digital@core

Sify Technologies Limited

Annual Report 2021-22

At Sify, we design and deliver customized solutions that catalyze digital transformation to help businesses operate efficiently and seamlessly.

Because we have envisioned and proactively prepared for their tomorrow's needs, today. Making sure that we are ready to deliver the moment they need it.

FY22 Highlights

Our cloud@core strategy has delivered interesting results

FINANCIAL

Revenue	EBITDA	Profit after Tax
INR **2,70,257** Lakh	INR **60,400** Lakh	INR **12,725** Lakh
11% growth	19% growth	

ENVIRONMENT

Energy Consumption	Water Consumption	Waste Recycled
37.12 Lakh kWh	**170,962** kl	**8,445** kgs
		E-waste disposed responsibly

SOCIAL

Total Training Hours	CSR Spend	Total Customers
53,832	INR **286** Lakh	**5,500+**

Chairman's statement

"IN TODAY'S WORLD, DIGITAL TRANSFORMATION IS NOT JUST A BUZZWORD. IT'S THE KEY WORD FOR SUSTAINABILITY."

CEO's statement

"I ENVISION THAT THE DECADE OF THE 20s WILL BE LARGELY SHAPED BY TECHNOLOGY THAT WILL BECOME THE FABRIC OF SOCIETY, BUSINESS AND ECONOMIES"

CFO's statement

"EXPANDING OUR DATA CENTER FOOTPRINT, ALONG WITH OUR NETWORK REACH AND DELIVERY CAPABILITIES IN OUR DIGITAL SERVICES WILL BE A CONTINUING STRATEGY AT SIFY."

BUSINESS VERTICALS

2,70,257
Revenue (INR Lakh)

Network Connectivity	Data Center colocation	IT services
1,20,114 Revenue (INR Lakh)	74,944 Revenue (INR Lakh)	75,199 Revenue (INR Lakh)
44% Contribution to topline	28% Contribution to topline	28% Contribution to topline

BUSINESS PARTNERS

aws Microsoft ORACLE SAP colt Cyxtera

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.

MISSION

Seed entrepreneurial abilities within the organization

Build digital convergence technologies

Deliver cost-effective solutions

COMPETITIVE MOAT

- Multi-decadal operational experience in India.
- Successfully serviced multiple sectors and diverse sized enterprises.
- Compelling value proposition with the combination of network centric and data centric IT services.
- Brand agnostic approach allows the Company to widen its opportunity canvass.
- Strong financial position which provides a platform for sustained growth.

VALUES

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

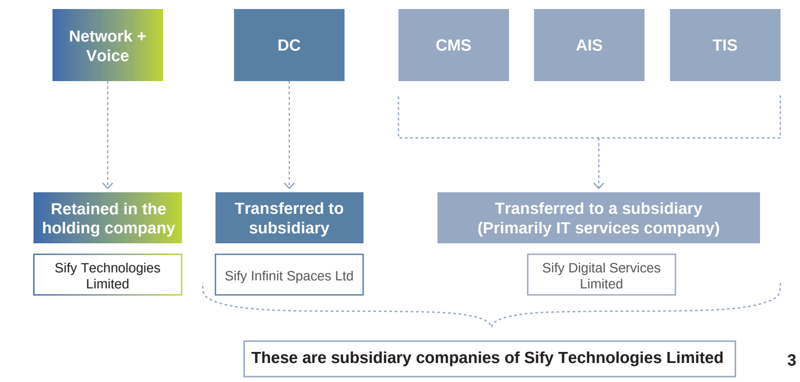
The Sify Way

- 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

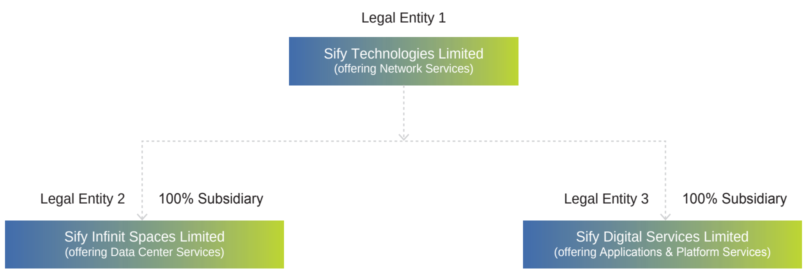
THE REORGANIZATION

- Sify business comprises of Network, Data Center and other IT Services (CMS, AIS & TIS)
- In the year 2020-21, the Board of Directors of Sify Technologies recommended to hive off the Business of Data Center and IT Services into two separate subsidiary.
    - o Network services to be retained under parent, Sify Technologies limited.
    - o Data Center colocation services Sify Infinit Spaces ltd (SISL)
    - o IT Services Business would go to Sify Digital Services ltd (SDSL)
- The Board has approved the same at their meeting held on 5th May 2020. Subsequently, it was approved by the shareholders of Sify Technologies Limited.
- Since it is only a business hive off to a wholly owned subsidiary company/ies, there is no change in management.

Methodology



Revised organization structure



- Network Services Company and Data Center Services Company would focus on India market;
- IT Services Company will focus on India and Global markets.
- Sify Technologies Limited the holding company will oversee functioning of SISL & SDSL

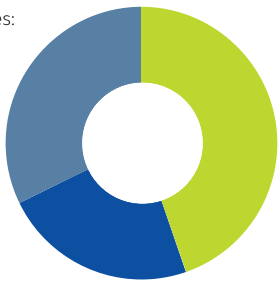
Contribution to the Consolidated revenue

FY21

Sify Technologies: **45**%

Sify Infinit Spaces **23**%

Sify Digital Services **32**%

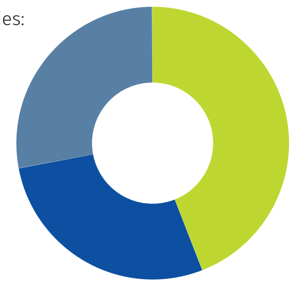


FY22

Sify Technologies: **44**%

Sify Infinit Spaces **28**%

Sify Digital Services **28**%



NETWORK CONNECTIVITY

Sify Technologies Limited

Sify is one of the most versatile interconnectivity partners. Continuous investment in its network over the years, graduated its network to provide a host of services namely Domestic Data, International Data, Wholesale voice, among other services.

Sify's edge in the network space

- Has the largest MPLS-enabled network in India which is able to seamlessly carry huge data traffic.
- Offers one of the world's most extensive interconnect networks to connect users and customer locations across the globe.
- Network is built to support the move to a fully digital business, with bandwidth services available to enterprises, content providers, over-the-top (OTT) providers and other network operators with speeds upto 100 Gbps throughout India.

Domestic Network

Sify covers the Indian landmass like no other ICT service provider. It possesses one of the largest IP Multiprotocol Label Switching (MPLS) enabled networks. It's 1,25,000 Enterprise endpoints spread across 1,600 towns and cities today connects 53 Data Centers across India.

Its multi-tier network is built on a multi-mesh fabric and facilitates seamlessly scalability eliminating nearly any downtime in operations. The network is also IPv6-ready, with a state-of-the-art backbone on fiber and multiple high-capacity circuits.

Enterprises in India may either have Sify commission a standalone network for their businesses and link them to an on-premise or co-located Data Center; or lease bandwidth from Sify for their business connectivity.

Sify continues to expand the capabilities of its network to handle spiraling data volumes. Its 100G Metro access ring network with multi-service access nodes (MSANs) across major Metros ensures high-quality traffic delivery-even at all times.

Sify offers both global and domestic data connects through its Open Cable Landing Station, a pioneering initiative that accommodates multiple international submarine cables which transport data between continents. When data terminates at Sify's landing station, it is transported through its network to partner network routes or carried by Sify's own network to user-identified destinations.

International Network

Sify's global network assets comprises diverse cable assets and multiple POPs over different geographies with direct connectivity to a range of major IP network operators. These assets allow Sify to offer a plethora of interconnect options to its global customers.

Sify's carrier-agnostic network has multiple levels of redundancy, including oceanic and cable – and a robust backbone of interconnecting hub locations. It has peering points used to build redundant international network connections to the United States, Europe, the Middle East, Africa, Latin America and the Asia-Pacific region. Its POPs are strategically positioned at New York, London, Marseilles, Los Angeles, Dubai, Singapore and Hong Kong over redundant cable systems on transatlantic and transpacific paths to reap the benefits of the dense data traffic routes.

Open Cable Landing Station

Sify pioneered the path-breaking concept of an open cable landing station which revolutionized and democratized international connectivity for Indian enterprises.

Unlike other dedicated landing stations, Sify's open landing station is agnostic to mobility and network players, making it the secondary carrier for most telcos.

Sify's cable landing station in Mumbai provides access to multiple submarine communications cable systems. It has helped lower the entry barrier by helping connect Telcos, Enterprises and OTT players with their global counterparts.

Sify's undersea cable network has been designed to assure the maximum level of continuity and performance by providing diverse cable options for redundancy over some of the following multi-cable systems 1) Middle East North Africa (MENA) and 2) Gulf Bridge International (GBI)

As an accessibility provider, Sify enables connectivity on both Pacific and Atlantic sides through multiple level partnerships.

DATA CENTER

Sify Infinit Spaces Limited

Sify was a very early starter in offering smart data management of solutions by investing in Data Centers – in financial hotspots that churned data by the second – namely Mumbai, Chennai, Bengaluru and Noida.

Currently, Sify is among the largest in the Indian Data Center space to offer the widest array of services and solutions to large and growing enterprises. Over the last two decades, Sify has evolved from being a data storage player to emerge as a digital transformation specialist for enterprises in India – from drawing the blueprint to turnkey management of IT architecture.

Assets and services

The Company owns 11 Concurrently Maintainable Data Centers which are designed to act as reliable, secure and scalable facilities to host mission-critical applications. Its services can be grouped under two heads namely co-location services and managed hosting services.

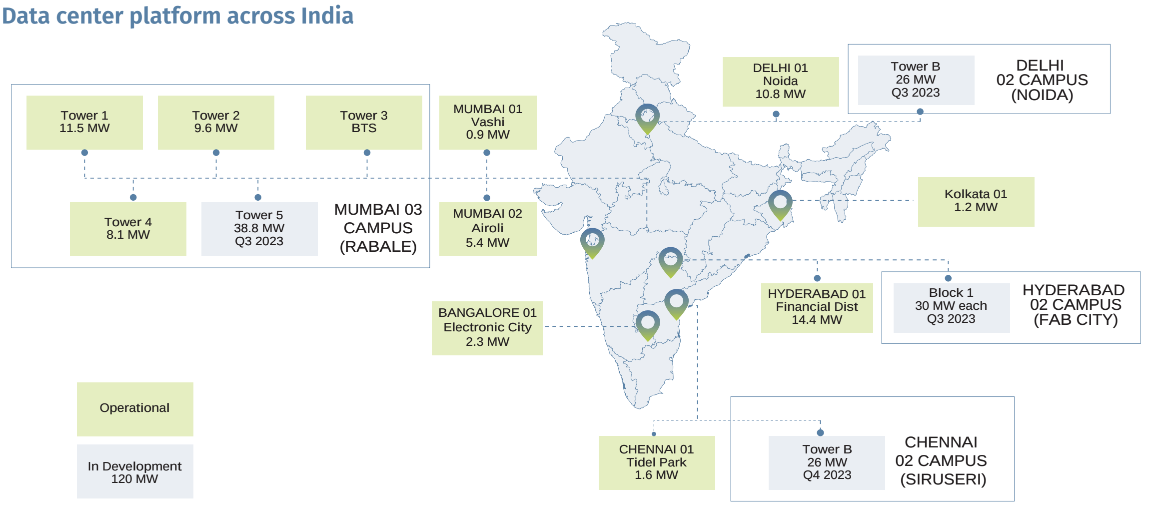
Co-location services: It offers co-location services which allow customers to bring in their own rack-mountable servers and house them in shared racks or hire complete racks, and even 'secure cages' at the hosting facility as per their application requirements.

Managed hosting services: It also offers 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.

Competitive advantage

- Rich multi-decadal experience in the space that provides a clear understanding of the Data Center space, the evolving regulatory framework, technology advancement and business landscape evolution in India
- An entrenched network player which provides an important edge – a comprehensive understanding of client need from a Data Center and network perspective
- Concurrently Maintainable Data Centers with a POD-based architecture assures high-quality service at an optimized cost

Data center platform across India



All Power references are Design IT Power at Full Capacity

DIGITAL SERVICES

Sify Digital Services Limited

As the name suggests, Sify Digital Services is a knowledge-rich enterprises which leverages on the intellectual capital of its human resources to develop and deliver services that allows its clients to become smarter and increasingly efficient.

The Company's services are bucketed into three verticals which ensures that each service receives undivided attention which is essential for its growth.

1) Cloud and Managed Services
2) Applications Integration Services
3) Technology Integration Services

1) Cloud & Managed Services

Sify has on-boarded a wide gamut of customers that includes reputed corporates, Government institutions and financial agencies. This is owing to its wide array of services and its hand-holding expertise across the transition which positions it as a partner of choice in this large and growing space.

Sify's service basket

Sify offers industry-specific solutions keeping the application and technology landscape as the center of its thought process and builds models focused on the business outcome, helping customers align their IT infrastructure and solutions with their business objectives.

2) Applications Integration Service

Today, Sify offers a complete bouquet of services around products, including Cloud Infra Services like Microsoft Azure and Azure Stack, Oracle Exadata as a Service and SAP Private Cloud, the Implementation and Migration Services around these applications and platforms and Infrastructure and Applications Managed Services.

The world of e-learning is progressing rapidly for multiple reasons. To cater to this large and rapidly growing opportunity, Sify is building on its Virtual Reality and Augmented Reality strengths.

3) Technology Integration Services

Sify offers turnkey solutions to clients who are new to both technology and technology refreshes. The Company leverages its homegrown expertise in design, implementation and maintenance to deliver end-to-end managed IT services across Data Center, Network, Collaboration and Security.

CLOUD @ CORE

ALIGNED TO OUR CUSTOMERS CLOUD TRANSFORMATION PURSUIT

CLOUD ENABLING

- Cloud DC
- Hyper reach/Hyper scale transport Oracle FactConnect | ExpressRoute | DirectConnect | Partner Interconnect
- Software Defined Netwrok services
- Cloud build
- Private | Hyperconverged | Enterprise
- Security services for cloud
- Migration and Implementation service

CLOUD INSPIRED

- Oracle Exadata-As-Service
- Sify CloudInfinit
  - Public/Private
  - Workload specific cloud (e.g.S4 HANA grid)
- EdgeConnect
- Collaboration services on Cloud

CLOUD PURE

- AWS Cloud services
- Azure Cloud services
- Oracle Cloud services
- Multi Cloud Management platform
- Multi Cloud Managed services

CLOUD ENHANCED

- Digital SCM (ForumNXT, SFFNxt)
- Digital Learning (Livewire LMS)
- Digital Assessment (iTest)
- Digital trust (Safescrypt)
- Digital Innovation (App modernization, Analytics, AI/ML, DevOps)
- Enterprise Mobility
- Industry solution-as-a-service

Quarterly progress

MOVING HIGHER

Q1 (April – June)

Business Highlights

REVENUE	EBITDA
23% Increase over the same quarter last year	26% Increase over the same quarter last year
INR 64,513 Lakh	INR 14,541 Lakh

PROFIT BEFORE TAX	PROFIT AFTER TAX
65% Increase over the same quarter last year	91% Increase over the same quarter last year
INR 4,398 Lakh	INR 3,289 Lakh

Vertical-Wise Performance

NETWORK CONNECTIVITY SERVICES	DATA CENTER COLOCATION SERVICES	DIGITAL SERVICES
10% Increase over the same quarter last year	38% Increase over the same quarter last year	31% Increase over the same quarter last year
43% Contribution to revenue	31% Contribution to revenue	26% Contribution to revenue

Q2 (July – September)

Business Highlights

REVENUE	EBITDA
18% Increase over the same quarter last year	24% Increase over the same quarter last year
INR 69,855 Lakh	INR 14,773 Lakh

PROFIT BEFORE TAX	PROFIT AFTER TAX
11% Increase over the same quarter last year	39% Increase over the same quarter last year
INR 4,609 Lakh	INR 3,562 Lakh

Vertical-Wise Performance

NETWORK CONNECTIVITY SERVICES	DATA CENTER COLOCATION SERVICES	DIGITAL SERVICES
7% Increase over the same quarter last year	47% Increase over the same quarter last year	17% Increase over the same quarter last year
42% Contribution to revenue	27% Contribution to revenue	31% Contribution to revenue

Q3 (October – December)

Business Highlights

REVENUE	EBITDA
8% Increase over the same quarter last year	22% Increase over the same quarter last year
INR 67,834 Lakh	INR 15,743 Lakh

PROFIT BEFORE TAX	PROFIT AFTER TAX
19% Increase over the same quarter last year	36% Increase over the same quarter last year
INR 4,914 Lakh	INR 3,581 Lakh

Vertical-Wise Performance

NETWORK CONNECTIVITY SERVICES	DATA CENTER COLOCATION SERVICES	DIGITAL SERVICES
8% Increase over the same quarter last year	44% Increase over the same quarter last year	18% Decrease over the same quarter last year
46% Contribution to revenue	30% Contribution to revenue	24% Contribution to revenue

Q4 (Jan – Mar)

Business Highlights

REVENUE	EBITDA
1% Decrease over the same quarter last year	6% Increase over the same quarter last year
INR 68,055 Lakh	INR 15,338 Lakh

PROFIT BEFORE TAX	PROFIT AFTER TAX
10% Decrease over the same quarter last year	73% Decrease over the same quarter last year
INR 4,707 Lakh	INR 2,294 Lakh

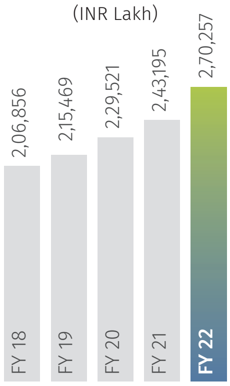
Vertical-Wise Performance

NETWORK CONNECTIVITY SERVICES	DATA CENTER COLOCATION SERVICES	DIGITAL SERVICES
15% Increase over the same quarter last year	17% Increase over the same quarter last year	31% Decrease over the same quarter last year
47% Contribution to revenue	28% Contribution to revenue	25% Contribution to revenue

KEY PERFORMANCE INDICATORS

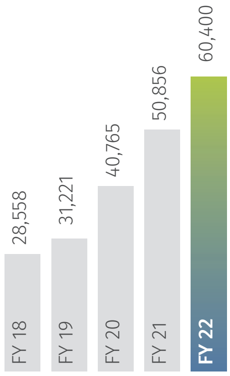
Despite a turbulent and challenging year, we ensured business continuity and delivered enhanced value for our customers. This was possible because we remained agile and decisive during the pandemic, protecting our people, taking strategic decisions and securing consistent performance across our business streams. Our robust business model and rigorous approach to risk management enabled us to capitalize on the opportunities in our ecosystem.

Revenue from Operations
(INR Lakh)



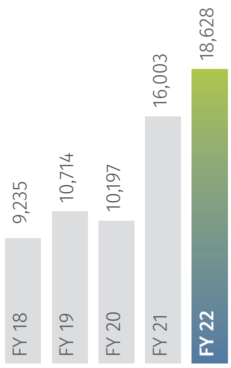
7% Growth CAGR

EBITDA
(INR Lakh)



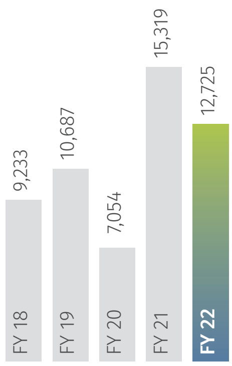
21% Growth CAGR

Profit before tax
(INR Lakh)



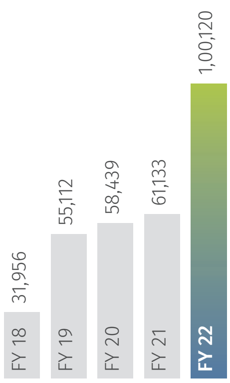
19% Growth CAGR

Profit after tax
(INR Lakh)



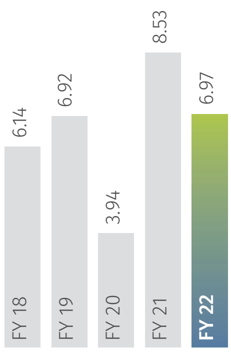
8% Growth CAGR

Term Debt
(INR)



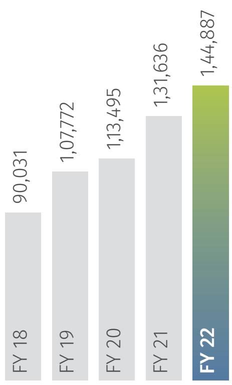
33% Growth CAGR

Earnings per share (Basic)
(INR)



3% Growth CAGR

Shareholder funds
(INR Lakh)



13% Growth CAGR

Contents

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Board of Directors

Sify Technologies Limited

Raju Vegesna, Chairman& Managing Director

Ananda Raju Vegesna, Executive Director

Vegesna Bala Saraswathi, Director

T H Chowdary, Independent Director

C B Mouli, Independent Director

C E S Azariah, Independent Director

Arun Seth, Independent Director

Audit Committee

C B Mouli
Chairman & Financial Expert

Arun Seth

C E S Azariah

Compensation Committee

T H Chowdary
Chairman

C B Mouli

C E S Azariah

Nomination & Remuneration Committee

T H Chowdary
Chairman

C B Mouli

C E S Azariah

Corporate Social Responsibility Committee

Raju Vegesna
Chairman

Vegesna Bala Saraswathi

Ananda Raju Vegesna

C E S Azariah

M P Vijay Kumar
Chief Financial Officer

V Ramanujan
Company Secretary

Statutory Auditors

Manohar Chowdhry & Associates
Chartered Accountants
Chennai

Internal Auditors

Yoganandh & Ram LLP
Chartered Accountants
Chennai

Secretarial Auditor

V Ramasubramanian
Chennai

Cost Auditor

S Ramachandran
Chennai

Registered Office

2nd Floor, TIDEL Park
4, Rajiv Gandhi Salai
Taramani, Chennai 600 113

Bankers

State Bank of India
Axis Bank Limited
HDFC Bank Limited
Yes Bank Limited
Standard Chartered Bank
IndusInd Bank Ltd
IDFC First Bank Ltd
Federal Bank Ltd
Citibank
J P Morgan Chase

DIRECTORS' REPORT

Dear Members,

The Board of Directors of your Company hereby present the report of business and operations together with the Audited Financial Statements of your Company for the Financial Year ended March 31, 2022.

1. FINANCIAL INFORMATION

₹ in lakhs

Details	Standalone		Consolidated	
	2021-22	2020-21	**2021-22**	2020-21
Income from operations	**1,20,183**	1,09,417	**2,70,257**	2,43,195
Earnings Before Finance Costs, Tax, Depreciation & amortization, Other Income and exceptional items (EBITDA)	**24,212**	21,042	**60,400**	50,856
Depreciation and Amortization	**15,708**	13,873	**32,835**	28,356
Finance Costs	**3,524**	3,183	**10,981**	9,627
Other Income (Including Forex Gain, Gain on sale of PPE)	**1,924**	3,054	**2,044**	3,283
Other Expenses (Including Forex Loss, Loss on Sale of PPE)	**67**	41	**-**	153
Profit Before Tax	**6,837**	6,999	**18,628**	16,003
Profit After Tax	**4,422**	5,668	**12,725**	15,319

1.1 Financial information of the Subsidiaries

In accordance with Section 129(3) of the Companies Act, 2013, your Company has prepared the Consolidated Financial Statements of the Company. Further, a statement containing the salient features of the Financial Statements of our Subsidiaries in the prescribed Form AOC-1 is provided as Annexure 1 to this Report. The statement also provides the details of performance and financial position of each of the Subsidiaries. A brief of the performance of the Subsidiaries are as follows:

Sify Technologies (Singapore) Pte. Ltd, Singapore

During the year under review, the Company reported revenue of ₹ 742 lakhs as compared to ₹ 644 lakhs in the previous year. The Profit was ₹ 23 lakhs as compared to Loss of ₹ 82 lakhs in the previous year.

Sify Technologies North America Corporation, USA

During the year under review, the Company reported revenue of ₹ 6,274 lakhs as compared to ₹ 6,198 lakhs in the previous year. The Loss was ₹ 946 lakhs as compared to profit of ₹ 231 lakhs in the previous year.

Sify Data and Managed Services Limited

Sify Data and Managed Services has acquired land on lease for operating its data centers, the company is in the process of obtaining sanctions and approvals to commence construction activity.

Sify Infinit Spaces Limited

Sify Infinit Spaces Limited, a Wholly-owned Subsidiary, which acquired the Data Center Business from the Holding Company during 2020-21 is continuing the operations during the year under review. The Company reported a revenue of ₹ 75,821 lakhs as compared to ₹ 56,287 lakhs in the previous year. The Profit was ₹ 8,575 lakhs as compared to ₹ 7,890 lakhs in the previous year.

Sify Digital Services Limited

Sify Digital Services Limited, incorporated as a Wholly-owned Subsidiary, which acquired the Digital services business viz., Cloud and Managed Services, Applications Integration Services and Technology Integration Services from the Holding Company during 2020-21 is continuing the operations during the year under review. The Company reported revenue of ₹ 75,699 lakhs as compared to ₹ 61,316 lakhs in the previous year and profit of ₹ 769 lakhs as compared to ₹ 1,565 lakhs in the previous year.

Print House (India) Private Limited

During the year, Print House (India) Private Limited (PHIPL), has not reported revenue. Also, the Board of Directors has approved the merger of the Company with M/s Sify Infinit Spaces Limited, a fellow subsidiary of the Company.

1.2. Dividend

Your Directors consider it appropriate to conserve and plough back the resources within the Company to stay liquid and use it prudently for operations and expansion. Hence, your Directors do not recommend any dividend for the Financial Year 2021-22.

Transfer of Amount to Investor Education and Protection Fund

During FY 2021-22, the Company has transferred the unpaid/ unclaimed dividend pertaining to FY 2013-14, amounting to ₹ 476 to the Investors Education and Protection Fund ("IEPF") Account established by the Central Government. The Company has also uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on September 15, 2021 (date of last Annual General Meeting) on the Company's website https://www.sifytechnologies.com.

Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the shares on which dividend remains unpaid/ unclaimed for seven consecutive years or more shall be transferred to the IEPF after giving due notices to the concerned shareholders. Accordingly, the Company has transferred 376 equity shares to the IEPF during FY 2021-22. The details of equity shares transferred are also available on the Company's website https://www.sifytechnologies.com.

The shareholders whose unpaid dividend/ shares are transferred to the IEPF can request the Company/ Registrar and Transfer Agent, as per the applicable provisions in the prescribed Form No. IEPF-5, for claiming the unpaid dividend/ shares out of the IEPF.

1.3. Transfer to Reserves

The Company has not transferred any amount to the Reserves during the Financial Year, under review.

1.4. Share Capital

During the year under review, the Share Capital has increased on account of exercise of Stock Options issued to Associates under the Associates Stock Option Plan 2014 (ASOP).

The Options issued under ASOP and the disclosures were in compliance with the provisions of Section 62 of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014. No employee was issued Stock Option during the year equal to or exceeding 1% of the Issued Capital of the Company.

In this regard, the Nomination and Remuneration Committee has approved grant of options during the year as per the details given below:

S. No.	Particulars	2021-22		2020-21	
		No of Options	No of Employees	No of Options	No of Employees
1.	Options granted	1,95,000	2	465,000	12
2.	Options vested	14,59,000	139	2,930,000	125
3.	Options exercised	5,04,300	53	3,014,822	122
4.	Total number of shares arising as a result of exercise of option	5,04,300	53	3,014,822	122
5.	Options lapsed	2,38,000	12	726,000	22
6.	Exercise price	Varies based on the date of allotment ranging from 57.66 to 230.97		Varies based on the date of allotment ranging from 57.66 to152.52	
7.	Variation of terms of options	Nil	Nil	Nil	Nil
8.	Money realized by exercise of options (in lakhs)	430	53	2455	122
9.	Total number of options in force	72,32,978	151	7,780,278	189

Employee-wise details of options granted to:

S. No.	Particulars	No. of Options
1.	Key Managerial Personnel	-
2.	Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year	-
3.	Identified employees who were granted options, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	-

1.5 Particulars of Loans, Guarantees and Investments

Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013 form part of the Notes to the Financial Statements provided in this Annual Report.

1.6 Deposits

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

1.7 Events subsequent to the date of financial statements

No material changes and commitments have occurred affecting the financial position of the Company after March 31, 2022 till the date of this Report.

2. BUSINESS REVIEW

2.1 Business Strategy and Overview:

Covid accelerated the transformation of legacy IT services to geography-agnostic subscription models. Transformational consumption patterns led to Enterprises seeking instance and outcome-based service models and better RoI on their IT capex.

Enterprises brief for partners and solutions have expanded to include those that solve present and future business problem. And in doing so, will forecast upcoming IT scenarios that would require a customization of tools, process and solutions.

Your Company's outcome-based service offers all of these at the right price. Enterprise customers view this from a strategic view point. The ICT ecosystem on offer from Your Companys' gives Enterprises the ability to build a mesh of integrated services that solves multiple business problems in a single intervention. The end delivery is far removed from the past and effectively delivers digital transformation through every aspect of the clients' business.

2.2 Technology Trends:

Among others, some of the critical Network trends that will come to commission in the new normal are the following

1. Network resources at the edge will increase substantially:

   Edge locations are in huge demand as applications demand faster response times and users expect lesser latency. An IDC report, 'The Business Value of Edge in a Digital-First World,' says that nearly 6 in 10 (59%) enterprises in Asia Pacific are planning to integrate edge fully into their cloud-based infrastructure. In the next two years, IDC believes that close to 30% of new enterprise infrastructure deployment in Asia Pacific is likely to happen at the edge.

2. Wi-Fi 6 will make huge inroads into the enterprise:

   Estimated to be more than 30% faster than Wi-Fi 5, Wi-Fi 6 can make a huge difference with huge improvements in speed and reduced latency in environments (stadiums, airports etc.) that have a higher density of devices. Wi-Fi 6 can enable IoT devices to transfer data at a faster pace with reduced latency and response times.

3. 5G will unleash a new wave of innovation:

   5G has an estimated theoretical speed of 20 Gbps compared to 1 Gbps for 4G. This can significantly change the way businesses operate and lead to the growth of several innovative business models. As 5G can enable smooth functioning of high bandwidth applications, it can create a fertile ground for encouraging development of Augmented Reality or Virtual Reality apps. This can have a huge impact on sectors such as healthcare (telemedicine) or education (remote classrooms) where high bandwidth applications are deployed.

4. SD-WANs will continue to dominate with SASE beginning to make headway:

   A recently published report by Dell'Oro Group says that the worldwide SD-WAN market grew 45 percent in the third quarter of 2021 compared to the prior year. In a remote working scenario which has become more common now, enterprises typically have struggled with respect to managing bandwidth consumption and reducing latency. If there are more remote locations, then the cost of bandwidth can be very expensive. There can also be huge latency issues, as enterprise traffic gets routed from the location to the data center, which is then routed to the cloud. With SD-WAN, enterprises can decide to route the most optimum way or the most cost-effective path.

5. AI will be a default choice for network automation:

   With the growing complexity and a huge increase in traffic, AI will be a default choice for automating many manual processes done by network administrators. AI will increasingly be used by organizations to automatically provision and setup networks without any manual efforts. This is extremely useful in remote locations where networks or devices can be easily setup without any on-site support.

2.3 The key highlights for the year 2021-22

1. Your Company committed to a capital outlay of INR 9900 Million toward fresh capacity building for data center expansion in the Navi Mumbai region. This is in addition to the capital outlay of INR 1200 Million for expansion of DC capacity in the same region.
2. Through the year, Your Company has invested a total of USD 350,000 in startups in the Silicon Valley area as part of our Corporate Venture Capital initiative.
3. Your Company has received a 5-star rating from customers on Gartner Peer Insights for Managed Network Services and Public Cloud Managed & Professional Services.
4. Your Company commissioned a total of 11MW capacity across the country in the year.
5. As on March 31, 2022, Your Company provides services via 816 fiber nodes and 1913 wireless base stations across the country, a 12% and 6% increase respectively over last year.

2.4 Other Significant Corporate developments

1. During the year, Your Company announced a major commitment to renewable energy with Power Purchase Agreements for a total 231MW of solar and wind energy capacity to power the latest hyperscale data centers.
2. Kotak Special Situations Fund (KSSF), managed by Kotak Investment Advisors Limited (KIAL) signed an agreement under which KSSF will invest up to INR 1,000 crore (USD 135 million) in Sify Infinit Spaces Limited (SISL), a wholly-owned subsidiary of Your Company.

2.5 Awards and recognition

Your Directors are pleased to place on record that your Company was recognized at the following forums in the Financial Year 2021-22:

1. Voice & Data Excellence Award 2021 in Network Services category for SDWAN at the 21st Telecom Leadership Forum
2. TIA-942 Rated 3 Design Certification for four data centres located in Mumbai, Hyderabad, and Noida

3. Recognized by Gartner as a Niche Player in the 2021 Gartner Magic Quadrant for Managed Network Services, in the 2021 Gartner Market Guide for Public Cloud Managed and Professional Services, Asia/Pacific, Backup as a Service and for Security Testing & Consulting Services in India.
4. The Coffee Table Book commemorating Sify's 20th year at listing on Nasdaq wins Gold at 2021 Asia Pacific Stevie Awards.
5. Recognized as a Major player in the 2021 IDC MarketScape for Managed Cloud Services APeJ.

3. GOVERNANCE AND ETHICS

3.1 Corporate Governance

Your Company is compliant with the requirements of SEC / NASDAQ Regulations relating to the independence of Directors in the Board, Audit, Compensation and Nominating Committees.

In further compliance with the law of the land and the guidelines laid down by the Ministry of Corporate Affairs, the Company affirms its consonance with the principles of the National Guidelines on Responsible Business Conduct (NGRBC).

1. Businesses should conduct and govern themselves with integrity in a manner that is Ethical, Transparent and Accountable.
2. Businesses should provide goods and services in a manner that is sustainable and safe.
3. Businesses should respect and promote the well-being of all employees, including those in heir value chains.
4. Businesses should respect the interests of and be responsive to all their stakeholders.
5. Businesses should respect and promote human rights.
6. Businesses should respect and make efforts to protect and restore the environment.
7. Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
8. Businesses should promote inclusive growth and equitable development.
9. Businesses should engage with and provide value to their consumers in a responsible manner.

Your Company ensures strict compliance of the Whistle Blower Policy and Code of Conduct for the Board of Directors and Senior Management.

The provisions of Sarbanes-Oxley Act of 2002 which are applicable to the Company have been complied with.

3.2 Directors' responsibility statement

Your Directors state:

i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

ii) that they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit or loss of the Company for that period;

iii) that they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) that they had prepared the annual accounts on a going concern basis;

v) that they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

3.3 Board of Directors

As on March 31, 2022, the Company has seven Directors out of whom four are Independent Directors.

During the year, the Board of Directors of your Company met six times. The dates of Meetings are May 7, 2021, May 14, 2021, July 30, 2021, October 29, 2021, January 24, 2022 and March 28, 2022.

The maximum interval between any two Meetings did not exceed 120 days as prescribed under 173(1) of the Companies Act, 2013

Attendance of Directors:

Name of the Director	Category of Director	No. of Meetings held	No. of Meetings attended
Raju Vegesna	Chairman, CEO & Managing Director	6	6
Ananda Raju Vegesna	Executive Director	6	3
Vegesna Bala Saraswathi	Director	6	6
T H Chowdary	Independent Director	6	6
C B Mouli	Independent Director	6	6
C E S Azariah	Independent Director	6	6
Arun Seth	Independent Director	6	6

3.4 Directors and Key Managerial Personnel

i. Key Managerial Personnel

As per the provisions of Section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following Officers of the Company were designated as the Whole-Time Key Managerial Personnel of the Company:

Mr Raju Vegesna	Chairman and Managing Director
Mr M P Vijay Kumar	Chief Financial Officer
Mr V Ramanujan	Company Secretary

ii. Independent Directors

The following Directors have continued as Independent Directors of the Company.

1. Dr T H Chowdary
2. Mr C B Mouli
3. Mr C E S Azariah
4. Mr Arun Seth

3.5 Directors

i. Retirement by rotation

Ms Vegesna Bala Saraswathi, Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for reappointment. Your Directors recommend her re-appointment.

ii. Declaration by Independent Directors

The Company has received necessary Declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 confirming that they continue to meet with the criteria of their Independence laid down in Section 149(6) of the Companies Act, 2013.

For the purpose of Rule 8(5)(iiia) of the Companies (Accounts) Rules, 2014, there were no Independent Directors appointed during the year ended March 31, 2022

iii. Registration in the Databank of Independent Directors

The Independent Directors of your Company have enrolled with Indian Institute of Corporate Affairs and complied with the provisions therewith.

3.6 Committees

i. Audit Committee

The Audit Committee consists of Mr C B Mouli, Mr Arun Seth and Mr C E S Azariah as Members. Mr C B Mouli, who is the Financial Expert, is the Chairman of the Audit Committee.

During the year, the committee met seven times. The dates of Meetings are May 6, 2021, May 7, 2021, May 14, 2021, July 28, 2021, July 30, 2021, October 29, 2021 and January 24, 2022.

Attendance of Directors:

Name of the Director	No. of Meetings held	No. of Meetings attended
C B Mouli	7	7
C E S Azariah	7	7
Arun Seth	7	7

ii. Compensation Committee / Nomination & Remuneration Committee

The Compensation Committee / Nomination & Remuneration Committee consists of Dr T H Chowdary, Mr C B Mouli and Mr C E S Azariah as Members. Dr T H Chowdary is the Chairman of the Committee.

The Company has framed a Policy on the Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of section 178 of the Companies Act, 2013.

During the year, the committee met four times. The dates of Meetings are May 7, 2021, July 30, 2021, October 29, 2021 and January 24, 2022.

Attendance of Directors:

Name of the Director	No. of Meetings held	No. of Meetings attended
T H Chowdary	4	4
C B Mouli	4	4
C E S Azariah	4	4

iii. Corporate Social Responsibility Committee

During the year, the Board of Directors had appointed Ms Vegesna Bala Saraswathi, as a member of the Committee. Accordingly, the Committee was reconstituted. The Corporate Social Responsibility Committee consists of Mr Raju Vegesna, Ms Vegesna Bala Saraswathi, Mr Ananda Raju Vegesna and Mr C E S Azariah as Members. Mr Raju Vegesna is the Chairman of the Committee.

During the year, the committee met on July 30, 2021 and January 24, 2022.

iv. Nominating Committee

The Nominating Committee constituted under the SEC Regulations consists Dr T H Chowdary, Mr C B Mouli and Mr C E S Azariah as members. Dr T H Chowdary is the Chairman of the Committee.

3.7 Statement of Performance Evaluation by the Board

The Board of Directors of your Company, based on procedures (through questionnaires, One to One Meetings and discussion with all the stakeholders), have evaluated its performance and that of its Committees and Individual Directors.

The performance evaluation criteria for Directors are determined by the Nomination and Remuneration Committee.

3.8 Remuneration Policy

The Board, Nomination & Remuneration and Compensation Committee framed a Policy for selection and appointment of Directors including determining qualifications, independence of a Director, Key Managerial Personnel, Senior Management Personnel and their remuneration as part of its Charter and other matters provided under Section 178(4) of the Companies Act, 2013 and the charter have been displayed on the Company's website at www.sifytechnologies.com.

3.9 Risk Management

The Board of Directors of the Company have approved the Risk Management Policy wherein all material risks faced by the Company are identified and assessed.

Business risks are identified based on incident analysis and the environment in which the Company operates and the focus on Risk Management continues to be high. The periodic assessment of business risk environment is carried out to identify significant risks to the achievement of business objectives of the Company. Key risks are reported and evaluated at appropriate forums and levels within the Company. The Risk Committee of the Company is responsible for assisting the Audit Committee with a full status of the risk assessment and management of the risks. Audit Committee and the Board also obtain periodical updates on identified risks, depending upon the nature, quantum, and likely impact on the business.

3.10 Vigil Mechanism

In compliance with the procedure laid down under the Whistleblower Policy / Vigil mechanism as required under the Companies Act, 2013 / Sarbanes-Oxley Act, 2002, the Company has established procedures for:

i. receiving, retaining and treating complaints received;

ii. confidential, anonymous submission by Employees / Directors, of complaints regarding questionable accounting or auditing matters, conduct which results in a violation of law by Company or in a substantial mismanagement of Company resources;

iii. reporting genuine concerns by the Employees and Directors;

iv. adequate safeguards against victimization of persons who use vigil mechanism.

3.11 NASDAQ Listing

Your Company has complied with all the Listing Rules as specified and achieved completion of 22 continuous years of listing on the prestigious NASDAQ Stock market.

3.12 Related Party Transactions

Particulars of contracts / arrangements entered into by the Company with Related Parties referred to in Sub-section 1 of Section 188 of the Companies Act, 2013 during the Financial Year 2021-22 are listed below:

Subsidiary Companies:

Sify Technologies (Singapore) Pte. Limited	Amount in ₹ Lakhs
Advances given	Nil
Receipt of Services	670
Rendering of Services	87
Trade Receivables	105
Trade Payables	431
Sify Data and Managed Services Limited	Amount in ₹ Lakhs
Advances given	150
Advance Repaid	74
Interest on Loan Given	26
Advances Receivables	1,619
Sify Infinit Spaces Limited	Amount in ₹ Lakhs
Receipt of services	303
Lease rentals received	1,420
Interest Received	27
Lease rental and refundable deposit receivable	345
Revenue Transfer	26,192
Expenses transfer	7,820
Loans given	900
Investment in CCD's	10,000
Amount receivable	541
Sify Digital Services Limited	Amount in ₹ Lakhs
Receipt of services	2,205
Revenue transferred	31,512
Expenses transferred	36,556
Amount payable	3,583

Print House (India) Private Limited	Amount in ₹ Lakhs
Interest on Loan Received	11
Amounts receivable	121
Sify Technologies North America Corporation, USA	Amount in ₹ Lakhs
Rendering of services	33

Holding Company

Raju Vegesna Infotech and Industries Private Limited	Amount in ₹ Lakhs
Lease rental paid	14

Enterprise over which KMP have significant influence

Raju Vegesna Developers Private Limited	Amount in ₹ Lakhs
Lease rental paid	5
Radhika Vegesna	
Lease rental paid	67
Raju Vegesna Foundation	
CSR Contribution	74

Others

Name of the Director	Nature of Payment	Amount in ₹ Lakhs
Dr T H Chowdary, Director	Consultancy Services	3

Your Company has not entered into any Contracts or Arrangements or Transactions entered with Related Parties during the year referred to in Section 188(1) of the Companies Act, 2013. Hence disclosure in Form AOC 2 is not applicable.

3.13 Employees' Particulars in terms of Section 197 read with rules therewith of the Companies Act, 2013

Your Company is an unlisted public company and hence the provisions of Section 197(12) of the Companies Act, 2013 and the Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company.

3.14 Policy on Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company has a zero tolerance approach for sexual Harassment of Women at Workplace. A Policy has been framed and adopted for prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder. An Internal Complaints Committee has been constituted and there were no Complaints reported under the Act during the year.

3.15 Annual Return

The Ministry of Corporate Affairs vide their notification dated 05.03.2021, had omitted the requirement of furnishing Annual Return in Form MGT-9.

However, as required under Section 92(3) of the Companies Act, 2013 read with rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return in Form MGT 7 has been displayed on the website at www.sifytechnologies.com.

3.16 Secretarial Standards

During the year, your Company has complied with the provisions of the applicable mandatory Secretarial Standards issued by Institute of Company Secretaries of India.

4. INTERNAL FINANCIAL CONTROLS AND AUDIT

4.1 Adequacy of Internal Financial Controls

The Internal Financial Control is a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with applicable reporting requirement standards. Our nternal Financial Control includes:

- that all disclosures as required by law and applicable accounting/reporting standards have been complied with;
- that all policies and procedures of the Company have been adhered to and those policies and procedures relating to safeguarding of assets have been complied with;
- that compliance of such policies and procedures enable prevention and detection of fraud and error;
- that policies and procedures adopted by the Company ensure accuracy and completeness of accounting records.

On account of its inherent limitations, Internal Financial Control may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

The assessment of the effectiveness of our Internal Financial Control as of March 31, 2022 was conducted. The assessment of Internal Financial Control was based on the evaluation of the framework in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Tread way Commission (COSO). Based on the assessment, it was concluded that your Internal Financial Control was effective as of March 31, 2022.

