
- Build convergence technologies
- Deliver cost-effective solutions

### our values

At Sify, our values which we call the Sify Way, drive our Organizational behavior.

Sify Way is constituted by the following 7 values:

- Put customer needs first
- Be accountable
- Treat others with dignity
- Be action oriented
- Have the courage to confront issues
- Always remember that you are part of the Sify team
- Protect Sify's interest always

## about the cover



*We believe in the power of LESS - less hardware, less licenses and less people. Cloud@Core makes this possible. Cloud@Core is not only a technological advancement; it's a cultural shift towards Business Transformation.*

*Sify's Cloud@Core proposition is built on over two decades of enabling digital transformation of enterprises across industries. Sify's Hybrid IT solutions paves the way for emerging technologies like Big Data Analytics, RPA, BlockChain, Artificial Intelligence, Internet of Things (IoT), Augmented Reality (AR) to foster pursuing innovation with the building blocks of Network, Security and Cloud.*

*Our Cloud@Core offerings are spread across Gartner's Cloud spectrum - Cloud Enabling, Cloud Inspired, Cloud Pure and Cloud Enhanced, each bringing in a unique business advantage.*

**sify** ■ keeping you ahead

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