4.2 Auditors

i. Statutory Auditor

Name and Address

M/s Manohar Chowdhry & Associates, Chartered Accountants (FRN: 001997S) 27, Subramaniam Street, Abhiramapuram, Chennai – 600 018.

Report

The Report issued by M/s Manohar Chowdhry & Associates, Chartered Accountants, the Statutory Auditors, forming part of the Annual Report, does not contain any qualification, reservation, adverse remark or disclaimer.

During the year under review, the Statutory Auditors have not reported to the Audit Committee under Section 143(12) of the Companies Act, 2013, any instance of fraud committed against the Company by its Officers or Employees.

ii. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr V Ramasubramanian, Company Secretary in Practice to undertake the Secretarial Audit of the Company.

Name and Address

Mr V Ramasubramanian, Practicing Company Secretary, Flat 3B, No.5, Second Main Road, Kannappa Nagar, Thiruvanmiyur, Chennai 600 041.

Report

The Report of the Secretarial Auditor in Form MR-3 for the Financial Year ended March 31, 2022 is provided as Annexure 2 to the Report.

The Report does not contain any qualifications, reservations or adverse remarks.

The Board has reappointed Mr V Ramasubramanian, Practicing Company Secretary as the Secretarial Auditor of the Company for the Financial Year 2022-23.

iii. Cost Auditor

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Rules made thereunder, the Company has appointed the Cost Auditor as given below to undertake the Cost Audit of the Company.

Name and Address

Mr S Ramachandran, Cost Accountant, 160, MGR Street, Saligramam, Chennai 600 093.

Report

The Cost Auditor will submit his report for the Financial Year 2021-22 before the due date.

Pursuant to the recommendation of the Audit Committee, the Board has approved the appointment of Mr S Ramachandran, Cost Accountant, as the Cost Auditor, for the Financial Year 2022-23.

5. SOCIAL RESPONSIBILITY AND SUSTAINABILITY

5.1 Corporate Social Responsibility

Pursuant to the provisions of Section 135 and Schedule VII of the Companies Act, 2013, the Policy on Corporate Social Responsibility (CSR) as approved by the Board has been displayed on the Company's website at https://www.sifytechnologies.com/investors/company-profile/csr-policy/.

For the Financial Year 2021-22, the Company had spent ₹ 1.93 lakhs towards CSR Projects as detailed herein below:

Particulars	**Amount in ₹. Lakhs**
Amount required to be spent towards CSR	193
Amount Spent	
Sri Venkateswara Institute of Research and Rehabilitation for the Disabled Trust (VIRRD), Dwarakha Tirumala	100.00

Particulars	Amount in ₹. Lakhs
Raju Vegesna Foundation	74.10
Voluntary Health Services	10.00
Sri Hanuman Mani Education & Culture Trust	5.00
Dr Ambedkar Yuvajana Sangham, Trust	3.95

1. **Contribution to VIRRD Trust:** The Company has contributed ₹ 100.00 Lakhs towards expansion of Hospital Building.

2. **Raju Vegesna Foundation:** The Company has contributed ₹ 74.10 Lakhs for completing the various ongoing projects viz., safe drinking water to Rural area, Hospitals, Schools etc.

3. **Voluntary Health Services, Trust*:*** The Company has contributed ₹ 10.00 Lakhs for strengthening the hospital infrastructure.

4. **Sri Hanuman Mani Education & Culture Trust:** The Company has contributed ₹ 5.00 Lakhs for construction of open air auditorium at Girls High school, Angaluru,

5. **Dr Ambedkar Yuvajana Sangham, Trust*:*** The Company has contributed ₹ 3.95 Lakhs towards purchase of Bench cum desk and construction of Washrooms for the students of Dr Ambedkar Vidya Academy High School.

   Annual Report on CSR is provided as **Annexure 3.**

5.2 Human Resource Management

Your Company considers its human resources as an important asset and endeavors to nurture, groom and retain talent to meet the current and future needs of its business. The Company has conducted management and supervisory development programs as well as put in place succession plan and long term career growth plan and has also We have invested in upskilling our employees to meet the demands of the fast-changing technology landscape by conducting training through Sify myacademy. Our training hours went up multifold in the current year. We continue to provide conducive work environment and opportunities for development of its employees. The number of employees as on March 31, 2022 was considered 2,839.

5.3 Conservation of Energy and Technology Absorption

Conservation of Energy:

Data Centres are energy intensive and Sify has been working continuously to ensure that The Company operates in the most energy efficient manner. Across all the Data Centres in India, The Company has implemented comprehensive energy conservation and efficiency programs through Energy usage optimization which eradicates energy hot spots though UPS optimization, installation of power factor controllers and installation of precision air handling units and maintaining power utilization efficiency to improve effectiveness across all the Data Centres.

Technology Absorption:

The Company has deployed latest technologies in its Network and its Data Center Business which has helped in improving quality of its services and productivity of its resources. The Company's operations do not require significant import of technology.

6. OTHER DISCLOSURES

6.1 Order of the Court

During the year, there were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

6.2 Foreign Exchange Earnings and Outgo

Details of Foreign Exchange Earnings and outgo during the year are as follows:

Foreign Exchange Inflow: ₹ 25,110 lakhs

Foreign Exchange Outgo: ₹ 44,730 lakhs

7. ACKNOWLEDGEMENT

We, the Directors take this opportunity to thank all Investors, Customers, Vendors, Banks and Government Authorities for their continued support and also wish to place on record our appreciation for the valuable contribution made by the employees.

For and on behalf of the Board

Hyderabad
April 18, 2022

Raju Vegesna
Chairman and Managing Director

Annexure 1

Statement containing the salient features of the financial statements of Subsidiaries/ Associates/ Joint ventures

(Pursuant to first proviso to Sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014 - AOC - 1)

Part A: Subsidiaries

Sr. No.	Name of the subsidiary	Financial year ended	Reporting currency	Exchange rate	Share capital	Reserves and surplus	Total assets	Total liabilities	Investments	Turnover	Profit/ (loss) before taxation	Provision for taxation	Profit/ (loss) after taxation	Proposed dividend	% of shareholding
1	Sify Technologies (Singapore) Pte Ltd	March 31, 2022	USD	75.8071	341	54	1,346	951	-	742	23	-	23	Nil	100%
2	Sify Technologies North America Corporation	March 31, 2022	USD	75.8071	5	2,144	7,065	4,916	2,493	6,274	(937)	(9)	(946)	Nil	100%
3	Sify Data and Managed Services Limited (Note 1)	March 31, 2022	INR	-	480	(361)	3,730	3,611	-	-	29	-	29	Nil	100%
4	Sify Infinit Spaces Limited	March 31, 2022	INR	-	50,500	16,421	2,11,268	1,44,347	17	75,821	12,288	(3,713)	8,575	Nil	100%
5	Sify Digital Services Limited	March 31, 2022	INR	-	20,001	2,378	90,963	68,584	-	75,699	535	234	769	Nil	100%
6	Print House (India) Private Limited	March 31, 2022	INR	-	1,000	(4,040)	3,643	6,683	43	7	(1,008)	-	(1,008)	Nil	100%

Note:

1. The company has not commenced its operations as of March 31, 2022.

Part B: Associates and Join Ventures - Not Applicable

For and on behalf of the Board of Directors

Raju Vegesna
Chairman and Managing Director

C B Mouli
Director

Hyderabad
April 18, 2022

M P Vijay Kumar
Chief Financial Officer

V Ramanujan
Company Secretary

Annexure 2

Form No MR-3

Secretarial Audit Report

For the Financial Year ended 31st March 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To

The Members

M/s Sify Technologies Limited

I have conducted the Secretarial Audit of the compliance of the applicable statutory provisions and the adherence to Good Corporate Practices by M/s Sify Technologies Limited (CIN: U72200TN1995PLC050809) (hereinafter called the "Company"). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the Corporate Conducts / Statutory Compliances and expressing my opinion thereon.

Based on my verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its Officers, Agents and Authorized Representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31st March 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company for the Financial Year ended on 31st March 2022 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made thereunder.

2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder:

   As the Company's Equity Shares are not listed in any Stock Exchanges in India, the provisions of the SCRA and the Rules made thereunder is not applicable to the Company.

3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder:

   The Company has complied with the applicable provisions of the Depositories Act, 1996 to the extent of issue of Equity Shares in dematerialized form to the Employees under Employees Stock Option Plan 2014 which were subsequently credited to the Employees Demat Account in US and sold in the NASDAQ Capital Market where the Company's Equity Shares are listed as American Depository Shares.

4. Foreign Exchange Management Act (FEMA), 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment (ODI). During the year under review, there were no fresh FDI into the Company or the Company has made any ODI or OCB.

   As required under FEMA, the Company has filed the Annual Performance Report for the Financial Year 2020-21 with RBI on 31.12.2021 and Annual Return on Foreign Liabilities and Assets for the Financial Year 2020-21 online with RBI on 30.7.2021.

5. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 and the various Regulations enacted under the said Act are not applicable to the Company as the Company's Equity Shares are not listed in any Stock Exchanges in India.

6. The Company has complied with the following applicable Laws:

   a) Telecom Regulatory Authority of India Act, 1997.

   b) Unified Licence Agreement compliance from Department of Telecommunications for carrying out Internet Service-A, National Long Distance and International Long-Distance services.

   c) Controller of Certifying Authority - Licence for issue of Digital Signatures.

   d) The Employees Provident Fund & Miscellaneous Provisions Act, 1952.

   e) The Employees State Insurance Act, 1948.

   f) The Maternity Benefit Act, 1961.

   g) The Payment of Bonus Act, 1965.

   h) The Payment of Gratuity Act, 1972.

   i) The Tamilnadu Labour Welfare Fund Act, 1972.

   j) The Tamilnadu Shops and Establishment Act, 1947.

I have also examined the compliance with the applicable clauses of the following:

(i) Secretarial Standards (SS) SS-1 for Board Meetings and SS-2 for General Meetings issued by The Institute of Company Secretaries of India in terms of sub-section 10 of Section 118 of the Companies Act, 2013, for the financial year under review.

(ii) As the Company's shares are not listed in any Stock Exchange in India, the compliance under the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the amendments thereto is not applicable.

From the verification of records and as per the information and explanation furnished to me, during the period under audit, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I have not examined the compliance by the Company with applicable Financial Laws, viz. Direct and Indirect Tax Acts, since the same have been subject to review by the Statutory Auditors and other designated Professionals.

I further report that:

i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. During the year, there were no changes in the composition of the Board of Directors of the Company.

(ii) Constituted Nomination and Remuneration Committee of the Board of Directors and has formulated "Nomination and Remuneration Policy' in terms of the provisions of Section 178 of the Companies Act, 2013 and the Rules made thereunder;

(iii) Constituted the Audit Committee of the Board of Directors in terms of the provisions Section 177 of the Companies Act, 2013;

(iv) Constituted the Corporate Social Responsibility Committee (CSR) to formulate and recommend to the Board a Corporate Social Responsibility Policy, prepare and recommend the list of CSR Projects / Programs, which the company plans to undertake in compliance with the provisions of Section 135 of the Companies Act, 2013 read with Schedule VII and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

During the year under review, the Company was required to spend ₹193.00 lakhs and spent the entire amount for the projects recommended by the CSR Committee and approved by the Board of Directors in compliance with the provisions of the Act.

(iv) Considered and approved the "Code of Business Conduct and Ethics" of the Company framed in terms of the provisions of Section 149 read with Schedule IV of the Companies Act, 2013.

vi) Adequate notice was given to all the Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the Agenda items before the meeting and for meaningful participation at the meeting.

vii) Majority decision is carried through while the dissenting Members' views are captured and recorded as part of the Minutes. However, on perusal of the Minutes of the Board or Committee Meetings, it was observed that there was no dissenting note made by any of the Director.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

I further report that during the audit period:

(i) There were no instances of Public / Right / Preferential Issue of Shares / Debentures / Sweat Equity etc.

However, the Company has issued and allotted 5,04,300 Equity Shares under the Employees Stock Option Plan 2014 and the Company has filed the necessary Forms with the MCA.

(ii) There were no instances of Redemption / Buy-back of securities.

(iii) In terms of the powers conferred on the Board of Directors of the Company under Section 180(1)(a) & (c) of the Act and with the approval of the Board:

a) The Company has created security both on the Movable and Immovable Properties of the Company for the various borrowings made, which were well within the limits approved by the shareholders by Special Resolution at the Twenty Fourth Annual General Meeting held on 14.9.2020.

b) The Company has borrowed funds from Banks and Non-Banking Financial Companies, which were well within the limits approved by the shareholders by Special Resolution at the Twenty Fourth Annual General Meeting held on 14.9.2020.

(iv) During the period under review, the Company has not entered into any Foreign Technical Collaboration Agreement.

V Ramasubramanian
Company Secretary
ACS No: 5890
COP No: 11325
UDIN: A005890D000093296

Chennai
13th April 2022

Annexure 3

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief Outline on CSR Policy of the Company:
   i. Sify Technologies Limited (STL) believes in alignment of its vision and through its CSR initiatives, to enhance value and promote social sustainability, sustainable development of the environment and social welfare of the people and society at large, more specifically for the deprived and underprivileged persons.
   ii. The CSR Policy encompasses the company's philosophy for contributing to society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for the welfare & sustainable development of the community at large, is titled as the 'Sify CSR Policy'.
2. Composition of the CSR Committee

   During the year, the Board of Directors had appointed Ms Vegesna Bala Saraswathi, as a member of the Committee. Accordingly, the Committee was reconstituted. The Composition and other details are as follows:

S. No.	Name of Director	Designation / Nature of Directorship	Number of meetings held	Number of Meetings attended
1.	Raju Vegesna	Chairman / Managing Director	2	2
2.	Ananda Raju Vegesna	Member / Executive Director	2	2
3.	C E S Azariah	Member / Independent Director	2	2
4.	Vegesna Bala Saraswathi	Member / Director	1	1

3. Provide the web-link where composition of CSR committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

   https://www.sifytechnologies.com/investors/company-profile/csr-policy/
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):

   Not Applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

   Nil
6. Average Net Profit of the Company as per Section 135(5):

Financial Year	Net Profit before exceptional items in ₹ Crores
2020-21	73.66
2019-20	105.44
2018-19	110.45
Total	**289.55**

Average Net Profit = ₹ 96.52 crores

7. A) 2% of average net profit of the Company as per Section 135(5): ₹ 193 lakhs
   B) Surplus arising out of the CSR projects or programmes or activities of the Previous Financial Years: **Nil**
   C) Amount required to be set off for the Financial Year, if any: **Nil**
   D) Total CSR obligation for the Financial Year (7A+7B-7C): ₹ 193 lakhs
8. A) CSR amount spent or unspent for the Financial Year.

CSR Amount Spent for the Financial Year in ₹	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer	Name of the fund	Amount	Date of Transfer
193,05,550	Not Applicable				

   B) Details of CSR Amount spent against **ongoing Projects** for the Financial Year:
   Not Applicable
   C) CSR Amount spent against other than ongoing Projects for the Financial Year:
   Amount spent as on March 31, 2022:

Particulars	**Amount in ₹**
Sri Venkateswara Institute of Research and Rehabilitation for the Disabled Trust (VIRRD), Dwarakha Tirumala	1,00,00,000
Raju Vegesna Foundation	74,10,000
Voluntary Health Services, Chennai (Trust)	10,00,000
Sri Hanuman Mani Education & Culture Trust	5,00,000
Dr Ambedkar Yuvajana Sangham, Trust	3,95,550
Total (A)	193,05,550

   The details are given as annexure.
   D) Amount spent in Administrative Overheads: **Nil**
   E) Amount spent on impact Assessment, if applicable: **Not Applicable**
   F) Total amount spent for the Financial Year (8B+8C+8D+8E): ₹ 1,93,05,550/-
   G) Excess amount for set off if any: **Nil**
9. a) Details of Unspent CSR amount for the preceding three Financial Years: **Nil**
   b) Details of CSR amount spent in the financial year for ongoing projects of the preceding Financial Year(s): **Not Applicable**
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **Not Applicable**
   a) Date of creation or acquisition of the capital asset(s)
   b) Amount of CSR spent for creation or acquisition of capital asset.
   c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
   d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
11. Specify the reason, if the Company has failed to spend 2% of the average net profit as per Section 135(5).
   Not Applicable

Hyderabad	**Raju Vegesna**	**C E S Azariah**
April 18, 2022	*Chairman CSR Committee*	*Member*

S. No.	Name of the project	Item from the list of activities in schedule VII to the Act	Local Area	Location of the Project	Amount spent for the project in ₹	Mode of Implementation - Direct or Indirect	Contribution Made to
1.	NA	Item 1 of the schedule promoting health care	Andhra Pradesh	Dwarakha Tirumala	1,00,00,000	Direct	Sri Venkateswara Institute of Research and Rehabilitation for the Disabled Trust
2.	NA	Item 1 of the schedule promoting health care	Andhra Pradesh	Visakhapatnam	74,10,000	Direct	M/s Raju Vegesna Foundation.
3.	NA	Item 1 of the schedule promoting health care	Chennai	Taramani	10,00,000	Direct	M/s Voluntary Health Services
4.	NA	Item 2 of the schedule promoting education	Andhra Pradesh	Angaluru, Krishna District	5,00,000	Direct	M/s Sri Hanuman Mani Education & Culture Trust
5.	NA	Item 2 of the schedule promoting education	Andhra Pradesh	Gollapudi, Vijayawada	3,95,550	Direct	Dr Ambedkar Yuvajana Sangham, Trust

Hyderabad
April 18, 2022

Raju Vegesna
Chairman CSR Committee

C E S Azariah
Member

Standalone Financial Statements
for the year ended March 31, 2022

INDEPENDENT AUDITORS' REPORT

To the Members of Sify Technologies Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Sify Technologies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S No.	Key Audit Matter	Auditor's Response
1	**Valuation of Trade Receivables:** The collectability of the Company's aged Trade Receivables and the valuation of allowance for impairment of Trade Receivables is a Key Audit Matter due to the judgement involved in assessing the recoverability. The Trade Receivable as at March 31, 2022 is INR 38,876 lakhs and Allowance for bad and doubtful debts charged in the Statement of Profit and Loss for the year ended March 31, 2022 is INR 1,361 lakhs (including bad debts written off INR 1,848 lakhs).	**Principal Audit Procedures Performed:** In view of the significance of the matter, we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence: • We evaluated and tested the Company's processes for trade receivables, including the credit control, collection and provisioning processes. • We evaluated the management view point and estimates used to determine the allowance for bad and doubtful debts. • We have reviewed the ageing, tested the validity of the receivables, the subsequent collections of trade receivables, the past payment and credit history of the customer, disputes (if any) with customers and based on discussion with the Company's management (information and explanation provided by them) and evidences collected, we understood and evaluated the reason for delay in realisation of the receivables and possibility of realisation of the aged receivables.

S No.	Key Audit Matter	Auditor's Response
		• Where there were indicators that trade receivables were unlikely to be collected, we assessed the adequacy of allowance for impairment of trade receivables. • We tested the sufficiency of the allowance for bad and doubtful debts charged in the Statement of Profit and Loss for the year ended March 31, 2022.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The comparative financial information of the Company for the year ended March 31, 2021 included in these standalone financial statements, were audited by M/s. ASA & Associates LLP, Chartered Accountants, the predecessor auditor.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

e. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

g. With respect to the matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and according to the information and explanations given to us, the Company has neither paid nor provided remuneration in the books and accordingly the question of exceeding the limits laid down under Section 197 read with Schedule V to the Act doesn't arise.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 22 (a) (Contingent liabilities) and Note 41 (legal proceedings) to the standalone financial statements;

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 38 (a) (Derivative Financial instruments) attached to the Standalone financial statements; and

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures performed and explanation received, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

For **Manohar Chowdhry & Associates**
Chartered Accountants
Firm Registration No: 001997S

K S Y Suryanandh
Partner
Membership No: 237830
UDIN: 22237830AJJPQZ6340

Place: Hyderabad
Date : April 18, 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

With reference to the Annexure A referred to in paragraph 1 in 'Report on Other Legal and Regulatory Requirements' of the Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended March 31, 2022, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(i) (a) (B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(i) (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(i) (d) The Company has not revalued its Property, Plant and Equipment (including right of use assets) or intangible assets during the year ended March 31, 2022.

(i) (e) According to the information and explanations provided to us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification.

(ii) (b) As disclosed in note 18 to the financial statements, the Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks and / or financial institutions during the year on the basis of security of current assets of the Company. During the year ending March 31, 2022, the Company was in the process of finalization of agreements with banks / financial institutions to transfer the term loans and working capital limits to Sify Infinit Spaces Limited and Sify Digital Services Limited consequent to the demerger effected vide the Business Transfer Agreement dated January 28, 2021. For the quarter ending June 2021 and September 2021, a combined return / statement was filed by the Company with banks and financial institutions including the balances of demerged companies and the same were in agreement with the combined books of account. Based on our examination of the records of the Company, the quarterly returns / statements filed by the Company for the quarters ending June 2021, September 2021 & December 2021 with such banks and financial institutions are in agreement with the books of account of the Company

The returns for the quarter ending March 2022 were not filed by the Company at the time of finalising the audit.

(iii) (a) During the year, the Company has invested in compulsorily convertible debentures as follows:

Particulars	Loans
Aggregate amount granted/ provided during the year to Subsidiaries	INR 10,000 lakhs
Balance outstanding as at balance sheet date in respect of above cases	INR 10,000 lakhs

(iii) (b) In our opinion, the investments made in subsidiary companies during the year are, prima facie, not prejudicial to the Company's interest.

(iii) (c) The Company has invested in compulsorily convertible debentures during the year in subsidiary company. Accordingly, schedule of repayment is not applicable. Based on our examination of the records of the Company, the payment of interest has been stipulated and the receipts of interest are generally been regular.

(iii) (d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.

(iii) (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

(iii) (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

(v) According to the information and explanations provided to us, the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Hence, the requirement to report on clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government of India, the maintenance of cost records under section 148(1) of the Companies Act 2013, related to the network services, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) a) According to the information and explanations given to us and based on the examination of the records of the Company,

- undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities; and
- no undisputed amounts payable in respect of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(vii) (b) According to the information and explanations given to us and based on the examination of the records of the Company, the dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute, are as follows:

Name of the Statute	Period to which it relates	Amount in Lakhs	Forum where dispute is pending
Finance Act,1994 (Service tax) Finance Act,1994 (Service tax)	Apr 2005 to Mar 2006, Apr 2006 to Sep 2006, Oct 2006 to Sep 2007, Oct 2007 to Mar 2008	2,315	High Court
	Mar 07-Mar10 Oct 05-Mar10	55 1,390	
Finance Act,1994 (Service tax) Finance Act,1994 (Service tax)	Apr08-May08 Jul12-Mar13 Apr13-Mar14 Apr15-Mar16 Apr14-Mar15 Apr11-Mar12 Apr10-Mar11 Apr10-Mar11	13 84 106 3 75 24 75 22	CESTAT, Chennai
Uttar Pradesh Value Added Tax Act, 2008	2011-12	8	Commercial Tax Officer
Karnataka Value Added Tax Act, 2003	2014-15	11	Commissioner of Commercial Taxes(Appeals)
Karnataka Value Added Tax Act, 2003	2016-17	15	Commissioner of Commercial Taxes(Appeals)
West Bengal Value Added Tax Act, 2003	Assessment Year 2015-16	16	Commercial Tax Officer, West Bengal
Rajasthan Value Added Tax	2016-17	28	Commercial Tax Officer, Rajasthan
Maharashtra Value Added Tax Act, 2002	2015-16	9	Joint commissioner of state tax appeals Maharashtra
Maharashtra Value Added Tax Act, 2002	2016-17	1872	Commercial Tax Officer- Maharashtra
Maharashtra Value Added Tax Act, 2002	2017-18	209	Joint commissioner of state tax appeals Maharashtra
Central Sales Tax Act, 1956	2015-16	30	Joint commissioner of state tax appeals Maharashtra
Central Sales Tax Act, 1956	2016-17	11	Commercial Tax Officer- Maharashtra
Central Sales Tax Act, 1956	2017-18	18	Commercial Tax Officer- Maharashtra
Income Tax Act, 1961	Assessment Year 2017-18	2,444	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Assessment Year 2018-19	5,953	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Assessment Year 2015-16	1,980	Commissioner of Income Tax (Appeals)

(viii) According to the information and explanations provided to us, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Hence, the requirement to report on clause 3(viii) of the Order is not applicable.

(ix) (a) According to the information and explanations provided to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(ix) (b) According to the information and explanations provided to us, the Company has not been declared wilful defaulter by any bank or financial institution or any other lender.

(ix) (c) According to the information and explanations provided to us and based on our examination of the records of the Company, term loans were applied for the purpose for which the loans were obtained.

(ix) (d) According to the information and explanations provided to us and based on an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(ix) (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(ix) (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments). Hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(x) (b) The Company has not made any preferential allotment or private placement of shares / fully or partially or optionally convertible debentures during the year under audit. Hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(xi) (b) No report under section 143(12) of the Act has been filed in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and upto the date of this report.

(xi) (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and therefore, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations provided to us and based on the examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) According to the information and explanations provided to us and based on our examination of the records of the Company, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(xiv) (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) In our opinion and according to the information and explanations provided to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a), (b) and (c) of the Order is not applicable to the Company.

There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and hence requirement to report under this clause is not applicable. However, it might be noted that there is change of auditors during the year due to rotation of the auditors as prescribed under the Act.

(xix) On the basis of the financial ratios disclosed in note 50 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII to the Act, in compliance with second proviso to section 135(5) of the Act. This matter has been disclosed in note 48 to the financial statements.

(xx) (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance with the provision of section 135(6) of the Act. This matter has been disclosed in note 48 to the financial statements.

For **Manohar Chowdhry & Associates**
Chartered Accountants
Firm Registration No: 001997S

K S Y Suryanandh
Partner
Membership No: 237830
UDIN: 22237830AJJPQZ6340

Place: Hyderabad
Date : April 18, 2022

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in the Independent Auditor's Report of even date to the members of Sify Technologies Limited on the Standalone Financial Statements for the year ended March 31, 2022

We have audited the internal financial controls over financial reporting of Sify Technologies Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on “ the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

For **Manohar Chowdhry & Associates**
Chartered Accountants
Firm Registration No: 001997S

K S Y Suryanandh
Partner
Membership No: 237830
UDIN: 22237830AJJPQZ6340

Place: Hyderabad
Date : April 18, 2022

Balance Sheet as at March 31, 2022

(All amounts are in Indian ₹ lakhs except share data and as stated)

	Note No. (D)	As at March 31, 2022	As at March 31, 2021
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	1	49,260	44,656
(b) Right-of-use Assets	3	19,368	21,576
(c) Capital work in progress		383	390
(d) Intangible assets	2	4,923	5,306
(e) Financial assets			
(i) Investments	4	89,780	77,530
(ii) Other financial assets	5	2,682	1,418
(f) Deferred Tax assets	30	2,223	2,483
(g) Other non-current assets	6	4,081	1,707
		1,72,700	1,55,066
(2) Current assets			
(a) Inventories	7	66	129
(b) Financial assets			
(i) Trade receivables	8	38,876	42,634
(ii) Cash and bank balances	9	12,070	49,638
(iii) Other financial assets	10	17,006	1,560
(c) Other current assets	11	24,793	14,735
		92,811	1,08,696
Total Assets		2,65,511	2,63,762
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	12	18,402	18,352
(b) Other Equity	13	1,08,826	1,03,935
		1,27,228	1,22,287
LIABILITIES			
(1) Non - current liabilities			
(a) Financial liabilities			
(i) Borrowings	14.1	3,894	1,034
(ii) Lease liabilities	14.2	8,219	10,314
(iii) Other financial liabilities	15	731	449
(b) Provisions	16	741	778
(c) Other non-current liabilities	17	17,643	8,974
		31,228	21,549
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18.1	33,296	28,212
(ii) Lease Liabilities	18.2	3,853	3,781
(iii) Trade payables	19		
Total outstanding dues to micro enterprises and small enterprises		-	-
Total outstanding dues to creditors other than micro enterprises and small enterprises		47,817	40,251
(iv) Other financial liabilitie	20	4,152	32,989
(b) Other current liabilities	21	17,855	14,610
(c) Provisions	16	82	83
		1,07,055	1,19,926
Total Equity and Liabilities		2,65,511	2,63,762

Significant accounting policies and notes to the financial statements (Refer notes C and D)
The accompanying notes referred to above form an integral part of the Balance Sheet
As per our report of even date attached.

for **Manohar Chowdhry & Associates**
Chartered Accountants
Firm Registration No.: 001997S

For and on behalf of the Board of Directors

K S Y Suryanandh
Partner
Membership No.: 237830

Raju Vegesna
Chairman and Managing Director

C B Mouli
Director

Hyderabad
April 18, 2022

M P Vijay Kumar
Chief Financial Officer

V Ramanujan
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2022

(All amounts are in Indian ₹ lakhs except share data and as stated)

	Note No. (D)	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations	23	1,20,183	1,09,417
Other income	24	1,924	3,054
Total income		1,22,107	1,12,471
Expenses			
Cost of services rendered	25 A	73,291	66,361
Purchase of stock-in-trade	25 B	106	148
Changes in inventories	25 C	63	(129)
Employee benefits expense	26	9,047	8,495
Finance costs	27	3,524	3,183
Depreciation and amortisation expense	1,2 and 3	15,708	13,873
Other expenses	28	13,531	13,541
Total expenses		1,15,270	1,05,472
Profit before tax		6,837	6,999
Tax expense			
Current Tax		(2,155)	(3,484)
Deferred Tax		(260)	2,153
Profit after tax		4,422	5,668
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods			
Remeasurements of net defined benefit liability/asset		(138)	30
Total other comprehensive income		(138)	30
Total comprehensive income for the Year		4,284	5,698
Earnings per equity share (₹ 10 paid up)	32		
Basic		2.42	3.16
Diluted		2.36	3.13

Significant accounting policies and notes to the financial statements (Refer notes C and D)
The accompanying notes referred to above form an integral part of the Statement of Profit and Loss
As per our report of even date attached.

for **Manohar Chowdhry & Associates**
Chartered Accountants
Firm Registration No.: 001997S

K S Y Suryanandh
Partner
Membership No.: 237830

Hyderabad
April 18, 2022

For and on behalf of the Board of Directors

Raju Vegesna
Chairman and Managing Director

C B Mouli
Director

M P Vijay Kumar
Chief Financial Officer

V Ramanujan
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in Indian ₹ lakhs except share data and as stated)

A. Equity Share Capital

	For the year ended	
	March 31, 2022	**March 31, 2021**
Balance at the beginning of the year	18,352	18,051
Change in Equity Share Capital during the year	50	301
Balance at the end of the year	18,402	18,352

B. Other Equity

	Reserves and surplus			Other Components of Equity		Total
	Securities Premium	**General Reserve**	**Retained earnings**	**Stock Options Outstanding**	**Remeasurements of net defined benefit liability/asset**	
2020-21						
Balance as at April 1, 2020*	**1,96,208**	**725**	**(1,02,577)**	**1,084**	**242**	**95,682**
Profit for the year			5,668			**5,668**
Other comprehensive income					30	**30**
Total comprehensive income for the year 2020-21 - (B)			**5,668**		**30**	**5,698**
Employee stock compensation cost for the year				276		**276**
Employee stock compensation cost for the year relating to subsidiaries				125		**125**
Transferred from stock options outstanding account	548	17		(565)		**-**
Additions to securities premium on issue of shares on exercise of ASOP	2,154					**2,154**
Balance as at March 31, 2021 - (C)	**1,98,910**	**742**	**(96,909)**	**920**	**272**	**1,03,935**
Accumulated losses dealt with vide order of Honourable High Court of Madras [Refer Note D (42) (a)] - (D)	**(1,16,264)**		**1,16,264**			**-**
Accumulated losses dealt with vide scheme of merger as per contra [Refer note D (42) (b)] - (E)	**(27,661)**		**27,661**			**-**
Amount carried forward to Balance Sheet [(F) = (C)+(D)+(E)]	**54,985**	**742**	**47,016**	**920**	**272**	**1,03,935**

B. Other Equity (Continued)

(All amounts are in Indian ₹ lakhs except share data and as stated)

	Reserves and surplus			Other Components of Equity		Total
	Securities Premium	General Reserve	Retained earnings	Stock Options Outstanding	Remeasurements of net defined benefit liability/asset	
2021-22						
Balance as at April 1, 2021*	**1,98,910**	**742**	**(96,909)**	**920**	**272**	**1,03,935**
Profit for the year			4,422			**4,422**
Other comprehensive income					(138)	**(138)**
Total comprehensive income for the year 2021-22 - (B)	**-**	**-**	**4,422**	**-**	**(138)**	**4,284**
Employee stock compensation cost for the year				145		**145**
Employee stock compensation cost for the year relating to subsidiaries				84		**84**
Transferred from stock options outstanding account	101	34		(135)		**-**
Additions to securities premium on issue of shares on exercise of ASOP	379					**379**
Balance as at March 31, 2022 - (C)	**1,99,390**	**776**	**(92,487)**	**1,014**	**134**	**1,08,827**
Accumulated losses dealt with vide order of Honourable High Court of Madras [Refer Note D (42) (a)] - (D)	**(1,16,264)**		**1,16,264**			**-**
Accumulated losses dealt with vide scheme of merger as per contra [Refer note D (42) (b)] - (E)	**(27,661)**		**27,661**			**-**
Amount carried forward to Balance Sheet [(F) = (C)+(D)+(E)]	**55,465**	**776**	**51,438**	**1,014**	**134**	**1,08,827**

*Balance at 1.4.2020 and 1.4.2021 of Securities Premium and Retained Earnings are before adjustment of Accumulated Losses with Securities Premium as detailed in Note D (42) (a) and D (42) (b).

Significant accounting policies and notes to the financial statements (Refer notes C and D)
The accompanying notes referred to above form an integral part of the Statement of Changes in Equity

As per our report of even date attached.

for **Manohar Chowdhry & Associates**
Chartered Accountants
Firm Registration No.: 001997S

For and on behalf of the Board of Directors

K S Y Suryanandh
Partner
Membership No.: 237830

Raju Vegesna
Chairman and Managing Director

C B Mouli
Director

Hyderabad
April 18, 2022

M P Vijay Kumar
Chief Financial Officer

V Ramanujan
Company Secretary

Cash Flow Statement for the year ended March 31, 2022

(All amounts are in Indian ₹ lakhs except share data and as stated)

		For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax		**6,837**	**6,999**
Adjustments for :			
Depreciation and amortisation expense		15,708	13,873
Finance expenses (considered separately)		3,524	3,183
Allowance for doubtful debts		1,361	3,600
Employee stock compensation expense		145	276
Provision for doubtful advances		67	504
Unrealised foreign exchange fluctuation loss/(gain), net		16	(23)
Interest income (considered separately)		(109)	(1,211)
(Profit) /loss on sale of Property, Plant and Equipment (net)		(40)	(14)
Operating profit / (loss) before working capital changes		**27,509**	**27,187**
(Increase)/decrease in trade receivables - current		2,536	(9,179)
(Increase)/decrease in inventories		63	(129)
(Increase)/decrease in other financial assets - current		(67)	75
(Increase)/decrease in other financial assets - non current		(1,225)	(288)
(Increase)/decrease in other non current assets		(657)	(196)
(Increase)/decrease in other current assets		(5,909)	4,804
Increase/(decrease) in trade payables		7,503	1,190
Increase/(decrease) in other non current financial liabilities		282	295
Increase/(decrease) in other non current liabilities		8,669	(417)
Increase/(decrease) in other financial liabilities - current		(28,287)	27,203
Increase/(decrease) in other current liabilities		3,245	1,139
Increase/(decrease) in provisions - non current		(175)	28
Increase/(decrease) in provisions - current		(1)	3
Cash generated from operations		**13,486**	**51,715**
Tax (paid)/refund received		(6,934)	1,415
Net cash generated from operating activities	**(A)**	**6,552**	**53,130**
Cash flow from investing activities			
Investment in equity shares of subsidiary / other entities		(2,250)	(1,000)
Investment in Compulsorily Convertible Debentures of subsidiary		(10,000)	-
Purchase of Property, Plant and Equipment		(17,190)	(7,728)
Amount paid for acquisition of right of use assets		(2,146)	(3,632)
(Increase)/decrease in other bank balances		(809)	(3,767)
Sale proceeds of Property, Plant and Equipment		41	14
Advance to subsidiaries		(15,497)	(294)
Interest income received		118	1,133

(All amounts are in Indian ₹ lakhs except share data and as stated)

		For the year ended March 31, 2022	For the year ended March 31, 2021
Net cash used in investing activities	**(B)**	**(47,733)**	**(15,274)**
Cash flow from financing activities			
Proceeds from long-term borrowings		6,564	2,895
Repayment of long-term borrowings		(6,108)	(3,360)
Increase/(decrease) in short-term borrowings		8,870	5,957
Repayment of lease liabilities		(3,000)	(2,202)
Proceeds from issue of share capital		429	2,455
Interest paid		(3,480)	(3,275)
Net cash used in financing activities	**(C)**	**3,275**	**2,470**
Effect of exchange differences on translation of cash and cash equivalents	**(D)**	**22**	**(34)**
Net increase/(decrease) in cash and bank balances during the year	**(A) + (B) + (C) + (D)**	**(37,884)**	**40,292**
Cash and bank balances at the beginning of the year		**45,129**	**12,261**
Cash and bank balances transferred to subsidiaries through BTA		**-**	**(7,424)**
Cash and bank balances at the end of the year# [Refer Note D (9)]		**7,245**	**45,129**

Cash and bank balances subject to lien [Refer Note D (9B)]

Disclosure of changes in liabilities arising from financing activities [Refer Note D (9)]

Significant accounting policies and notes to the financial statements [(Refer notes C and D)]
The accompanying notes referred to above form an integral part of the Statement of Profit and Loss
As per our report of even date attached.

for **Manohar Chowdhry & Associates**
Chartered Accountants
Firm Registration No.: 001997S

K S Y Suryanandh
Partner
Membership No.: 237830

Hyderabad
April 18, 2022

For and on behalf of the Board of Directors

Raju Vegesna
Chairman and Managing Director

C B Mouli
Director

M P Vijay Kumar
Chief Financial Officer

V Ramanujan
Company Secretary

(All amounts are in Indian ₹ lakhs except share data and as stated)

A. COMPANY OVERVIEW

Sify Technologies Limited ('Sify' or 'the Company') is a Company domiciled in India. The address of the Company's registered office is 2nd Floor, Tidel Park, 4, Rajiv Gandhi Salai, Taramani, Chennai - 600113, India. The Company offers converged ICT solutions comprising Network-centric services, Data Center-centric IT services which includes Data Center services, Cloud and Managed services, Applications Integration services and Technology Integration services. During the year under review, the Company has transferred its Data Center business to its wholly owned subsidiary Sify Infinit Spaces Limited and IT services business (Cloud and Managed services, Applications Integration services and Technology Integration services) to its wholly owned subsidiary Sify Digital Services Limited respectively effective from April 01, 2020 vide Business Transfer Agreement dated January 28, 2021.

The Company was incorporated on December 12, 1995 and is listed on the NASDAQ Capital Market in the United States.

B. BASIS OF PREPARATION

The financial statements of the Company have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis of accounting, except for certain financial instruments which are measured on fair value basis and Cash Flow Statement. GAAP comprises Indian Accounting Standards (Ind AS) as notified under Section 133 of the Companies Act read together with relevant rules of Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Amendment Rules 2016 to the extent applicable, pronouncements of regulatory bodies applicable to the Company and other provisions of the Act. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to existing accounting standards requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an on-going basis.

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set-out in note C (21). Based on the nature of products and services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

1. Statement of Compliance

The Financial Statements comprising Balance Sheet, Statement of Profit and Loss, Statement of changes in Equity, Cash Flow Statement, together with notes for the year ended March 31, 2022 have been prepared in accordance with Ind AS duly approved by the Board of Directors at its meeting held on April 18, 2022.

2. Basis of Measurement

The financial statements have been prepared on the historical cost basis except for the following:

- Derivative financial instruments are measured at fair value
- Financial assets at fair value through other comprehensive income are measured at fair value
- Financial instruments at fair value through profit or loss are measured at fair value.
- Share-based payments
- The defined benefit asset is recognized as the net total of the plan assets, plus unrecognized past service cost and unrecognized actuarial losses, less unrecognized actuarial gains and the present value of the defined benefit obligation.
- In relation to lease prepayments, the initial fair value of the security deposit is estimated as the present value of the refundable amount, discounted using the market interest rates for similar instruments. The difference between the initial fair value and the refundable amount of the deposit is recognized as a Right of Use Asset.

The above items have been measured at fair value and the methods used to measure fair values are discussed further in Note C (19).

3. New and amended Standards

Issued but not effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 - Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 - Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021) The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021) The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

4. Functional and Presentation Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). Indian rupee is the functional currency of the Company.

The financial statements are presented in Indian Rupees (₹) which is the Company's presentation currency. All financial information presented in Indian Rupees has been rounded up to the nearest lakhs except where otherwise indicated.

5. Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

Application of accounting policies that require critical accounting estimates, judgements and assumption having the most significant effect on the amounts recognized in the financial statements are:

- Valuation of financial instruments [Note C(2)]
- Useful lives of property, plant and equipment [Note C(4)]
- Useful lives of intangible assets [Note C(6)]
- Estimate of Lease term and measurement of Right of Use Assets and Lease Liabilities [Note C(7)]
- Measurement of defined employee benefit obligations [Note C (11)]
- Measurement of share-based payments [Note C(12)]
- Provisions [Note C(13)]
- Identification of performance obligation and timing of satisfaction of performance obligation, measurement of transaction price on revenue recognition [Note C(14)]
- Utilization of tax losses and computation of deferred taxes [Note C(17)]
- Expected Credit losses on Financial Assets [Note C(2)]
- Impairment testing [Note C(10)]

Estimation of uncertainty relating to global health pandemic of COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these standalone financial statements including the recoverability of carrying amounts of financial and non financial assets. The Company has, at the date of approval of these financial statements, used internal and external sources of information including credit reports and related information and economic forecasts in the light of conditions prevailing due to pandemic, and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these standalone financial statements.

C. SIGINIFICANT ACCOUNTING POLICIES

1. Foreign currency

(i) Foreign currency transactions and balances

Transactions in foreign currencies are initially recognized in the financial statements using exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the relevant functional currency at the exchange rates prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate prevailing on the date that the fair value was determined. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Foreign currency differences arising on translation are recognized in the Statement of Profit and Loss for determination of net profit or loss during the period.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the functional currency at exchange rates at the reporting date. The income and expenses of foreign operations and cash flows are translated to using average exchange rates during the period. Any differences arising on such translation are recognized in other comprehensive income. Such differences are included in the foreign currency translation reserve "FCTR" within other components of equity. When a foreign operation is disposed off, in part or in full, the relevant amount in the FCTR is transferred to profit or loss.

2. Financial Instruments

a. Financial Assets

Financial assets comprises investments in equity and debt securities, trade receivables, cash and cash equivalents and other financial assets.

Initial recognition:

All financial assets are recognised initially at fair value except for trade receivables which are recognised at transaction price. In the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are added to the fair value on initial recognition. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement:

(i) Financial assets measured at amortized cost:

Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cashflows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortised cost using effective interest rate (EIR) method. The EIR amortisation is recognised as finance income in the Statement of Profit and Loss.

The Company while applying above criteria has classified the following financial assets at amortised cost.

a) Trade receivable

b) Other financial assets.

(ii) Financial assets at fair value through other comprehensive income (FVTOCI):

Financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are subsequently measured at FVTOCI. Fair value movements in financial assets at FVTOCI are recognised in other comprehensive income.

Equity instruments held for trading are classified as at fair value through profit or loss (FVTPL). For other equity instruments the company classifies the same either as at FVTOCI or FVTPL. The classification is made on initial recognition and is irrevocable. Fair value changes on equity investments at FVTOCI, excluding dividends, are recognised in other comprehensive income (OCI).

(iii) Financial assets at fair value through profit or loss (FVTPL):

Financial asset are measured at fair value through profit or loss if it does not meet the criteria for classification as measured at amortised cost or at fair value through other comprehensive income. All fair value changes are recognised in the Statement of Profit and Loss.

Derecognition of financial assets:

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred and the transfer qualifies for derecognition. On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognised in the Statement of Profit and Loss.

Impairment of financial assets:

Trade receivables, contract assets, lease receivables under Ind AS 109, investments in debt instruments that are carried at amortised cost, investments in debt instruments that are carried at FVTOCI are tested for impairment based on the expected credit losses for the respective financial asset.

(i) Trade receivables

An impairment analysis is performed at each reporting date. The expected credit losses over lifetime of the asset are estimated by adopting the simplified approach using a provision matrix which is based on historical loss rates reflecting current condition and forecasts of future economic conditions. In this approach assets are grouped on the basis of similar credit characteristics such as industry, customer segment, past due status and other factors which are relevant to estimate the expected cash loss from these assets.

(ii) Other financial assets

Other financial assets are tested for impairment based on significant change in credit risk since initial recognition and impairment is measured based on probability of default over the lifetime when there is significant increase in credit risk.

b. Financial liabilities

Initial recognition and measurement:

Financial liabilities are initially recognised at fair value and any transaction cost that are attributable to the acquisition of the financial liabilities except financial liabilities at fair value through profit or loss which are initially measured at fair value.

Subsequent measurement:

The financial liabilities are classified for subsequent measurement into following categories:

- at amortised cost

- at fair value through profit or loss

(i) Financial liabilities at amortised cost

The company is classifying the following financial liabilities at amortised cost;

a) Borrowings from banks

b) Borrowings from others

c) Finance lease liabilities

d) Trade payables

e) Other financial liabilities

Amortised cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount.

(All amounts are in Indian ₹ lakhs except share data and as stated)

(ii) Financial liabilities at fair value through profit or loss

Financial liabilities held for trading are measured at FVTPL.

Derecognition of financial liabilities:

A financial liability shall be derecognised when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

c. Derivative financial instruments

Foreign exchange forward contracts and options are entered into by the Company to mitigate the risk of changes in foreign exchange rates associated with certain payables, receivables and forecasted transactions denominated in certain foreign currencies. The Company also enters into cross currency and interest rate swaps for hedging the risk against variability in cash flows of its term loan. These derivative contracts do not qualify for hedge accounting under Ind AS 109, and are initially recognized at fair value on the date the contract is entered into and subsequently measured at fair value through profit or loss. Gains or losses arising from changes in the fair value of the derivative contracts are recognized in profit or loss.

d. Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is presented in the Balance Sheet when, and only when, the Company has a legal right to offset the recognised amounts and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

e. Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets (which are categorised as equity instruments) at FVTOCI and financial assets or liabilities that are specifically designated as FVTPL. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be very infrequent. The management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

3. Share capital

Ordinary shares are classified as Equity. Incremental costs directly attributable to the issue of new ordinary shares or share options are recognized as a deduction from Equity, net of any tax effects.

4. Property, Plant and Equipment

Property, Plant and Equipment is stated at cost less accumulated depreciation and where applicable accumulated impairment losses. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchases taxes, after deducting trade discounts and rebates and includes expenditure directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of Property, Plant and Equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Amount paid as advances towards the acquisition of property, plant and equipment is disclosed separately under other non-current assets as capital advances and the cost of assets not put to use as on balance sheet date are disclosed under 'Capital work-in-progress.

Gains and losses on disposal of an item of Property, Plant and Equipment are determined by comparing the proceeds from disposal with the carrying amount of Property, Plant and Equipment and are recognized net within "other

(All amounts are in Indian ₹ lakhs except share data and as stated)

income / other expenses" in the Statement of Profit and Loss.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is de-recognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the Statement of Profit or Loss.

Depreciation

Depreciation is recognized in the Statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment considering residual value to be zero. Depreciation on contract-specific assets are charged co-terminus over the contract period. Management's estimated useful lives for the year ended March 31, 2022 and March 31, 2021 were as follows:

	Estimated useful life in years	"Useful life prescribed by Schedule II (in years)"
Buildings	28	30
Plant and equipment		
- Tower, telecom ducts, cables and optical fibre	3 - 8	18
- Telecom transceivers	8	13
- Computer servers	5	6
- Computer laptops/ desktop	3	3
Furniture and fittings	5	10
Office equipment	5	5
Motor vehicles	3	8

The management believes that the useful lives as given above best represent the period over which management expects to use these assets.

The depreciation method, useful lives and residual value are reviewed at each of the reporting date.

5. Business combinations

Business combinations are accounted for using Ind AS 103 Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103. The cost of acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Transactions costs that the Company incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

The acquisition of an asset or a group of assets that does not constitute a 'business' as per Ind AS 103 is accounted for by identifying and recognizing the individual identifiable assets acquired and liabilities assumed. The cost of the group of assets is allocated to such individual identifiable assets and liabilities on the basis of their relative fair values on the date of purchase.

Business combinations involving entities or businesses under common control have been accounted for using the pooling of interests method.

6. Intangible assets

Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the intangible asset.

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, are recognized in profit or loss as incurred.

Amortization of intangible assets with finite useful lives

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful lives for the current and previous year are as follows:

	Estimate of useful life in years
System software	1 - 3
Undersea cable capacity	12
Other Intangibles	3 - 5

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

7. Leases

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether: (1) the contract involves the use of an identified asset (2) the company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a lessor

Leases for which the company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

8. Inventories

Inventories comprising traded hardware and software are measured at the lower of cost (determined using first-in first-out method) and net realizable value. Cost comprises cost of purchase and all directly attributable costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated cost necessary to make the sale.

9. Contract assets/liability

Contract Assets (Unbilled revenue) represents revenue in excess of billing. Contract Liability (Unearned income) represents unserved portion of billed contracts.

10. Impairment of non financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit or group of units on a pro rata basis.

Reversal of impairment loss

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized directly in other comprehensive income and presented within equity.

11. Employee benefits

Employee benefits are accrued in the period in which the associated services are rendered by employees of the Company, as detailed below:

(a) Defined contribution plan (Provident fund)

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The Company makes specified monthly contribution towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit and loss in the periods during which the related services are rendered by employees.

(b) Defined benefit plans (Gratuity)

In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The gratuity fund is managed by the HDFC Life Insurance Company Limited and Life Insurance Corporation of India (LIC). The company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting any unrecognized past service cost and the fair value of any plan assets.

The discount rate is the yield at the reporting date on risk free government bonds that have maturity dates approximating the terms of the Company's obligations. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest), are recognised in other comprehensive income and presented within equity. Remeasurements are not reclassified to profit or loss in subsequent periods. Service costs, net interest expenses and other expenses related to defined benefit plans are recognised in profit or loss.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest), are recognised in other comprehensive income and presented within equity. Remeasurements are not reclassified to profit or loss in subsequent periods. Service costs, net interest expenses and other expenses related to defined benefit plans are recognised in profit or loss.

(c) Short term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(d) Compensated absences

The employees of the Company are entitled to compensated absence. The employees can carry forward a portion of the unutilized accrued absence and utilize it in future periods or receive cash compensation at retirement or termination of employment for the unutilized accrued compensated absence. The Company recognizes an obligation for compensated absences in the period in which the employee renders the services. The Company provides for the expected cost of compensated absence in the Statement of Profit and Loss as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated based on actuarial valuations carried out by an independent actuary at the balance sheet date.

12. Share-based payment transactions

The fair value of options on grant date, (equity-settled share based payments) granted to employees is recognized as an employee expense other than options granted to employees of Subsidiary company which is accounted as intercompany receivable, with a corresponding increase in equity, over the period in which the options are vested. The increase in equity recognized in connection with a share based payment transaction is presented as a separate component in equity. The amount recognized as an expense is adjusted to reflect the actual number of share options that vest. In respect of options whose terms and conditions are modified, the Company includes the incremental fair value of the options in the measurement of the amounts recognized for services received from the employees. The incremental fair value is the difference between the fair value of the modified option and that of the original option both estimated as at the date of the modification. If the modification occurs during the vesting period, the incremental fair value granted is included in the measurement of the amount recognized for services received over the period from the modification date until the date when the modified equity instruments vest, in addition to the amount based on the fair value of the original equity instruments, which is recognized over the remainder of the original vesting period. If the modification occurs after vesting date, the incremental fair value granted is recognized immediately, or over the vesting period if the employee is required to complete an additional period of service before becoming unconditionally entitled to those modified equity instruments.

13. Provisions

Provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

14. Revenue recognition

The Company derives revenue from converged ICT solutions comprising Network-centric services, Data Center-centric IT services which includes Data Center services, Cloud and Managed services, Applications Integration services and Technology Integration services

The Company recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services excluding the amount collected on behalf of third parties.

The revenue recognition in respect of the various streams of revenue is described as follows

(a) Network Services:

Revenue from Network services includes Data network services and Voice services. Network services primarily include revenue from connectivity services, NLD / ILD services and to a lesser extent, revenues from the setup and installation of connectivity links. The group provides connectivity for a fixed period of time at a fixed rate regardless of usage. Revenue from Network services are series of distinct services. The performance obligations are satisfied overtime.

Service revenue is recognized when services are provided, based upon period of time. The setup and installation of connectivity links are deferred and recognized over the associated contract period.

Sale of equipments are accounted as separate performance obligations if they are distinct and its related revenues are recognised at a point in time when the control is passed on to the customer.

The Company provides NLD (National Long Distance) and ILD (International Long Distance) services through Company's network. The Group carries voice traffic, both national and international, using the network back-bone and delivers voice traffic to Inter-connect Operators. Revenue is recognised when the services are provided based upon the usage (eg: metered call units of voice traffic terminated on the Company's network).

Multiple deliverable arrangements

In certain cases, some elements belonging to the services mentioned above are sold as a package consisting of all or some of the elements.

The Company accounts for goods or services of the package separately if they are distinct. i.e. if a good or service is separately identifiable from other promises in the contract and if the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer.

The Company allocate the transaction price to each performance obligation identified in the contract on a relative stand-alone selling price basis. Standalone selling price is the price at which group would sell a promised good or service separately to the customer.

If the relative stand-alone selling prices are not available, the group estimates the same. In doing so, the group maximise the use of observable inputs and apply estimation methods consistently in similar circumstances.

Contract Cost

Costs to fulfil customer contracts i.e. the costs relate directly to a contract or to an anticipated contract that the Company can specifically identify or the costs generate/ enhance resources of the company that will be used in satisfying (or in continuing to satisfy) performance obligations in the future or the costs that are expected to be recovered are recognised as asset and amortized over the contract period.

Incremental costs of obtaining a contract are recognised as assets and amortized over the contract period if entity expects to recover those costs. The Company recognise incremental cost of obtaining a contract as an expense when incurred if the amortisation period of the asset that the entity otherwise would have recognised is one year or less.

Costs to obtain a contract that is incurred regardless of whether the contract is obtained are recognised as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

Significant judgements on applying Ind AS 115

The Company contracts with customer include promises or arrangements to transfer multiple goods or services to a customer. The Company assess whether such arrangements in the contract has distinct goods or services (performance obligation). Identification of distinct performance obligation involves judgment to determine ability of customer to benefit independently from other promises in the contract.

The judgment is required to measure the transaction price for the contract.

(All amounts are in Indian ₹ lakhs except share data and as stated)

The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. The consideration could be fixed amount or variable amount or could be both. Transaction price could also be adjusted for time value of money if contract includes a significant financing component.

Trade receivable - unbilled

The Company uses judgment in determining timing of satisfaction of performance obligation. The Company considers how customer benefits from goods or services as the services are rendered, who controls as the assets is created or enhanced, whether asset has an alternate use and the entity has an enforceable right to payment for performance completed to date, transfer of significant risk and reward to the customer, acceptance or sign off from the customer etc.,

The Company uses judgement when capitalising the contract cost as to whether it generates or enhances resources of the entity that will be used in satisfying performance obligation in the future.

15. Finance income

Finance income comprises interest income on funds invested, dividend income, fair value gains on financial assets at fair value through profit or loss. Interest income is recognized as it accrues in Statement of Profit and Loss, using the effective interest method. Dividend income is recognized in Statement of Profit and Loss on the date when the company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

16. Finance expense

Finance expense comprises borrowing costs, bank charges, unwinding of discount on provision, fair value losses on financial assets at fair value through profit or loss that are recognized in Statement of Profit and Loss. Fair value changes attributable to hedged risk are recognised in Statement of Profit and Loss.

Borrowing costs are interest and other costs (including exchange difference relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Interest expense is recognised using effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized as expenses in the period in which they are incurred. To the extent the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Company determines the amount of borrowings costs eligible for capitalization by applying a capitalization rate to the expenditure incurred on such asset. The capitalization rate is determined based on the weighted average of borrowing costs applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing costs that the Company capitalizes during a period does not exceed the amount of borrowing costs incurred during that period.

17. Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date. Minimum Alternate Tax (MAT) is accounted as current tax when the Company is subjected to such provisions of the Income Tax Act. However, credit of such MAT paid is available when the Company is subjected to tax as per normal provisions in the future. Credit on account of MAT is recognized as an deferred tax asset based on the management's estimate of its recoverability in the future.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences:

(i) the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss,

(ii) differences relating to investments in subsidiaries and associates to the extent that it is probable that they will not reverse in the foreseeable future.

(iii) arising due to taxable temporary differences on the initial recognition of goodwill, as the same is not deductible for tax purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

18. Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Where ordinary shares are issued but not fully paid, they are treated in the calculation of basic earnings per share as a fraction of an ordinary share to the extent that they were entitled to participate in dividends during the period relative to a fully paid ordinary share. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which includes share options granted to employees. To the extent that partly paid shares are not entitled to participate in dividends during the period, they are treated as the equivalent of warrants or options in the calculation of diluted earnings per share.

19. Fair value measurement

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described below:

Level 1 - unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - unobservable inputs for the asset or liability

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy.

Fair values have been determined for measurement and / or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(All amounts are in Indian ₹ lakhs except share data and as stated)

(i) Investments in equity and debt securities

The fair value is determined by reference to their quoted price at the reporting date. In the absence of quoted price, the fair value of the financial asset is measured using valuation techniques.

(ii) Trade and other receivables

The fair value of trade and other receivables expected to be realised beyond twelve months, excluding construction contracts in progress, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. However in respect of such financial instruments, fair value generally approximates the carrying amount due to the short term nature of such assets. This fair value is determined for disclosure purposes or when acquired in a business combination.

(iii) Derivatives

The fair value of forward exchange contracts is based on their quoted price, if available. If a quoted price is not available, the fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk free interest rate (based on government bonds). The fair value of foreign currency option contracts is determined based on the appropriate valuation techniques, considering the terms of the contract. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Company and the counter party when appropriate. The fair value of the cross currency swaps (principal only swaps) and interest rate swaps is determined based on the discounting of the future cash flows at the market rates existing on the reporting date.

(iv) Non derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases, the market rate of interest is determined by reference to similar lease agreements.

(v) Share-based payment transactions

The fair value of employee stock options is measured using the Black-Scholes method. Measurement inputs include share price on grant date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), expected term of the instrument (based on historical experience and general option holder behaviour), expected dividends, and the risk free interest rate (based on government bonds).

20. Dividend distribution to Equity shareholders

Dividend distributed to Equity shareholders is recognised as distribution to owners of capital in the Statement of Changes in Equity, in the period in which it is paid.

21. Current/ non-current classification

An asset is classified as current if:

(a) it is expected to be realised or sold or consumed in the Company's normal operating cycle;

(b) it is held primarily for the purpose of trading;

(c) it is expected to be realised within twelve months after the reporting period; or

(d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if:

(a) it is expected to be settled in normal operating cycle;

(b) it is held primarily for the purpose of trading;

(c) it is expected to be settled within twelve months after the reporting period;

(d) it has no unconditional right to defer the settlement of the liability for at lease twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between acquisition of assets for processing and their realisation in cash and cash equivalents. The Company's normal operating cycle is twelve months.

(All amounts are in Indian ₹ lakhs except share data and as stated)

D. Notes to Accounts

1. PROPERTY, PLANT AND EQUIPMENT

The following table presents the changes in property, plant and equipment during the year ended March 31, 2022

Particulars	ORIGINAL COST				DEPRECIATION				NET BOOK VALUE	
	As at April 1, 2021	Additions during the year	Deletions/ Adjustments during the year	As at March 31, 2022	As at April 1, 2021	For the year	Deletions/ Adjustments during the year	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Owned assets										
Freehold Land	**1,472**			**1,472**	**-**			**-**	**1,472**	**1,472**
Buildings	**22,506**	67		**22,573**	**6,406**	804		**7,210**	**15,363**	**16,100**
(As at April 1 2014)	*(4,905)*	-	-	*(4,905)*	*(591)*	-	-	*(591)*	*(4,314)*	*(4,314)*
Plant and equipment	**93,055**	12,786	232	**1,05,609**	**69,903**	6,670	231	**76,342**	**29,267**	**23,152**
(As at April 1 2014)	*(46,953)*		*(230)*	*(46,723)*	*(26,304)*		*(230)*	*(26,074)*	*(20,649)*	*(20,649)*
Furniture and fittings	**1,128**	1	4	**1,125**	**1,126**	1	4	**1,123**	**2**	**2**
(As at April 1 2014)	*(1,005)*		*(4)*	*(1,001)*	*(996)*		*(4)*	*(992)*	*(9)*	*(9)*
Office equipment	**1,981**	39	6	**2,014**	**1,548**	53	6	**1,595**	**419**	**433**
(As at April 1 2014)	*(1,131)*		*(6)*	*(1,125)*	*(636)*		*(6)*	*(630)*	*(495)*	*(495)*
Leasehold improvements	**6,929**	128	1	**7,056**	**3,432**	888	1	**4,319**	**2,737**	**3,497**
(As at April 1 2014)	*(1,967)*		*(1)*	*(1,966)*	*(1,012)*		*(1)*	*(1,011)*	*(955)*	*(955)*
Motor vehicles	**72**	-		**72**	**72**			**72**	**-**	-
(As at April 1 2014)	-			-	**-**			-	-	-
	1,27,143	**13,021**	**243**	**1,39,921**	**82,487**	**8,416**	**242**	**90,661**	**49,260**	**44,656**
(As at April 1 2014)	***(55,961)***		***(241)***	***(55,720)***	***(29,539)***		***(241)***	***(29,298)***	***(26,422)***	***(26,422)***

(All amounts are in Indian ₹ lakhs except share data and as stated)

The following table presents the changes in property, plant and equipment during the year ended March 31, 2021

Particulars	ORIGINAL COST					DEPRECIATION					NET BOOK VALUE	
	As at April 1, 2020	Transfer of Assets to Subsidiaries through BTA	Additions during the year	Deletions/ Adjustments during the year	As at March 31, 2021	As at April 1, 2020	Transfer of Assets to Subsidiaries through BTA	For the year	Deletions/ Adjustments during the year	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Owned assets												
Freehold Land	**1,472**	-	-	-	**1,472**	**-**	-	-	-	**-**	**1,472**	1,472
Buildings	**43,979**	(23,043)	1,570	-	**22,506**	**7,120**	(1,607)	893	-	**6,406**	**16,100**	36,859
(As at April 1 2014)	*(9,239)*	*4,334*		-	*(4,905)*	*(2,536)*	*1,945*		-	*(591)*	*(4,314)*	*(6,703)*
Plant and equipment	**1,50,718**	(62,600)	5,036	99	**93,055**	**98,199**	(33,838)	5,641	99	**69,903**	**23,152**	52,519
(As at April 1 2014)	*(65,419)*	*18,373*		*(93)*	*(46,953)*	*(44,733)*	*18,336*		*(93)*	*(26,304)*	*(20,649)*	*(20,686)*
Furniture and fittings	**1,534**	(403)	-	3	**1,128**	**1,518**	(391)	2	3	**1,126**	**2**	16
(As at April 1 2014)	*(1,363)*	*355*		*(3)*	*(1,005)*	*(1,354)*	*355*		*(3)*	*(996)*	*(9)*	*(9)*
Office equipment	**10,468**	(8,503)	19	3	**1,981**	**5,560**	(4,069)	60	3	**1,548**	**433**	4,908
(As at April 1 2014)	*(2,314)*	*1,180*		*(3)*	*(1,131)*	*(1,819)*	*1180*		*(3)*	*(636)*	*(495)*	*(495)*
Leasehold improvements	**23,661**	(16,855)	125	2	**6,929**	**10,458**	(7,907)	883	2	**3,432**	**3,497**	13,203
(As at April 1 2014)	*(4,871)*	*2,904*		-	*(1,967)*	*(3,916)*	*2904*		-	*(1,012)*	*(955)*	*(955)*
Motor vehicles	**72**	-	-	-	**72**	**72**	-	-	-	**72**	**-**	-
(As at April 1 2014)	-	-		-	-	-				-	-	-
	2,31,904	**(1,11,404)**	**6,750**	**107**	**1,27,143**	**1,22,927**	**(47,812)**	**7,479**	**107**	**82,487**	**44,656**	**1,08,977**
(As at April 1 2014)	***(83,206)***	***27,146***	-	***(99)***	***(55,961)***	***(54,358)***	***24,720***	-	***(99)***	***(29,539)***	***(26,422)***	***(28,848)***

Notes

(a) Refer note D (14) and D (18) for security given for borrowings.

(b) Refer note D (22)(c) for capital commitments.

(c) The company had elected to continue with the carrying amount of property, plant and equipment measured as per previous GAAP and use that as its deemed cost as at the date of transition to Ind AS (i.e 1st April 2014). The carrying value as on Balance Sheet date of those property, plant and equipment existing as on date of transition are given in brackets.

(All amounts are in Indian ₹ lakhs except share data and as stated)

2. INTANGIBLE ASSETS

The following table presents the changes in intangible assets during the year ended March 31, 2022

Particulars	ORIGINAL COST				AMORTISATION				NET BOOK VALUE	
	As at April 1, 2021	Additions during the year	Deletions/ Adjustments during the year	As at March 31, 2022	As at April 1, 2021	For the year	Deletions/ Adjustments during the year	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Undersea cable capacity	**7,364**			**7,364**	**5,127**	745	-	5,872	1,492	2,237
(As at April 1 2014)	*(5,533)*			*(5,533)*	*(922)*			*(922)*	*(4,611)*	*(4,611)*
System software	**11,074**	2,397		**13,471**	**8,325**	2,003	-	10,328	3,143	2,749
(As at April 1 2014)	*(3,866)*			*(3,866)*	*(3,321)*			*(3,321)*	*(545)*	*(545)*
License fees	**780**			**780**	**460**	32	-	492	288	320
(As at April 1 2014)	*(500)*			*(500)*	*(238)*		-	*(238)*	*(262)*	*(262)*
Customer related intangibles	**655**			**655**	**655**		-	655	-	-
(As at April 1 2014)	*(656)*			*(656)*	*(656)*			*(656)*	-	-
	19,873	**2,397**	**-**	**22,270**	**14,567**	**2,780**	**-**	**17,347**	**4,923**	**5,306**
(As at April 1 2014)	***(10,555)***	**-**	**-**	***(10,555)***	***(5,137)***	**-**	**-**	***(5,137)***	***(5,418)***	***(5,418)***

(All amounts are in Indian ₹ lakhs except share data and as stated)

The following table presents the changes in intangible assets during the year ended March 31, 2021

Particulars	ORIGINAL COST					AMORTISATION					NET BOOK VALUE	
	As at April 1, 2020	Transfer of Assets to Subsidiaries through BTA	Additions during the year	Deletions/ Adjustments during the year	As at March 31, 2021	As at April 1, 2020	Transfer of Assets to Subsidiaries through BTA	For the year	Deletions/ Adjustments during the year	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Undersea cable capacity	**7,364**	-	-	-	7,364	4,382	-	745	-	5,127	2,237	2,982
(As at April 1 2014)	*(5,533)*	-		-	*(5,533)*	*(922)*	-		-	*(922)*	*(4,611)*	*(4,611)*
System software	**12,310**	(2,979)	1,743	-	11,074	9,024	(2,096)	1,397	-	8,325	2,749	3,286
(As at April 1 2014)	*(4,589)*	*723*		-	*(3,866)*	*(4,044)*	*723*		-	*(3,321)*	*(545)*	*(545)*
License fees	**780**	-	-	-	780	428	-	32	-	460	320	352
(As at April 1 2014)	*(500)*	-		-	*(500)*	*(238)*	-		-	*(238)*	*(262)*	*(262)*
Customer related intangibles	**1,824**	(1,169)	-	-	655	1,824	(1,169)		-	655	-	-
(As at April 1 2014)	*(1,824)*	*1,168*		-	*(656)*	*(1,824)*	*1,168*		-	*(656)*	-	-
	22,278	**(4,148)**	**1,743**	**-**	**19,873**	**15,658**	**(3,265)**	**2,174**	**-**	**14,567**	**5,306**	**6,620**
(As at April 1 2014)	***(12,446)***	***1,891***	**-**	**-**	***(10,555)***	***(7,028)***	***1,891***	**-**	**-**	***(5,137)***	***(5,418)***	***(5,418)***

Note:

The company had elected to continue with the carrying amount of intangible assets measured as per previous GAAP and use that as its deemed cost as at the date of transition to Ind AS (i.e 1st April 2014). The carrying value as on Balance Sheet date of those intangible assets existing as on date of transition are given in brackets.

(All amounts are in Indian ₹ lakhs except share data and as stated)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT

3. RIGHT OF USE ASSETS AND LIABILITIES

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2022

Particulars	Category of ROU asset				
	Land	Building	P&M	IRU	Total
Balance as of April 1, 2021	2,815	9,259	4,205	5,297	21,576
Additions	-	2,042	1,083	1,061	4,186
Less: ROU assets transferred to subsidiaries	-	(1,778)	-	-	(1,778)
Deletions	-	(104)	-	-	(104)
Depreciation	(37)	(2,436)	(1,267)	(772)	(4,512)
Balance as of March 31, 2022	**2,778**	**6,983**	**4,021**	**5,586**	**19,368**

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021

Particulars	Category of ROU asset				
	Land	Building	P&M	IRU	Total
Balance as of April 1, 2020	10,823	15,772	2,896	5,395	34,886
Less: ROU Assets Transferred to Subsidiaries through BTA	(7,971)	(7,895)	(753)	-	(16,619)
Additions	-	3,898	2,895	736	7,529
Deletions	-	-	-	-	-
Depreciation	(37)	(2,516)	(833)	(834)	(4,220)
Balance as of March 31, 2021	**2,815**	**9,259**	**4,205**	**5,297**	**21,576**

Lease Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Current lease liabilities	3,853	3,781
Non-current lease liabilities	8,219	10,314
Total	**12,072**	**14,095**

The movement in lease liabilities during the Year ended March 31, 2022 and March 31, 2021 are given below

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance at the beginning of the year	14,095	17,742
Transfer through BTA	(7,874)	(7,874)
Additions during the year	6,430	6,430
Finance cost accrued during the year	1,168	1,105
Deletions during the year	-	-
Payment of lease liabilities during the year	(1,747)	(3,308)
Balance at the end of the year	**12,072**	**14,095**

Note: Refer Note D (39) for contractual maturities to lease liabilities

Amounts recognised in profit or loss for the period ended March 31, 2022 and March 31, 2021 are given below

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on lease liabilities	1,168	1,105
Expenses relating to leases of low-value assets, including short-term leases of low value assets	1,506	1,057

(All amounts are in Indian ₹ lakhs except share data and as stated)

		As at March 31, 2022	As at March 31, 2021
4. INVESTMENTS - NON-CURRENT			
Trade Investments			
Investment in equity instruments			
Investments in subsidiaries - unquoted (carried at cost)			
Sify Technologies (Singapore) Pte Limited			
[2,000 (March 31, 2021 : 2,000) equity shares of S $1 each fully paid up]		1	1
[5,00,000 (March 31, 2021 : 5,00,000) equity shares of ₹ 67.98 (USD 1) each fully paid up]		340	340
Sify Technologies North America Corporation			
[100 (March 31, 2021: 100) Common stock of ₹ 0.006155 (USD 0.0001) each fully paid up]		*	*
Sify Technologies North America Corporation			
[8,00,00,000 (March 31, 2021: 8,00,00,000) Preferred stock of ₹ 0.006155 (USD 0.0001) each fully paid up]		3,078	3,078
Sify Data and Managed Services Limited			
[50,00,000 (March 31, 2021: 50,00,000) Equity Shares of ₹10 each fully paid up]		500	500
Sify Digital Services Limited			
[20,00,10,000 (March 31, 2021: 20,00,10,000) Equity Shares of ₹10 each fully paid up] (Refer note (b) below)		20,001	20,001
Sify Infinit Spaces Limited			
[50,50,00,000 (March 31, 2021: 50,50,00,000) Equity Shares of ₹10 each fully paid up] (Refer note (b) below)		50,500	50,500
Print House (India) Private Limited			
[1,00,00,000 (March 31, 2021: 1,00,00,000) Equity Shares of ₹10 each fully paid up] (Refer note (d) below)		1,000	1000
Total equity instruments	**A**	**75,420**	**75,420**
Investment in preference shares			
Investments in subsidiaries - unquoted (carried at cost)			
Sify Data and Managed Services Limited	**B**		
[2,00,00,000 (March 31, 2021: 2,00,00,000) 7% Non-Cumulative Convertible Preference Shares of ₹10 each fully paid up]		2,000	2,000

(All amounts are in Indian ₹ lakhs except share data and as stated)

		As at March 31, 2022	As at March 31, 2021
Investment in Others			
Print House (India) Private Limited (Refer note (d) below)	C	110	110
Sify Infinit Spaces Limited			
[1,00,00,000 6% Complusorily Convertible Debentures of ₹100 each fully paid up] (Refer note (e) below)		10,000	-
	(A) + (B) + (C)	**87,530**	**77,530**
Investment in equity of others - unquoted (Refer note below)			
Investment in Vashi Railway Station Commercial Complex Limited			
[Nil (March 31, 2021: Nil) equity shares of ₹ 10 each fully paid up] (Refer note (c) below)		-	-
Investment in Sarayu Clean Gen Pvt Ltd			
[Nil (March 31, 2021: Nil) equity shares of ₹10 each fully paid up] (Refer note (c) below)		-	-
Investment in Tasoula Energy Private Limited			
[70,31,250 (March 31, 2021: Nil) equity shares of ₹10 each fully paid up]		2,250	-
	(D)	**2,250**	**-**
	(A) + (B) + (C) + (D)	**89,780**	**77,530**
Aggregate cost of unquoted investments		**89,780**	**77,530**

* amount below rounding off norm adopted by the Company

Note:

(a) The Company has classified investments in equity of others - unquoted as at FVTOCI.

(b) Pursuant to BTA entered during FY 2020-21, the Company has transferred its Data Center business to its wholly owned subsidiary Sify Infinit Spaces Limited and IT services business (Cloud and Managed services, Applications Integration services and Technology Integration services) to its wholly owned subsidiary Sify Digital Services Limited respectively and received the equity shares equivalent to the value of Net of Assets and Liabilities transferred to the companies.

(c) Pursuant to BTA entered during FY 2020-21, the Investments in Vashi Railway Station Commercial Complex Limited ₹ 2 and Investments in Sarayu Clean Gen Pvt Ltd ₹15 has been transferred to its wholly owned subsidiary Sify Infinit Spaces Limited

(d) Also refer note D (43) relating to investments in Print House (India) Private Limited.

(e) The Company subscribed 1,00,00,000 (one crore) 1 Compulsory Convertible Debentures having face value of ₹ 100 (Rupees one hundred only) each with an aggregate value of ₹ 100,00,00,000 (Rupees one hundred crores only) issued by the Sify Infinit Spaces Limited (wholly owned subsidiary) at a coupon rate of 6% (six per cent) per annum payable half yearly.

The conversion ratio shall be "₹ 100/ (Equity Valuation/ total number of shares outstanding on a Fully Diluted Basis as on agreed date)", Equity Valuation shall be Enterprise Value less Net Debt as on 31st March of Next Financial Year.

(All amounts are in Indian ₹ lakhs except share data and as stated)

	As at March 31, 2022	As at March 31, 2021
5. OTHER FINANCIAL ASSETS - NON-CURRENT		
Security deposits	1,604	1,418
Bank deposits*	178	-
Loan to subsidiaries	900	-
	2,682	**1,418**

* Represents deposits with more than 12 months maturity, ₹ 3 is free deposits (previous year Nil) and 175 (previous year Nil) subject to lien in favour of banks for obtaining bank guarantees /letters of credit.

6. OTHER NON-CURRENT ASSETS		
Capital advances	1,742	658
Others:		
Prepaid expenses	747	750
Deferred Contract cost	206	299
Balances with GST, service tax and sales tax authorities	755	-
Advance tax and tax deducted at source	631	-
	4,081	**1,707**
7. INVENTORIES		
Trade inventories	66	129
	66	**129**
8. TRADE RECEIVABLES		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	40,225	44,470
Trade receivables which have significant increase in Credit Risk	-	-
Trade Receivables - credit impaired		
Total	**40,225**	**44,470**
Loss Allowance [Refer note below]	(1,349)	(1,836)
Net Trade receivables	**38,876**	**42,634**

(a) This amount include receivables relating to services rendered to subsidiary companies Nil (previous year: ₹ 1,539) and also includes transfer of receivable amounting to Nil (previous year: ₹ 14,605) receivable towards customer contracts novation pursuant to BTA, from holding company to fellow subsidiary. Pending confirmation from customers, the invoices have been booked in holding company and subsequently transferred to the respective subsidiaries as on March 31, 2022. Also refer note D (36).

(All amounts are in Indian ₹ lakhs except share data and as stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
The activity in loss allowance for doubtful receivables is given below:		
Balance at the beginning of the year	1,836	2,527
Less: Transfer of Loss Allowance to subsidiary through BTA	-	(1,058)
Add: Additional provision during the year	1,361	3,600
Less: Bad debts written off	(1,848)	(3,233)
Balance at the end of the year	**1,349**	**1,836**

The following table presents the aging of the Trade Receivables for the year ended March 31, 2022

Particulars	Not Due	< 6 Months	6 Months - 1 Year	1 - 2 Years	2-3 Years	> 3 Years	Total
Trade receivables - Undisputed							
Considered good	14,934	16,584	4,418	2,072	-	-	38,008
Which have significant increase in credit risk							
Credit impaired	-	-	-	-	-	-	-
	14,934	**16,584**	**4,418**	**2,072**	**-**	**-**	**38,008**
Provision for doubful debts							1,349
Trade receivable - unbilled							2,217
Total	**14,934**	**16,584**	**4,418**	**2,072**	**-**	**-**	**38,876**

The following table presents the aging of the Trade Receivables for the year ended March 31, 2021

Particulars	Not Due	< 6 Months	6 Months - 1 Year	1 - 2 Years	2-3 Years	> 3 Years	Total
Trade receivables - Undisputed							
Considered good	22,843	12,570	2,602	1,357	-	-	39,372
Which have significant increase in credit risk							-
Credit impaired							-
	22,843	**12,570**	**2,602**	**1,357**	**-**	**-**	**39,372**
Provision for doubful debts							1,836
Trade receivable - unbilled							5,098
Total	**22,843**	**12,570**	**2,602**	**1,357**	**-**	**-**	**42,634**

		As at March 31, 2022	As at March 31, 2021
9.A. CASH AND BANK BALANCES			
(a) Balance with banks			
(i) in current accounts		5,667	20,468
(ii) deposits		3	25,153
(b) Other bank balances			
(i) Unpaid dividend account		*	*
(c) Cheques on hand		1,819	244
(d) Cash on hand	**(A)**	5	6
		7,494	**45,871**

*Amount below rounding off norm adopted by the Company

(All amounts are in Indian ₹ lakhs except share data and as stated)

	As at March 31, 2022	As at March 31, 2021
9. B. OTHER BANK BALANCES		
Bank deposits subject to lien	4,576	3,767
	4,576	**3,767**
	12,070	**49,638**
Cash and cash equivalents for the purpose of Cash Flow Statement:		
Cash and cash equivalents as above	7,494	45,871
Less: Bank overdraft used for cash management purposes [Refer note 18 (d)]	(249)	(742)
	7,245	**45,129**
10. OTHER FINANCIAL ASSETS		
Amounts receivable from subsidiaries (refer note (a) below)	17,005	1,511
Interest accrued on advances and deposits	1	49
	17,006	**1,560**
Unsecured, considered doubtful		
Advances other than capital advances	924	857
Less: Provision for doubtful advances [Refer note (b) below]	(924)	(857)
	-	-
	17,006	**1,560**

(a) Includes ₹ 4,145 (previous year ₹ Nil) receivable from Sify Infinit Spaces Limited, ₹ 11,219 (previous year ₹ Nil) receivable from Sify Digital Services Limited and ₹ 1,619 (previous year ₹ 1,511) receivable from Sify Data and Managed Services Ltd, wholly owned subsidiaries of the company on account of transfer of assets/liabilities, transfer of revenue and expenses, customer receipts received and vendor payments made by or for the subsidiaries pertaining to the services rendered by and for the company. Also refer note D (36).

	For the year ended March 31, 2022	For the year ended March 31, 2021
(b) The activity in allowance for doubtful advances are given below:		
Balance at the beginning of the year	857	842
Add: Additional provision during the year	67	415
Less: Advance written off / adjustments	-	(400)
Balance at the end of the year	**924**	**857**

	As at March 31, 2022	As at March 31, 2021
11. OTHER CURRENT ASSETS		
Advances other than capital advances:		
Balances with GST, service tax and sales tax authorities	8,997	2,783
Prepaid expenses	2,726	2,218
Advance tax and tax deducted at source (Net of Provision for Tax ₹ 9,358; Previous year: ₹ 7,204)	11,635	7,487
Deferred contract costs [Refer note (a) below]	249	461
Other advances	1,186	1,786
	24,793	**14,735**

(All amounts are in Indian ₹ lakhs except share data and as stated)

	As at March 31, 2022	As at March 31, 2021
(a) Refer note 48 for the amortisation and capitalisation of deferred contract cost.		
12. Equity Share Capital		
Authorized		
20,40,00,000 (March 31, 2021: 20,40,00,000) equity shares of ₹10 each	20,400	20,400
Issued		
18,27,42,369 (March 31, 2021: 18,22,38,069) equity shares of ₹10 each	18,275	18,224
Subscribed and fully paid		
18,27,42,369 (March 31, 2021: 18,22,38,069) equity shares of ₹10 each fully paid up	18,274	18,224
	18,274	18,224
Forfeited shares		
Amount originally paid up on 1,28,23,202 (March 31, 2021: 1,28,23,202) equity shares	128	128
	18,402	**18,352**

(a) The equity shares are the only class of share capital having a par value of ₹10 per share. Of the above, 4,32,11,717 (Previous year : 4,27,07,417) shares are represented by American Depository Shares ('ADS') issued by the Company in accordance with applicable laws and regulations.

(b) Equity shares carry voting rights proportionate to the paid-up value per share. In the event of liquidation of the company, holders of the equity shares are entitled to be repaid the amounts credited as paid up on those equity shares. All surplus assets after settlement of liabilities as at the commencement of winding-up shall be paid to the holders of equity shares in proportion to their shareholdings. The above payment is subject to the rights of creditors, employees, taxes, if any, and any other sums as may be prescribed under the Companies Act, 2013. Of the above ADS, 1,39,02,860 ADS held by M/s Infinity Capital Ventures LP are not tradable and are restricted.

(c) In 2010-11, the Company approved the issuance, in a private placement, of upto an aggregate of 12,50,00,000 of the Company's equity shares at a price of ₹32 per share aggregating to ₹40,000. These shares carry a face value of ₹10. During the financial year ended March 31, 2019, these shares are fully paid to the extent of ₹10.

(d) Of the total outstanding shares,12,50,00,000 shares (March 31, 2021: 12,50,00,000) are held by M/s Ramanand Core Investment Company Private Limited, holding company

(e) Of the total outstanding shares, 2,50,00,000 shares are reserved for issue to eligible employees under Associate Stock Option Plans. Refer note D (37) for activities in Associate Stock Option plan.

12. EQUITY SHARE CAPITAL

Authorized		
20,40,00,000 (March 31, 2021: 20,40,00,000) equity shares of ₹10 each	20,400	20,400
Issued		
18,27,42,369 (March 31, 2021: 18,22,38,069) equity shares of ₹10 each	18,275	18,224
Subscribed and fully paid		
18,27,42,369 (March 31, 2021: 18,22,38,069) equity shares of ₹10 each fully paid up	18,274	18,224
	18,274	18,224
Forfeited shares		
Amount originally paid up on 1,28,23,202 (March 31, 2021: 1,28,23,202) equity shares	128	128
	18,402	**18,352**

(All amounts are in Indian ₹ lakhs except share data and as stated)

	As at March 31, 2022	As at March 31, 2021

(a) The equity shares are the only class of share capital having a par value of ₹10 per share. Of the above, 4,32,11,717 (Previous year : 4,27,07,417) shares are represented by American Depository Shares ('ADS') issued by the Company in accordance with applicable laws and regulations.

(b) Equity shares carry voting rights proportionate to the paid-up value per share. In the event of liquidation of the company, holders of the equity shares are entitled to be repaid the amounts credited as paid up on those equity shares. All surplus assets after settlement of liabilities as at the commencement of winding-up shall be paid to the holders of equity shares in proportion to their shareholdings. The above payment is subject to the rights of creditors, employees, taxes, if any, and any other sums as may be prescribed under the Companies Act, 2013. Of the above ADS, 1,39,02,860 ADS held by M/s Infinity Capital Ventures LP are not tradable and are restricted.

(c) In 2010-11, the Company approved the issuance, in a private placement, of upto an aggregate of 12,50,00,000 of the Company's equity shares at a price of ₹32 per share aggregating to ₹40,000. These shares carry a face value of ₹10. During the financial year ended March 31, 2019, these shares are fully paid to the extent of ₹10.

(d) Of the total outstanding shares,12,50,00,000 shares (March 31, 2021: 12,50,00,000) are held by M/s Ramanand Core Investment Company Private Limited, holding company

(e) Of the total outstanding shares, 2,50,00,000 shares are reserved for issue to eligible employees under Associate Stock Option Plans. Refer note D (37) for activities in Associate Stock Option plan.

12.1 Reconciliation of number of shares in the beginning and at the end of the year

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount paid- up	Number of shares	Amount paid- up
Number of shares outstanding at the beginning of the year	18,22,38,069	18,352	17,92,23,247	18,051
Add:Shares issued on exercise of ASOP	5,04,300	50	30,14,822	301
Number of shares outstanding at the end of the year	**18,27,42,369**	**18,402**	**18,22,38,069**	**18,352**

12.2 Shareholders holding more than 5% of the shares of the Company:

	As at March 31, 2022		As at March 31, 2021	
	Number of Shares held	% holding	Number of Shares held	% holding
Ramanand Core Investment Company Private Limited	12,50,00,000	68.40%	12,50,00,000	68.59%
Infinity Satcom Universal Private Limited	1,45,30,000	7.95%	1,45,30,000	7.97%
Infinity Capital Ventures, LP	1,39,02,860	7.61%	1,39,02,860	7.63%

12.3 Shareholding of Promoters

Shareholding of the promoters during the year ended March 31, 2022

Promoter name	No. of share	Percentage of total shares	Percentage of change during the period
Infinity Capital Ventures, LP, USA (Unlisted)	1,39,02,860	8%	(0.02)%
Vegesna Family Trust, USA (Listed)	6,20,466	0%	0.00%
Infinity Satcom Universal Private Limited	1,45,30,000	8%	(0.02)%
Ramanand Core Investment Company Private Limited	12,50,00,000	68%	(0.19)%
Total	15,40,53,326	84%	

(All amounts are in Indian ₹ lakhs except share data and as stated)

Shareholding of the promoters during the year ended March 31, 2021

Promoter name	No. of share	Percentage of total shares	Percentage of change during the period
Infinity Capital Ventures, LP, USA (Unlisted)	1,39,02,860	8%	(0.13)%
Vegesna Family Trust, USA (Listed)	6,20,466	0%	(0.01)%
Infinity Satcom Universal Private Limited	1,45,30,000	8%	(0.14)%
Ramanand Core Investment Company Private Limited	12,50,00,000	69%	(1.15)%
Total	15,40,53,326	85%	

		As at March 31, 2022	As at March 31, 2021
13. OTHER EQUITY			
13.1 Reserves and surplus			
Securities premium			
Balance at the beginning of the year		1,98,910	1,96,208
Add: Transfer from stock option outstanding account in respect of options exercised during the year		101	548
Add: Additions during the year		379	2,154
	(A)	**1,99,390**	**1,98,910**
General reserve			
Balance at the beginning of the year		742	725
Add: transferred from stock options outstanding account		34	17
	(B)	**776**	**742**
Retained earnings			
Balance at the beginning of the year		47,016	41,348
Adjustments:			
Add: Profit for the year		4,422	5,668
	(C)	**51,438**	**47,016**
	(D) = (A)+(B)+(C)	**2,51,604**	**2,46,668**
Less: Accumulated losses dealt with vide order of Honourable High Court of Madras [Refer Note D (42)]		(1,16,264)	(1,16,264)
Less: Accumulated losses dealt with vide scheme of merger [Refer Note D (42)]		(27,661)	(27,661)
	(E)	**1,07,679**	**1,02,743**
13.2 Other components of Equity			
Stock option outstanding account			
Balance at the beginning of the year		920	1,084
Add: Employee stock compensation cost for the year		145	276
Add: Employee stock compensation cost for the year relating to subsidiaries		83	125
Less: Transfer to securities premium in respect of options exercised during the year		(101)	(548)
Less: Transfer to general reserve in respect of grants lapsed during the year		(34)	(17)
	(F)	**1,013**	**920**

(All amounts are in Indian ₹ lakhs except share data and as stated)

		As at March 31, 2022	As at March 31, 2021
Remeasurement of net defined benefit liability/asset			
Balance at the beginning of the year		272	242
Add: Additions during the year		(138)	30
	(G)	**134**	**272**
	(E)+(F)+(G)	**1,08,826**	**1,03,935**

Nature and purpose of Reserves

a) Securities Premium

Securities Premium used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013

b) General Reserve

General Reserve is a free reserve represents appropriation of profit by the company. General reserve is also created by transferring from one component of equity to another.

c) Retained Earnings

Retained earnings represents accumulated undistributed profits of the company that can be distributed by the Company as dividends to its equity share holders.

d) Stock Option Outstanding Account

Stock Option Outstanding Reserve represents the stock compensation expense recognized in the statement of changes in equity.

e) Remeasurement of Defined benefit liability / Asset

Remeasurement of Defined benefit liability / Asset represent the cumulative actuarial gain / loss recognized in other comprehensive income and presented within equity.

14. BORROWINGS

14.1. Term Loans

		As at March 31, 2022	As at March 31, 2021
Secured			
From banks [Refer Note (a) to (c) below]		-	719
Unsecured			
From banks [Refer Note (d)]		-	162
From others [Refer Note (e) to (f) below]		3,894	153
		3,894	**1,034**
14.2. Lease Liabilities			
Long term maturities of finance lease obligations [Refer Note (g) to (i)]		1,742	1,843
Other Lease Liabilities - Non Current		6,477	8,471
		8,219	**10,314**
	(A) + (B)	**12,113**	**11,348**

a. Of total loan outstanding, an amount of ₹ Nil (previous year: ₹ 1,327) is primarily secured by Hyderabad Building and collaterally by the properties at Tidel, vileparle and Vashi 6th Floor and ₹ 301 (previous year: ₹ 292) is secured by pari passu charge on current assets and also pari passu charge on unencumbered movable fixed assets and collaterally by the property at Vashi 5th Floor.

(All amounts are in Indian ₹ lakhs except share data and as stated)

	As at March 31, 2022	As at March 31, 2021

Pursuant to BTA entered during FY 2020-21, ₹ 11,870 (Previous Year:₹ 12,282) which is primarily secured by charge on movable fixed assets funded by term loan and also secured by project receivables, ₹ Nil (Previous Year:₹ 9,655) including current maturities whcih is primarily secured against the specific project receivables and ₹ 879 (Previous Year:₹ 3,520) which is secured by moveable fixed assets funded out of term loan have been transferred to wholly owned subsidiary Sify Infinit Spaces Limited and the charge creation and documentation with regard to securities is under progress as on March 31, 2022, and hence these facilities are in the name of Sify Technologies Limited.

b. Pursuant to BTA entered during FY 2020-21, loans amounting to ₹ 2,295 (Previous Year: ₹ 3,315) primarily secured by moveable fixed assets at Rabale Tower II Data center (1st & 2nd floor) funded by Term Loan and by project receivables and collaterally secured by property at Vashi (fifth floor) in Mumbai, an amount of ₹ Nil (Previous Year: ₹ 1,116) primarily secured by Hyderabad property and collaterally secured by the properties at Tidel, vileparle and Vashi 6th Floor, these loans are transferred to wholly owned subsidiary Sify Infinit Spaces Limited and the charge creation and documentation with regard to securities in the subsidiary companies is under progress as on March 31, 2022 and is currently in the name of Sify Technologies Limited.

c. The term loans bear interest rate ranging from Nil since closed (Previous year 6.80% to 9.6%) for others and repayable in quarterly instalments within a tenor of 3 to 5 years after moratorium periods ranging from 6 months to one year in certain cases.

d. These loans are primarily buyers' credit & Term Loan (INR) in lieu of Buyers Credit from banks which are repayable over a period of 1 to 3 years. The loans bear interest rate 0.79% to 1.73% (previous year 0.79% to 3.35%) for Buyers Credit and Nil (previous year 9.00% to 9.6%) for Term Loan (INR) in lieu of Buyers Credit.

e. These loans are primarily taken from NBFCs.

f. The loans bear interest rate ranging from 8.3% to 9.9% (Previous Year: 8.6% to 9.9%) and repayable over a period of 12 to 60 months on equated monthly / quarterly instalments.

g. These are primarily taken from NBFCs and are secured by lease of relevant assets.

h. These bear interest rate ranging from 9% to 10.50% (Previous Year: 9% to 10.50%) and repayable over a period of 12 to 60 months on equated monthly / quarterly instalments.

i. The current maturities of the above borrowings, carrying the aforesaid security and repayment terms are grouped under Note D (18)

The current maturities of borrowings are as under:

Secured		
Term loan from banks	301	900
Loan from others	-	-
Current maturities of finance lease obligations	849	557
Unsecured		
Term loan from banks	1,673	5,644
Loan from others	1,391	167
Current portion of lease obligation	3,004	3,224
	7,218	**10,492**

15. OTHER FINANCIAL LIABILITIES - NON-CURRENT

Security deposits	573	231
Other liabilities	158	218
	731	**449**

(All amounts are in Indian ₹ lakhs except share data and as stated)

		As at March 31, 2022	As at March 31, 2021
16. PROVISIONS			
Provisions for employee benefits - current			
Compensated absences		82	83
	(A)	**82**	**83**
Provisions for employee benefits - non-current			
Gratuity		453	531
Compensated absences		288	247
	(B)	**741**	**778**
	(A) + (B)	**823**	**861**
17. OTHER NON-CURRENT LIABILITIES			
Contract liability (Unearned income)		17,643	8,974
		17,643	**8,974**

*includes unearned income from Sify Technologies (Singapore) Pte Limited, a wholly owned subsidiary ₹ 157 [including current portion of ₹ 11 (Previous year ₹ 14) disclosed in note D (21)] (Previous year ₹ 185)

Refer note 46 for the movement in Contract liability (Unearned income)

	As at March 31, 2022	As at March 31, 2021
18. BORROWINGS AND LEASE LIABILITIES (SHORT-TERM)		
18.1 Borrowings		
Loans repayable on demand from banks – Secured [Refer notes (a) to (d) below]		
Working capital facilities	20,749	19,042
Buyers' credit from banks	-	386
Loans repayable on demand from banks – Unsecured		
Working capital facilities	7,450	-
Buyers' credit from banks [refer note (e) below]	1,732	2,073
Current maturities of Long Term Loans		
Current maturities of long term debt*	1,974	6,544
Current maturities of other loans*	1,391	167
	33,296	**28,212**

***Also refer note D (14)**

	As at March 31, 2022	As at March 31, 2021
18.2 Lease Liabilities		
Current maturities of Lease obligation		
Current maturities of finance lease obligations*	849	557
Current portion of other lease obligations*	3,004	3,224
	3,853	**3,781**

***Also refer note D(14)**

(a) Of the above, facilities amounting to ₹ 16,549 (Previous Year : ₹ 19,428), non fund limits (including bank guarantees) availed by the Company are primarily secured by way of pari-passu charge on the entire current assets of the Company to all working capital bankers under consortium.

(b) In addition to the above, out of these loans repayable on demand from banks,

(All amounts are in Indian ₹ lakhs except share data and as stated)

	As at March 31, 2022	As at March 31, 2021

(i) exposure amounting to ₹ 12,049 (previous Year : ₹ 14,230) is secured collaterally by way of pari-passu charge on the unencumbered movable fixed assets of the Company, both present and future

(ii) exposure amounting to ₹ 7,249 (previous Year : ₹ 9,007) is secured collaterally by way of equitable mortgage over the properties at Tidel Park, Chennai, Vashi 6th floor and Vile Parle at Mumbai.

(iii) exposure amounting to ₹ 4,500 (Previous Year : ₹ 5,198) is collaterally secured by equitable mortgage over the land and building at Noida and also covered by WDV of specific movable fixed assets funded out of their Term loan (since closed) at Noida DC, Uttar Pradesh.

(iv) the exposure amounting to ₹ 3,600 (previous Year : ₹ 4,044) is collaterally secured by equitable mortgage over the Vashi 5th floor property at Mumbai.

(c) Of the above, facilities amounting to ₹ 4,200 (Previous Year : ₹ Nil), availed by the Company are primarily secured by way of pari-passu charge on the current assets of the Company.

(d) These working capital facilities bear interest ranging from 5.4% p.a. to 9.45% p.a. [Previous year: 5.4% p.a. to 9.45% p.a.] and these facilities are subject to renewal annually.

(e) The loans bear interest rate 0.79% to 1.73% (previous year 0.79% to 3.35%) for Buyers Credit.

Working capital facilities comprises the following:

Bank overdraft	249	742
Other working capital facilities	27,950	18,300
	28,199	**19,042**

19. TRADE PAYABLES

Towards purchase of goods and services		
(A) Total outstanding dues to micro enterprises and small enterprises	10	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	47,807	40,251
	47,817	**40,251**

* Includes :

(a) This amount include payables relating to services received from subsidiary companies ₹ Nil (Previous year ₹ 3,320). This amount also includes ₹ Nil (Previous year ₹ 10,514) transferred to subsidiary companies on account of amount payable towards vendor contracts novation pursuant to BTA. Pending confirmation from vendors, the invoices have been booked in parent company and subsequently transferred.Also refer note D (36).

(b) There are no dues payable to micro, small and medium enterprises as on March 31, 2022 (Previous year ₹ Nil) - Refer note D(47)

Trade Payables ageing schedule

The following table presents the aging of the Trade payables for the period ended March 31, 2022

Particulars	< 1 Year	1- 2 Years	2 - 3 Years	> 3 Years	Total
Undisputed Trade payables :					
(a) Total outstanding dues to micro enterprises and small enterprises	10	-	-	-	10
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	35,538	783	363	11,123	47,807
Total	**35,548**	**783**	**363**	**11,123**	**47,817**

(All amounts are in Indian ₹ lakhs except share data and as stated)

	As at March 31, 2022	As at March 31, 2021

The following table presents the aging of the Trade payables for the year ended March 31, 2021

Particulars	< 1 Year	1- 2 Years	2 - 3 Years	> 3 Years	Total
Undisputed Trade payables :					
(a) Total outstanding dues to micro enterprises and small enterprises	-	-	-	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	27,877	804	380	11,190	40,251
Total	**27,877**	**804**	**380**	**11,190**	**40,251**

20. OTHER FINANCIAL LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Capital creditors	1,863	2,558
Interest accrued	117	73
Deposits from customers	283	330
Amounts payable to subsidiaries	-	29,352
Other payables	1,889	676
Unpaid dividends	*	*
	4,152	**32,989**

Note: Includes Nil (previous year ₹8,843) Payable to Sify Infinit Spaces Limited and Nil (previous year ₹ 20,508) payable to Sify Digital Services Limited, wholly owned subsidiaries of the company on account of transfer of assets/liabilities, transfer of revenue and expenses, customer receipts received and vendor payments made by or for the subsidiaries pertaining to the services rendered by and for the company. Also refer note D (36).

* Amount is below the rounding off norm adopted by the Company

21. OTHER CURRENT LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Advances received from customers	4,918	1,524
Statutory payables	435	2,334
Contract liability (Unearned income)	11,068	9,606
Other payables	1,434	1,146
	17,855	**14,610**

*includes Unearned income from Sify Technologies (Singapore) Pte Limited, a wholly owned subsidiary ₹ 11 (Previous year ₹ 14)

*Refer note 46 for the movement in Contract liability (Unearned income)

22. CONTINGENT LIABILITIES AND COMMITMENTS

(a) Contingent liabilities

(i) Claims against the Company not acknowledged as debts include demands from Indian Income Tax authorities for payment of tax amounting to ₹ Nil (Previous Year - ₹ Nil).

(ii) Contingencies due to certain Service Tax claims as at March 31, 2022 amounted to ₹ 4,162 (previous year: ₹ 4,162).

(iii) Contingencies due to certain Sales Tax claims as at March 31, 2022 amounted to ₹ 2,255 (Previous Year: ₹ 94).

The Company is subject to legal proceedings and claims which are arising in the ordinary course of business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have material and adverse effect on the Company's results of operations or financial conditions.

(b) Put Option :

(All amounts are in Indian ₹ lakhs except share data and as stated)

	As at March 31, 2022	As at March 31, 2021

Sify Infinit Spaces Limited (SISL), wholly owned subsidiary of the company has issued Compulsorily Convertible Debentures (CCD) to Kotak Special Situations Fund (KSSF) with initial subscription of ₹ 20,200 with subsequent subscription of ₹ 19,800 during the year 2022-2023 and an option to require additional ₹ 60,000. This Debenture Subscription Agreement is supplemented by a Put Option Agreement with the Company to ensure KSSF has protective rights in case there is contract breach or conditions for conversion is not met over the term of the instrument.

(c) Capital commitments

	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for	9,345	14,654

(d) Other commitments

(i) Export obligation under EPCG : Effective 2012-13, the Company has participated in the Export Promotion Capital Goods Scheme ("the scheme") under which capital equipments are permitted to be imported against a specific licence at a substantially reduced customs duty, subject to fulfilment of obligation to export services rendered by use of capital equipment imported under the scheme to the extent of over 6 times the value of duty saved over a period of 6 years from the date of obtaining the licence. In case of failure to meet the export obligation, the company would be liable to pay the difference between the normal duty and the duty saved under the scheme along with interest.

As of March 31, 2022, the company is holding 27 (Previous year : 53) licenses with a corresponding export obligation of ₹ 24,532 (Previous year : ₹ 44,047). Considering the track record of the exports, the Company believes it would be able to meet the export obligation within the time frame and would not be exposed to any liability on account of the above scheme.

Notes:

(a) Refer note D (41) in respect of contingencies arising on legal proceedings.

23. REVENUE FROM OPERATIONS

	As at March 31, 2022	As at March 31, 2021
Sale of Services:		
- Domestic	80,917	72,758
- Export	38,275	34,712
Sale of Products:		
- Domestic	991	1,947
	1,20,183	**1,09,417**
Revenue arising from Voice services	25,214	21,222
Revenue arising from others	94,969	88,195
	1,20,183	**1,09,417**

Note : 1 Performance obligations and remaining performance obligations

The Company has applied the practical expedient provided in the standard and accordingly not disclosed the remaining performance obligation relating to the contract where the performance obligation is part of a contract that has an original expected duration of one year or less and has also not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date.

The following table provides revenue expected to be recognised in the future related to performance obligation that are unsatisfied (or partially satisfied) at the reporting date.

(All amounts are in Indian ₹ lakhs except share data and as stated)

	For the Year ended March 31, 2022	AFor the Year ended March 31, 2021
Particulars		
To be recognised:		
Within one year	15,872	13,656
One to three years	13,903	6,781
Three years or more	5,233	3,103
Total	**35,008**	**23,540**

24. OTHER INCOME

Interest income		
From banks	35	186
Others*	74	1,025
Other non-operating income		
Profit on sale of property, plant and equipment (Net)	40	14
Rental income	1,420	1,590
Miscellaneous income	355	239
	1,924	**3,054**

*Interest from others includes interest income from Income tax refund ₹ Nil (Previous year : ₹ 895)

25. COST OF GOODS SOLD AND SERVICES RENDERED

A Cost of services rendered		
Networking costs	35,744	30,921
Voice carriage costs	24,414	22,802
Other direct costs	13,133	12,638
	73,291	**66,361**
B. Purchases of Stock in Trade	106	148
C. Changes in inventories - Stock in Trade		
Opening inventory	129	13,021
Transfer of Opening Inventory to subsidiaries through BTA	-	(13,021)
Less: closing inventory	(66)	(129)
	63	**(129)**
	73,460	**66,380**

26. EMPLOYEE BENEFITS EXPENSE

Salaries and wages	8,070	7,567
Contribution to provident and other funds	643	539
Staff welfare expenses	189	113
Share-based payments to employees [Note D(37)]	145	276
	9,047	**8,495**

27. FINANCE COSTS

Interest	1,950	1,767
Other finance costs	467	328
Interest on lease liability	1,107	1,088
	3,524	**3,183**

28. OTHER EXPENSES

Commission expenses	380	364
Communication expenses	107	108
Rent	1,506	1,057
Rates and taxes	215	128
Travelling expenses	248	153
Power and fuel expenses	922	919

(All amounts are in Indian ₹ lakhs except share data and as stated)

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Legal and professional	1,080	792
Payment to auditors		
- Statutory audit fees	18	18
- Other services	35	35
Repairs and maintenance expenses		
- Plant and machinery	1,175	582
- Buildings	1,176	694
- Others	1,253	1,255
Insurance	492	73
Outsourced manpower costs	1,803	1,998
Advertisement, selling and marketing expenses	575	345
Loss on foreign exchange fluctuation (net)	67	41
Contribution towards corporate social responsibility [Refer note D(48)]	193	204
Allowance for bad and doubtful debts (including bad debts written off ₹ 1,848; Previous year: ₹3,233)	1,361	3,600
Miscellaneous expenses	925	1,175
	13,531	**13,541**

29. RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES FOR THE YEAR ENDED MARCH 31, 2022

(i) Long term borrowings *

Particulars	As at April 01, 2021	Proceeds	Repayment	Non cash movement: Assets acquired on lease	Non cash movement: Foreign exchange movement	Non cash movement: Fair value changes	As at March 31, 2022
Term loans from Bank	7,425	-	(5,512)	-	61	-	1,974
Term loans from Others	320	5,588	(598)	-	-	(25)	5,285
Finance lease obligations	2,400	976	(836)	-	-	51	2,591
Total	**10,145**	**6,564**	**(6,946)**	-	61	**26**	**9,850**

*including current maturities

(ii) Short term borrowings

Particulars	As at April 01, 2021	Cash flow	Foreign exchange movement	As at March 31, 2022
Working capital facilities excluding overdraft*	18,300	9,650	-	27,950
Other short term borrowing	2,459	(743)	16	1,732
Total	**20,759**	**8,907**	**16**	**29,682**

* Bank overdrafts are used for cash management purposes [Refer Note D (9)]

Reconciliation of liabilities from financing activities for the year ended March 31, 2021

(i) Long term borrowings *

Particulars	As at April 01, 2020	Transfer to subsidiaries through BTA	Proceeds	Repayment	Non cash movement: Assets acquired on lease	Non cash movement: Foreign exchange movement	Non cash movement: Fair value changes	As at March 31, 2021
Term loans from Bank	37,268	(26,682)	-	(3,161)	-	-	-	7,425
Term loans from Others	21,171	(20,677)	-	(201)	-	-	27	320
Finance lease obligations	1,048	(794)	2,895	(387)	-	-	(362)	2,400
Total	**59,487**	**(48,153)**	**2,895**	**(3,749)**	-	-	**(335)**	**10,145**

*including current maturities

(All amounts are in Indian ₹ lakhs except share data and as stated)

(ii) Short term borrowings

Particulars	As at April 01, 2020	Transfer to subsidiaries through BTA	Cash flow	Foreign exchange movement	As at March 31, 2021
Working capital facilities excluding overdraft*	19,500	(7,668)	6,468	-	18,300
Other short term borrowing	3,087	-	(511)	(117)	2,459
Total	**22,587**	**(7,668)**	**5,957**	**(117)**	**20,759**

* Bank overdrafts are used for cash management purposes [Refer Note D (9)]

	As at March 31, 2022	As at March 31, 2021

30. DEFERRED TAX ASSETS AND LIABILITIES

The tax effects of significant temporary differences that resulted in deferred tax assets and a description of the items that created these differences is given below :

	As at March 31, 2022	As at March 31, 2021
Recognised deferred tax assets/liabilities		
Deferred tax assets on temporary deductible differences		
Property, Plant and Equipment	2,330	2,644
Leases under Ind AS 116	533	282
Provision for employee benefits	228	38
Accounts receivable	340	462
Provision for Doubtful Advances	152	126
	3,583	**3,552**
Deferred tax liabilities on temporary taxable differences		
Intangible assets	(1,078)	(1,069)
Finance lease obligations	(282)	-
	(1,360)	**(1,069)**
Net deferred tax asset recognised in Balance Sheet	**2,223**	**2,483**

Movement in temporary differences during current and previous year

	Provision for employee benefits	Accounts receivable	Provision for Doubtful Advances	Property, Plant and Equipment	Intangible assets	Finance lease obligations	Leases under Ind AS 116	MAT Credit entitlement
Balance as at March 31, 2020	**-**	**-**	**-**	**1,812**	**(1,812)**	**-**	**330**	**663**
Recognised in income statement	**38**	**462**	**126**	832	743	-	(48)	(663)
Recognised in Equity	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	38	462	126	2,644	(1,069)	-	282	
Recognised in income statement	190	(122)	26	(314)	(9)	-282	252	-
Recognised in Equity	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	**228**	**340**	**152**	**2,330**	**(1,078)**	**(282)**	**534**	

(All amounts are in Indian ₹ lakhs except share data and as stated)

Unrecognised deferred tax asset		
Deductible temporary differences	-	138
Unrecognised tax losses		
- Unabsorbed depreciation	-	-
Unrecognised deferred tax asset	**-**	**138**

Based on the reassessment of future taxable income pursuant to re-organisation of business by transferring certain businesses to subsidiaries, there is reasonable certainty that there will be sufficient taxable income in the future to offset the reversals of deferred tax assets recognised.

Income tax expense recognized in profit or loss		
Current tax expense/ (reversal)	2,155	3,484
Deferred tax expense / (asset)	260	(2,153)
	2,415	**1,331**

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Reconciliation of effective tax rates		
A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before taxes is summarised below:		
Profit before taxes	6,837	6,999
Enacted tax rates in India	25.17%	34.94%
Expected tax expense/(benefit)	1,721	2,446
Effect of :		
Recognition of previously unrecognised deferred tax asset on temporary differences	645	(138)
Recognition of temporary differences		(726)
Effect of expenses that are not deductible in determining taxable profit	49	31
Effect of rate difference in opening and closing deferred tax*	-	(282)
Recognition of previously unrecognized tax losses		
	2,415	**1,331**

*Effective tax rate considered for deferred tax for March 31, 2021 is 25.17% and for March 31, 2020 is 34.94%

31. PAYMENTS TO DIRECTORS (OTHER THAN MANAGING DIRECTOR AND EXECUTIVE DIRECTOR)

Sitting fees	19	15
Consultancy fees	3	3

32. RECONCILIATION OF EQUITY SHARES IN COMPUTING WEIGHTED AVERAGE NUMBER OF EQUITY SHARES

(a) Weighted average number of shares - Basic		
Issued fully paid up ordinary shares as on April 1,	18,22,38,069	17,92,23,247
Effect of shares issued on exercise of stock options	2,30,603	3,10,289
Effect of partly paid shares (Refer note below)		-
Weighted average number of equity shares outstanding	**18,24,68,672**	**17,95,33,536**

Note: During the year 2010-11, 12,50,00,000 ordinary shares were issued to the existing promoter group on a private placement basis

(b) Weighted average number of shares - Diluted		
Weighted average number of equity shares outstanding	18,24,68,672	17,95,33,536
Dilutive impact of associated stock options*	45,47,365	16,82,469
Weighted average number of equity shares for diluted earnings per share	**18,70,16,037**	**18,12,16,005**

*The Company has issued Associate Stock Options of which 72,32,978 (Previous year - 77,80,278) options are outstanding as at March 31, 2022. These could potentially dilute basic earnings per share in future. Refer Note D(37).

(All amounts are in Indian ₹ lakhs except share data and as stated)

33. FOREIGN CURRENCY EXPOSURE

The details of foreign currency exposure as at March 31, 2022 are as follows:

Particulars	As at March 31, 2022		
	Foreign Currency	**Amount in foreign currency**	**Amount in Indian Rupees**
Amounts receivable in foreign currency on account of:			
Cash and cash equivalent	USD	1	161
	GBP	*	50
	EUR	1	13
Trade Receivables	USD	243	18,425
	EUR	2	159
			18,584
Amounts payable in foreign currency on account of:			
Trade Payables	EUR	2	166
	USD	155	11,723
	DHS	*	6
	GBP	*	16
	HKD	*	*
Foreign currency borrowings	USD	49	**3,706**

***amount is below the rounding off norm adopted by the Company**

The details of foreign currency exposure as at March 31, 2021 are as follows:

Particulars	As at March 31, 2021		
	Foreign Currency	Amount in foreign currency	Amount in Indian Rupees
Amounts receivable in foreign currency on account of:			
Cash and cash equivalent	USD	2	118
	GBP	1	110
	EUR	*	*
Trade Receivables			
	USD	198	14,521
	EUR	1	48
			14,569
Amounts payable in foreign currency on account of:			
Trade Payables	EUR	*	41
	USD	159	11,689
	DHS	*	5
	GBP	*	*
	HKD	1	6
	AUD	*	8
			11,749
Foreign currency borrowings	USD	62	4,576

*amount below rounding-off norm adopted by the Company

(All amounts are in Indian ₹ lakhs except share data and as stated)

	For the year ended March 31 2022	For the year ended March 31 2021

34. EMPLOYEE BENEFITS

a. Defined benefit plans (Gratuity)

Reconciliation of opening and closing balances of the present value of the defined benefit obligation (Gratuity)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Projected benefit obligation at the beginning of the year	939	1,568
Service cost	142	133
Interest cost	55	45
Remeasurement (gain)/losses	120	(49)
Benefits paid	(118)	(38)
Acquisition Adjustment on account of BTA	-	(719)
Projected benefit obligation at the end of the year	**1,138**	**939**
Change in the fair value of plan assets		
Fair value of plan assets at the beginning of the year	409	307
Interest income	23	17
Employer contributions	500	212
Benefits paid	(233)	(107)
Return on plan assets, excluding amount recognised in net interest expense	(14)	(20)
Fair value of plan assets at the end of the year	**685**	**409**
Amount recognised in the Balance Sheet		
Present value of projected benefit obligation at the end of the year	1,138	942
Fair value of plan assets at the end of the year	(685)	(411)
Funded status amount of liability recognised in the Balance Sheet	**453**	**531**
Expense recognised in the Statement of Profit and Loss		
Service cost	142	133
Interest cost	55	45
Interest income	(23)	(17)
Net gratuity costs	**174**	**163**
Actual return on plan assets	**9**	**(3)**
Summary of actuarial assumptions		
Discount rate	6.35%	5.70% p.a.
Expected rate of return on plan assets	5.00% p.a.	5.00% p.a.
Salary escalation rate	8% for the first year and 5% thereafter	0% for the first year and 5% thereafter
Average future working life time	5.33 years	4.32 years

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Expected rate of return on plan assets: This is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

Salary escalation rate: The estimates of future salary increases considered take into account the inflation, seniority, promotion and other relevant factors.

Contributions: The Company expects to contribute ₹ 605 (previous year ₹ 655) to its gratuity fund during the year ending March 31, 2022

(All amounts are in Indian ₹ lakhs except share data and as stated)

The expected cash flows over the next few years are as follows:

Year	As at March 31, 2022	As at March 31, 2021
1 year	194	188
2 to 5 years	658	561
6 to 10 years	475	336
More than 10 years	299	155

Plan assets: The Gratuity plan's weighted-average asset allocation at March 31, 2022 and March 31, 2021, by asset category is as follows:

Funds managed by insurers	100%	100%

Remeasurement of the net defined benefit liability recognised in other comprehensive income

Amount recognised in other comprehensive income for the years ended March 31, 2022 and March 31, 2021 are as follows:

Remeasurement (gain) /loss arising from		
- change in demographic assumptions	(5)	-
- change in financial assumptions	1	(48)
- experience variance	130	(1)
- return on plan assets, excluding amount recognised in net interest expense/income	12	20
	138	**(29)**

Sensitivity analysis of significant actuarial assumptions

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

	March 31, 2022		March 31, 2021	
	Decrease	Increase	Decrease	Increase
Discount rate (-/+ 1%)	1,196	1,084	981	898
(% change compared to base due to sensitivity)	5.1%	(4.7)%	4.6%	(4.2)%
Salary Growth rate (-/+ 1%)	1,088	1,191	899	979
(% change compared to base due to sensitivity)	(4.4)%	4.7%	(4.1)%	4.4%

b. Contributions to defined contribution plans

In accordance with Indian law, all employees receive benefits from a provident fund, which is a defined contribution plan. Both the employee and employer make monthly contributions to the plan, each equal to a specified percentage of employee's basic salary. The company has no further obligations under the plan beyond its monthly contributions. The company contributed ₹ 474 and ₹ 376 for the year ended March 31, 2022 and March 31, 2021 respectively.

(All amounts are in Indian ₹ lakhs except share data and as stated)

35. SEGMENT REPORTING

Based on review by chief operating decision makers (CODM) there is only one segment i.e,. Network Centric services.

36. RELATED PARTIES AND TRANSACTIONS

(a) Related parties

The related parties where control / significant influence exists are subsidiaries and associates. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director whether executive or otherwise. Key management personnel includes the board of directors and other senior management executives. The other related parties are those with whom the Company has had transaction during the years ended March 31, 2022 and March 31, 2021 are as follows:

Particulars	Related Parties	Country of Incorporation	% of ownership interest
Holding companies	Infinity Satcom Universal Private Limited.	India	
	Raju Vegesna Infotech and Industries Private Limited (subsidiary of Infinity Satcom Universal Private Limited)	India	
	Ramanand Core Investment Company Private Limited (subsidiary of Raju Vegesna Infotech and Industries Private Limited)	India	
Subsidiaries	Sify Technologies (Singapore) Pte. Limited	Singapore	100%
	Sify Technologies North America Corporation	USA	100%
	Sify Data and Managed Services Limited	India	100%
	Sify Infinit Spaces Limited	India	100%
	Sify Digital Services Limited	India	100%
	Print House (India) Private Limited	India	100%
Trust controlled by KMP of Holding Company	Raju Vegesna Foundation	India	

(b) Related party transactions and balances

Following is a summary of related party transactions for the year ended March 31, 2022 :

Transactions	Holding Company	Subsidiaries	Others	Key Management Personnel
Consultancy services received				3
Sitting fees paid				19
Salaries and other short term benefits*				560
Contributions to defined contribution plans*				18
Share based payment transactions*				45
Lease rentals paid**	14		72	
Lease rentals received***		1,420		
Investment made in Tasoula Energy Private Limited			2,250	
Security Deposit received from Tasoula Energy Private Limited			360	
Advances given		150		
Receipt of services		3,178		
Rendering of services		120		
Interest received		64		

(All amounts are in Indian ₹ lakhs except share data and as stated)

Transactions	Holding Company	Subsidiaries	Others	Key Management Personnel
Loan given		900		
Investment made in Compulsory Convertible Debentures		10,000		
Advances repaid by subsidiaries		74		
Revenue transferred		57,705		
Expenses transferred		44,376		
Amount of outstanding balances				
Advance lease rentals and refundable deposits made**			56	
Loans given		1,010		
Investment made in Compulsory Convertible Debentures		10,000		
Amounts Receivable		2,171		
Amounts Payable		3,583		
Trade Payable		431		
Trade receivable		105		
Lease Deposit received		345		
Lease rentals payable**	1		6	

Additional information - Subsidiary wise breakup for the year ended March 31, 2022

Particulars	SDSL	SISL	SDMS	Sify NA@	Sify SGP	PHIPL
Receipt of services	2,205	303	-	-	670	-
Rendering of services	-	-	-	33	87	-
Lease rentals received***	-	1,420	-	-	-	-
Interest received	-	27	26	-	-	11
Advances repaid by subsidiaries	-	-	74	-	-	-
Advances given to subsidiaries	-	-	150	-	-	-
Loans given	-	900	-	-	-	-
Investment made in Compulsory Convertible Debentures	-	10,000	-	-	-	-
Revenue transfer	31,512	26,192	-	-	-	-
Expenses transfer	36,556	7,820	-	-	-	-
Outstanding Balances						
Trade payable	-	-	-	-	431	-
Trade receivable	-	-	-	-	105	
Loans given	-	900	-	-	-	110
Investment made in Compulsory Convertible Debentures	-	10,000	-	-	-	-
Amounts Receivable	-	541	1,619	-	-	11
Amounts Payable	3,583	-	-	-	-	-
Lease Deposit received from SISL	-	345	-	-	-	-
Net Receivable / (Payable)	**(3,583)**	**11,096**	**1,619**	**-**	**(326)**	**121**
Unearned income					157	
Right of use Asset					355	

(All amounts are in Indian ₹ lakhs except share data and as stated)

Following is a summary of related party transactions for the year ended March 31, 2021:

	Holding Company	Subsidiaries	Others	Key Management Personnel
Transactions				
Consultancy services received	-	-	-	3
Sitting fees paid	-	-	-	13
Salaries and other short term benefits*	-	-	-	411
Contributions to defined contribution plans*	-	-	-	16
Share based payment transactions*	-	-	-	112
Lease rentals paid**	12	-	72	-
Lease rentals received***		1,379		
Lease rental Deposit***		345		
Advances given	-	189	-	-
Receipt of services	-	3,215	-	-
Rendering of services	-	5,011	-	-
Investment made on account of BTA#	-	70,001	-	-
Investment made in PHIPL##		1,110		
Advances repaid by subsidiaries	-	20	-	-
Advances given on account of BTA#		7,800		
Revenue transferred on account of BTA#		28,450		
Expenses transferred on account of BTA#		19,107		
Amount of outstanding balances				
Advance lease rentals and refundable deposits made**	-	-	56	-
Refundable deposits receivable (lease)***		345		
Amounts payable to Subsidiaries on account of BTA#		33,786		
Trade payable	-	3,320	-	-
Advances receivable	-	1,511	-	-
Trade receivable	-	1,539	-	-
Unearned income	-	185	-	-
Right of use Asset	-	397	-	-
Lease rentals payable**	1	-	7	-

(All amounts are in Indian ₹ lakhs except share data and as stated)

Additional information - Subsidiary wise breakup

Particulars	SDSL	SISL	SDMS	Sify NA@	Sify SGP	Printhouse
Receipt of services	2,257	303	-	-	655	-
Rendering of services	2,833	1,972	16	-	89	101
Lease rentals received***	-	1,379	-	-	-	-
Lease rental Deposit***	-	345	-	-	-	-
Investment made on account of BTA#	20,001	50,000	-	-	-	-
Investment made in PHIPL##	-	-	-	-	-	1,000
Advances repaid by subsidiaries	-	20		-	-	5,000
Advances given to subsidiaries	-	-	189	-	-	5,110
Advances given on account of BTA#	5,500	2,300	-	-	-	-
Revenue transferred on account of BTA#	20,105	8,345	-	-	-	-
Expenses transferred on account of BTA#	10,862	8,245	-	-	-	-
Outstanding Balances						
lease rentals and refundable deposits receivable***	-	345	-	-	-	-
Amounts payable to Subsidiaries on account of BTA#	20,478	13,308	-	-	-	-
Trade payable	2,255	303		-	762	-
Advances receivable	-	-	1,511	-		-
Trade receivable	-	1,379		-	160	-
Net Receivable / (Payable)	**(22,733)**	**(11,887)**	**1,511**	**-**	**(602)**	**-**
Unearned income	-	-	-	-	185	-
Right of use Asset	-	-	-	-	397	-

#Pursuant to BTA which is effective from February 1, 2021 with appointed date of April 1, 2020, the transactions that were recorded in the parent company and the balances as on January 31, 2021 pertaining the businesses that were transferred have been transferred to the subsidiary companies respectively. The customer and vendor contracts novation is in progress as on March 31, 2021. Pending confirmation from customers and vendors, the invoices have been booked in parent company and subsequently transferred to subsidiary companies as on March 31, 2021.

Pursuant to agreement for shared services between entities, the billing from parent entity to the subsidiary entities and vice versa is part of the services rendered and services received.

@ Sify NA revenue and receivables are on account of services rendered from Sify Digital Services Limited, hence the revenue and receivable has been transferred to SDSL

**During the year 2011-12, the Company had entered into a lease agreement with M/s Raju Vegesna Infotech and Industries Private Limited, the holding Company, to lease the premises owned by it for a period of three years effective February 1, 2012 on a rent of ₹ 0.75 (Rupees Seventy Five Thousand Only) per month. Subsequently, the Company entered into an amendment agreement with effect from April 1, 2013, providing for automatic renewal for a further period of two blocks of 3 years with an escalation of 15% on the last paid rent after the end of every three years. Subsequently on account of expiry of the said agreement, the company entered into a fresh agreement for a period of three years effective February 1, 2021 on a rent of ₹ 1.14 per month.

During the year 2011-12, the Company had also entered into a lease agreement with M/s Raju Vegesna Developers Private Limited, a Company in which Mr Ananda Raju Vegesna, Executive Director of the Company and Mr Raju Vegesna, Chairman and Managing director of the Company exercise significant influence, to lease the premises owned by it for a period of three years effective February 1, 2012 on a rent of ₹ 0.30 (Rupees Thirty Thousand Only) per month. The agreement provides for the automatic renewal for further period of two blocks of 3 years with an escalation of 15% on the last paid rent after the end of every three years.Subsequently on account of expiry of the said agreement, the company entered into a fresh agreement for a period of three years effective February 1, 2021 on a rent of ₹ 0.46 per month.
During the year 2010-11, the Company had entered into a lease agreement with Ms Radhika Vegesna, daughter of Mr Anand Raju Vegesna, Executive Director of the company, to lease the premises owned by her for a period of three years effective June 1, 2010 on a rent of ₹ 3 per month and payment of refundable security deposit of ₹ 26. This arrangement will automatically be renewed for a further period of two blocks of three years with all the terms remaining unchanged. Subsequently on account of expiry of the said agreement, the company entered into a fresh agreement for a period of three years effective June 1, 2019 on a rent of ₹ 5.56 per month and payment of additional refundable security deposit of ₹ 30. This arrangement will automatically be renewed for a further period of two blocks of three years with all the terms remaining unchanged.

* Represents salaries and other benefits of Key Management Personnel comprising of Mr. Kamal Nath - CEO, Mr. M P Vijay Kumar - CFO and Mr. C R Rao - COO.

(All amounts are in Indian ₹ lakhs except share data and as stated)

***During the year 2020-21, the Company had entered into a lease agreement with Sify Infinit Spaces Limited, the Subsidiary Company, to lease the premises at Chennai, Noida and Hyderabad owned by the company for a period of ten years effective April 1, 2020 on a rent of ₹ 7.20 (Rupees Seven lakhs Twenty Thousand), ₹ 57.37 (Rupees Fifty Seven Lakhs Thirty Seven Thousand) & ₹ 50.32 (Rupees Fifty Lakhs Thirty two thousand) respectively per month with an escalation of 3% on the last paid rent after the end of every year and refundable security deposit equal to the rent of three months on all the said properties.

##Refer Note D (43)

37. ASSOCIATE STOCK OPTION PLAN

The Company had issued stock options under Associate Stock Option Plan (ASOP) 1999, ASOP 2000, ASOP 2002, ASOP 2005, ASOP 2007 and ASOP 2014. The Compensation Committee grants the options on the basis of performance, criticality and potential of the employees as identified by the management. Each option entitles the holder to purchase one American Depository Share (ADS) at an exercise price determined by the Compensation committee on the date of the grant. There are no options outstanding in respect of ASOP 1999, ASOP 2000, ASOP 2002, ASOP 2005 and ASOP 2007 as at March 31, 2022. The plan details of ASOP 2014 are as follows:

(i) ASOP 2014

During July 2014, the shareholders of the Company approved a new scheme for allotment of shares to employees i.e. Associate Stock Option Plan 2014. 2,50,00,000 shares are reserved for this plan. Consequently 58,70,800 options were granted to the employees on January 20, 2015. The Company has granted additional 1,95,000, 465,000, 72,20,000, 3,35,000, 1,50,000, 5,25,000 and 1,84,300 options to employees during the year 2021-22, 2020-21, 2019-20, 2018-19, 2017-18, 2016-17 and 2015-16 respectively.

The options vest in the following manner :

No of Options	Category	Vesting Pattern
43,04,600	Category I	3/5th of the options vest at the end of one year from the date of grant. The remaining 2/5th vests at the end of every half year during second and third years from the date of grant in 4 equal instalments
66,12,700	Category II	2/5th of the options vest at the end of one year from the date of grant. The remaining 3/5th vests at the end of every half year during second, third and fourth years in 6 equal instalments
40,27,800	Category III	2/5th of the options vest at the end of two years from the date of grant. The remaining 3/5th vests at the end of every half year during third, fourth and fifth years in 6 equal instalments.

The following table summarises the transactions of stock options under ASOP 2014:

No. of options granted, exercised and forfeited	For the year ended March 31 2022	For the year ended March 31 2021
Outstanding at the beginning of the year	77,80,278	1,10,56,100
Granted during the year	1,95,000	4,65,000
Forfeited and expired during the year	(2,38,000)	(7,26,000)
Exercised during the year	(5,04,300)	(30,14,822)
Outstanding at the end of the year	**72,32,978**	**77,80,278**
Vested and exercisable at the end of the year	87,71,360	65,82,070
Weighted average exercise price in ₹	87.82	86.13
Remaining contractual period	0.8 - 4.58 Years	0.55 - 4.83 years

The fair value of stock options granted has been measured using the Black Scholes model at the date of the grant. The Black Scholes model includes assumptions regarding dividend yields, expected volatility, expected term (or "option life") and risk free interest rates. In respect of the options granted, the expected term is estimated based on the vesting term, contractual term as well as expected exercise behaviour of the employees receiving the option. Expected volatility of the option is based on historical volatility, during a period equivalent to the option life, of the observed market prices of the Company's publicly traded equity shares. Share prices for the year 2011-12 have been eliminated in determining volatility as there had been extra ordinary price movements during the said period on account of capital infusion by promoters. Dividend yield of the options is based on the recent dividend activity. Risk-free interest rates are based on the Government securities yield in effect at the time of the grant. These assumptions reflect management's best estimates, but these assumptions involve inherent market uncertainties based on market conditions generally outside the Company's control. As a result, if other assumptions had been used in the current period, stock-based compensation expense could have been materially impacted. Further, if management uses different assumptions in the future periods, stock compensation expense could be materially impacted in future years.

(All amounts are in Indian ₹ lakhs except share data and as stated)

The estimated fair value of stock options is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was, in substance, multiple awards.

A summary of information about fixed price stock options outstanding with respect to ASOP 2014 as at March 31, 2022 is furnished below:

	Range of exercise price in ₹	Number outstanding at March 31, 2022	Weighted average exercise price in ₹	Weighted average remaining contractual life
ASOP 2014	57.66 - 230.97	72,32,978	87.82	0.8 - 4.58 Years

A summary of information about fixed price stock options outstanding with respect to ASOP 2014 as at March 31, 2021 is furnished below:

	Range of exercise price in ₹	Number outstanding at March 31, 2021	Weighted average exercise price in ₹	Weighted average remaining contractual life
ASOP 2014	57.66 - 152.56	77,80,278	86.13	0.55 - 4.83 years

The assumptions used in Black Scholes model to arrive at the fair value on grant date for the options granted during the year are summarised below:

Assumptions

Grant date	May 7, 2021	Oct 28, 2021
Category	Category III	Category III
Current market price	208.70	256.64
Exercise price	187.83	230.97
Expected term	2-5 years	2-5 years
Volatility	75.63% to 157.41%	57.76% to 115.02%
Dividend yield	12%	12%
Discount rate	1%	1%

38. FINANCIAL INSTRUMENTS

a. Derivative financial instruments

i. Forward and option contracts

Foreign exchange forward contracts and options are purchased to mitigate the risk of changes in foreign exchange rates associated with certain payables, receivables and forecasted transactions denominated in certain foreign currencies. These derivative contracts are initially recognized at fair value on the date the contract is entered into and subsequently re-measured at their fair value. Gains or losses arising from changes in the fair value of the derivative contracts are recognized immediately in profit or loss. The counterparties for these contracts are generally banks or financial institutions. The details of outstanding forward contracts as at March 31, 2022 and March 31, 2021 are given below:

Particulars	Currency	As at March 31, 2022	As at March 31, 2021
Forward/Option contracts (Sell)	USD	Nil	Nil
Forward/Option contracts (Buy)	USD	Nil	Nil
Net (gain) / loss on mark to market in respect of forward/option contracts outstanding	INR	Nil	Nil

(All amounts are in Indian ₹ lakhs except share data and as stated)

The Company recognized a profit on the forward contracts of ₹ 22 (Previous year : Net loss of ₹ 14) for the year ended March 31, 2022.

The forward exchange contracts and option contracts mature between one and twelve months. The table below summarizes the notional amounts of derivative financial instruments into relevant maturity groupings based on the remaining period as at the end of the year:

Forward/Option contracts	As at March 31, 2022 (USD) (Sell)	As at March 31, 2021 (USD) (Sell)
Not later than one month	-	-
Later than one month and not later than three months	-	-
Later than three months and not later than six months	-	-
Later than six months and not later than one year	-	-

b. Financial instruments by category

The carrying value and fair value of financial instruments by each category as at March 31, 2022 were as follows:

Particulars	Financial assets/ liabilities at amortised costs	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Total carrying value	Total fair value
Assets					
Investments	-	-	2,250	2,250	2,250
Trade receivables	38,876	-	-	38,876	38,876
Cash and bank balances	12,070	-	-	12,070	12,070
Other financial assets	19,688	-	-	19,688	19,688
Liabilities					
Borrowings from banks	31,656	-	-	31,656	31,656
Borrowings from others	5,285	-	-	5,285	5,285
Bank overdraft	249	-	-	249	249
Lease Liabilities	12,072	-	-	12,072	12,072
Trade payables	47,817	-	-	47,817	47,817
Other financial liabilities	4,883	-	-	4,883	4,883
Derivative financial instruments	-	-	-	-	-

The carrying value and fair value of financial instruments by each category as at March 31, 2021 were as follows:

Particulars	Financial assets/ liabilities at amortised costs	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Total carrying value	Total fair value
Assets					
Investments	-	-	-	-	-
Trade receivables	42,634	-	-	42,634	42,634
Cash and bank balances	49,638	-	-	49,638	49,638
Other financial assets	2,978	-	-	2,978	2,978
Liabilities					
Borrowings from banks	28,184	-	-	28,184	28,184
Borrowings from others	320	-	-	320	320
Bank overdraft	742	-	-	742	742
Lease liabilities	14,095	-	-	14,095	14,095
Trade payables	40,251	-	-	40,251	40,251
Other financial liabilities	33,438	-	-	33,438	33,438
Derivative financial instruments	-	-	-	-	-

(All amounts are in Indian ₹ lakhs except share data and as stated)

Details of financial assets pledged as collateral

The carrying amount of financial assets as at March 31, 2022 and March 31, 2021 that the Company has provided as collateral for obtaining borrowing and other facilities from the bankers are as follows:

	As at March 31, 2022	As at March 31, 2021
Trade receivables	38,876	42,634
Cash and bank balances	12,070	49,638
	50,946	**92,272**

- Level 1 - unadjusted quoted prices in active markets for identical assets and liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 - unobservable inputs for the asset or liability

c. Interest income/(expenses), gains/(losses) recognized on financial assets and liabilities

	Year ended March 31 2022	Year ended March 31 2021
(a) Financial assets at amortised cost		
Interest income on bank deposits	35	186
Interest income on other financial assets	74	130
Impairment on trade receivables	(1,361)	(3,600)
(b) Financial assets/liabilities at fair value through profit or loss (FVTPL)		
Net (gains)/losses on fair valuation of derivative financial instruments	-	-
(c) Financial liabilities at amortised cost		
Interest expenses on lease obligations	(1,107)	(1,088)
Interest expenses on borrowings from banks, others and overdrafts	(1,950)	(1,767)

39. FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established a risk management policy to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the risk management framework. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's trade receivables, treasury operations and other activities that are in the nature of leases.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Management considers that the demographics of the Company's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of the customers to which the Company grants credit terms in the normal course of the business.

(All amounts are in Indian ₹ lakhs except share data and as stated)

Cash and cash equivalents and other investments

In the area of treasury operations, the Company is presently exposed to counter-party risks relating to short term and medium term deposits placed with public-sector banks, and also to investments made in mutual funds. The Chief Financial Officer is responsible for monitoring the counterparty credit risk, and has been vested with the authority to seek Board's approval to hedge such risks in case of need.

Exposure to credit risk

The gross carrying amount of financial assets, net of any impairment losses recognized represents the maximum credit exposure. The maximum exposure to credit risk as at March 31, 2022 and March 31, 2021 was as follows:

	As at March 31, 2022	As at March 31, 2021
Other investments	2,250	-
Trade receivables	38,876	42,634
Cash and bank balances	12,070	49,638
Other financial assets	19,688	2,978
	72,884	**95,250**

Financial assets that are neither past due nor impaired

Cash and cash equivalents, other assets, other receivables and finance lease receivables are neither past due nor impaired.

Pursuant to BTA, debtors relating to Data Centre business has been transferred to wholly owned subsidiary Sify Infinit Spaces Limited and trade receivables relating to Cloud & Managed Services, Technology Integration Services & Application Integration Services has been transferred to wholly owned subsidiary Sify Digital Services Limited

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses, servicing of financial obligations. In addition, the Company has concluded arrangements with well reputed Banks, and has unused lines of credit that could be drawn upon should there be a need. The Company is also in the process of negotiating additional facilities with Banks for funding its requirements.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

As at March 31, 2022

	Carrying amount	Contractual cash flows	0-12 months	1-3 years	3-5 years	> 5 Years
Non-derivative financial liabilities						
Borrowings from banks	31,656	31,975	31,975	-	-	-
Borrowings from others	5,285	6,231	1,730	2,621	1,880	-
Bank overdraft	249	249	249	-	-	-
Lease Liabilities	12,072	17,209	3,624	4,897	2,033	6,654
Trade payables	47,817	47,817	47,817	-	-	-
Other financial liabilities	4,883	4,890	4,159	731	-	-
	1,01,962	**1,08,370**	**89,554**	**8,250**	**3,912**	**6,654**

(All amounts are in Indian ₹ lakhs except share data and as stated)

As at March 31, 2021

	Carrying amount	Contractual cash flows	0-12 months	1-3 years	3-5 years	> 5 Years
Non-derivative financial liabilities						
Borrowings from banks	28,184	28,762	27,853	909	-	-
Borrowings from others	320	336	174	162	-	-
Bank overdraft	742	742	742	-	-	-
Lease liabilities	14,095	26,094	3,829	5,578	3,281	13,407
Trade payables	40,251	40,251	40,251	-	-	-
Other financial liabilities	33,438	33,438	33,438	-	-	-
	1,17,030	**1,29,623**	**1,06,287**	**6,649**	**3,281**	**13,407**

Market risk:

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Company is exposed to market risk primarily related to foreign exchange rate risk (currency risk), interest rate risk and the market value of its investments. Thus the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

Currency risk:

The Company's exposure in USD, Euro and other foreign currency denominated transactions gives rise to Exchange rate fluctuation risk. Company's policy in this regard incorporates:

- Forecasting inflows and outflows denominated in US$ for a twelve-month period
- Estimating the net-exposure in foreign currency, in terms of timing and amount.
- Determining the extent to which exposure should be protected through one or more risk-mitigating instruments to maintain the permissible limits of uncovered exposures.
- Carrying out a variance analysis between estimate and actual on an ongoing basis, and taking stop-loss action when the adverse movements breaches the 5% barrier of deviation, subject to review by Audit Committee.

The Company's exposure to foreign currency risk as at March 31, 2022 was as follows:

	Cash and cash equivalents	Trade receivables	Trade payables	Foreign currency loans	Net Balance Sheet exposure
USD	1	243	(155)	(49)	40
GBP	*	-	*	-	
EUR	1	2	(2)	-	1
DHS	-	-	*	-	
HKD	-	-	*	-	

(All amounts are in Indian ₹ lakhs except share data and as stated)

The Company's exposure to foreign currency risk as at March 31, 2021 was as follows:

	Cash and cash equivalents	Trade receivables	Trade payables	Foreign currency loans	Net Balance Sheet exposure
USD	2	198	(159)	(62)	(21)
GBP	1	-	*	-	1
EUR	*	1	*	-	*
SGD	-	-	-	-	-
DHS	-	-	*	-	*
HKD	-	-	(1)	-	(1)
AUD	-	-	*	-	*

A 10% strengthening of the rupee against the respective currencies as at March 31, 2022 and March 31, 2021 would have increased / (decreased) other comprehensive income and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis as done in 2021.

	Other comprehensive income	Profit/(loss)
March 31, 2022	**-**	**(319)**
March 31, 2021	-	152

A 10% weakening of the rupee against the above currencies as at March 31, 2022 and March 31, 2021 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk:

Interest rate risk is the risk that an upward movement in interest rates would adversely affect the borrowing costs of the Company.

Profile

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments were as follows:

	Carrying amount	
	March 31, 2022	**March 31, 2021**
Fixed rate instruments		
Financial assets		
- Fixed deposits with banks	181	28,920
Financial liabilities		
- Borrowings from banks	1,732	2,459
- Borrowings from others	7,876	2,720
Variable rate instruments		
Financial liabilities		
- Borrowings from banks	29,924	25,725
- Bank overdrafts	249	742

Fair value sensitivity for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Company does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect profit or loss.

(All amounts are in Indian ₹ lakhs except share data and as stated)

Cash flow sensitivity for variable rate instruments

An increase of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis has been performed on the same basis for 2021.

	Equity	Profit or (loss)
March 31, 2022	-	(86)
March 31, 2021	-	(136)

A decrease of 100 basis points in the interest rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

Cash flow sensitivity for variable rate instruments

An increase of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis has been performed on the same basis for 2021.

	Equity	Profit or (loss)
March 31, 2022	-	(86)
March 31, 2021	-	(136)

A decrease of 100 basis points in the interest rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

40. Capital management

The Company's capital comprises equity share capital, share premium, retained earnings and other equity attributable to equity holders. The primary objective of Company's capital management is to maximise shareholders value. The Company manages its capital and makes adjustment to it in light of the changes in economic and market conditions. The Company does so by adjusting dividend paid to shareholders. The total capital as on March 31, 2022 is ₹ 1,27,228 (Previous Year: ₹ 1,22,287).

The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises of long term and short term borrowings less cash and bank balances. Equity includes equity share capital and reserves that are managed as capital. The gearing at the end of the reporting period was as follows:

		As at	
		March 31, 2022	March 31, 2021
Debt		39,781	31,646
Less: cash and bank balances		(7,494)	(49,638)
Net debt	A	**32,287**	**(17,992)**
Equity	B	**1,27,228**	**1,22,287**
Net debt to Equity ratio	**A/B**	**25%**	**0%**

No changes were made in the objectives, policies or processes for managing capital of the Company during the current and previous year.

(All amounts are in Indian ₹ lakhs except share data and as stated)

41. LEGAL PROCEEDINGS

a) Proceedings before Department of Telecommunications

(i) License fees

TDSAT has by its Order dated 28.02.2022 quashed the demands made by DoT seeking license fee, interest on license fee, penalty & interest on penalty on the revenue accruing from other businesses other than the licensed based activities from 2005-06 onwards.

The Company has been paying AGR on the licensed based activiites and challenged the demands made by DoT on the revenue arising from other Business activities (Non Licensed businesses) and the petitions are pending before Madras High Court.

Supreme Court had by its Order dated 10.06.2020, accepted the stand of the DoT that the licenses of PSUs are different and the judgement of 24.10.2019 could not be made the basis for raising demands against PSUs as they are not in the actual business of providing Mobile Services to the General Public. Sify also has licenses similar to PSU. TDSAT also held that there is no scope to differentiate between 2 sets of licensees (PSU & Others) having same or similar licenses only on the basis of ownership, private or public. The statutory rights and liabilities must remain the same for both the classes in so far as they arise from the licenses/agreements under consideration.

DoT had issued separate licenses to Sify Technologies Ltd (Sify) for providing Internet, National Long Distance & International Long Distance services.. The license fee was payable to the DoT on the Adjusted Gross Revenue (AGR) as per the terms of each license. Sify has been regularly paying license fee on the revenue arising out of services as per the license conditions.

DoT has raised demands on service providers providing Internet, NLD, ILD services etc. demanding license fee on the revenue made by the service providers from other business income such as Data Centre, Cloud, application services, power, Gas, etc. DoT contended that all the income of the company irrespective of the business was required to be considered as part of 'income' for the purpose of calculation of the license fee. The company filed a Writ Petition before Hon'ble Madras High Court challenging the demand made by DoT on the Income accruing from other business units and the demands have been stayed by the Court. The case is pending for final hearing.

The Service providers which had different license conditions for ISP, NLD & ILD and having revenue from other business units approached the Hon'ble Supreme Court stating that Hon'ble Supreme Court judgement dated 24.10.2019 on the access Telecom Service Providers is not applicable to other services providers as license conditions were different from the Access Telecom Service Providers. The Hon'ble Supreme Court observed that if the license conditions of Other Service Providers including ISP, NLD & ILD are different from the license conditions of the Mobile Access Providers, then the other service providers should adjudicate the license fee issue before the appropriate forum. Meanwhile DoT withdrew the demands against Public Sector Undertaking on account of different license conditions.

The Company which had approached Hon'ble High Court of Madras (Court) in 2013 by filing a writ petition prohibiting Department of Telecommunications (DOT) from levying a license fee on non-licensed activities obtained stay of the demands. The Hon'ble Court restrained DoT from recovering the license fee in respect of non- telecom activities and the case is pending for hearing.

The Company believes that it has adequate legal defenses against the demand raised by DoT and that the ultimate outcome of these actions will not have a material adverse effect on the Company's financial position and result of operations. ISPAI, association representing the internet service providers including the company issued a letter to DoT stating that the Hon'ble Supreme Court judgement dated 24.10.2019 is not applicable to Internet Service Providers and the license conditions are different.

The Company which had received notices for earlier years from DoT claiming Licence fee on the total Income (including income from Non Licensed activities) has already responded to these notices stating that licence fees are not payable on income from non-licensed activities. The Company believes that it has adequate legal defenses against these notices and that the ultimate outcome of these actions may not have a material adverse effect on the Company's financial position and result of operations."

DoT in its written submission made before the Hon'ble Supreme Court had clearly mentioned that non telecom revenue would stand excluded from the purview of the gross revenue . In 2017, the Hon'ble Tripura High Court held that Service Providers are not liable to pay license fee on the income accruing from other businesses.

(ii) The present license for ISP under Unified License issued by DOT on June 2, 2014 provides for payment of License fee on pure internet services. However, the Company through Internet Service Providers Association of India (ISPAI) challenged the said clause before TDSAT and has not made payment in this regard. TDSAT setaside the demand made by the DoT and passed the order in favour of the ISP. DoT has challenged the Order of the TDSAT and the appeal is pending before Supreme Court. The Company has appropriately accounted for any adverse effect that may arise in this regard in the books of account. However TDSAT by its order dated 18.10.2019 held that license fee is not chargeable on the Internet Service Providers.

b) The company is party to additional legal actions arising in the ordinary course of business. Based on the available information as at March 31, 2022, the Company believes that it has adequate legal defences for these actions and that the ultimate outcome of these actions will not have a material adverse effect [the maximum financial exposure would be ₹ 1,133 (March 31, 2021: ₹ 1,133)] on the Company's financial position and results of operations.

c) The Company has received an order passed under section 7A of the Employees Provident Fund & Miscellaneous Provisions Act, 1952 from Employees Provident Fund Organisation (EPFO) claiming provident fund contribution aggregating to ₹ 64 on special allowances paid to employees. The company has filed a writ petition before High court of Madras and obtained the stay of demand. In February 2019, the Supreme Court held, in a similar case, that Special allowances paid by the employer to its employee will be included in the scope of basic wages and subject to provident fund contribution. However, the Supreme Court has not fixed the effective date of order.

d) During the financial year 2019-20, Directorate General of Goods and Services Tax Intelligence (DGGI) did an inspection based on the analysis of service tax returns filed by the company in the past. The company has been categorising services relating to e-Learning and Infrastructure Management Services provided to foreign customers billed in convertible foreign currency under OIDAR services while filing its half-yearly service tax return. However, based on the Place of Provision of Services Rules then applicable under the Finance Act, 1994, Service Tax has to be paid for OIDAR services provided to foreign customers even if the conditions for qualifying as export of services are met. Hence, the DGGI contended that Service Tax should be paid on the services classified as OIDAR services in the returns. The total contended during the period April 2014 to November 2016 of Service Tax was ₹ 1,618 and the Interest & Penalty as applicable. The company believes that the services relating to e-learning and infrastructure management services will not fall under OIDAR services and also the activities covered under E-learning and IMS does not meet the conditions for taxation under the provisions applicable as OIDAR and hence there is no liability. However, during the investigation, the Company has paid ₹ 646 under protest to continue the proceeding with the relevant adjudicating authorities. Thereafter, the DGGI has issued Show Cause Notice and the company has replied on the same. The matter is pending with the Adjudicating Authority. The company believes that no provision is required to be made against this demand.

42. ADJUSTMENT TO THE SECURITIES PREMIUM ACCOUNT

a) Pursuant to the approval of the shareholders of the Company at the eleventh annual general meeting held on September 24, 2007 and confirmation by the Honourable High Court of Madras vide its Order dated December 13, 2007, accumulated losses of ₹ 116,264 as on April 1, 2007 has been adjusted against the balance in the securities premium account.

b) The company had an accumulated loss of ₹ 19,783 as on March 31, 2013. Consequent to scheme of amalgamation of two subsidiary companies, the accumulated loss stood at ₹ 27,661. As part of the said scheme of amalgamation, it was proposed to set off the accumulated losses of the Company and subsidiaries with the Securities Premium account of the company. Accordingly the debit balance in the “Profit and Loss Statement as on the Appointed Date was ₹ 27,661 representing the losses carried forward by the Company and the two subsidiaries (the Transferor Companies). The details of loss incurred/profit earned by the Transferee Company over the last five years prior to the scheme are given below:

(All amounts are in Indian ₹ lakhs except share data and as stated)

Year ended	Amount (₹)
Profit/(Loss) for the year ending	
31.3.2008	(2,155)
31.3.2009	(17,666)
31.3.2010	3,603
31.3.2011	(5,423)
31.3.2012	(2,400)
31.3.2013	4,258
Total	**(19,783)**
Accumulated loss of subsidiaries as on March 31, 2013:	
Sify Software Limited	(7,874)
Hermit Projects Private Limited	(4)
Total accumulated loss as on March 31, 2013	**(27,661)**

Hence, the debit balance in the "Profit and Loss Statement" as on the Appointed Date to an extent of ₹ 27,661 representing the accumulated losses of the Company and the Subsidiaries as on April 1, 2013 is adjusted against the sum of ₹69,004 standing to the credit of Securities Premium Account of the Company on the said date. On such adjustment, the Securities Premium Account of the Company shall stand reduced collectively by a sum of ₹ 27,661, leaving a credit balance of ₹ 41,343.

43. ACQUISITION OF PRINT HOUSE (INDIA) PRIVATE LIMITED

During FY 2020-21, the company has acquired Print House India Private Limited ('PHIPL') through Corporate Insolvency Resolution Process. The company emerged as successful Resolution Applicant (RA) vide Hon'ble National Company Law Tribunal ('NCLT') order dated June 23, 2020. Pursuant to the Resolution Plan submitted, the management of affairs of the company vested with Monitoring Committee consisting of Resolution Professional and the Financial Creditor of PHIPL. The company took over the management of affairs of PHIPL after dissolution of Monitoring Committee on October 16, 2020 as per the Resolution Plan. The existing share capital of PHIPL would be reduced to Nil. Fresh capital has been issued to the company. The company has implemented the Resolution Plan in terms of settlement of financial creditors, operational creditors, absorbing of employees as appropriate to the continuance of proposed business and reviving the operations of the company by converting the facility into world class data centers as per the order of Hon'ble NCLT and the orders dismissing appeals by both Hon'ble NCLT and Hon'ble National Company Law Appellate Tribunal ('NCLAT').

44. EUROPE INDIA GATEWAY

The Company has entered into a contract with Emirates Integrated Telecom ('the Emirates') for the construction and supply of undersea cable capacity from the Europe India Gateway. As per the contract with Emirates, the Company is required to pay its share of decommissioning costs, if any, that may arise in the future. No provision has been made by the Company for such decommissioning costs as the amount of provision cannot be measured reliably as at March 31, 2022.The capacity under the mentioned facility would be upgraded over a period of time.

45. IPO LISTING

In 2006, The Ministry of Finance (MoF), issued a press release by which Indian companies cannot raise new capital abroad unless, the securities of the company are listed on a stock exchange in India. However, by virtue of notification issued by the MoF on October 21, 2014, the issuance of depository receipts has been taken out of the 1993 Scheme and is now regulated by the Depository Receipts Scheme, 2014. The 2014 Scheme allows Indian companies, whether listed or unlisted, to access the international capital markets using depository receipts. Such issuances can either be through a public offering of depository receipts or through a preferential allotment or qualified institutional placement. They can also either be sponsored by the issuer company or unsponsored (such as when an existing shareholder sells its holding through the issue of depository receipts). These issuances are subject to the usual foreign investment regime, including in relation to sectoral caps as well as pricing. Moreover, such issuances are permitted only to investors in certain specific jurisdictions as listed in the 2014 Scheme, which currently consists of a list of 34 countries. The earlier condition of mandatory listing in India is dispensed with.

(All amounts are in Indian ₹ lakhs except share data and as stated)

46. Contract Balances

The following table provides information about receivables, contract assets and contract liabilities from the contracts with the customers

Particulars	March 31, 2022		March 31, 2021	
Trade Receivables		38,876		42,634
Contract Assets – Unbilled Revenue		-		-
Contract liabilities – Deferred Income				
Current contract liabilities	11,068		9,606	
Non current contract liabilities	17,643		8,974	
Total Contract liabilities - Deferred Income		**28,711**		**18,580**

The following table provides the movement in contract liabilities (Deferred Income)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance at the beginning of the year	18,580	24,086
Less: Transfer through BTA	-	5,399
Less: Revenue recognized during the year	92,804	89,061
Add: Invoiced during the year but revenue not recognised	1,02,935	88,954
Balance at the end of the year	**28,711**	**18,580**

Contract Cost and Amortisation

Costs to fulfil customer contracts are deferred and amortized over the contract period. For the year ended March 31, 2022 the Company has capitalised ₹ 431 (previous year ₹ 561) and amortised ₹ 735 (previous year ₹ 821). There was no impairment loss in relation to the capitalised cost.

Incremental costs of obtaining a contract are recognised as assets and amortized over the contract period. The Company recognises incremental cost of obtaining a contract as an expense when incurred if the amortisation period of the asset that the entity otherwise would have recognised is one year or less.

In measuring Contract assets the current economic conditions prevailing on the date of approval of financial statements due to global health pandemic COVID-19 has been considered. The actual impact could be different.

47. DUES TO MICRO, SMALL OR MEDIUM ENTERPRISES

As per the Office memorandum issued by the Ministry of Micro, Small and Medium Enterprises dated August 26, 2008 recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2022 and March 31, 2021 has been made in the financial statements based on information received and available with the Company. As the records available with the company, there are no dues payable to micro, small and medium enterprises as on March 31, 2022 (Previous year - Nil). The Company has not received any claim for interest from any supplier as at the balance sheet date.

(All amounts are in Indian ₹ lakhs except share data and as stated)

Particulars	As at March 31, 2022	As at March 31, 2021
a. the principal amount and the interest due thereon remaining unpaid at the end of accounting year	-	-
b. the amount of interest paid by the buyer beyond the appointed day during the accounting year	-	-
c. the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d. the amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
e. the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

48. CONTRIBUTION TOWARDS CORPORATE SOCIAL RESPONSIBILITY

Section 135 of the Companies Act, 2013, requires Company to spend towards Corporate Social Responsibility (CSR). The details of CSR expenditure and CSR activities carried out are as follows.

	For the year ended March 31, 2022	For the year ended March 31, 2021
Amount required to be spent by the company during the year	193	204
Amount of expenditure incurred	193	204
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall (if any)	-	-
Nature of CSR activities:		

The details of CSR activities carried out by the Company are as follows:

Organisation	Nature of activity	2021-22	2020-21
Sri Venkateswara institute of Research and Rehabilitation for the disabled trust, Dwarakha Tirumala	Promotion of health care	100	190
Raju Vegesna Foundation, Visakhapatnam*	Livelihood enhancement	74	-
Voluntary Health Services, Chennai	Promotion of health care	10	14
Sri Hanuman Mani Educational & Culture Trust	Promotion of education	5	-
Dr. Ambedkar Yuvajana Sangham Trust	Promotion of education	4	-
Total		**193**	**204**

* Amount below the rounding off norm adopted by the Company

(All amounts are in Indian ₹ lakhs except share data and as stated)

49. BUSINESS TRANSFER

During the FY 2020-21, pursuant to reorganization plan approved by the company, the Data Center business and IT services business has been transferred to wholly owned subsidiaries viz., Sify Infinit Spaces Limited and Sify Digital Services Limited effective from February 1, 2021 with the appointed date being April 1, 2020. All the assets and liabilities pertaining to the above mentioned businesses has been transferred from the appointed date of April 1, 2020. The consideration is settled by way of issue of equity shares at par.

Below is the summary of assets and liabilities transferred as on April 1, 2020

	Data Center Business	IT Services Business
ASSETS		
(1) Non-current assets		
(a) Property, Plant and Equipment	62,083	3,634
(b) Right-of-use Assets	15,822	753
(c) Capital work in progress	8,652	-
(d) Intangible assets	134	750
(e) Financial assets		
(i) Investments	17	-
(ii) Trade receivables	-	564
(iii) Other financial assets	1,168	168
(f) Deferred Tax assets	-	-
(g) Other non-current assets	4,112	2,261
	91,988	**8,130**
(2) Current assets		
(a) Inventories	-	13,021
(b) Financial assets		
(i) Trade receivables	13,183	45,619
(ii) Cash and cash equivalents	4,501	7,782
(iii) Other financial assets	854	130
(c) Other current assets	605	4,620
	19,143	**71,172**
Total Assets	**1,11,131**	**79,302**
LIABILITIES		
(1) Non - current liabilities		
(a) Financial liabilities		
(i) Borrowings & Lease liabilities	27,152	9,375
(ii) Other financial liabilities	-	180
(b) Provisions	82	912
(c) Other non-current liabilities	-	427
	27,234	**10,894**

(All amounts are in Indian ₹ lakhs except share data and as stated)

(2) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	4,064	8,463
(ii) Trade payables		
Total outstanding dues to micro enterprises and small enterprises	-	-
Total outstanding dues to creditors other than micro enterprises and small enterprises	9,998	21,961
(iii) Other financial liabilities	18,234	12,392
(b) Other current liabilities	1,596	5,517
(c) Provisions	5	75
	33,897	**48,408**
Total Liabilities	**61,131**	**59,302**
Excess of Assets over Liabilities	**50,000**	**20,000**
Represented by		
Shareholder's Funds		
Equity Share Capital	**50,000**	**20,000**

The consideration for transfer of said business was settled though issue of 50,00,00,000 equity shares and 20,00,00,000 equity shares of ₹ 10 each at par, as fully paid-up by Sify Infinit Spaces Limited and Sify Digital Services Limited respectively.

Pursuant to the above business transfer, the income and expenditure from April 1, 2020 is accounted in the respective companies. The following is the summary of profit and loss for the year ended March 31, 2020 relating to the businesses that are transferred to subsidiaries.

Statement of Profit and Loss for the year ended March 31, 2020

	Data Center Business	IT Services Business
Revenue from operations	38,237	66,575
Other income	73	284
Total income	**38,310**	**66,859**
Expenses		
Cost of services rendered	16,080	4,851
Purchase of stock-in-trade	117	27,988
Changes in inventories	-	4,132
Employee benefits expense	1,794	17,613
Finance costs	3,686	2,495
Depreciation and amortisation expense	9,025	1,837
Other expenses	4,881	6,319
Total Expenses	**35,583**	**65,235**
Profit before tax	**2,727**	**1,624**

(All amounts are in Indian ₹ lakhs except share data and as stated)

50. ADDITIONAL REGULATORY INFORMATION

Clause (i)

The Company does not have any immovable properties whose title deeds are not held in the name of the Company.

Clause (ii)

The Company does not hold any investment property. Hence, disclosure under said clause does not apply.

Clause (iii)

The Company has not done any revaluation of Property, Plant and Equipment. Hence the disclosure under this clause does not apply.

Clause (iv)

The Company has not done any revaluation of intangible assets and hence the disclosure under this clause does not apply.

Clause (v)

The Company has not made any loans or advances in the nature of loans to promoters, Directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment.

Type of Borrower	As at March 31, 2022		As at March 31, 2021	
	Amount Outstanding	Percentage to the total Loans	Amount Outstanding	Percentage to the total Loans
Related Parties :				
Sify Data and Managed Services Limited [refer note (a) below]	355	76%	175	61%
Print House (India) Private Limited [refer note (b) below]	110	24%	110	39%
Total	465	100%	285	100%

a. above loan carry a rate of interest of 8.5% for ₹ 150 and 9.25% ₹ 205 (Previous year 7.5%)

b. above loan carry a rate of interest of 8.% (Previous year 8%)

Clause (vi)

The following table presents the aging of the Capital Work in progress for the year ended March 31, 2022

Particulars	Amount in CWIP for a period of				Total
	< 1 Year	1 to 2 Years	2- 3 Years	> 3 Years	
Projects in progress			383		**383**
Projects temporarily suspended					-
Total	-	-	**383**	-	**383**

The following table presents the aging of the Capital Work in progress for the year ended March 31, 2021

Particulars	Amount in CWIP for a period of				Total
	< 1 Year	1 to 2 Years	2- 3 Years	> 3 Years	
Projects in progress		390			390
Projects temporarily suspended					-
Total	-	**390**	-	-	**390**

Project execution plans are mandated based on capacity assessments and customer requirements on a periodical basis and all projects are executed as per rolling annual plan.

(All amounts are in Indian ₹ lakhs except share data and as stated)

Clause (vii)

There are no intangible assets under development and hence disclosure under said clause does not apply.

Clause (viii)

There are no proceedings initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder

Clause (ix)

The quarterly returns or statements of current assets filed by the company with banks or financial institutions are in agreement with the books of accounts

Clause (x)

The company is not declared a wilful defaulter by any bank or financial institution or any other lender.

Clause (xi)

The company did not have any transaction with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956

Clause (xii)

There are no charges or satisfaction of charge that is yet to be registered with ROC beyond the statutory period.

Clause (xiii)

The company has complied with number of layers prescribed under clause (87) of Section 2 of the Act, read with Companies (Restrictions on number of Layers) Rules, 2017

(All amounts are in Indian ₹ lakhs except share data and as stated)

Clause (xiv) : Analytical Ratios:

S.No	Ratio	Numerator	Denominator	FY 2021-22	FY 2020-21	% Variance	Reasons for variance (where variance is > 25%)
1	Current Ratio (in times)	Current assets	Current Liabilities	0.87	0.91	(4)%	
2	Debt Equity Ratio (in times)	Total Debt = Total of current and non current portion of term loans and lease liabilities	Shareholder's funds	0.14	0.18	(21)%	
3	Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	1.98	2.93	(32)%	On account of additional leases during the year and prepayment of existing term loan
4	Return on equity ratio (in %)	Net Profits after taxes less preference dividend (if any)	Average total Equity	4%	5%	(26)%	On account of recognition of previously unrecognised deferred tax assets in the previous year and profit after tax is higher for that year
5	Inventory Turnover ratio (in times)	COGS = Purchase of stock-in-trade + Change in Inventory	Average inventory	2.56	0.15	1639%	Inventory is not a material item in business operation of the Company and the existing inventory was acquired based on specific customer requirement
6	Trade receivables turnover ratio (in times)	Revenue from operations (considered inclusive of GST since trade receivables is inclusive of GST)	Average receivables	3.31	2.96	12%	
7	Trade payables turnover ratio (in times)	Net Credit Purchases = Cost of services rendered + Employee benefits expense - ESOP expenses	Average payables	1.87	1.78	5%	
8	Net capital turnover ratio (in times)	Revenue from operations	Average Working capital	-10.59	-12.37	(14)%	
9	Net profit ratio (in %)	Profit for the year	Revenue from operations	4%	5%	(29)%	On account of recognition of previously unrecognised deferred tax assets in the previous year and profit after tax is higher for that year
10	Return on capital employed (in %)	Profit for the year	Capital Employed = Shareholder funds + Total Debt + Deferred Tax Liability	3%	4%	(23)%	
11	Return on Investments			NA			There are no investments held for the purpose of earning periodic returns and capital appreciation

(All amounts are in Indian ₹ lakhs except share data and as stated)

Clause (xv)

There are no scheme(s) of arrangements that are approved by the Competent Authority in terms of Section 230 to 237 of the Companies Act, 2013 during the year.

Clause (xvi)

The company has not advanced or loaned or invested funds to other persons or entities with the understanding that the intermediary shall directly or indirectly lend or invest by or on behalf of the company or provide any guarantee, security or the like on behalf of the ultimate beneficiaries

for **Manohar Chowdhry & Associates**
Chartered Accountants
Firm Registration No.: 001997S

K S Y Suryanandh
Partner
Membership No.: 237830

Hyderabad
April 18, 2022

For and on behalf of the Board of Directors

Raju Vegesna
Chairman and Managing Director

C B Mouli
Director

M P Vijay Kumar
Chief Financial Officer

V Ramanujan
Company Secretary

Consolidated Financial Statements for the year ended March 31, 2022

INDEPENDENT AUDITORS' REPORT

To the Members of Sify Technologies Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated financial statements of Sify Technologies Limited ("the Holding Company") and its subsidiaries (Collectively referred to as 'the Company' or 'the Group'), which comprise the Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the Consolidated profit and Consolidated total comprehensive income, the Consolidated changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S No.	Key Audit Matter	Auditor's Response
1	**Valuation of Trade Receivables:** The collectability of the Company's aged Trade Receivables and the valuation of allowance for impairment of Trade Receivables is a Key Audit Matter due to the judgement involved in assessing the recoverability. The Trade Receivable as at March 31, 2022 is INR 1,07,867 lakhs and Allowance for bad and doubtful debts charged in the Statement of Profit and Loss for the year ended March 31, 2022 is INR 4,337 lakhs (including bad debts written off INR 3,797 lakhs).	**Principal Audit Procedures Performed:** In view of the significance of the matter, we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence: • We evaluated and tested the Company's processes for trade receivables, including the credit control, collection and provisioning processes. • We evaluated the management view point and estimates used to determine the allowance for bad and doubtful debts. • We have reviewed the ageing, tested the validity of the receivables, the subsequent collections of trade receivables, the past payment and credit history of the customer, disputes (if any) with customers and based on discussion with the Company's management (information and explanation provided by them) and evidences collected, we understood and evaluated the reason for delay in realisation of the receivables and possibility of realisation of the aged receivables.

S No.	Key Audit Matter	Auditor's Response
		• Where there were indicators that trade receivables were unlikely to be collected, we assessed the adequacy of allowance for impairment of trade receivables. • We tested the sufficiency of the allowance for bad and doubtful debts charged in the Statement of Profit and Loss for the year ended March 31, 2022.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated financial statements and our auditor's report thereon.

Our opinion on the Consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance, Consolidated total comprehensive income, Consolidated changes in equity and Consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the Company's financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of four subsidiaries, whose financial statements reflect total assets of INR 22,301 lakhs as at March 31, 2022, total revenues of INR 6,857 lakhs and net cash flows (decrease in cash and cash equivalents) amounting to INR 854 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of loss of INR 1,479 lakhs for the year ended March 31, 2022, as considered in the consolidated financial statements, whose financial statements have not been audited by us. These financial statements have been audited by other auditors, whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, are based solely on the report of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

The comparative financial information of the Company for the year ended March 31, 2021 included in these consolidated financial statements, were audited by M/s. ASA & Associates LLP, Chartered Accountants, the predecessor auditor.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b. In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept by the Group so far as it appears from our examination of those books.

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Consolidated Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d. In our opinion, the aforesaid Consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

   e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Holding Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal controls over financial reporting of those companies.

   g. With respect to the matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

      In our opinion and according to the information and explanations given to us, the Holding Company has neither paid nor provided remuneration in the books and accordingly the question of exceeding the limits laid down under Section 197 read with Schedule V to the Act doesn't arise;

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Group has disclosed the impact of pending litigations on its financial position in its Consolidated financial statements - Refer Note 23 (Contingent liabilities) and Note 42 (legal proceedings) to the Consolidated financial statements;

ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 39 (a) (Derivative Financial instruments) to the Consolidated financial statements;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the Holding Company or any of the subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Holding Company and its subsidiaries incorporated in India has not declared or paid any dividend during the year and has not proposed final dividend for the year.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company and 2 of its subsidiaries and based on the CARO reports issued by other auditors of the 4 subsidiaries, included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports except for the following:

S. No	Name	CIN	Holding company/ subsidiary/ associate/ joint venture	Clause number of the CARO report which is qualified or is adverse
1	Sify Infinite Spaces Limited	U74999TN2017PLC119607	Subsidiary	Clause 3(i)(c)
2	Sify Infinite Spaces Limited	U74999TN2017PLC119607	Subsidiary	Clause 3(vii)(a)
3	Sify Digital Services Limited	U72900TN2020PLC136420	Subsidiary	Clause 3(vii)(a)

For **Manohar Chowdhry & Associates**
Chartered Accountants
Firm Registration No: 001997S

K S Y Suryanandh
Partner
Membership No: 237830
UDIN: 22237830AJJPWN9613

Place: Hyderabad
Date : April 18, 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in the Independent Auditor's Report of even date to the members of Sify Technologies Limited on the Consolidated Financial Statements for the year ended March 31, 2022

In conjunction with our audit of the Consolidated financial statements of Sify Technologies Limited as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of Sify Technologies Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these Consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these Consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting with reference to these Consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company;

and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these Consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies which are companies incorporated in India, has maintained in all material respects, adequate internal financial controls over financial reporting with reference to these Consolidated financial statements and such internal financial controls over financial reporting with reference to these Consolidated financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated financial statements of the Holding Company, insofar as it relates to subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India".

For **Manohar Chowdhry & Associates**
Chartered Accountants
Firm Registration No: 001997S

K S Y Suryanandh
Partner
Membership No: 237830
UDIN: 22237830AJJPWN9613

Place: Hyderabad
Date : April 18, 2022

Consolidated Balance Sheet as at March 31, 2022

(All amounts are in Indian ₹ lakhs except share data and as stated)

	Note No. (D)	As at March 31, 2022	As at March 31, 2021
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	1	1,41,589	1,20,261
(b) Right-of-use Assets	3	44,179	45,448
(c) Capital work in progress		25,452	4,799
(d) Intangible assets	2	6,317	6,769
(e) Financial assets			
(i) Investments	4	4,761	2,122
(ii) Trade receivables	5	20	271
(iii) Other financial assets	6	4,479	4,039
(f) Deferred Tax assets	31	6,862	6,365
(g) Other non-current assets	7	17,075	4,454
		2,50,734	**1,94,528**
(2) Current assets			
(a) Inventories	8	24,072	13,882
(b) Financial assets			
(i) Trade receivables	9	1,07,847	85,201
(ii) Cash and bank balances	10	45,740	55,021
(iii) Other financial assets	11	299	125
(c) Other current assets	12	42,112	17,849
		2,20,070	**1,72,078**
Total Assets		**4,70,804**	**3,66,606**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	13	18,402	18,352
(b) Other Equity	14	1,26,485	1,13,284
		1,44,887	**1,31,636**
LIABILITIES			
(1) Non - current liabilities			
(a) Financial liabilities			
(i) Borrowings	15.1	77,692	36,426
(ii) Lease liabilities	15.2 and 3	17,154	17,506
(iii) Other financial liabilities	16	602	400
(b) Provisions	17	1,450	1,924
(c) Other non-current liabilities	18	17,976	9,296
		1,14,874	**65,552**
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	19.1	74,830	58,902
(ii) Lease liabilities	19.2 and 3	4,920	4,520
(iii) Trade payables	20		
Total outstanding dues to micro enterprises and small enterprises		59	-
Total outstanding dues to creditors other than micro enterprises and small enterprises		74,064	70,737
(iv) Other financial liabilities	21	19,730	13,047
(b) Other current liabilities	22	37,267	22,034
(c) Provisions	17	173	178
		2,11,043	**1,69,418**
Total Equity and Liabilities		**4,70,804**	**3,66,606**

Significant accounting policies and notes to the financial statements (Refer notes C and D)
The accompanying notes referred to above form an integral part of the Consolidated Balance Sheet
As per our report of even date attached.

for **Manohar Chowdhry & Associates**
Chartered Accountants
Firm Registration No.: 001997S

For and on behalf of the Board of Directors

K S Y Suryanandh
Partner
Membership No.: 237830

Raju Vegesna
Chairman and Managing Director

C B Mouli
Director

Hyderabad
April 18, 2022

M P Vijay Kumar
Chief Financial Officer

V Ramanujan
Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2022

(All amounts are in Indian ₹ lakhs except share data and as stated)

	Note No. (D)	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations	24	2,70,257	2,43,195
Other income	25	2,044	3,283
Total income		2,72,301	**2,46,478**
Expenses			
Cost of services rendered	26 A	1,25,757	1,09,905
Purchase of stock-in-trade	26 B	28,256	24,492
Changes in inventories	26 C	(10,190)	(861)
Employee benefits expense	27	35,600	30,612
Finance costs	28	10,981	9,627
Depreciation and amortisation expense	1,2 and 3	32,835	28,356
Other expenses	29	30,434	28,344
Total expenses		2,53,673	**2,30,475**
Profit before tax		18,628	**16,003**
Tax expense	31		
Current Tax		6,400	6,719
Deferred Tax		(497)	(6,035)
Profit after tax		12,725	**15,319**
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods			
Remeasurements of net defined benefit liability/asset	35	(220)	52
Items that will be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of foreign operations		89	(84)
Total other comprehensive income		(131)	**(32)**
Total comprehensive income for the year		12,594	**15,287**
Earnings per equity share (₹ 10 paid up)	33		
Basic		6.97	8.53
Diluted		6.80	8.45

Significant accounting policies and notes to the financial statements (Refer notes C and D)
The accompanying notes referred to above form an integral part of the Consolidated Statement of Profit and Loss
As per our report of even date attached.

for **Manohar Chowdhry & Associates**
Chartered Accountants
Firm Registration No.: 001997S

For and on behalf of the Board of Directors

K S Y Suryanandh
Partner
Membership No.: 237830

Raju Vegesna
Chairman and Managing Director

C B Mouli
Director

Hyderabad
April 18, 2022

M P Vijay Kumar
Chief Financial Officer

V Ramanujan
Company Secretary

(All amounts are in Indian ₹ lakhs except share data and as stated)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

A. Equity Share Capital

	For the year ended	
	March 31, 2022	March 31, 2021
Balance at the beginning of the year	18,352	18,051
Change in Equity Share Capital during the year	50	301
Balance at the end of the year	**18,402**	**18,352**

B. Other Equity

	Reserves and surplus			Other Components of Equity			Total
	Securities Premium	General Reserve	Retained earnings	Stock Options Outstanding	Exchange differences on translation of foreign operations	Remeasurements of net defined benefit liability/ asset	
2020-21							
Balance as at April 1, 2020 - (A)	1,96,208	725	(1,03,423)	1,084	606	243	95,443
Profit for the year			15,319				15,319
Other comprehensive income					(84)	52	(32)
Total comprehensive income for the year ended March 31, 2021 - (B)			**15,319**		**(84)**	**52**	**15,287**
Employee stock compensation cost for the year				401			401
Transferred from stock options outstanding account	548	17	-	(565)			-
Additons to securities premiun on issue of shares on exercise of ASOP	2,153	-	-	-	-	-	2,153
Balance as at March 31, 2021 - (C)	1,98,909	742	(88,104)	920	522	295	1,13,284
Accumulated losses dealt with vide order of Honourable High Court of Madras [Refer Note D (43) (a)] - (D)	**(1,16,264)**	**-**	**1,16,264**	**-**	**-**	**-**	**-**
Accumulated losses dealt with vide scheme of merger as per contra [Refer note D (43) (b)] - (E)	**(27,661)**	**-**	**27,661**	-	-	-	**-**
Amount carried forward to Balance Sheet [(F) = (C)+(D)+(E)]	**54,984**	**742**	**55,821**	**920**	**522**	**295**	**1,13,284**

B. Other Equity (Continued)

(All amounts are in Indian ₹ lakhs except share data and as stated)

	Reserves and surplus			Other Components of Equity			Total
	Securities Premium	General Reserve	Retained earnings	Stock Options Outstanding	Exchange differences on translation of foreign operations	Remeasurements of net defined benefit liability/ asset	
2021-22							
Balance as at April 1, 2021 - (A)	1,98,909	742	(88,104)	920	522	295	1,13,284
Profit for the year			12,725				12,725
Other comprehensive income					89	(220)	(131)
Total comprehensive income for the year ended March 31, 2022 - (B)			**12,725**		**89**	**(220)**	**12,594**
Employee stock compensation cost for the year				229			229
Transferred from stock options outstanding account	102	34	-	(136)			-
Additons to securities premiun on issue of shares on exercise of ASOP	379	-	-	-			379
Balance as at March 31, 2022 - (C)	**1,99,390**	**776**	**(75,379)**	**1,013**	**611**	**75**	**1,26,486**
Accumulated losses dealt with vide order of Honourable High Court of Madras [Refer Note D (43) (a)] - (D)	**(1,16,264)**	**-**	**1,16,264**	**-**			**-**
Accumulated losses dealt with vide scheme of merger as per contra [Refer note D (43) (b)] - (E)	**(27,661)**	**-**	**27,661**				**-**
Amount carried forward to Balance Sheet [(F) = (C)+(D)+(E)]	**55,465**	**776**	**68,546**	**1,013**	**611**	**75**	**1,26,486**

*Balance at 1.4.2020 and 1.4.2021 of Securities Premium and Retained Earnings are before adjustment of Accumulated Losses with Securities Premium as detailed in Note D (43) (a) and D (43) (b).

Significant accounting policies and notes to the financial statements (Refer notes C and D)
The accompanying notes referred to above form an integral part of the Consolidated Statement of Changes in Equity

for **Manohar Chowdhry & Associates**
Chartered Accountants
Firm Registration No.: 001997S

For and on behalf of the Board of Directors

K S Y Suryanandh
Partner
Membership No.: 237830

Raju Vegesna
Chairman and Managing Director

C B Mouli
Director

Hyderabad
April 18, 2022

M P Vijay Kumar
Chief Financial Officer

V Ramanujan
Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2022

(All amounts are in Indian ₹ lakhs except share data and as stated)

		For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax		**18,628**	16,003
Adjustments for :			
Depreciation and amortisation expense		**32,835**	28,356
Finance expenses (considered separately)		**10,981**	9,627
Allowance for doubtful debts		**4,337**	7,555
Employee stock compensation expense		**229**	401
Unrealised foreign exchange fluctuation loss/(gain), net		**(155)**	75
Interest income (considered separately)		**(736)**	(1,723)
(Profit) /loss on sale of Property, Plant and Equipment (net)		**(48)**	(14)
Operating profit / (loss) before working capital changes		**66,071**	**60,280**
(Increase)/decrease in trade receivables - current		**(26,740)**	3,048
(Increase)/decrease in trade receivables - non current		**251**	293
(Increase)/decrease in inventories		**(10,190)**	(861)
(Increase)/decrease in other financial assets - current		**(119)**	1,252
(Increase)/decrease in other financial assets - non current		**(159)**	(841)
(Increase)/decrease in other non current assets		**(1,179)**	330
(Increase)/decrease in other current assets		**(18,541)**	6,333
Increase/(decrease) in trade payables		**3,581**	(697)
Increase/(decrease) in other non current financial liabilities		**202**	66
Increase/(decrease) in other non current liabilities		**8,680**	(522)
Increase/(decrease) in other financial liabilities -current		**(1,196)**	915
Increase/(decrease) in other current liabilities		**15,233**	924
Increase/(decrease) in provisions - non current		**(694)**	202
Increase/(decrease) in provisions - current		**(5)**	18
Cash generated from operations		**35,195**	**70,741**
Tax (paid)/refund received		**(12,749)**	(1,071)
Net cash generated from operating activities	(A)	**22,446**	**69,670**
Cash flow from investing activities			
Purchase of Property, Plant and Equipment		**(71,352)**	(29,627)
Investments in corporate debt securities		**(65)**	(55)
Investments in equity instruments of other entities		**(2,574)**	-
Amount paid for acquisition of right of use assets		**(2,393)**	(7,934)
Sale proceeds of Property, Plant and Equipment		**49**	14
(Increase)/decrease in other bank balances		**(3,910)**	(683)
Interest income received		**401**	**1,415**
Net cash used in investing activities	(B)	**(79,844)**	(36,870)

(All amounts are in Indian ₹ lakhs except share data and as stated)

		For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flow from financing activities			
Proceeds from long-term borrowings		**45,512**	30,285
Proceeds from issue of Compulsorily conovertible debentures		**20,200**	-
Repayment of long-term borrowings		**(25,811)**	(25,123)
Increase/(decrease) in short-term borrowings		**15,670**	10,489
Repayment of lease liabilities		**(3,164)**	(2,262)
Proceeds from issue of share capital		**429**	2,454
Interest paid		**(11,136)**	(9,660)
Net cash generated used in financing activities	(C)	**41,700**	**6,183**
Effect of exchange differences on translation of cash and cash equivalents	(D)	**23**	(34)
Net increase/(decrease) in cash and cash equivalents during the year	(A)+(B)+(C)+(D)	**(15,675)**	38,948
Cash and cash equivalents at the beginning of the year		**49,775**	**10,827**
Cash and cash equivalents at the end of the year [Refer Note D (10)]		**34,100**	49,775

Disclosure of changes in liabilities arising from financing activities [Refer Note D (30)]

Significant accounting policies and notes to the financial statements (Refer notes C and D)
As per our report of even date attached.

for **Manohar Chowdhry & Associates**
Chartered Accountants
Firm Registration No.: 001997S

K S Y Suryanandh
Partner
Membership No.: 237830

Hyderabad
April 18, 2022

For and on behalf of the Board of Directors

Raju Vegesna
Chairman and Managing Director

C B Mouli
Director

M P Vijay Kumar
Chief Financial Officer

V Ramanujan
Company Secretary

(All amounts are in Indian ₹ lakhs except share data and as stated)

A. GROUP OVERVIEW

Sify Technologies Limited ('Sify' or 'the Company') is a Company domiciled in India. The address of the Company's registered office is 2nd Floor, Tidel Park, 4, Rajiv Gandhi Salai, Taramani, Chennai - 600113, India. The Company and its subsidiaries Sify Technologies (Singapore) Pte. Limited, Sify Technologies North America Corporation, Sify Data and Managed Services aLimited, Sify Infinit Spaces Limited, Sify Digital Services Limited and Print House (India) Private Limited (are together referred to as the 'Group' and individually as 'Group entities'). The Group offers converged ICT solutions comprising Network centric services, Data Center services and Digital services which includes cloud and managed services, network managed services, technology integration services and applications integration services.

During the FY 2020-21, the Company has transferred its Data Center business to its wholly owned subsidiary Sify Infinit Spaces Limited and IT services business (Cloud and Managed services, Applications Integration services and Technology Integration services) to its wholly owned subsidiary Sify Digital Services Limited respectively effective from April 01, 2020 vide Business Transfer Agreement dated January 28, 2021. The Company was incorporated on December 12, 1995 and its ADRs are listed on the NASDAQ Capital Market. The financial statements are for the Group consisting of Sify Technologies Limited (the 'Company') and its subsidiaries.

B. BASIS OF PREPARATION

The Consolidated financial statements of the Group have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis of accounting, except for certain financial instruments which are measured on fair value basis and Cash Flow Statement. GAAP comprises Indian Accounting Standards (Ind AS) as notified under Section 133 of the Companies Act read together with relevant rules as amended from time to time, pronouncements of regulatory bodies applicable to the Group and other provisions of the Act. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to existing accounting standards requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an on-going basis.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set-out in note C (22). Based on the nature of products and services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

1. Statement of Compliance

The Consolidated Financial Statements comprising Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, Consolidated Statement of changes in Equity, Consolidated Cash Flow Statement, together with notes for the year ended March, 2022 prepared in accordance with Ind AS, have been duly approved by the Board of Directors at its meeting held on April 18, 2022.

2. Basis of Measurement

The financial statements have been prepared on the historical cost basis except for the following:

- Derivative financial instruments are measured at fair value
- Financial assets at fair value through other comprehensive income are measured at fair value
- Financial instruments at fair value through profit or loss are measured at fair value.
- Share-based payments
- The defined benefit asset is recognized as the net total of the plan assets, plus unrecognized past service cost and unrecognized actuarial losses, less unrecognized actuarial gains and the present value of the defined benefit obligation.
- In relation to lease prepayments, the initial fair value of the security deposit is estimated as the present value of the refundable amount, discounted using the market interest rates for similar instruments. The difference between the initial fair value and the refundable amount of the deposit is recognized as a Right of Use Asset.

The above items have been measured at fair value and the methods used to measure fair values are discussed further in Note C (20).

3. New and amended Standards

3A. Standards issued and not effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below

(All amounts are in Indian ₹ lakhs except share data and as stated)

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 - Onerous Contracts - Costs of Fulfilling a contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Group does not expect the amendment to have any significant impact in its financial statements.

4. Functional and Presentation Currency

Items included in the financial statements of each Group entity are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). Indian rupee is the functional currency of Sify Technologies Limited and its Indian subsidiaries viz., Sify Infinit Spaces Limited, Sify Digital Services Limited, Print House (India) Private Limited and Sify Data and Managed Services Limited. The U.S. dollar is the functional currency of Sify's foreign subsidiaries located in Singapore and the United States of America.

The Consolidated Financial Statements are presented in Indian Rupees (₹) which is the Group's presentation currency. All financial information presented in Indian Rupees has been rounded up to the nearest lakhs except where otherwise indicated.

5. Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

Application of accounting policies that require critical accounting estimates, judgements and assumption having the most significant effect on the amounts recognized in the financial statements are:

- Valuation of financial instruments [Note C(3)]
- Useful lives of property, plant and equipment [Note C(5)]
- Useful lives of intangible assets [Note C(7)]
- Estimate of Lease term and measurement of Right of Use Assets and Lease Liabilities [Note C(8)]
- Measurement of defined employee benefit obligations [Note C (12)]
- Measurement of share-based payments [Note C(13)]
- Provisions [Note C(14)]
- Identification of performance obligation and timing of satisfaction of performance

obligation, measurement of transaction price on revenue recognition [Note C(15)]

- Utilization of tax losses and computation of deferred taxes [Note C(18)]
- Expected Credit losses on Financial Assets [Note C(3)]
- Impairment testing [Note C(11)]

Estimation uncertainty relating to global health pandemic of COVID-19

Recoverability of receivables, contract assests and contract costs, carrying amount of Property, Plant and Equipment and certain investments have all been assessed based on the information available within the company and external sources such as credit reports and economic forecasts. The Group has performed impairment testing and assessed that the carrying amount of these assets will be recovered. The impact of global health pandemic may be different from the date of approval of these financial statements.

C. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these Consolidated Financial Statements except for the changes in accounting policies mentioned in Note B (3)

1. Basis of consolidation

The financial statements of the Group companies are consolidated on a line-by-line basis. Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. These financial statements are prepared by applying uniform accounting policies in use at the Group.

Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, the Company controls an investee if and only if the Company has all the following :

(a) power over the investee;

(b) exposure, or rights, to variable returns from its involvement with the investee; and

(c) the ability to use its power over the investee to affect the amount of the Company's returns.

Generally, there is a presumption that majority of voting rights results in control. To support this presumption and when the Group has less than a majority of voting of similar rights of an investee, the group considers all relevant facts and circumstances in assessing whether it has power over an investee.

The financial statements of subsidiaries are consolidated from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

2. Foreign currency

(a) Foreign currency transactions and balances

Transactions in foreign currencies are initially recognized in the financial statements using exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the relevant functional currency at the exchange rates prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Foreign currency differences arising on translation are recognized in the income statement for determination of net profit or loss during the period.

(b) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the functional currency at exchange rates at the reporting date. The income and expenses of foreign operations and cash flows are translated to using average exchange rates during the period. Any differences arising on such translation are recognized in other comprehensive income. Such differences are included in the foreign currency translation reserve "FCTR" within other components of equity. When a foreign operation is disposed off, in part or in full, the relevant amount in the FCTR is transferred to profit or loss.

3. Financial Instruments

(a) Financial Assets

Financial assets comprises investments in equity and debt securities, trade receivables, cash and cash equivalents and other financial assets.

Initial recognition:

All financial assets are recognised initially at fair value except for trade receivables which are recognised at

(All amounts are in Indian ₹ lakhs except share data and as stated)

transaction price. In the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are added to the fair value on initial recognition. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement:

(i) Financial assets measured at amortized cost:

Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortised cost using effective interest rate (EIR) method. The EIR amortisation is recognised as finance income in the Statement of Profit and Loss.

The Group while applying above criteria has classified the following financial assets at amortised cost:

a) Trade receivable

b) Investment in debt securities

c) Other financial assets

(ii) Financial assets at fair value through other comprehensive income (FVTOCI):

Financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are subsequently measured at FVTOCI. Fair value movements in financial assets at FVTOCI are recognised in other comprehensive income.

Equity instruments held for trading are classified as at fair value through profit or loss (FVTPL). For other equity instruments the Group classifies the same either as at FVTOCI or FVTPL. The classification is made on initial recognition and is irrevocable. Fair value changes on equity investments at FVTOCI, excluding dividends, are recognised in other comprehensive income (OCI).

(iii) Financial assets at fair value through profit or loss (FVTPL):

Financial asset are measured at fair value through profit or loss if it does not meet the criteria for classification as measured at amortised cost or at fair value through other comprehensive income. All fair value changes are recognised in the Statement of Profit and Loss.

Derecognition of financial assets:

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred and the transfer qualifies for derecognition. On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognised in the Statement of Profit and Loss.

Impairment of financial assets:

Trade receivables, contract assets, lease receivables under Ind AS 109, investments in debt instruments that are carried at amortised cost, investments in debt instruments that are carried at FVTOCI are tested for impairment based on the expected credit losses for the respective financial asset.

(i) Trade receivables

An impairment analysis is performed at each reporting date. The expected credit losses over lifetime of the asset are estimated by adopting the simplified approach using a provision matrix which is based on historical loss rates reflecting current condition and forecasts of future economic conditions. In this approach, assets are grouped on the basis of similar credit characteristics such as industry, customer segment, past due status and other factors which are relevant to estimate the expected cash loss from these assets.

(ii) Other financial assets

Other financial assets are tested for impairment based on significant change in credit risk since initial recognition and impairment is measured based on probability of default over the lifetime when there is significant increase in credit risk.

(b) Financial liabilities

Initial recognition and measurement:

Financial liabilities are initially recognised at fair value and any transaction cost that are attributable to the acquisition of the financial liabilities except financial liabilities at fair value through profit or loss which are initially measured at fair value.

Subsequent measurement:

The financial liabilities are classified for subsequent measurement into following categories:

- at amortised cost

- at fair value through profit or loss

(i) Financial liabilities at amortised cost

The Group is classifying the following financial liabilities at amortised cost;

(All amounts are in Indian ₹ lakhs except share data and as stated)

a) Compulsory convertible debentures
b) Borrowings from banks
c) Borrowings from others
d) Lease liabilities
e) Trade payables
f) Other financial liabilities

Amortised cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount.

(ii) Financial liabilities at fair value through profit or loss

Financial liabilities held for trading are measured at FVTPL.

Convertible Instruments:

Convertible instruments are classified as either equity or liability based on the contractual terms. When the conversion terms are fixed resulting in non-derivative instrument which is settled by issuing fixed number of entity's own equity instruments, the instrument is classified as equity. In other cases instrument is classified as liability.

Derecognition of financial liabilities:

A financial liability shall be derecognised when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

(c) Derivative financial instruments

Foreign exchange forward contracts and options are entered into by the group to mitigate the risk of changes in foreign exchange rates associated with certain payables, receivables and forecasted transactions denominated in certain foreign currencies. The Group also enters into cross currency and interest rate swaps for hedging the risk against variability in cash flows of its term loan. These derivative contracts do not qualify for hedge accounting under Ind AS 109, and are initially recognized at fair value on the date the contract is entered into and subsequently measured at fair value through profit or loss. Gains or losses arising from changes in the fair value of the derivative contracts are recognized in profit or loss.

(d) Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is presented in the Balance Sheet when, and only when, the Group has a legal right to offset the recognised amounts and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

(e) Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets (which are categorised as equity instruments) and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

4. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or share options are recognized as a deduction from equity, net of any tax effects.

5. Property, Plant and Equipment

Property, Plant and Equipment is stated at cost less accumulated depreciation and where applicable accumulated impairment losses. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchases taxes, after deducting trade discounts and rebatesand includes expenditure directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of Property, Plant and Equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Amount paid as advances towards the acquisition of property, plant and equipment is disclosed separately under other non-current assets as capital advances and the cost of assets not put to use as on balance sheet date are disclosed under 'Capital work-in-progress.

(All amounts are in Indian ₹ lakhs except share data and as stated)

Gains and losses on disposal of an item of Property, Plant and Equipment are determined by comparing the proceeds from disposal with the carrying amount of Property, Plant and Equipment and are recognized net within "other income / other expenses" in the Statement of Profit and Loss.

Subsequent costs:

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is de-recognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the Statement of Profit or Loss during the period in which it is incurred.

Depreciation:

Depreciation is recognized in the Statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment considering residual value to be zero. Depreciation on contract-specific assets are charged co-terminus over the contract period. Management's estimated useful lives for the year ended March 31, 2022 and March 31, 2021 were as follows:

	Estimated useful life in years	Useful life prescribed by Schedule II (in years)
Buildings	28	30
Plant and equipment		
- Tower, telecom ducts, cables and optical fibre	3 - 8	18
- Telecom tranceivers	8	13
- Computer laptops/ desktop	3	3
- Computer servers	5	6
Furniture and fittings	5	10
Office equipment	5	5
Motor vehicles	3	8

The management believes that the useful lives as given above best represent the period over which management expects to use these assets.

The depreciation method, useful lives and residual value are reviewed at each of the reporting date.

6. Business combinations

Business combinations are accounted for using Ind AS 103 Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

Business combinations have been accounted for, using the acquisition method under the provisions of Ind AS 103. The cost of acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Transactions costs that the Group incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

The acquisition of an asset or a group of assets that does not constitute a 'business' as per Ind AS 103 is accounted for by identifying and recognizing the individual identifiable assets acquired and liabilities assumed. The cost of the group of assets is allocated to such individual identifiable assets and liabilities on the basis of their relative fair values on the date of purchase.

Business combinations involving entities or businesses under common control have been accounted for using the pooling of interests method.

7. Intangible assets

Intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the intangible asset.

Subsequent expenditure:

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, are recognized in profit or loss as incurred.

Amortization of intangible assets with finite useful lives:

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful lives for the current and previous year are as follows:

	Estimate of useful life in years
System software	1 - 3
Undersea cable capacity	12
Other Intangibles	3 - 5

(All amounts are in Indian ₹ lakhs except share data and as stated)

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

8. Leases

The Group as a lessee

The Group's lease asset class primarily consists of leases for land and buildings. The group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether: (1) the contract involves the use of an identified asset (2) the group has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Group as a lessor

Leases for which the group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

9. Inventories

Inventories comprising traded hardware and software are measured at the lower of cost (determined using first-in first-out method) and net realizable value. Cost comprises cost of purchase and all directly attributable costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

10. Contract assets/liability

Contract Assets (Unbilled revenue) represents revenue in excess of billing. Contract Liability (Unearned income) represents unserviced portion of billed contracts.

11. Impairment of non financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot

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be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit or group of units on a pro rata basis.

Reversal of impairment loss:

An impairment loss in respect of goodwill is not reversed. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized directly in other comprehensive income and presented within equity.

12. Employee benefits

Employee benefits are accrued in the period in which the associated services are rendered by employees of the Group, as detailed below:

(a) Defined contribution plan (Provident fund):

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The Group makes specified monthly contribution towards Government administered provident fund scheme. The Group also contributes to 401(K) plan on behalf of eligible employees. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit and loss in the periods during which the related services are rendered by employees.

(b) Defined benefit plans (Gratuity):

In accordance with applicable Indian laws, the Group provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Group. The gratuity fund is managed by the HDFC Life Insurance Company Limited and Life Insurance Corporation of India (LIC). The Group's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting any unrecognized past service cost and the fair value of any plan assets.

The discount rate is the yield at the reporting date on risk free government bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest), are recognised in other comprehensive income and presented within equity. Remeasurements are not reclassified to profit or loss in subsequent periods. Service costs, net interest expenses and other expenses related to defined benefit plans are recognised in profit or loss.

(c) Short term benefit:

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(d) Compensated absences:

The employees of the Group are entitled to compensated absence. The employees can carry forward a portion of the unutilized accrued absence and utilize it in future periods or receive cash compensation at retirement or termination of employment for the unutilized accrued compensated absence. The Group recognizes an obligation for compensated absences in the period in which the employee renders the services. The Group provides for the expected cost of compensated absence in the Statement of Profit and Loss as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated based on actuarial valuations carried out by an independent actuary at the balance sheet date.

13. Share-based payment transactions

The fair value of options on grant date, (equity-settled share based payments) granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period in

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which the options are vested. The increase in equity recognized in connection with a share based payment transaction is presented as a separate component in equity. The amount recognized as an expense is adjusted to reflect the actual number of share options that vest. In respect of options whose terms and conditions are modified, the Group includes the incremental fair value of the options in the measurement of the amounts recognized for services received from the employees. The incremental fair value is the difference between the fair value of the modified option and that of the original option both estimated as at the date of the modification. If the modification occurs during the vesting period, the incremental fair value granted is included in the measurement of the amount recognized for services received over the period from the modification date until the date when the modified equity instruments vest, in addition to the amount based on the fair value of the original equity instruments, which is recognized over the remainder of the original vesting period. If the modification occurs after vesting date, the incremental fair value granted is recognized immediately, or over the vesting period if the employee is required to complete an additional period of service before becoming unconditionally entitled to those modified equity instruments.

14. Provisions

Provisions are recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

15. Revenue recognition

The Group derives revenue from converged ICT solutions comprising Network-centric services, Data Center services and Digital services which includes cloud and managed services, technology integration services and applications integration services.

The revenue recognition in respect of the various streams of revenue is described as follows

(a) Network-centric Services:

Revenue from Network services includes Data network services and Voice services. Network services primarily include revenue from connectivity services, NLD/ILD services and to a lesser extent, revenues from the setup and installation of connectivity links. The group provides connectivity for a fixed period of time at a fixed rate regardless of usage. Revenue from Network services are series of distinct services. The performance obligations are satisfied overtime.

Service revenue is recognized when services are provided, based upon period of time. The setup and installation of connectivity links are deferred and recognized over the associated contract period.

Sale of equipments are accounted as separate performance obligations if they are distinct and its related revenues are recognised at a point in time when the control is passed on to the customer.

The Group provides NLD (National Long Distance) and ILD (International Long Distance) services through Group's network. The Group carries voice traffic, both national and international, using the network back-bone and delivers voice traffic to Inter-connect Operators. Revenue is recognised when the services are provided based upon the usage (eg: metered call units of voice traffic terminated on the Group's network).

(b) Data Center Services (DC):

Revenue from DC services consists co-location of racks and power charges. The contracts are mainly for a fixed rate for a period of time. Revenue from co-location of racks, power charges and cross connect charges are series of distinct services. The performance obligations are satisfied overtime. Service revenue is recognized as the related services are performed. Sale of equipments such as servers, switches, networking equipments, cable infrastructure and racks etc are accounted as separate performance obligations if they are distinct and its related revenues are recognised at a point in time when the control is passed on to the customer.

(c) Digital Services

Revenue from Cloud and Managed services include revenue from Cloud and storage solutions, managed services, value added services, domestic and International Managed services.

Revenues from Cloud and on demand compute and storage, are primarily fixed for a period of time. Revenue from Cloud and Managed services are series of distinct services. The performance obligations are satisfied overtime. The group recognize service revenue as the related services are performed.

Revenues from managed services, comprise of value added services, operations and maintenance of projects and from remote infrastructure management. Contracts from this segment are fixed and could also be based on time and material contracts.

In the case of time and material contracts, The Group recognize service revenue as the related services are performed.

In the case of fixed price contract, the group recognise revenue over a period of time based on progress towards completion of performance obligation using efforts or cost to cost measure of progress.

The stage of completion is measured by efforts spent to estimated total efforts over the term of the contract.

Revenue from Technology Integration Services include system integration Services, revenue from construction of Data Centers, network services, security solutions and to a lesser extent, revenue from sale of hardware and software.

Revenue from construction contract includes revenue from construction of Data Centers to the specific needs and design of the customer. The Group recognize revenue at point in time, when the customer does not take control of work-in-progress or over a period of time when the customer controls the work-in-progress. In the case where revenue is recognised over a period of time and progress is measured based on the costs incurred to date as a percentage of the total estimated costs to fulfill the contract.

If the Group does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable.

When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the statement of Income in the period in which such losses become probable based on the current contract estimates.

Revenue from Applications Integration services include online assessment, document management services, web development, digital certificate based authentication services, supply chain software and eLearning software development services. eLearning software development services consist of structuring of content, developing modules, delivery and training users in the modules developed.

Revenue from Applications Integration Services is recognised over a period of time. The progress is measured based on the amount of time/effort spent on a project. Revenue in relation to 'time' is measured as the agreed rate per unit of time multiplied by the units of time expended. The element of revenue related to materials is measured in accordance with the terms of the contract.

The Group enters into contracts with customers to serve advertisements in the portal and the Group is paid on the basis of impressions, click-throughs or leads and in each case the revenue is recognised rateably over the period of the contract based upon the usage (i.e on actual impressions/click throughs / leads delivered).

Revenue from commissions earned on electronic commerce transactions are recognised when the transactions are completed.

Digital Certification revenues include income received on account of Web certification. Generally the Group does not hold after sale service commitments after the activation of the Digital Certificates sold and accordingly, revenue is recognised fully on the date of activation of the respective certificate.

Multiple deliverable arrangements

In certain cases, some elements belonging to the services mentioned above are sold as a package consisting of all or some of the elements.

The Group accounts for goods or services of the package separately if they are distinct. i.e if a good or service is separately identifiable from other promises in the contract and if the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer.

The Group allocate the transaction price to each performance obligation identified in the contract on a relative stand-alone selling price basis. Standalone selling price is the price at which group would sell a promised good or service separately to the customer.

If the relative stand-alone selling prices are not available, the group estimates the same. In doing so, the group maximise the use of observable inputs and apply estimation methods consistently in similar circumstances.

Contract Cost

Costs to fulfil customer contracts i.e the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify or the costs generate/ enhance resources of the group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future or the costs that are expected to be recovered are recognised as asset and amortized over the contract period.

Incremental costs of obtaining a contract are recognised as assets and amortized over the contract period if entity expects to recover those costs. The Group recognise incremental cost of obtaining a contract as an expense when incurred if the amortisation period of the asset that the entity otherwise would have recognised is one year or less.

Costs to obtain a contract that is incurred regardless of whether the contract is obtained are recognised as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

(All amounts are in Indian ₹ lakhs except share data and as stated)

Significant judgments on applying Ind AS 115

The group contracts with customer include promises or arrangements to transfer multiple goods or services to a customer. The group assess whether such arrangements in the contract has distinct goods or services (performance obligation). Identification of distinct performance obligation involves judgment to determine ability of customer to benefit independently from other promises in the contract.

The judgment is required to measure the transaction price for the contract. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. The consideration could be fixed amount or variable amount or could be both. Transaction price could also be adjusted for time value of money if contract includes a significant financing component.

In the case of multiple arrangements in a contract, the group allocate transaction price to each performance obligation based on standalone transaction price. The determination of standalone transaction price involves judgment.

The group uses judgment in determining timing of satisfaction of performance obligation. The group considers how customer benefits from goods or services as the services are rendered, who controls as the assets is created or enhanced, whether asset has an alternate use and the entity has an enforceable right to payment for performance completed to date, transfer of significant risk and reward to the customer, acceptance or sign off from the customer etc.,

The group uses judgement when capitalising the contract cost as to whether it generates or enhances resources of the entity that will be used in satisfying performance obligation in the future.

16. Finance income

Finance income comprises interest income on funds invested, dividend income, fair value gains on financial assets at fair value through profit or loss. Interest income is recognized as it accrues in Statement of Profit and Loss, using the effective interest method. Dividend income is recognized in Statement of Profit and loss on the date when the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

17. Finance expense

Finance expense comprises borrowing costs, bank charges, unwinding of discount on provision, fair value losses on financial assets at fair value through profit or loss that are recognized in Statement of Profit and Loss. Fair value changes attributable to hedged risk are recognised in Statement of Profit and Loss.

Borrowing costs

Borrowing costs are interest and other costs (including exchange difference relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Interest expense is recognised using effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized as expenses in the period in which they are incurred. To the extent the Group borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Group determines the amount of borrowings costs eligible for capitalization by applying a capitalization rate to the expenditure incurred on such asset. The capitalization rate is determined based on the weighted average of borrowing costs applicable to the borrowings of the Group which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing costs that the Group capitalizes during a period does not exceed the amount of borrowing costs incurred during that period.

18. Income Taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences:

(i) the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

(ii) differences relating to investments in subsidiaries and associates to the extent that it is probable that they will not reverse in the foreseeable future.

(iii) arising due to taxable temporary differences on the initial recognition of goodwill, as the same is not deductible for tax purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences

(All amounts are in Indian ₹ lakhs except share data and as stated)

when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred taxation arising on investments in subsidiaries and associates is recognized except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred taxation on temporary differences arising out of undistributed earnings of the equity method accounted investee is recorded only when it is expected to be distributed in foreseeable future based on the management's intention.

19. Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Where ordinary shares are issued but not fully paid, they are treated in the calculation of basic earnings per share as a fraction of an ordinary share to the extent that they were entitled to participate in dividends during the period relative to a fully paid ordinary share. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which includes share options granted to employees. To the extent that partly paid shares are not entitled to participate in dividends during the period, they are treated as the equivalent of warrants or options in the calculation of diluted earnings per share.

20. Fair value measurement

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described below:

Level 1 - unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - unobservable inputs for the asset or liability.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy.

Fair values have been determined for measurement and / or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Investments in equity and debt securities

The fair value is determined by reference to their quoted price at the reporting date. In the absence of quoted price, the fair value of the financial asset is measured using valuation techniques.

(ii) Trade and other receivables

The fair value of trade and other receivables expected to be realised beyond twelve months, excluding construction contracts in progress, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. However in respect of such financial instruments, fair value generally approximates the carrying amount due to the short term nature of such assets. This fair value is determined for disclosure purposes or when acquired in a business combination.

(iii) Derivatives

The fair value of forward exchange contracts is based on their quoted price, if available. If a quoted price is not available, the fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk free interest rate (based on government bonds). The fair value of foreign currency option contracts is determined based on the appropriate valuation techniques, considering the terms of the contract. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group and the counter party when appropriate. The fair value of the cross currency swaps (principal only swaps) and interest rate swaps is determined based on the discounting of the future cash flows at the market rates existing on the reporting date.

(iv) Non derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases, the market rate of interest is determined by reference to similar lease agreements.

(v) Share-based payment transactions

The fair value of employee stock options is measured using the Black-Scholes method. Measurement inputs include share price on grant date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), expected term of the instrument (based on historical experience and general option holder behavior), expected dividends, and the risk free interest rate (based on government bonds).

21. Dividend distribution to equity shareholders

Dividend distributed to Equity shareholders is recognised as distribution to owners of capital in the Statement of Changes in Equity, in the period in which it is paid.

22. Current/ non-current classification

An asset is classified as current if:

(a) it is expected to be realised or sold or consumed in the Group's normal operating cycle;

(b) it is held primarily for the purpose of trading;

(c) it is expected to be realised within twelve months after the reporting period; or

(d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if:

(a) it is expected to be settled in normal operating cycle;

(b) it is held primarily for the purpose of trading;

(c) it is expected to be settled within twelve months after the reporting period;

(d) it has no unconditional right to defer the settlement of the liability for at lease twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between acquisition of assets for processing and their realisation in cash and cash equivalents. The Group's normal operating cycle is twelve months.

D. Notes to Accounts

(All amounts are in Indian ₹ lakhs except share data and as stated)

1. PROPERTY, PLANT AND EQUIPMENT

The following table presents the changes in property, plant and equipment during the year ended March 31, 2022

Particulars	ORIGINAL COST				DEPRECIATION				NET BOOK VALUE	
	As at April 1, 2020	Additions during the year	Deletions/ Adjustments during the year	As at March 31, 2022	As at April 1, 2020	For the year	Deletions/ Adjustments during the year	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Owned assets										
Freehold Land	**1,472**	-	-	**1,472**	-	-	-	-	**1,472**	1,472
Buildings	**47,699**	**1,785**	-	**49,484**	**8,928**	**1,868**	-	**10,796**	**38,688**	**38,771**
(As at April 1 2014)	*(15,218)*	-	-	*(15,218)*	*(2,738)*	-	-	*(2,738)*	*(12,480)*	*(12,480)*
Plant and equipment	**169,001**	**25,542**	**253**	**194,290**	**110,933**	**14,129**	**252**	**124,810**	**69,480**	**58,068**
(As at April 1 2014)	*(65,928)*	-	*(229)*	*(65,699)*	*(44,703)*	-	*(229)*	*(44,474)*	*(21,225)*	*(21,225)*
Furniture and fittings	**1,603**	**1**	**3**	**1,601**	**1,572**	**8**	**3**	**1,577**	**24**	**31**
(As at April 1 2014)	*(1,403)*	-	*(3)*	*(1,400)*	*(1,360)*	-	*(3)*	*(1,357)*	*(43)*	*(43)*
Office equipment	**12,882**	**4,010**	**5**	**16,887**	**7,166**	**1,972**	**5**	**9,133**	**7,754**	**5,716**
(As at April 1 2014)	*(2,311)*	-	*(5)*	*(2,306)*	*(1,816)*	-	*(5)*	*(1,811)*	*(495)*	*(495)*
Leasehold improvements	**30,665**	**13,514**	**17**	**44,162**	**14,462**	**5,546**	**17**	**19,991**	**24,171**	**16,203**
(As at April 1 2014)	*(4,869)*	-	*(1)*	*(4,868)*	*(3,914)*	-	*(1)*	*(3,913)*	*(955)*	*(955)*
Motor vehicles	**72**	-	-	**72**	**72**	-	-	**72**	-	-
	263,394	**44,852**	**278**	**307,968**	**143,133**	**23,523**	**277**	**166,379**	**141,589**	**120,261**
(As at April 1 2014)	*(89,729)*	-	*(238)*	*(89,491)*	*(54,531)*	-	*(238)*	*(54,293)*	*(35,198)*	*(35,198)*

(All amounts are in Indian ₹ lakhs except share data and as stated)

The following table presents the changes in property, plant and equipment during the year ended March 31, 2021

Particulars	ORIGINAL COST				DEPRECIATION				NET BOOK VALUE	
	As at April 1, 2020	Additions during the year	Deletions/ Adjustments during the year	As at March 31, 2021	As at April 1, 2020	For the year	Deletions/ Adjustments during the year	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Owned assets										
Freehold Land	**1,472**	-	-	**1,472**	-	-	-	-	**1,472**	1,472
Buildings	**43,980**	**3,719**	-	**47,699**	**7,119**	**1,809**	-	**8,928**	**38,771**	**36,861**
(As at April 1 2014)	*(15,218)*	-	-	*(15,218)*	*(2,738)*	-	-	*(2,738)*	*(12,480)*	*(12,480)*
Plant and equipment	**150,816**	**18,299**	**114**	**169,001**	**98,244**	**12,803**	**114**	**110,933**	**58,068**	**52,572**
(As at April 1 2014)	*(66,029)*	-	*(101)*	*(65,928)*	*(44,804)*	-	*(101)*	*(44,703)*	*(21,225)*	*(21,225)*
Furniture and fittings	**1,602**	**6**	**5**	**1,603**	**1,569**	**8**	**5**	**1,572**	**31**	**33**
(As at April 1 2014)	*(1,404)*	-	*(1)*	*(1,403)*	*(1,361)*	-	*(1)*	*(1,360)*	*(43)*	*(43)*
Office equipment	**10,479**	**2,406**	**3**	**12,882**	**5,566**	**1,603**	**3**	**7,166**	**5,716**	**4,913**
(As at April 1 2014)	*(2,314)*	-	*(3)*	*(2,311)*	*(1,819)*	-	*(3)*	*(1,816)*	*(495)*	*(495)*
Leasehold improvements	**23,676**	**6,991**	**2**	**30,665**	**10,475**	**3,989**	**2**	**14,462**	**16,203**	**13,201**
(As at April 1 2014)	*(4,871)*	-	*(2)*	*(4,869)*	*(3,916)*	-	*(2)*	*(3,914)*	*(955)*	*(955)*
Motor vehicles	**72**	-	-	**72**	**72**	-	-	**72**	-	-
	232,097	**31,421**	**124**	**263,394**	**123,045**	**20,212**	**124**	**143,133**	**120,261**	**109,052**

Notes

(a) Refer note D (15) and D (19) for security given for borrowings.

(b) Refer note D (23)(c) for capital commitments.

(c) The group had elected to continue with the carrying amount of property, plant and equipment measured as per previous GAAP and use that as its deemed cost as at the date of transition to Ind AS (i.e 1st April 2014). The carrying value as on Balance Sheet date of those property, plant and equipment existing as on date of transition are given in brackets.

(All amounts are in Indian ₹ lakhs except share data and as stated)

1.1. Capital-Work-in Progress (CWIP)

The following table presents the aging of the Capital Work in progress for the year ended March 31, 2022

Particulars	Amount in CWIP for a period of				
	< 1 Year	1 to 2 Years	2- 3 Years	> 3 Years	Total
Projects in progress	22,725	16	2,706	5	**25,452**
Projects temporarily suspended	-	-	-	-	**-**
Total	**22,725**	**16**	**2,706**	**5**	**25,452**

The following table presents the aging of the Capital Work in progress for the period ended March 31, 2021

Particulars	Amount in CWIP for a period of				
	< 1 Year	1 to 2 Years	2- 3 Years	> 3 Years	Total
Projects in progress	249	4,183	314	53	**4,799**
Projects temporarily suspended	-	-	-	-	**-**
Total	**249**	**4,183**	**314**	**53**	**4,799**

Project execution plans are mandated based on capacity assessments and customer requirements on a periodical basis and all projects are executed as per rolling annual plan.

2. INTANGIBLE ASSETS

(All amounts are in Indian ₹ lakhs except share data and as stated)

The following table presents the changes in intangible assets during the year ended March 31, 2022

Particulars	ORIGINAL COST				AMORTISATION				NET BOOK VALUE	
	As at April 1, 2021	Additions during the year	Deletions/ Adjustments during the year	As at March 31, 2022	As at April 1, 2021	For the year	Deletions/ Adjustments during the year	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Undersea cable capacity	**7,363**	-	-	**7,363**	**5,128**	**745**	-	**5,873**	**1,490**	**2,235**
(As at April 1 2014)	*(5,533)*	-	-	*(5,533)*	*(922)*	-	-	*(922)*	*(4,611)*	*(4,611)*
System software	**15,386**	**3,258**	-	**18,644**	**11,172**	**2,933**	-	**14,105**	**4,539**	**4,214**
(As at April 1 2014)	*(4,589)*	-	-	*(4,589)*	*(4,044)*	-	-	*(4,044)*	*(545)*	*(545)*
License fees	**780**	-	-	**780**	**460**	**32**	-	**492**	**288**	**320**
(As at April 1 2014)	*(500)*	-	-	*(500)*	*(238)*	-	-	*(238)*	*(262)*	*(262)*
Customer related intangibles	**1,824**	-	-	**1,824**	**1,824**	-	-	**1,824**	-	-
(As at April 1 2014)	*(1,824)*	-	-	*(1,824)*	*(1,824)*	-	-	*(1,824)*	-	-
	25,353	**3,258**	-	**28,611**	**18,584**	**3,710**	-	**22,294**	**6,317**	**6,769**
(As at April 1 2014)	*(12,446)*	-	-	*(12,446)*	*(7,028)*	-	-	*(7,028)*	*(5,418)*	*(5,418)*

The following table presents the changes in intangible assets during the year ended March 31, 2021

Particulars	ORIGINAL COST				AMORTISATION				NET BOOK VALUE	
	As at April 1, 2020	Additions during the year	Deletions/ Adjustments during the year	As at March 31, 2021	As at April 1, 2020	For the year	Deletions/ Adjustments during the year	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Undersea cable capacity	**7,363**	-	-	**7,363**	**4,383**	**745**	-	**5,128**	**2,235**	**2,980**
(As at April 1 2014)	*(5,533)*			*(5,533)*	*(922)*			*(922)*	*(4,611)*	*(4,611)*
System software	**12,312**	**3,074**	-	**15,386**	**9,024**	**2,148**	-	**11,172**	**4,214**	**3,288**
(As at April 1 2014)	*(4,589)*			*(4,589)*	*(4,044)*			*(4,044)*	*(545)*	*(545)*
License fees	**780**	-	-	**780**	**428**	**32**	-	**460**	**320**	**352**
(As at April 1 2014)	*(500)*			*(500)*	*(238)*			*(238)*	*(262)*	*(262)*
Customer related intangibles	**1,824**	-	-	**1,824**	**1,824**	-	-	**1,824**	-	-
(As at April 1 2014)	*(1,824)*			*(1,824)*	*(1,824)*			*(1,824)*	-	-
	22,279	**3,074**	-	**25,353**	**15,659**	**2,925**	-	**18,584**	**6,769**	**6,620**
(As at April 1 2014)	*(12,446)*	-	-	*(12,446)*	*(7,028)*	-	-	*(7,028)*	*(5,418)*	*(5,418)*

Notes

(a) The group had elected to continue with the carrying amount of intangible assets measured as per previous GAAP and use that as its deemed cost as at the date of transition to Ind AS (i.e 1st April 2014). The carrying value as on Balance Sheet date of those intangible assets existing as on date of transition are given in brackets.

(All amounts are in Indian ₹ lakhs except share data and as stated)

3. RIGHT OF USE ASSETS AND LIABILITIES

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2022

Particulars	Category of ROU asset				
	Land	Building	P&M	IRU	Total
Balance as of April 1, 2021	18,127	17,160	4,860	5,301	45,448
Additions	-	2,041	1,332	1,061	4,434
Deletions	-	(104)	-	-	(104)
Depreciation	(237)	(3,144)	(1,388)	(833)	(5,602)
Translation difference	-	(14)	-	17	3
Balance as of March 31, 2022	**17,890**	**15,939**	**4,804**	**5,546**	**44,179**

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021

Particulars	Category of ROU asset				
	Land	Building	P&M	IRU	Total
Balance as of April 1, 2020	13,912	16,478	2,895	5,412	**38,697**
Additions	4,422	3,897	2,895	810	**12,023**
Deletions	-	(48)	-	-	**(48)**
Depreciation	(207)	(3,151)	(930)	(931)	**(5,219)**
Translation difference	-	(16)	-	10	**(6)**
Balance as of March 31, 2021	**18,127**	**17,160**	**4,860**	**5,301**	**45,448**

Particulars	As at March 31, 2022	As at March 31, 2021
Current lease liabilities	4,920	4,520
Non-current lease liabilities	17,154	17,506
Total	22,074	**22,026**

The movement in lease liabilities during the year ended March 31, 2022 and March 31, 2021 are given below

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance at the beginning of the year	22,026	18,262
Additions	3,266	6,392
Finance cost accrued during the period	1,911	1,800
Deletions	(122)	(48)
Payment of lease liabilities	(5,075)	(4,365)
Fair value adjustment	43	-
Translation difference	25	**(15)**
Balance at the end of the year	**22,074**	**22,026**

Refer note D(40) for the contractual maturities of lease liabilities

(All amounts are in Indian ₹ lakhs except share data and as stated)

	As at March 31, 2022	As at March 31, 2021
4. INVESTMENTS - NON-CURRENT		
Trade Investments		
Investment in equity of others - unquoted [Refer note (a) below]		
Investment in Vashi Railway Station Commercial Complex Limited	2	2
[15,000 (March 31, 2021: 15,000) equity shares of ₹ 10 each fully paid up]		
Investment in Sarayu Clean Gen Pvt Ltd	15	15
[1,56,000 (March 31, 2021: l,56,000) equity shares of ₹10 each fully paid up]		
Investment in Tasoula Energy Private Limited	2,250	-
[70,31,250 (March 31, 2021: Nil) equity shares of ₹10 each fully paid up]		
Investment in Padvest Corporation	37	-
Investment in Digifresh Corporation	152	-
Investment in The Gizmo App company	190	55
Investment in unquoted debt securities [Refer note (b) below]		
Investment in Elevo Corporation (Erstwhile Attala Systems Corporation)	2,115	2,050
	4,761	2,122
Aggregate cost of unquoted investments	4,761	2,122

Note: a. The Group has classified Investments in equity of others - unquoted as at FVTOCI.

b. The Group has classified Investments in debt securities - unquoted as at amortised cost.

	As at March 31, 2022	As at March 31, 2021
5. TRADE RECEIVABLES - NON-CURRENT		
Long term trade receivables (Unsecured, considered good)	20	271
	20	271
6. OTHER FINANCIAL ASSETS - NON-CURRENT		
Security deposits	3,802	3,660
Interest accrued on investments	499	379
Bank deposits*	178	-
	4,479	4,039

* Represents deposits with more than 12 months maturity, ₹ 3 free deposits (previous year Nil) and ₹ 175 (previous year ₹ Nil) subject to lien in favour of banks for obtaining bank guarantees /letters of credit.

	As at March 31, 2022	As at March 31, 2021
7. OTHER NON-CURRENT ASSETS		
Capital advances	12,249	1,438
Others:		
Prepaid expenses	3,235	2,717
Deferred Contract costs	206	299
Advance tax and tax deducted at source	631	-
Balances with service tax and sales tax authorities	754	-
	17,075	4,454
8. INVENTORIES		
Trade inventories	24,072	13,882
	24,072	13,882

(All amounts are in Indian ₹ lakhs except share data and as stated)

	As at March 31, 2022	As at March 31, 2021
9. TRADE RECEIVABLES		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	112,652	89,466
Trade receivables which have significant increase in Credit Risk	-	-
Trade Receivables - credit impaired	-	-
Total	112,652	**89,466**
Loss Allowance *	(4,805)	(4,265)
Net Trade receivables	107,847	**85,201**

* The activity in loss allowance for doubtful receivables is given below:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance at the beginning of the year	4,265	2,706
Add: Additional allowance during the year	4,337	7,555
Less: Bad debts written off	(3,797)	(5,996)
Balance at the end of the year	4,805	**4,265**

The following table presents the aging of the Trade Receivables for the year ended March 31, 2022

Particulars	Not due	less than 6 months	6 months - 1 year	1-2 years	2-3 years	greater than 3 years	Total
Trade receivables - Undisputed							
Considered good	38,560	37,091	10,694	8,981	1,754	2,190	99,270
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
	38,560	37,091	10,694	8,981	1,754	2,190	99,270
Provision for doubful debts							(4,805)
Trade receivable - unbilled							13,382
Total	38,560	37,091	10,694	8,981	1,754	2,190	107,847

The following table presents the aging of the Trade Receivables for the year ended March 31, 2021

Particulars	Not due	less than 6 months	6 months - 1 year	1-2 years	2-3 years	greater than 3 years	Total
Trade receivables - Undisputed							
Considered good	40,346	23,300	7,258	5,218	1,343	1,739	79,204
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
	40,346	23,300	7,258	5,218	1,343	1,739	79,204
Provision for doubful debts							(4,265)
Trade receivable - unbilled							10,265
Total	40,346	23,300	7,258	5,218	1,343	1,739	85,204

(All amounts are in Indian ₹ lakhs except share data and as stated)

		As at March 31, 2022	As at March 31, 2021
10. CASH AND BANK BALANCES			
10A. CASH AND CASH EQUIVALENTS			
(a) Balance with banks			
(i) in current accounts		25,040	22,881
(ii) deposits		10,956	26,483
(b) Cheques on hand		1,819	275
(c) Cash on hand		5	1,372
	A	37,820	**51,011**
Cash and cash equivalents for the purpose of Cash Flow Statement:			
Cash and cash equivalents as above		37,811	51,011
Less: Bank overdraft used for cash management purposes [Refer note 19 (d)]		(3,720)	(1,236)
		34,091	**49,775**
10B. OTHER BANK BALANCES			
Other bank balances			
(i) Bank deposits [Refer Note below]		7,920	**4,010**
(ii) Unpaid dividend account		*	*
	(B)	7,920	**4,010**
	(A)+(B)	45,740	**55,021**

*Amount below rounding off norm adopted by the Group

Note

Balances in deposit accounts subject to lien in favour of banks for obtaining bank guarantees /letter of credits	7,920	**4,010**
Cash and cash equivalents for the purpose of Cash Flow Statement:		
Cash and cash equivalents as above	37,820	**51,011**
Less: Bank overdraft used for cash management purposes [Refer note 19 (g)]	(3,720)	**(1,236)**
	34,100	**49,775**

11. OTHER FINANCIAL ASSETS

Security deposits [Net of doubtful allowance of ₹ 1,171 (previous year ₹ 1,017)] (Refer note below)	32	1
Interest accrued on advances and deposits	179	**124**
Derivative financial asset	88	**-**
	299	**125**

Note

The activity in allowance for doubtful advances are given below:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance at the beginning of the year	1,017	842
Add: Additional provision during the year	154	**575**
Less: Advance written off / adjustments	-	**(400)**
Balance at the end of the year	1,171	**1,017**

(All amounts are in Indian ₹ lakhs except share data and as stated)

	As at March 31, 2022	As at March 31, 2021
12. OTHER CURRENT ASSETS		
Balances with GST, service tax and sales tax authorities	18,004	2,723
Prepaid expenses	6,077	5,156
Advance tax and tax deducted at source (Net of Provision for Tax ₹16,843; Previous year: ₹ 10,455)	12,443	6,721
Contract Assets (Unbilled revenue)	513	75
Deferred Contract costs	3,042	726
Other advances	2,033	2,448
	42,112	17,849
13. EQUITY SHARE CAPITAL		
Authorized		
20,40,00,000 (March 31, 2021: 20,40,00,000) equity shares of ₹10 each	20,400	20,400
Issued		
18,27,42,369 (March 31, 2021: 18,22,38,069) equity shares of ₹10 each	18,274	18,224
Subscribed and fully paid		
18,27,42,369 (March 31, 2021: 18,22,38,069) equity shares of ₹10 each fully paid up	18,274	18,224
Forfeited shares		
Amount originally paid up on 1,28,23,202 (March 31, 2021: 1,28,23,202) equity shares	128	128
	18,402	18,352

(a) The equity shares are the only class of share capital having a par value of ₹10 per share. Of the above, 4,32,11,717 (Previous year : 4,27,07,417) shares are represented by American Depository Shares ('ADS') issued by the Company in accordance with applicable laws and regulations.

(b) Equity shares carry voting rights proportionate to the paid-up value per share. In the event of liquidation of the company, holders of the equity shares are entitled to be repaid the amounts credited as paid up on those equity shares. All surplus assets after settlement of liabilities as at the commencement of winding-up shall be paid to the holders of equity shares in proportion to their shareholdings. The above payment is subject to the rights of creditors, employees, taxes, if any, and any other sums as may be prescribed under the Companies Act, 2013. Of the above ADS, 1,39,02,860 ADS held by M/s Infinity Capital Ventures LP are not tradable and are restricted.

(c) In 2010-11, the Company approved the issuance, in a private placement, of upto an aggregate of 12,50,00,000 of the Company's equity shares at a price of ₹32 per share aggregating to ₹ 40,000.These shares carry a face value of ₹10.

(d) Of the total outstanding shares,12,50,00,000 shares (March 31, 2021: 12,50,00,000) are held by M/s Ramanand Core Investment Company Private Limited, holding company.

(e) Of the total outstanding shares, 2,50,00,000 shares are reserved for issue to eligible employees under Associate Stock Option Plans. Refer note D (38) for activities in Associate Stock Option plan.

13.1 Reconciliation of number of shares in the beginning and at the end of the year

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount paid- up	Number of shares	Amount paid- up
Number of shares outstanding at the beginning of the year	182,238,069	18,352	179,223,247	18,051
Add: Shares issued on exercise of ASOP	504,300	50	3,014,822	301
Number of shares outstanding at the end of the year	182,742,369	18,402	182,238,069	18,352

(All amounts are in Indian ₹ lakhs except share data and as stated)

13.2 Shareholders holding more than 5% of the shares of the Company:

	As at March 31, 2022		As at March 31, 2021	
	Number of Shares held	% holding	Number of Shares held	% holding
Ramanand Core Investment Company Private Limited	12,50,00,000	68.40%	12,50,00,000	68.59%
Infinity Satcom Universal Private Limited	1,45,30,000	7.95%	1,45,30,000	7.97%
Infinity Capital Ventures, LP	1,39,02,860	7.61%	1,39,02,860	7.63%

13.3 Shareholding of Promoters

Shareholding of the promoters as at year ended March 31, 2022

Name of the promoter	No. of share	Percentage of total shares	Percentage of change during the period
Ramanand Core Investment Company Private Limited	12,50,00,000	68.40%	(0.19)%
Infinity Satcom Universal Private Limited	1,45,30,000	7.95%	(0.02)%
Infinity Capital Ventures, LP	1,39,02,860	7.61%	(0.02)%
Vegesna Family Trust	6,20,466	0.34%	(0.001)%
Total	15,40,53,326	84.30%	

Shareholding of the promoters as at the year ended March 31, 2021

Name of the promoter	No. of share	Percentage of total shares	Percentage of change during the period
Ramanand Core Investment Company Private Limited	12,50,00,000	68.59%	(1.15)%
Infinity Satcom Universal Private Limited	1,45,30,000	7.97%	(0.13)%
Infinity Capital Ventures, LP	1,39,02,860	7.63%	(0.13)%
Vegesna Family Trust	6,20,466	0.34%	(0.01)%
Total	15,40,53,326	84.53%	

		As at March 31, 2022	As at March 31, 2021
14. OTHER EQUITY			
14.1 Reserves and surplus			
Securities premium			
Securities premium account balance		198,909	196,208
Add: Transfer from Stock option outstanding account in respect of options exercised during the year		102	548
Add: Amounts received in respect of options exercised during the year		379	2,153
	(A)	1,99,390	**1,98,909**
General reserve			
Balance at the beginning of the year		742	725
Add: Transferred from stock options outstanding account		34	17
	(B)	776	742
Retained earnings			
Opening balance		55,821	40,502
Adjustments:			
Add: Profit for the year		12,725	15,319
	(C)	68,546	55,821
	(D) = (A)+(B)+(C)	2,68,711	2,55,472

(All amounts are in Indian ₹ lakhs except share data and as stated)

		As at March 31, 2022	As at March 31, 2021
Less:Accumulated losses dealt with vide order of Honourable High Court of Madras [Refer Note D (43) (a)]		(1,16,264)	(1,16,264)
Less: Accumulated losses dealt with vide scheme of merger [Refer Note D (43)(b)]		(27,661)	(27,661)
	(E)	1,24,786	1,11,547
14.2 Other components of Equity			
Stock option outstanding account			
Opening Balance		920	1,084
Add: Employee stock compensation cost for the year		229	401
Less: Transfer to securities premium in respect of options exercised during the year		(102)	(548)
Less: Transfer to general reserve in respect of grants lapsed during the year		(34)	(17)
	(F)	1,013	920
Exchange differences on translation of foreign operations			
Balance at the beginning of the year		522	606
Add: Additions during the year		89	(84)
	(G)	611	522
Remeasurement of net defined benefit liability/asset			
Opening Balance		295	243
Add: Additions during the year		(220)	52
	(H)	75	295
	(E)+(F)+(G)+(H)	1,26,485	1,13,284

Nature and purpose of Reserves

a) **Securities Premium**

Securities Premium used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

b) **General Reserve**

General Reserve is a free reserve which represents appropriation of profit by the company. General reserve is also created by transferring from one component of equity to another.

c) **Retained Earnings**

Retained earnings represents accumulated undistributed profits of the company that can be distributed by the Company as dividends to its equity share holders.

d) **Stock Option Outstanding account**

Stock Option Outstanding Reserve represents the stock compensation expense recognized in the statement of changes in equity.

e) **Exchange differences on translation of foreign operations**

Exchange differences relating to translation of results and net assets of company's foreign subsidiaries from the functional currency of foreign subsidiaries to group's presentation currency are recognised in other comprehensive income and accumulated in Exchange differences on translation of foreign operations.

f) **Remeasurement of Defined benefit liability / Asset**

Remeasurement of Defined benefit liability / Asset represent the cumulative actuarial gain / loss recognized in other comprehensive income and presented within equity.

(All amounts are in Indian ₹ lakhs except share data and as stated)

	As at March 31, 2022	As at March 31, 2021
15. BORROWINGS AND LEASE LIABILITIES		
15.1. Long term Borrowings		
Secured		
Term loan from banks [Refer Note (a) to (d) below]	41,395	23,288
6% Compulsory convertible debentures [Refer Note (k)]	20,200	-
Unsecured		
Term Loan from banks [Refer Note (e)]	-	162
Loan from others [Refer Note (f) to (g)]	11,097	7,976
9% Cumulative Non-convertible preference shares [Refer Note (j)]	5,000	5,000
	77,692	36,426
15.2. Lease Liabilities		
Long term maturities of finance lease obligations [Refer Note (h) to (i)]	1,881	2,094
Other Lease Liabilities - Non Current	15,273	15,412
	17,154	17,506

a. Of total term loan balance, ₹ 40,539 including current maturities (previous year ₹ 13,753) is primarily secured by charge on movable fixed assets funded by term loan and also secured by project receivables. An amount of ₹ 7,207 (previous year ₹ 9,655) including current maturities is secured against the specific project receivables and an amount of ₹ 3,308 (previous year :₹ 3,520) including current maturities is secured by moveable fixed assets funded out of term loan.

b. ₹ 2,596 (previous year: ₹ 3,606) is primarily secured by moveable fixed assets at Rabale Tower II Data center (1st & 2nd floor) funded by Term Loan and project receivables and collaterally secured by property at Vashi (fifth floor) in Mumbai . An amount of ₹ Nil since closed (previous year: ₹ 2,443) primarily secured by Hyderabad property and collaterally by the properties at Tidel, vileparle and Vashi 6th Floor.

c. During the FY 2020-21, the company has entered into External Commercial Borrowing (ECB) facility agreement for $50. The Company has also entered into agreement for currency swap (from USD to INR) to fully hedge foreign currency exposure towards principal repayment and interest rate swap from floating to fixed.

d. The term loans bear interest rate of 2.50% plus 3 months LIBOR in the case of Foreign currency term loans and a range of 7.2% to 8.92% (previous year 6.80% to 9.6%) for other term loans and the term loans are repayable in quarterly instalments within a tenor of 3 to 5 years after moratorium periods ranging from 6 months to one year in certain cases.

e. These loans are primarily buyers' credit & Term Loan (INR) in lieu of Buyers Credit from banks which are repayable over a period of 1 to 3 years. The loans bear interest rate ranging from 0.79% to 1.73% (previous year 0.79% to 3.35%) for Buyers Credit and Nil since closed (previous year 9.00% to 9.6%) for Term Loan (INR) for Term Loan (INR) lieu of Buyers Credit.

f. These loans are primarily taken from NBFCs.

g. The loans bear interest rate ranging from 8.3% to 9.9% (previous year 8.6% to 9.9%) and repayable over a period of 12 to 60 months on equated monthly / quarterly instalments.

h. These loans are primarily taken from NBFCs and are secured by lease of relevant assets.

i. These bear interest rate ranging from 9% to 10.50% (Previous Year: 9% to 10.50%) and repayable over a period of 12 to 60 months on equated monthly / quarterly instalments.

j. During FY 2020-21, Print house (India) Private Limited issued Cumulative Non Convertible Redeemable Preference Shares of ₹ 5,000 to Ramanand Developers Private Limited with the tenure of 20 years from the date of allotment which will carry a preferential dividend of 9% per annum, payable till redemption.

(All amounts are in Indian ₹ lakhs except share data and as stated)

k. During the year under review, Sify Infinit Spaces Limited (SISL) issued, Kotak Special Situations Fund (KSSF) 2,00,00,000 (two crore) Series 1 Compulsorily Convertible Debentures (CCDs) with face value of INR 100 each amounting to ₹ 20,000 and 1% of 2,00,00,000 (two crore) Series 2 Compulsorily Convertible Debentures (CCDs) with face value of INR 100 each amounting to ₹ 200. The balance 99% of Series 2 CCDs shall be fully paid up between October 2022 and March 2023. Further, SISL is having, option and right to require KSSF to acquire additional compulsory convertible debentures of the Company ("Additional CCDs") in one or more tranches during FY 2022, FY 2023, FY 2024, FY 2025 or by October 1, 2026 for up to an aggregate subscription amount of ₹ 60,000. The CCDs are secured by secondary charge over identified movable assets of Data Center facility.

The CCD's carry a coupon rate of 6% payable half-yearly. The CCDs shall be fully, mandatorily and compulsorily converted into equity shares by October 1, 2031 and the conversion ratio shall be decided based on the equity valuation as at March 31, 2023.

l. The current maturities of the above borrowings, carrying the aforesaid security and repayment terms are grouped under Note D (19).

	As at March 31, 2022	As at March 31, 2021
The current maturities of borrowings are as under:		
Secured		
Term loan from banks	12,254	9,690
Current maturities of finance lease obligations	1,135	786
Unsecured		
Term loan from banks	1,673	5,644
Loan from others	8,501	9,373
Current portion of lease obligation	3,785	3,734
	27,348	**29,227**

16. OTHER FINANCIAL LIABILITIES - NON-CURRENT

Security deposits	394	69
Other liabilities	208	331
	602	**400**

17. PROVISIONS

Provisions for employee benefits - current			
Compensated absences		173	178
	(A)	173	**178**
Provisions for employee benefits - non-current			
Gratuity		778	1,365
Compensated absences		672	559
	(B)	1,450	**1,924**
	(A) + (B)	1,623	**2,102**

18. OTHER NON-CURRENT LIABILITIES

Contract Liability (Unearned income)	17,976	9,296
	17,976	**9,296**

(All amounts are in Indian ₹ lakhs except share data and as stated)

	As at March 31, 2022	As at March 31, 2021
19. BORROWINGS AND LEASE LIABILITITES (SHORT-TERM)		
19.1 Borrowings		
Loans repayable on demand from banks - Secured [Refer notes (a) to (f) below]		
Working capital facilities	43,220	31,736
Buyers' credit from banks	-	386
Loans repayable on demand from banks - Unsecured [Refer notes (f) below]		
Working capital facilities	7,450	-
Buyers' credit from banks	1,732	2,073
Current maturities of Long Term Loans		
Current maturities of long term debt*	13,927	15,334
Current maturities of other loans*	8,501	9,373
	74,830	58,902

*Also refer note D (15)

	As at March 31, 2022	As at March 31, 2021
19.2 Lease liabilities		
Current maturities of Lease liabilities		
Current maturities of finance lease obligations*	1,135	786
Current portion of lease obligation*	3,785	3,734
	4,920	4,520

*Also refer note D (15)

(a) Of the above, facilities amounting to ₹ 29,020 (previous year ₹ 32,123), non fund limits (including bank guarantees) availed by the Company are primarily secured by way of pari-passu charge on the entire current assets of the Company to all working capital bankers under consortium.

(b) In addition to the above, out of these loans repayable on demand from banks,

(i) exposure amounting to ₹ 22,220 (previous year : ₹ 23,459) is secured collaterally by way of pari-passu charge on the unencumbered movable fixed assets of the Company, both present and future.

(ii) exposure amounting to ₹ 10,720 (previous year : ₹ 15,012) is secured collaterally by way of equitable mortgage over the properties at Tidel Park, Chennai, Vashi 6th floor and Vile Parle at Mumbai.

(iii) the exposure amounting to ₹ 9,500 (previous year : ₹ 6,483) is collaterally secured by equitable mortgage over the Vashi 5th floor property at Mumbai.

(iv) exposure amounting to ₹ 6,800 (previous year : ₹ 8,664) is collaterally secured by equitable mortgage over the land and building at Noida and also covered by WDV of specific movable fixed assets funded out of their Term loan (since closed) at Noida DC, Uttar Pradesh.

(c) Of fhe above, facilities amounting to ₹ 2,500 (previous year ₹ Nil) are primarily secured by way of pari-passu charge on current assets of the Company, both present and future.

(d) Of the above, facilities amounting to ₹ 4,000 (previous year ₹ Nil) are primarily secured by way of pari-passu charge on current assets and unencumbered movable fixed assets of the Company, both present and future.

(e) Of the above, facilities amounting to ₹ 4,200 (previous year : ₹ Nil), are primarily secured by way of pari passu charge on the current assets of the Company.

(f) These working capital facilities bear interest ranging from 5.4% p.a. to 8.80% p.a. [Previous year: 5.4% p.a. to 9.45% p.a.] and these facilities are subject to renewal annually. The Buyers Credit bear interest rate ranging from 0.79% to 1.73% (previous year 0.79% to 3.35%).

(All amounts are in Indian ₹ lakhs except share data and as stated)

	As at March 31, 2022	As at March 31, 2021
(g) Working capital facilities comprises the following:		
Bank overdraft	3,720	1,236
Other working capital facilities	46,950	30,500
	50,670	31,736

20. TRADE PAYABLES

	As at March 31, 2022	As at March 31, 2021
Towards purchase of goods and services		
Undisputed Trade payables		
(A) Total outstanding dues to micro enterprises and small enterprises	59	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	74,064	70,737
	74,123	70,737

Note : The amount payable to micro enterprises and small enterprises of ₹ 59 (previous year ₹ Nil) are not due for payment as on March 31, 2022. In view of the same there are no dues payable to micro, small and medium enterprises as on March 31, 2022 (Previous year - Nil) - Refer note D (47)

20.1 Trade Payables ageing schedule

The following table presents the aging of the Trade payables for the year ended March 31, 2022

Particulars	< 1 Year	1- 2 Years	2 - 3 Years	> 3 Years	Total
Undisputed Trade payables :					
(a) Total outstanding dues to micro enterprises and small enterprises	59	-	-	-	59
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	60,061	1,881	815	11,312	74,069
Total	60,120	1,881	815	11,312	74,128

The following table presents the aging of the Trade payables for the year ended March 31, 2021

Particulars	< 1 Year	1- 2 Years	2 - 3 Years	> 3 Years	Total
Undisputed Trade payables :					
(a) Total outstanding dues to micro enterprises and small enterprises	-	-	-	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	57,467	1,450	427	11,393	70,737
Total	57,467	1,450	427	11,393	70,737

21. OTHER FINANCIAL LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Capital creditors	16,619	8,617
Interest accrued but not due on borrowings	487	422
Deposits from customers	490	729
Other payables	2,134	3,198
Derivative financial liabilities	-	81
Unpaid dividends	*	*
	19,730	13,047

* Amount below the rounding off norm adopted by the Group

(All amounts are in Indian ₹ lakhs except share data and as stated)

	As at March 31, 2022	As at March 31, 2021
22. OTHER CURRENT LIABILITIES		
Advances received from customers	**10,509**	3,765
Statutory payables	**7,155**	3,138
Contract liability (Unearned income) *	**17,924**	13,777
Other payables	**1,679**	1,354
	37,267	**22,034**

*** Refer Note D (46) for the movement in Contract liability (Unearned income)**

23. CONTINGENT LIABILITIES AND COMMITMENTS

(a) Contingent liabilities

(i) Claims against the Group not acknowledged as debts include demands from Indian Income Tax authorities for payment of tax amounting to ₹ Nil (previous year: ₹ Nil).

(ii) Contingencies due to certain Service Tax claims as at March 31, 2022 amounted to ₹ 4,162 (previous year: ₹ 4,162).

(iii) Contingencies due to certain Sales Tax claims as at March 31, 2022 amounted to ₹ 2,255 (previous year: ₹ 94).

The Group is subject to legal proceedings and claims which are arising in the ordinary course of business. The management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have material and adverse effect on the Group's results of operations or financial conditions.

(b) **Put Option**

The Debenture Subscription Agreement (DSA) between SISL and KSSF is supplemented by a Put Option Agreement with the Company to ensure KSSF has protective rights in case there is contract breach or conditions for conversion is not met over the term of the CCD instrument. The Company shall repay KSSF based on agreed equity valuation when the protective rights are exercised.

(c) Capital commitments	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for	**66,514**	**27,626**

(d) Other commitments

(i) Export obligation under EPCG : Effective 2012-13, the Company has participated in the Export Promotion Capital Goods Scheme ("the scheme") under which capital equipments are permitted to be imported against a specific licence at a substantially reduced customs duty, subject to fulfilment of obligation to export services rendered by use of capital equipment imported under the scheme to the extent of over 6 times the value of duty saved over a period of 6 years from the date of obtaining the licence. In case of failure to meet the export obligation, the company would be liable to pay the difference between the normal duty and the duty saved under the scheme along with interest.

As of March 31, 2022, the company is holding 27 (previous year : 53) licenses with a corresponding export obligation of ₹ 24,532 (previous year : ₹ 44,047). Considering the track record of the exports, the Company believes it would be able to meet the export obligation within the time frame and would not be exposed to any liability on account of the above scheme.

Notes: (a) Refer note D (42) in respect of contingencies arising on legal proceedings.

(All amounts are in Indian ₹ lakhs except share data and as stated)

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
24. REVENUE FROM OPERATIONS		
Sale of Services	2,56,597	2,20,372
Sale of Products	13,660	22,823
	2,70,257	2,43,195

Note : 1. Revenue disaggregation as per business segment and geography has been included in segment information [Refer Note D (36)].

Note : 2 Performance obligations and remaining performance obligations

The Group has applied the practical expedient provided in the standard and accordingly not disclosed the remaining performance obligation relating to the contract where the performance obligation is part of a contract that has an original expected duration of one year or less and has also not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date.

The following table provides revenue expected to be recognised in the future related to performance obligation that are unsatisfied (or partially satisfied) at the reporting date.

Particulars	March 31, 2022	March 31, 2021
Within one year	15,872	13,656
One to three years	13,903	6,781
Three years or more	5,233	3,103
	35,008	23,540

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
25. OTHER INCOME		
Interest income		
From banks	451	561
Others*	285	1,162
Other non-operating income		
Profit on sale of property, plant and equipment (Net)	48	14
Gain on foreign exchange fluctuation (Net)	95	-
Rental income	2	211
Miscellaneous income	1,163	1,335
	2,044	3,283

* Interest from others includes interest income from Income tax refund ₹ Nil (Previous year : ₹ 895)

(All amounts are in Indian ₹ lakhs except share data and as stated)

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
26. COST OF GOODS SOLD AND SERVICES RENDERED		
A. Cost of services rendered		
Networking costs	35,855	31,045
Voice carriage costs	24,414	22,802
Other direct costs	36,108	34,492
Power expenses	29,380	21,566
	1,25,757	1,09,905
B. Purchases of Stock in Trade	28,256	24,492
C. Changes in inventories - Stock in Trade		
Opening inventory	13,882	13,021
Less: closing inventory	(24,072)	(13,882)
	(10,190)	(861)
	1,43,823	1,33,536
27. EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	32,916	28,272
Contribution to provident and other funds*	1,892	1,638
Staff welfare expenses	563	301
Share-based payments to employees [Note D (38)]	229	401
	35,600	30,612
*Also refer note D (35)		
28. FINANCE COSTS		
Interest	8,052	7,222
Other borrowing costs (including letters of credit and bill discounting charges)	1,078	622
Interest on lease liability	1,851	1,783
	10,981	9,627
29. OTHER EXPENSES		
Commission expenses	380	364
Communication expenses	199	184
Rent	2,252	1,810
Rates and taxes	1,053	934
Travelling expenses	549	279
Power and fuel expenses	1,428	1,259
Legal and professional	2,299	1,429
Payment to auditors		
- Statutory audit fees	56	46
- Other services	35	35
Repairs and maintenance expenses		
- Plant and machinery	2,842	2,069
- Buildings	1,865	1,055
- Others	5,762	4,576
Insurance	1,424	402
Outsourced manpower costs	2,560	2,856
Advertisement, selling and marketing expenses	762	349
Loss on foreign exchange fluctuation (net)	-	153
Contribution towards Corporate Social Responsibility [Refer note D(49)]	286	204
Allowance for bad and doubtful debts (including bad debts written off ₹ 3,797; previous year: ₹ 5,996)	4,337	7,555
Miscellaneous expenses	2,345	2,785
	30,434	28,344

(All amounts are in Indian ₹ lakhs except share data and as stated)

30. RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES FOR THE YEAR ENDED MARCH 31, 2022

(i) Long term borrowings *

				Non cash movement		
Particulars	As at April 01, 2021	Proceeds	Repayment	Foreign exchange movement	Fair value changes	As at March 31, 2022
Term loans from Bank	38,784	31,605	(15,232)	165	-	55,322
6% Compulsory convertible debentures	-	20,200	-	-	-	20,200
Term loans from Others	22,349	12,682	(10,579)	-	146	24,598
Finance lease obligations	2,880	1,225	(1,132)	-	43	3,016
Total	**64,013**	**65,712**	**(26,943)**	**165**	**189**	**1,03,136**

*including current maturities

(ii) Short term borrowings

Particulars	As at April 01, 2021	Cash flow	Foreign exchange movement	As at March 31, 2022
Working capital facilities excluding overdraft*	30,500	16,450	-	46,950
Other short term borrowing	2,459	(780)	53	1,732
Total	**32,959**	**15,670**	**53**	**48,682**

* Bank overdrafts are used for cash management purposes (Refer Note D 10)

Reconciliation of liabilities from financing activities for the year ended March 31, 2021

(i) Long term borrowings *

				Non cash movement		
Particulars	As at April 01, 2020	Proceeds	Repayment	Foreign exchange movement	Fair value changes	As at March 31, 2021
Term loans from Bank	37,268	12,445	(10,929)	-	-	38,784
Term loans from Others	21,171	14,946	(13,850)	-	82	22,349
Finance lease obligations	1,048	2,894	(662)	-	(400)	2,880
Total	**59,487**	**30,285**	**(25,441)**	**-**	**(318)**	**64,013**

* including current maturities

(ii) Short term borrowings

Particulars	As at April 01, 2020	Cash flow	Foreign exchange movement	As at March 31, 2021
Working capital facilities excluding overdraft*	19,500	11,000	-	30,500
Other short term borrowing	3,087	(511)	(117)	2,459
Total	**22,587**	**10,489**	**(117)**	**32,959**

* Bank overdrafts are used for cash management purposes [Refer Note D (10)]

(All amounts are in Indian ₹ lakhs except share data and as stated)

31. DEFERRED TAX ASSETS AND LIABILITIES

The tax effects of significant temporary differences that resulted in deferred tax assets and a description of the items that created these differences is given below :

Recognised deferred tax assets/liabilities

	As at March 31, 2022	As at March 31, 2021
Deferred tax assets on temporary deductible difference		
Property, Plant and Equipment	5,566	5,975
Leases under Ind AS 116	1,301	618
Provision for employee benefits	462	89
Accounts receivable	1,115	991
Provision for Doubtful Advances	210	126
	8,654	**7,799**
Deferred tax liabilities on temporary taxable differences		
Intangible assets	(1,435)	(1,434)
Finance lease obligations	(357)	-
	(1,792)	**(1,434)**
Net deferred tax asset recognised in Balance Sheet	6,862	6,365

Movement in temporary differences during current and previous year

	Provision for employee benefits	Accounts receivable	Provision for Doubtful Advances	Property, Plant and Equipment	Intangible assets	Finance lease obligations	Leases under Ind AS 116	MAT Credit entitlement
Balance as at March 31, 2020	**-**	**-**	**-**	**1,812**	**(1,812)**	**-**	**330**	**663**
Recognised in income statement	89	991	126	4,163	378	-	288	(663)
Balance as at March 31, 2021	89	991	126	5,975	(1,434)	-	618	-
Recognised in income statement	373	124	84	(409)	(1)	(357)	683	-
Balance as at March 31, 2022	462	1,115	210	5,566	(1,435)	(357)	1,301	-

Income tax expense recognized in profit or loss

	For the year ended March 31 2022	For the year ended March 31 2021
Current tax expense/ (reversal)	6,400	6,719
Deferred tax liability / (asset)	(497)	(6,035)
	5,903	**684**

(All amounts are in Indian ₹ lakhs except share data and as stated)

	For the year ended March 31 2022	For the year ended March 31 2021
Reconciliation of effective tax rates		
A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before taxes is summarised below:		
Profit before income taxes	18,628	16,003
Enacted tax rates in India	25.17%	34.94%
Computed expected tax expense/(benefit)	4,689	5,592
Effect of :		
Recognition of previously unrecognised deferred tax asset on temporary differences	(379)	(2,676)
Difference on account of differential tax rates in different jurisdictions	239	(16)
Difference on account of differential tax rates in different companies	-	(870)
Effect of expenses that are not deductible in determining taxable profit	72	31
Recognition of current year temporary differences		(1,295)
Unrecognised temporary differences	149	35
Utilisation of previously unrecognised temporary differences	(7)	21
Effect of rate difference in opening and closing deferred tax		(282)
Reversal of previously recognised temporary differences	1,256	-
Others	(110)	144
	5,909	**684**

32. PAYMENTS TO DIRECTORS (OTHER THAN MANAGING DIRECTOR AND EXECUTIVE DIRECTOR)

Sitting fees	20	14
Consultancy fees	3	3

33. RECONCILIATION OF EQUITY SHARES IN COMPUTING WEIGHTED AVERAGE NUMBER OF EQUITY SHARES

(a) Weighted average number of shares - Basic		
Issued fully paid up ordinary shares as on April 1,	18,22,38,069	17,92,23,247
Effect of shares issued on exercise of stock options	2,30,603	3,10,289
Weighted average number of equity shares outstanding	18,24,68,672	**17,95,33,536**
Note: During the year 2010-11, 12,50,00,000 ordinary shares were issued to the existing promoter group on a private placement basis. Refer note D(48).		
(b) Weighted average number of shares - Diluted		
Weighted average number of equity shares outstanding	18,24,68,672	17,95,33,536
Dilutive impact of associated stock options*	45,47,365	16,82,469
Weighted average number of equity shares for diluted earnings per share	18,70,16,037	**18,12,16,005**

*The Company has issued Associate Stock Options of which 72,32,978 (Previous year : 77,80,278) options are outstanding as at March 31, 2022. These could potentially dilute basic earnings per share in future. Refer Note D(38).

(All amounts are in Indian ₹ lakhs except share data and as stated)

34. FOREIGN CURRENCY EXPOSURE

The details of foreign currency exposure as at March 31, 2022 are as follows:

Particulars	Year ended March 31, 2022		
	Foreign Currency	Amount in foreign currency	Amount in Indian Rupees
Amounts receivable in foreign currency on account of:			
Cash and cash equivalent	USD	34	2,604
	GBP	1	50
	EUR	*	13
Trade Receivables	GBP	1	85
	USD	291	22,055
	EUR	2	188
			22,327
Amounts payable in foreign currency on account of:			
Trade Payables	EUR	2	166
	USD	164	12,409
	DHS	*	6
	GBP	*	16
	HKD	*	*
			12,597
ECB & Buyer's credit	USD	94	7,117

*amount is below the rounding off norm adopted by the Group

The details of foreign currency exposure as at March 31, 2021 are as follows:

Particulars	Year ended March 31, 2021		
	Foreign Currency	Amount in foreign currency	**Amount in Indian Rupees**
Amounts receivable in foreign currency on account of:			
Cash and cash equivalent	USD	31	2,256
	GBP	1	110
	EUR	*	*
Trade Receivables	GBP	*	28
	USD	286	21,058
	EUR	1	54
			21,140
Amounts payable in foreign currency on account of:			
Trade Payables	EUR	*	41
	USD	251	18,424
	DHS	*	6
	GBP	*	*
	HKD	*	6
	AUD	*	8
			18,485
ECB & Buyer's credit	USD	82	6,046

*amount is below the rounding off norm adopted by the Group

(All amounts are in Indian ₹ lakhs except share data and as stated)

35. EMPLOYEE BENEFITS

a. Defined benefit plans (Gratuity)

	For the year ended March 31 2022	For the year ended March 31 2021
Reconciliation of opening and closing balances of the present value of the defined benefit obligation (Gratuity)		
Projected benefit obligation at the beginning of the year	1,771	1,564
Service cost	319	299
Interest cost	101	88
Remeasurement (gain)/losses	202	(72)
Benefits paid	(233)	(108)
Projected benefit obligation at the end of the year	**2,160**	**1,771**
Change in the fair value of plan assets		
Fair value of plan assets at the beginning of the year	406	304
Interest income	23	17
Employer contributions	1,200	212
Benefits paid	(233)	(107)
Return on plan assets, excluding amount recognised in net interest expense	(14)	(20)
Fair value of plan assets at the end of the year	**1,382**	406
Amount recognised in the Consolidated Balance Sheet		
Present value of projected benefit obligation at the end of the year	2,160	1,771
Fair value of plan assets at the end of the year	(1,382)	(406)
Funded status amount of liability recognised in the Balance Sheet	**778**	**1,365**
Expense recognised in the Consolidated Statement of Profit and Loss		
Service cost	319	299
Interest cost	101	88
Interest income	(23)	(17)
Net gratuity costs	**397**	**370**

Summary of actuarial assumptions

Discount rate	6.35% p.a	5.70% p.a.
Expected rate of return on plan assets	5.00% p.a.	5.00% p.a.
Salary escalation rate	8% for the first year and 5% thereafter	0% for the first year and 5% thereafter
Average future working life time	5.51 years	4.32 years

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Expected rate of return on plan assets: This is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

Salary escalation rate: The estimates of future salary increases considered take into account the inflation, seniority, promotion and other relevant factors.

Contributions: The Company expects to contribute ₹ 1,189 to its gratuity fund during the year ending March 31, 2022.

(All amounts are in Indian ₹ lakhs except share data and as stated)

The expected cash flows over the next few years are as follows:

Year	As at	
	March 31, 2022	March 31, 2021
1 year	348	335
2 to 5 years	1,243	1051
6 to 10 years	916	652
More than 10 years	623	325

Plan assets: The Gratuity plan's weighted-average asset allocation at March 31, 2022 and March 31, 2021, by asset category is as follows:

Funds managed by insurers	100%	100%

Remeasurement of the net defined benefit liability recognised in other comprehensive income

Amount recognised in other comprehensive income for the years ended March 31, 2022 and March 31, 2021 are as follows:

Remeasurement (gain) / loss arising from		
- change in demographic assumptions	1	-
- change in financial assumptions	(4)	(94)
- experience variance	211	22
- return on plan assets, excluding amount recognised in net interest expense / income	12	20
	220	(52)

Sensitivity analysis of significant actuarial assumptions

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

	March 31, 2022		March 31, 2021	
	Decrease	Increase	Decrease	Increase
Discount rate (-/+ 1%)	2,278	2,058	1,855	1,694
(% change compared to base due to sensitivity)	5.3%	(4.8)%	4.6%	(4.2)%
Salary Growth rate (-/+ 1%)	2,062	2,271	1,695	1,852
(% change compared to base due to sensitivity)	(4.5)%	4.8%	(4.1)%	4.4%

b. Contributions to defined contribution plans

In accordance with Indian law, all employees receive benefits from a provident fund, which is a defined contribution plan. Both the employee and employer make monthly contributions to the plan, each equal to a specified percentage of employee's basic salary. The group has no further obligations under the plan beyond its monthly contributions. The group contributed ₹ 1,356 and ₹ 1,144 for the year ended March 31, 2022 and March 31, 2021 respectively.

The Group has contributed to 401(K) plan on behalf of eligible employees amounting to ₹ 143 (March 31, 2021: ₹ 124) during the year ended March 31, 2022.

(All amounts are in Indian ₹ lakhs except share data and as stated)

36. SEGMENT REPORTING

The operating segments of the Group has been reclassified in the current year with effect from April 1, 2021 pursuant to the business reorganisation done in the previous year pursuant to Business Transfer Agreement (BTA) dated January 28, 2021. Consequently, Group's operating segments are as follows:

a.	Network-centric services	Consists of domestic data, international data, wholesale voice
b.	Data Center Services	Consists of co-location services, cross connects and other allied managed services
c.	Digital Services	Consists of Cloud and Managed Services, Network Managed Services, Applications Integration Services, Technology Integration Services

Network-centric services: The Network services consist of network services addressing the domestic connectivity needs of Indian enterprises and international inward and outward connectivity needs of International Enterprises. The services include a comprehensive range of Internet protocol based Virtual Private Network, offerings, including intranets, extranets and remote access applications to both small and large corporate customers. The Group provides MPLS-enabled IP VPN's through entire network. The Group also provides last mile connectivity to customers.

The cable landing station and investment in submarine cable consortium are other assets extended to International partners for international inward and outward connectivity needs. The cable landing station currently lands 2 major submarine cables; namely Gulf Bridge International (GBI) and the Middle Eastern and North African cable (MENA).

Data center services: The Group operates 11 Concurrently Maintainable Data Centers, of which six are located in Mumbai (Bombay), one each at Noida (Delhi), Chennai (Madras), Bengaluru, Kolkata and Hyderabad to host mission-critical applications. The Group offers 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 rent 'secure cages' at the hosting facility as per their application requirements. It also offers a wide variety of managed hosting services, such as storage, back-up and restoration, performance monitoring and reporting hardware and software procurement and configuration and network configuration under this business line.

Digital Services

The Group offers following services under Digital Services segment:

a. On-demand hosting (cloud) services offer end-customers with the solutions to Enterprises. On-demand cloud services giving companies the option to "pay as you go" basis.

b. Remote and Onsite Infrastructure Management services which provide management and support of customer operating systems, applications and database layers.

c. Network Operations Center (NOC) services, managed SDWAN and manged Wi-Fi solutions.

d. Data Centre Build, Network Integration, Information security and End User computing.

e. web-applications which include sales force automation, supply chain management, intranet and extranets, workflow engine and knowledge management systems.

f. Online portals, such as www.sify.com, www.samachar.com , that function as principal entry points and gateway for accessing the Internet by providing useful web-related services and links. The Group also offers related content sites worldwide.

Sify.com provides a gateway to the Internet by offering communication and search tools such as email, chat, travel, online portfolio management and channels for personal finance, astrology, lifestyle, shopping, movies, sports and news.

The Group also offers value-added services to organizations such as website design, development, content management, digital certification services, Online assessment tools, search engine optimization, , including domain name management, secure socket layer (SSL) certificate for websites, and server space in required operating system and database. It provides messaging and collaboration services and solutions such as e-mail servers, LAN mail solutions, anti-spam appliances, bulk mail services, instant messaging, and also offer solutions and services to enable data and access security over the Internet, Infrastructure-based services on demand, including on-line testing engine and network management. On-line testing services include test management software, required servers and proctored examination facilities at Sify's franchisee points. On-line exam engine offered allows a secure and flexible way of conducting examinations involving a wide range of question patterns.

(All amounts are in Indian ₹ lakhs except share data and as stated)

Accordingly, revenues represented by nature of service rendered comprise the primary basis of segmental information.

The Chief Operating Decision Maker ("CODM"), i.e, The Board of Directors and the senior management, evaluate the Group's performance and allocate resources to various strategic business units that are identified based on the products and services that they offer and on the basis of the market served. The measure of profit / loss reviewed by the CODM is "Profit/loss before interest, taxes, depreciation and amortization" also referred to as "segment operating income / loss". Revenue in relation to segments is categorized based on items that are individually identifiable to that segment.

Bandwidth costs, which form a significant part of the total expenses, are of three kinds – international, domestic and last mile. These are allocated primarily to the Network services.

Certain expenses, like depreciation and overheads incurred by the support functions including finance, human resources, administration and corporate, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying services are used interchangeably. Management believes that it is not feasible to provide segment disclosure of these expenses and, accordingly, they are separately disclosed as "unallocable expenses" and "depreciation, amortisation and impairment" and adjusted only against the total operating income of the Group.

A significant part of the Property, plant and equipment used in the Group's business are not identifiable exclusively to any of the reportable segments and can be used interchangeably between segments. Management believes that it is not feasible to provide segment disclosures relating to total assets since a meaningful segregation of the available data is onerous.

The Group's operating segment information for the year ended March 31, 2022 is presented below:

Particulars	Network centric Services	Data center Services	Digital Services	Total (A)+(B)+(C)
	(A)	(B)	(C)	
Revenue from operations				
External customers	1,20,114	74,944	75,199	**2,70,257**
Intersegment revenues	-	878	2,205	**3,083**
Total Revenue	**1,20,114**	**75,822**	**77,404**	**2,73,340**
Operating expenses	(99,391)	(43,246)	(67,238)	**(2,09,875)**
Intersegment Expenses	(2,508)	-	(574)	**(3,082)**
Segment operating income / (loss)	**18,215**	**32,576**	**9,592**	**60,383**
Unallocable expenses				(1,120)
Other income				1,264
Foreign exchange gain / (loss), net				95
Profit / (loss) before interest, depreciation and tax				**60,622**
Net interest expense				(9,159)
Depreciation & Amortisation				(32,835)
Profit before tax				**18,628**
Income tax (expense) / recovery				(5,903)
Profit after taxes				**12,725**

(All amounts are in Indian ₹ lakhs except share data and as stated)

The Group's operating segment information for the year ended March 31, 2021 is presented below:

Particulars	Network centric Services	Data center Services	Digital Services	Total (A)+(B)+(C)
	(A)	(B)	(C)	
Revenue from operations				
External customers	1,09,396	55,409	78,390	**2,43,195**
Intersegment revenues	-	878	2,255	**3,133**
Total Revenue	**1,09,396**	**56,287**	**80,645**	**246,328**
Operating expenses	(89,149)	(30,396)	(72,472)	**(1,92,017)**
Intersegment Expenses	(2,559)	-	(574)	**(3,133)**
Segment operating income / (loss)	**17,688**	**25,891**	**7,599**	**51,178**
Unallocable expenses				(944)
Other income				1,560
Foreign exchange gain / (loss), net				(153)
Profit / (loss) before interest, depreciation and tax				**51,641**
Net interest expense				(7,282)
Depreciation & Amortisation				(28,356)
Profit before tax				**16,003**
Income tax (expense)/recovery				(684)
Profit after taxes				**15,319**

Geographic segments

The Group has two geographic segments viz., India and rest of the world. Revenues from the geographic segments based on domicile of the customer are as follows:

Description	India	Rest of the world	Total
Revenues			
Year ended March 31, 2022	2,23,994	46,263	**2,70,257**
Year ended March 31, 2021	2,02,928	40,267	2,43,195

The Group does not disclose information relating to non-current assets located in India and rest of the world as the necessary information is not available and the cost to develop it would be excessive.

Major Customer

During the year under review revenue from one customer of the Group's Data center services segment is ₹ 30,378 which is more than 10% of the Group's total revenue.

37. RELATED PARTIES AND TRANSACTIONS

(a) Related parties

The related parties where control / significant influence exists are subsidiaries and associates. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director whether executive or otherwise. Key management personnel includes the board of directors and other senior management executives. The other related parties are those with whom the Group has had transaction during the year ended March 31, 2022 and March 31, 2021 are as follows:

(All amounts are in Indian ₹ lakhs except share data and as stated)

Particulars	Related Parties	Country of Incorporation	% of ownership interest
Holding companies	Infinity Satcom Universal Private Limited.	India	
	Raju Vegesna Infotech and Industries Private Limited (subsidiary of Infinity Satcom Universal Private Limited)	India	
	Ramanand Core Investment Company Private Limited (subsidiary of Raju Vegesna Infotech and Industries Private Limited)	India	
Subsidiaries	Sify Technologies (Singapore) Pte. Limited	Singapore	100%
	Sify Technologies North America Corporation	USA	100%
	Sify Infinit Spaces Limited	India	100%
	Sify Data and Managed Services Limited	India	100%
	Sify Digital Services Limited	India	100%
	Print House (India) Private Limited	India	100%
Trust controlled by KMP	Raju Vegesna Foundation	India	

(b) Related party transactions and balances

Following is a summary of related party transactions for the year ended March 31, 2022:

Transactions	Holding Company	Others	Key Management Personnel
Consultancy services received	-	-	3
Sitting fees paid	-	-	20
Salaries and other short term benefits*	-	-	560
Contributions to defined contribution plans*	-	-	18
Share based payment transactions*	-	-	45
Lease rentals paid**	14	72	-
CSR Contribution made	-	132	-
Amount of outstanding balances			
9% Cumulative Non-convertible preference shares#	-	5,000	-
Advance lease rentals and refundable deposits made**	-	56	-
Lease rentals payable**	2	6	-

Following is a summary of related party transactions for the year ended March 31, 2021:

Transactions	Holding Company	Others	Key Management Personnel
Consultancy services received	-	-	3
Sitting fees paid	-	-	14
Salaries and other short term benefits*	-	-	411
Contributions to defined contribution plans*	-	-	16
Share based payment transactions*	-	-	112
Preference shares issued#	-	5,000	-
Lease rentals paid**	12	72	-
Amount of outstanding balances	**-**	**-**	**-**
Advance lease rentals and refundable deposits made**	-	56	-
Lease rentals payable**	**1**	7	-

* Represents salaries and other benefits of Key Management Personnel comprising of Mr. Kamal Nath - Chief Executive Officer (Sify Technologies Limited), Mr. M P Vijay Kumar - Chief Financial Officer and Mr. C R Rao - Chief Operating Officer.

**During the year 2011-12, the Group had entered into a lease agreement with M/s Raju Vegesna Infotech and Industries Private Limited, the holding Group, to lease the premises owned by it for a period of three years effective February 1, 2012 on a rent of ₹ 0.75 (Rupees Seventy Five Thousand) per month. Subsequently, the Group entered into an amendment agreement with effect from April 1, 2013, providing for automatic renewal for a further period of two blocks of 3 years with an escalation of 15% on the last paid rent after the end of every three years. Subsequently on account of expiry of the said agreement, the Group entered into a fresh agreement for a period of three years effective February 01, 2021 on a rent of ₹ 1.14 (Rupees One Lakh Fourteen Thousand Only) per month.

During the year 2011-12, the Group had also entered into a lease agreement with M/s Raju Vegesna Developers Private Limited, a Group in which Mr Ananda Raju Vegesna, Executive Director of the Group and Mr Raju Vegesna, Chairman and Managing director of the Group exercise significant influence, to lease the premises owned by it for a period of three years effective February 1, 2012 on a rent of ₹ 0.30 (Rupees Thirty Thousand) per month. The agreement provides for the automatic renewal for further period of two blocks of 3 years with an escalation of 15% on the last paid rent after the end of every three years.Subsequently on account of expiry of the said agreement, the Group entered into a fresh agreement for a period of three years effective February 01, 2021 on a rent of ₹ 0.46 (Rupees Forty Six Thousand) per month.

During the year 2010-11, the Group had entered into a lease agreement with Ms Radhika Vegesna, daughter of Mr Anand Raju Vegesna, Executive Director of the Group, to lease the premises owned by her for a period of three years effective June 1, 2010 on a rent of ₹ 3 (Rupees Three Lakhs) per month and payment of refundable security deposit of ₹ 26. This arrangement will automatically be renewed for a further period of two blocks of three years with all the terms remaining unchanged. Subsequently on account of expiry of the said agreement, the Group entered into a fresh agreement for a period of three years effective June 1, 2019 on a rent of ₹ 5.56 (Rupees Five Lakhs Fifty Six Thousand) per month and payment of additional refundable security deposit of ₹ 30. This arrangement will automatically be renewed for a further period of two blocks of three years with all the terms remaining unchanged.

[#] ₹ 5,000 towards Cumulative Non-convertible Redeemable preference shares issued by Print house (India) Private limited to Ramanand Developers private limited with the tenure of 20 years from the date of allotment which will carry a preferential dividend of 9% per annum, payable till redemption.

38. ASSOCIATE STOCK OPTION PLAN

The Group had issued stock options under Associate Stock Option Plan (ASOP) 1999, ASOP 2000, ASOP 2002, ASOP 2005, ASOP 2007 and ASOP 2014. The Compensation Committee grants the options on the basis of performance, criticality and potential of the employees as identified by the management. Each option entitles the holder to purchase one American Depository Share (ADS) at an exercise price determined by the Compensation committee on the date of the grant. There are no options outstanding in respect of ASOP 1999, ASOP 2000, ASOP 2002, ASOP 2005 and ASOP 2007 as at March 31, 2022. The plan details of ASOP 2014 are as follows:

(i) ASOP 2014

During July 2014, the shareholders of the Company approved a new scheme for allotment of shares to employees i.e. Associate Stock Option Plan 2014. 2,50,00,000 shares are reserved for this plan. Consequently 58,70,800 options were granted to the employees on January 20, 2015. The Company has granted additional 1,95,000, 4,65,000, 72,20,000. 3,35,000, 1,50,000, 5,25,000 and 1,84,300 options to employees during the year 2021-22, 2020-21, 2019-20, 2018-19, 2017-18, 2016-17 and 2015-16 respectively.

The options vest in the following manner :

No of Options	Category	Vesting Pattern
43,04,600	Category I	3/5th of the options vest at the end of one year from the date of grant. The remaining 2/5th vests at the end of every half year during second and third years from the date of grant in 4 equal instalments
66,12,700	Category II	2/5th of the options vest at the end of one year from the date of grant. The remaining 3/5th vests at the end of every half year during second, third and fourth years in 6 equal instalments.
40,27,800	Category III	2/5th of the options vest at the end of two years from the date of grant. The remaining 3/5th vests at the end of every half year during third, fourth and fifth years in 6 equal instalments.

(All amounts are in Indian ₹ lakhs except share data and as stated)

The following table summarises the transactions of stock options under ASOP 2014:

No. of options granted, exercised and forfeited	For the year ended	
	March 31, 2022	March 31, 2021
Outstanding at the beginning of the year	7,780,278	11,056,100
Granted during the year	195,000	465,000
Forfeited and expired during the year	(238,000)	(726,000)
Exercised during the year	(504,300)	(3,014,822)
Outstanding at the end of the year	**7,232,978**	**7,780,278**
Vested and exercisable at the end of the year	8,771,360	6,582,070
Weighted average exercise price in ₹	87.82	86.13
Remaining contractual period	0.8-4.58 Years	0.55-4.83 years

The fair value of stock options granted has been measured using the Black Scholes model at the date of the grant. The Black Scholes model includes assumptions regarding dividend yields, expected volatility, expected term (or "option life") and risk free interest rates. In respect of the options granted, the expected term is estimated based on the vesting term, contractual term as well as expected exercise behaviour of the employees receiving the option. Expected volatility of the option is based on historical volatility, during a period equivalent to the option life, of the observed market prices of the Group's publicly traded equity shares. Share prices for the year 2011-12 have been eliminated in determining volatility as there had been extra ordinary price movements during the said period on account of capital infusion by promoters. Dividend yield of the options is based on the recent dividend activity. Risk-free interest rates are based on the Government securities yield in effect at the time of the grant. These assumptions reflect management's best estimates, but these assumptions involve inherent market uncertainties based on market conditions generally outside the Group's control. As a result, if other assumptions had been used in the current period, stock-based compensation expense could have been materially impacted. Further, if management uses different assumptions in the future periods, stock compensation expense could be materially impacted in future years.

The estimated fair value of stock options is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was, in substance, multiple awards.

A summary of information about fixed price stock options outstanding with respect to ASOP 2014 as at March 31, 2022 is furnished below:

	Range of exercise price in ₹	Number outstanding at June 30, 2022	Weighted average exercise price in ₹	Weighted average remaining contractual life
ASOP 2014	57.66 - 230.97	72,32,978	87.82	0.8 - 4.58 Years

A summary of information about fixed price stock options outstanding with respect to ASOP 2014 as at March 31, 2021 is furnished below:

	Range of exercise price in ₹	Number outstanding at March 31, 2021	Weighted average exercise price in ₹	Weighted average remaining contractual life
ASOP 2014	57.66 - 152.56	77,80,278	86.13	0.55 - 4.83 years

(All amounts are in Indian ₹ lakhs except share data and as stated)

The assumptions used in Black Scholes model to arrive at the fair value on grant date for the options granted during the year are summarised below:

Assumptions

Grant date	May 7, 2021	Oct 28, 2021
Category	Category III	Category III
Current market price	208.70	256.64
Exercise price	187.83	230.97
Expected term	2-5 years	2-5 years
Volatility	75.63% to 157.41%	57.76% to 115.02%
Dividend yield	12%	12%
Discount rate	1%	1%

39. FINANCIAL INSTRUMENTS

a. **Derivative financial instruments**

i. **Forward and option contracts**

Foreign exchange forward contracts and options are purchased to mitigate the risk of changes in foreign exchange rates associated with certain payables, receivables and forecasted transactions denominated in certain foreign currencies. These derivative contracts are initially recognized at fair value on the date the contract is entered into and subsequently re-measured at their fair value. Gains or losses arising from changes in the fair value of the derivative contracts are recognized immediately in profit or loss. The counterparties for these contracts are generally banks or financial institutions. The details of outstanding forward contracts as at March 31, 2022 and March 31, 2021 are given below:

Particulars	Currency	As at March 31, 2022	As at March 31, 2021
Forward/Option contracts (Sell)	USD	Nil	Nil
Forward/Option contracts (Buy)	USD	Nil	Nil
(Gain) / loss on mark to market in respect of forward contracts outstanding	INR	Nil	Nil

The Company recognized a net gain on the forward contracts of ₹ 22 (previous year : Net loss of ₹ 14) for the year ended March 31, 2022.

ii. **Cross Currency Swap:**

The Group has entered into Cross Currency Swaps in order to hedge the cash flows arising out of the Principal and Interest payments of the underlying External Commercial Borrowing denominated in USD. The period of the swap contracts is co terminus with the period of the underlying ECB. As per the terms of the arrangement, the Company shall pay INR fixed and receive fixed USD principal and interest cash flows during the term of the contract. The swap arrangement is marked to market at the end of every period and losses are recognised in the Statement of Profit and Loss

The swap contracts oustanding balances as on March 31, 2022 is as follows.

Particulars	Value of the outstanding INR term loan	Value of the outstanding USD principal	Mark to Market losses / (gain)
Tranche 1	1,323	USD 20	-
Tranche 2 (Undrawn)	1,985	USD 30	-
Total	**3,308**	**USD 50**	-

(All amounts are in Indian ₹ lakhs except share data and as stated)

The swap contracts oustanding balances as on March 31, 2021 is as follows.

Particulars	Value of the outstanding INR term loan	Value of the outstanding USD principal	Mark to Market losses / (gain)
Tranche 1	1,470	USD 20	-
Tranche 2 (Undrawn)	2,205	USD 30	-
Total	**3,675**	**USD 50**	-

The maturity of these contracts extends till five years and six months. The table below summarizes the cash flows (principal) of these derivative financial instruments into relevant maturity groupings based on the remaining period as at the end of the year:

	As at March 31, 2022		As at March 31, 2021	
	Payable (USD)	Receivable (INR)	Payable (USD)	Receivable (INR)
Less than 1 year	10	735	5	368
One to two years	10	735	10	735
Two to three years	10	735	10	735
Three to four years	10	735	10	735
Four to five years	5	368	10	735
More than five years	-	-	5	368
Total cash flows	**45**	**3,308**	**50**	**3,676**

The Group recognized a net loss on the cross currency swaps of ₹ Nil [previous year : ₹ Nil] for the year ended March 31, 2022.

iii. Interest rate swap:

The Group has entered into Interest Rate Swaps in order to hedge the cash flows arising out of the Interest payments of the underlying ECB. The period of the swap contract is co terminus with the period of the underlying ECB. As per the terms of the arrangement, the Company shall pay fixed rate of interest (8.9%) and receive variable rate of interest equal to LIBOR + 2.5% on notional amount. The swap arrangement is marked to market at the end of every period and losses are recognised in the Statement of Profit and Loss.

The maturity of these contracts extends till five years and six months. The table below summarizes the cash flows (interest) of these derivative financial instruments into relevant maturity groupings based on the remaining period as at the end of the year:

	As at March 31, 2022		As at March 31, 2021	
	Payable (USD)	Receivable (INR)	Payable (USD)	Receivable (INR)
Less than 1 year	1	270	1	323
One to two years	1	205	1	270
Two to three years	1	139	1	205
Three to four years	*	74	1	139
Four to five years	*	12	*	74
More than five years	-	-	*	12
Total cash flows	3	700	4	1,023

* Amount below rounding off norm adopted by the Group

Total notional amount outstanding as on March 31, 2022 is USD 45 (previous year: USD 20).

The Group recognized a net mark to market gain on the interest rate swaps of ₹ 169 during the year ended March 31, 2022 (Previous year : net loss on the interest rate swaps of ₹ 81.

(All amounts are in Indian ₹ lakhs except share data and as stated)

b. Financial instruments by category

The carrying value and fair value of financial instruments by each category as at March 31, 2022 were as follows:

Particulars	Financial assets/ liabilities at amortised costs	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Total carrying value	Total fair value
Assets					
Investments	2,115	-	2,646	4,761	4,761
Trade receivables	1,07,867	-	-	1,07,867	1,07,867
Cash and bank balances	45,740	-	-	45,740	45,740
Other financial assets	4,609	-	-	4,609	4,609
Derivative financial instruments	-	169	-	169	169
Liabilities					
Borrowings from banks	1,04,004	-	-	1,04,004	1,04,004
6% Compulsory Convertible Debentures	20,200	-	-	20,200	20,200
9% Cumulative Non-convertible preference shares	5,000	-	-	5,000	5,000
Borrowings from others	19,598	-	-	19,598	19,598
Bank overdraft	3,720	-	-	3,720	3,720
Lease Liabilities	22,074	-	-	22,074	22,074
Trade payables	74,064	-	-	74,064	74,064
Other financial liabilities	20,332	-	-	20,332	20,332
Derivative financial instruments	-	-	-	-	-

The carrying value and fair value of financial instruments by each category as at March 31, 2021 were as follows:

Particulars	Financial assets/liabilities at amortised costs	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Total carrying value	Total fair value
Assets					
Investments	2,105	-	17	2,122	2,122
Trade receivables	85,472	-	-	85,472	85,472
Cash and cash equivalents	55,021	-	-	55,021	55,021
Other financial assets	4,164	-	-	4,164	4,164
Liabilities					
Borrowings from banks	71,743	-	-	71,743	71,743
9% Cumulative Non-convertible preference shares	5,000	-	-	5,000	5,000
Borrowings from others	17,349	-	-	17,349	17,349
Bank overdraft	1,236	-	-	1,236	1,236
Lease Liabilities	22,026	-	-	22,026	22,026
Trade payables	70,737	-	-	70,737	70,737
Other financial liabilities	13,366	-	-	13,366	13,366
Derivative financial instruments	-	81	-	81	81

(All amounts are in Indian ₹ lakhs except share data and as stated)

Details of financial assets pledged as collateral

The carrying amount of financial assets as at March 31, 2022 and March 31, 2021 that the Group has provided as collateral for obtaining borrowing and other facilities from the bankers are as follows:

	March 31, 2022	March 31, 2021
Trade receivables	110,354	83,730
Cash and bank balances	43,030	51,475
	153,384	135,205

c. Fair value measurements:

The details of assets and liabilities that are measured on fair value on recurring basis are given below:

	Fair value as of March 31, 2022			Fair value as of March 31, 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Derivative financial assets - gain on outstanding option/forward contracts	-	-	-	-	-	-
Liabilities						
Derivative financial liabilities - loss on outstanding option/forward contracts	-	-	-	-	-	-
Derivative financial liabilities - loss on outstanding cross currency swaps	-	-	-	-	-	-
Derivative financial liabilities - loss on outstanding interest rate swaps	-	-	(169)	-	-	81

- Level 1 - unadjusted quoted prices in active markets for identical assets and liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 - unobservable inputs for the asset or liability

d. Interest income/(expenses), gains/(losses) recognized on financial assets and liabilities

	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Financial assets at amortised cost		
Interest income on bank deposits	451	561
Interest income on other financial assets	285	267
Impairment on trade receivables	(4,337)	(7,555)
(b) Financial assets/liabilities at fair value through profit or loss (FVTPL)		
Net (gains)/losses on fair valuation of derivative financial instruments	(169)	81
(c) Financial liabilities at amortised cost		
Interest expenses on lease obligations	(1,851)	(1,783)
Interest expenses on borrowings from banks, others and overdrafts	(8,052)	**(7,141)**

(All amounts are in Indian ₹ lakhs except share data and as stated)

40. FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has established a risk management policy to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management systems are reviewed periodically to reflect changes in market conditions and the Group's activities. The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the risk management framework. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk: Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's trade receivables, treasury operations and other activities that are in the nature of leases.

Trade and other receivables:

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Management considers that the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of the customers to which the Group grants credit terms in the normal course of the business.

The expected credit loss over life time of the asset is after consideration of current economic conditions prevailing on the date of approval of financial statements taking into account impact of global health pandemic COVID-19. The actual impact could be different.

Cash and cash equivalents and other investments:

In the area of treasury operations, the Group is presently exposed to counter-party risks relating to short term and medium term deposits placed with banks.

The Chief Financial Officer is responsible for monitoring the counterparty credit risk, and has been vested with the authority to seek Board's approval to hedge such risks in case of need.

Exposure to credit risk

The gross carrying amount of financial assets, net of any impairment losses recognized represents the maximum credit exposure. The maximum exposure to credit risk as at March 31, 2022 and March 31, 2021 was as follows:

	As at March 31, 2022	As at March 31, 2021
Trade investments	4,761	2,122
Trade receivables	107,867	85,472
Cash and bank balances	45,740	55,021
Other financial assets	4,609	4,164
	1,62,978	**1,46,779**

Financial assets

There is no other class of financial assets that is past due but not impaired other than trade receivables. The age analysis of trade receivables have been considered from the date of invoice. Refer Note D (9) for ageing of trade receivables and for activity in the allowance for impairment of trade receivables.

Financial assets that are neither past due nor impaired

Cash and cash equivalents, other assets, other receivables and finance lease receivables are neither past due nor impaired.

(All amounts are in Indian ₹ lakhs except share data and as stated)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses, servicing of financial obligations. In addition, the Group has concluded arrangements with well reputed Banks, and has unused lines of credit that could be drawn upon should there be a need. The Group is also in the process of negotiating additional facilities with Banks for funding its requirements.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

As at March 31, 2022

	Carrying amount	Contractual cash flows	0-12 months	1-3 years	3-5 years	> 5 Years
Non-derivative financial liabilities						
Borrowings from banks	104,004	114,860	67,068	28,324	14,997	4,471
6% Compulsory Convertible Debentures	20,200	10,908	1,212	2,424	2,424	4,848
9% Cumulative Non-convertible preference shares	5,000	5,000	-	-	-	5,000
Borrowings from others	19,598	22,625	9,850	8,001	4,774	-
Bank overdraft	3,720	3,720	3,720	-	-	-
Lease Liabilities	22,074	42,819	5,070	7,333	4,300	26,116
Trade payables	74,064	74,064	74,064	-	-	-
Other financial liabilities	20,332	20,332	19,730	602	-	-
	268,992	**294,328**	**180,714**	**46,684**	**26,495**	**40,435**

As at March 31, 2021

	Carrying amount	**Contractual cash flows**	**0-12 months**	**1-3 years**	**3-5 years**	**> 5 Years**
Non-derivative financial liabilities						
Borrowings from banks	71,743	77,907	51,396	19,479	7,032	-
Borrowings from others	17,349	23,926	10,321	7,267	1,337	-
9% Cumulative Non-convertible preference shares	5,000	5,000	-	-	-	5,000
Bank overdraft	1,236	1,236	1,236	-	-	-
Lease Liabilities	22,026	41,129	5,397	8,465	5,642	21,626
Trade payables	70,737	70,737	70,737	-	-	-
Other financial liabilities	13,366	13,366	13,366	-	-	-
	201,457	**233,301**	**152,453**	**35,211**	**14,011**	**26,626**

Market risk:

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Group is exposed to market risk primarily related to foreign exchange rate risk (currency risk), interest rate risk and the market value of its investments. Thus the Group's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

(All amounts are in Indian ₹ lakhs except share data and as stated)

Currency risk:

The Group's exposure in USD, Euro and other foreign currency denominated transactions gives rise to Exchange rate fluctuation risk. Group's policy in this regard incorporates:

- Forecasting inflows and outflows denominated in US$ for a twelve-month period
- Estimating the net-exposure in foreign currency, in terms of timing and amount.
- Determining the extent to which exposure should be protected through one or more risk-mitigating instruments to maintain the permissible limits of uncovered exposures.
- Carrying out a variance analysis between estimate and actual on an ongoing basis, and taking stop-loss action when the adverse movements breaches the 5% barrier of deviation, subject to review by Audit Committee.

The Group's exposure to foreign currency risk as at March 31, 2022 was as follows:

All amounts in respective currencies as mentioned (in lakhs)

	Cash and cash equivalents	**Trade receivables**	**Trade payables**	**Foreign currency loan**	**Net Balance Sheet exposure**
USD	34	291	(164)	(94)	68
GBP	1	1	*	-	1
EUR	*	2	2	-	4
HKD	-	-	*	-	*
DHS	-	-	*	-	*

The Group's exposure to foreign currency risk as at March 31, 2021 was as follows:

All amounts in respective currencies as mentioned (in lakhs)

	Cash and cash equivalents	**Trade receivables**	**Trade payables**	**Foreign currency loan**	**Net Balance Sheet exposure**
USD	31	286	(251)	(82)	(16)
GBP	1	*	*	-	1
EUR	*	1	*	-	1
HKD	-	-	*	-	*
AUD	-	-	*	-	*
DHS	-	-	*	-	*

A 10% strengthening of the rupee against the respective currencies as at March 31, 2022 and March 31, 2021 would have increased / (decreased) other comprehensive income and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2021.

	Other comprehensive income	Profit/(loss)
March 31, 2022	**-**	**528**
March 31, 2021	-	101

A 10% weakening of the rupee against the above currencies as at March 31, 2022 and March 31, 2021 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest Rate Risk:

Interest rate risk is the risk that an upward movement in interest rates would adversely affect the borrowing costs of the Group.

(All amounts are in Indian ₹ lakhs except share data and as stated)

Profile

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments were as follows:

	Carrying amount	
	March 31, 2022	March 31, 2021
Fixed rate instruments		
Financial assets		
- Fixed deposits with banks	19,054	30,493
- Investment in debt securities	2,115	2,105
Financial liabilities		
- Borrowings from banks	1,732	2,459
- Borrowings from others	47,814	25,229
Variable rate instruments		
Financial liabilities		
- Borrowings from banks	1,02,272	69,284
- Bank overdrafts	3,720	1,236

Fair value sensitivity for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity for variable rate instruments

An increase of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis has been performed on the same basis for 2021.

	Equity	Profit or (loss)
March 31, 2022	-	(694)
March 31, 2021	-	(438)

A decrease of 100 basis points in the interest rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

41. CAPITAL MANAGEMENT

The Group's capital comprises equity share capital, share premium, retained earnings and other equity attributable to equity holders. The primary objective of Group's capital management is to maximise shareholders value. The Group manages its capital and makes adjustment to it in light of the changes in economic and market conditions. The Group does so by adjusting dividend paid to shareholders. The total capital as on March 31, 2022 is ₹ 1,44,887 (Previous Year: ₹ 131,636).

The Group monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises of long term and short term borrowings less cash and bank balances. Equity includes equity share capital and reserves that are managed as capital. The gearing at the end of the reporting period was as follows:

		As at March 31, 2022	As at March 31, 2021
Debt		1,55,538	98,208
Less: cash and bank balances		(45,740)	(55,021)
Net debt	A	1,09,798	43,187
Equity	B	1,44,887	1,31,636
Net debt to Equity ratio	A/B	76%	33%

No changes were made in the objectives, policies or processes for managing capital of the Group during the current and previous year.

(All amounts are in Indian ₹ lakhs except share data and as stated)

42. LEGAL PROCEEDINGS

a) Proceedings before Department of Telecommunications

(i) License fees

DoT had issued separate licenses to Sify Technologies Ltd (Sify) for providing Internet, National Long Distance & International Long Distance services.. The license fee was payable to the DoT on the Adjusted Gross Revenue (AGR) as per the terms of each license. Sify has been regularly paying license fee on the revenue arising out of services as per the license conditions.

DoT has raised demands on service providers providing Internet, NLD, ILD services etc. demanding license fee on the revenue made by the service providers from other business income such as Data Centre, Cloud, application services, power, gas, etc. DoT contended that all the income of the company irrespective of the business was required to be considered as part of 'income' for the purpose of calculation of the license fee. The company filed a Writ Petition before Hon'ble Madras High Court challenging the demand made by DoT on the Income accruing from other business units and the demands have been stayed by the Court. The case is pending for final hearing.

The Service providers which had different license conditions for ISP, NLD & ILD and having revenue from other business units approached the Hon'ble Supreme Court stating that Hon'ble Supreme Court judgement dated 24.10.2019 on the access Telecom Service Providers is not applicable to other services providers as license conditions were different from the Access Telecom Service Providers. The Hon'ble Supreme Court observed that if the license conditions of Other Service Providers including ISP, NLD & ILD are different from the license conditions of the Mobile Access Providers, then the other service providers should adjudicate the license fee issue before the appropriate forum. Meanwhile DoT withdrew the demands against Public Sector Undertaking on account of different license conditions. The Company which had approached Hon'ble High Court of Madras (Court) in 2013 by filing a writ petition prohibiting Department of Telecommunications (DOT) from levying a license fee on non-licensed activities obtained stay of the demands. The Hon'ble Court restrained DoT from recovering the license fee in respect of non- telecom activities and the case is pending for hearing.

The Company believes that it has adequate legal defenses against the demand raised by DoT and that the ultimate outcome of these actions will not have a material adverse effect on the Company's financial position and result of operations. ISPAI, association representing the internet service providers including the company issued a letter to DoT stating that the Hon'ble Supreme Court judgement dated 24.10.2019 is not applicable to Internet Service Providers and the license conditions are different. The Company which had received notices for earlier years from DoT claiming Licence fee on the total Income (including income from Non Licensed activities) has already responded to these notices stating that licence fees are not payable on income from non-licensed activities. The Company believes that it has adequate legal defenses against these notices and that the ultimate outcome of these actions may not have a material adverse effect on the Company's financial position and result of operations.

DoT in its written submission made before the Hon'ble Supreme Court had clearly mentioned that non telecom revenue would stand excluded from the purview of the gross revenue . In 2017, the Hon'ble Tripura High Court held that Service Providers are not liable to pay license fee on the income accruing from other businesses.

(ii) The present license for ISP under Unified License issued by DOT on June 2, 2014 provides for payment of License fee on pure internet services. However, the Company through Internet Service Providers Association of India (ISPAI) challenged the said clause before TDSAT and has not made payment in this regard. TDSAT setaside the demand made by the DoT and passed the order in favour of the ISP. DoT has challenged the Order of the TDSAT and the appeal is pending before Supreme Court. The Company has appropriately accounted for any adverse effect that may arise in this regard in the books of account. However TDSAT by its order dated 18.10.2019 held that license fee is not chargeable on the Internet Service Providers.

(iii) TDSAT has by its Order dated 28.02.2022 quashed the demands made by DoT seeking license fee, interest on license fee, penalty & interest on penalty on the revenue accruing from other businesses other than the licensed based activities from 2005-06 onwards. Sify has been paying AGR on the licensed based activiites and challenged the demands made by DoT on the revenue arising from other business activities (Non-licensed businesses) and the petitions are pending before Madras High Court.

(All amounts are in Indian ₹ lakhs except share data and as stated)

Supreme Court had by its Order dated 10.06.2020, accepted the stand of the DoT that the licenses of PSUs are different and the judgement of 24.10.2019 could not be made the basis for raising demands against PSUs as they are not in the actual business of providing Mobile Services to the general public. Sify also has licenses similar to PSU. TDSAT also held that there is no scope to differentiate between 2 sets of licensees (PSU & Others) having same or similar licenses only on the basis of ownership, private or public. The statutory rights and liabilities must remain the same for both the classes in so far as they arise from the licenses/agreements under consideration.

b) The company is party to additional legal actions arising in the ordinary course of business. Based on the available information as at March 31, 2022, the Company believes that it has adequate legal defences for these actions and that the ultimate outcome of these actions will not have a material adverse effect [the maximum financial exposure would be ₹ 1,133 (previous year: ₹ 1,133)] on the Company's financial position and results of operations.

c) The Company has received an order passed under section 7A of the Employees Provident Fund & Miscellaneous Provisions Act, 1952 from Employees Provident Fund Organisation (EPFO) claiming provident fund contribution aggregating to ₹ 64 on special allowances paid to employees. The company has filed a writ petition before High court of Madras and obtained the stay of demand. In February 2019, the Supreme Court held, in a similar case, that Special allowances paid by the employer to its employee will be included in the scope of basic wages and subject to provident fund contribution. However, the Supreme Court has not fixed the effective date of order.

d) During the FY 2019-20, Directorate General of Goods and Services Tax Intelligence (DGGI) did an inspection based on the analysis of service tax returns filed by the company in the past. The company has been categorising services relating to e-Learning and Infrastructure Management Services provided to foreign customers billed in convertible foreign currency under OIDAR services while filing its half-yearly service tax return. However, based on the Place of Provision of Services Rules then applicable under the Finance Act, 1994, Service Tax has to be paid for OIDAR services provided to foreign customers even if the conditions for qualifying as export of services are met. Hence, the DGGI contended that Service Tax should be paid on the services classified as OIDAR services in the returns. The total contended during the period April 2014 to November 2016 of Service Tax was ₹ 1,618 and the Interest & Penalty as applicable. The company believes that the services relating to e-learning and infrastructure management services will not fall under OIDAR services and also the activities covered under E-learning and IMS does not meet the conditions for taxation under the provisions applicable as OIDAR and hence there is no liability. However, during the investigation, the Company has paid ₹ 646 under protest to continue the proceeding with the relevant adjudicating authorities. Thereafter, the DGGI has issued Show Cause Notice and the company has replied on the same. The matter is pending with the Adjudicating Authority. The company believes that no provision is required to be made against this demand.

43 ADJUSTMENT TO THE SECURITIES PREMIUM ACCOUNT

a) Pursuant to the approval of the shareholders of the Group at the eleventh annual general meeting held on September 24, 2007 and confirmation by the Honourable High Court of Madras vide its Order dated December 13, 2007, accumulated losses of ₹ 1,16,264 as on April 1, 2007 has been adjusted against the balance in the securities premium account.

b) The Group had an accumulated loss of ₹ 19,783 as on March 31, 2013. Consequent to scheme of amalgamation of two subsidiary companies, the accumulated loss stood at ₹ 27,661. As part of the said scheme of amalgamation, it was proposed to set off the accumulated losses of the Group and subsidiaries with the Securities Premium account of the Group. Accordingly the debit balance in the "Profit and Loss Statement as on the Appointed Date is ₹ 27,661 representing the losses carried forward by the Group and the two subsidiaries (the Transferor Companies). The details of loss incurred/profit earned by the Transferee Company over the last five years prior to the scheme are given below:

(All amounts are in Indian ₹ lakhs except share data and as stated)

Year ended	**Amount (₹)**
Profit/(Loss) for the year ending	
31.3.2008	(2,155)
31.3.2009	(17,666)
31.3.2010	3,603
31.3.2011	(5,423)
31.3.2012	(2,400)
31.3.2013	4,258
Total	**(19,783)**
Accumulated loss of subsidiaries as on March 31, 2013:	
Sify Software Limited	(7,874)
Hermit Projects Private Limited	(4)
Total accumulated loss as on March 31, 2013	**(27,661)**

Hence, the debit balance in the "Profit and Loss Statement" as on the Appointed Date to an extent of ₹ 27,661 representing the accumulated losses of the Group as on April 1, 2013 is adjusted against the sum of ₹ 69,004 standing to the credit of Securities Premium Account of the Group on the said date. On such adjustment, the Securities Premium Account of the Group shall stand reduced collectively by a sum of ₹ 27,661, leaving a credit balance of ₹ 41,343.

44. EUROPE INDIA GATEWAY

The Group has entered into a contract with Emirates Integrated Telecom ('the Emirates') for the construction and supply of undersea cable capacity from the Europe India Gateway. As per the contract with Emirates, the Group is required to pay its share of decommissioning costs, if any, that may arise in the future. No provision has been made by the Group for such decommissioning costs as the amount of provision cannot be measured reliably as at March 31, 2022. The capacity under the mentioned facility would be upgraded over a period of time.

45. IPO Listing

In 2006, The Ministry of Finance (MoF), issued a press release by which Indian companies cannot raise new capital abroad unless, the securities of the company are listed on a stock exchange in India. However, by virtue of notification issued by the MoF on October 21, 2014, the issuance of depository receipts has been taken out of the 1993 Scheme and is now regulated by the Depository Receipts Scheme, 2014. The 2014 Scheme allows Indian companies, whether listed or unlisted, to access the international capital markets using depository receipts. Such issuances can either be through a public offering of depository receipts or through a preferential allotment or qualified institutional placement. They can also either be sponsored by the issuer company or unsponsored (such as when an existing shareholder sells its holding through the issue of depository receipts). These issuances are subject to the usual foreign investment regime, including in relation to sectoral caps as well as pricing. Moreover, such issuances are permitted only to investors in certain specific jurisdictions as listed in the 2014 Scheme, which currently consists of a list of 34 countries. The earlier condition of mandatory listing in India is dispensed with.

46. CONTRACT BALANCES

The following table provides information about receivables, contract assets and contract liabilities from the contracts with the customers:

Particulars	**March 31, 2022**		**March 31, 2021**	
Trade Receivables		**107,867**		85,472
Contract Assets - Unbilled Revenue		**513**		75
Contract liabilities - Deferred Income				
Current contract liabilities	**17,924**		13,777	
Non current contract liabilities	**17,976**		9,246	
Total Contract liabilities - Deferred Income		**35,900**		**23,023**

(All amounts are in Indian ₹ lakhs except share data and as stated)

The following table provides the movement in contract assets (unbilled revenue) for the year ended March 31, 2022

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Balance at the beginning of the year	75	161
Add: Revenue recognized during the year	432	268
Less: Invoiced during the year	7	349
Add: Translation gain or (loss)	13	(5)
Balance at the end of the year	513	75

The following table provides the movement in contract liabilities (Deferred Income) for the year ended March 31, 2022:

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Balance at the beginning of the year	23,023	24,547
Less: Revenue recognized during the year	214,195	182,058
Add: Invoiced during the year but revenue not recognised	227,030	180,553
Add: Translation gain or (loss)	41	(19)
Balance at the end of the year	35,899	23,023

Contract Cost and Amortisation

Costs to fulfil customer contracts are deferred and amortized over the contract period. For the year ended March 31, 2022 the Company has capitalised ₹ 3,743 and amortised ₹ 1,519. There was no impairment loss in relation to the capitalised cost.

Incremental costs of obtaining a contract are recognised as assets and amortized over the contract period. The Company recognises incremental cost of obtaining a contract as an expense when incurred if the amortisation period of the asset that the entity otherwise would have recognised is one year or less.

In measuring Contract assets the current economic conditions prevailing on the date of approval of financial statements due to global health pandemic COVID-19 has been considered. The actual impact could be different.

47. DUES TO MICRO, SMALL OR MEDIUM ENTERPRISES

As per the Office memorandum issued by the Ministry of Micro, Small and Medium Enterprises dated August 26, 2008 recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2022 and March 31, 2021 has been made in the financial statements based on information received and available with the Company. As per the records available with the company, there are no dues payable to micro, small and medium enterprises as on March 31, 2022 (previous year: ₹ Nil). The Company has not received any claim for interest from any supplier as at the balance sheet date.

(All amounts are in Indian ₹ lakhs except share data and as stated)

Particulars		As at March 31, 2022	As at March 31, 2021
a.	the principal amount and the interest due thereon remaining unpaid at the end of accounting year	-	-
b.	the amount of interest paid by the buyer beyond the appointed day during the accounting year	-	-
c.	the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d.	the amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
e.	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

48. ISSUE OF SHARES TO THE PROMOTER GROUP

On August 4, 2010, the Board of Directors of the Group proposed the issuance, in a private placement, of upto an aggregate of 12,50,00,000 of the company's equity shares, par value ₹10 per share ("Equity shares"), for an aggregate purchase price of ₹ 40,000, to a group of investors affiliated with the Group's promoter, including entities affiliated with Mr Raju Vegesna, the Group's Chairman and Managing Director and Mr Ananda Raju Vegesna, Executive Director and brother of Mr Raju Vegesna (the "Offering"). The company's shareholders approved the terms of the Offering at the Company's Annual General Meeting held on September 27, 2010.

On October 22 2010, the company entered into a Subscription Agreement with Mr Ananda Raju Vegesna, acting as representative of the acquirers in connection with the offering. Accordingly, the company issued 12,50,00,000 equity shares to Raju Vegesna Infotech and Industries Private Limited, a company affiliated with the promoter group on October 30, 2010. The above shares were subsequently transferred by Raju Vegesna Infotech & Industries Private Limited to Ramanand Core Investment Company Private Limited.

During the Financial Year ended March 31, 2019, the Company has called-up and received a sum of ₹ 10 per share and hence the shares have become fully paid up.

49. CONTRIBUTION TOWARDS CORPORATE SOCIAL RESPONSIBILITY

As per section 135 of the Companies Act, 2013, the amounts required to be spent by the Group during the years ended March 31, 2022 and March 31, 2021 towards Corporate Social Responsibility (CSR) are ₹ 286 and ₹ 204 respectively. The details of CSR expenditure and CSR activities carried out by the Group are as follows:

Amount (₹)

	For the year ended March 31, 2022	For the year ended March 31 2021
Amount required to be spent by the company during the year	286	204
Amount of expenditure incurred	286	204
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-

(All amounts are in Indian ₹ lakhs except share data and as stated)

Nature of CSR activities

The details of Corporate Social Responsibility activities carried out by the Company are as follows:

		For the year ended March 31, 2022	For the year ended March 31 2021
Raju Vegesna Foundation, Visakapatanam*	Livelihood enhancement	132	-
VIRRD Trust, Dwarakha Tirumala	Promotion of health care	100	190
Voluntary Health Services, Chennai	Promotion of health care	20	14
Shree Anand Charitable Trust, Mumbai	Livelihood enhancement	25	-
Sri Hanuman Mani Education & Culture Trust	Promotion of Education	5	-
Dr Ambedkar Yuvajana Sangham Trust	Promotion of Education	4	-
		286	204

50. ACQUISITION OF PRINT HOUSE (INDIA) PRIVATE LIMITED

During the FY 2020-21, the company has acquired 100% equity stake in Print House India Private Limited through Corporate Insolvency Resolution Process. The company emerged as successful Resolution Applicant (RA) vide Hon'ble National Company Law Tribunal (NCLT) order dated June 23, 2020. Pursuant to the Resolution Plan submitted, the management of affairs of the company vested with Monitoring Committee consisting of Resolution Professional and the Financial Creditor of PHIPL. The company took over the management of affairs of PHIPL after dissolution of Monitoring Committee on October 16, 2020 as per the Resolution Plan. The existing share capital of PHIPL would be reduced to Nil. Fresh capital has been issued to the company. The company has implemented the Resolution Plan in terms of settlement of financial creditors, operational creditors, absorbing of employees as appropriate to the continuance of proposed business and reviving the operations of the company by converting the facility into world class data centers as per the order of Hon'ble NCLT and the orders dismissing appeals by both Hon'ble NCLT and Hon'ble NCLAT.

This investment is accounted as acquisition of an asset as per paragraph B7C of Ind AS 103 Business Combination. Consequently the pre-acquisition profits are adjusted against the consideration and the value of the assets acquired. Transactions post acquisition are consolidated in accordance with Ind AS 110, Consolidated Financial Statements. The acquisition date accounting resulted in recognition of following:

Particulars	**Amount**
Financial Creditors	4,250
Operational Creditors	-
Statutory Payables	690
Rental deposits	193
Other Payables	110
Total Liabilities Settled	**5,243**
Buildings	1,094
Right of use asset - Land	4,149
Total Assets Taken Over	**5,243**

(All amounts are in Indian ₹ lakhs except share data and as stated)

51. ADDITIONAL DISCLOSURE AS PER PART III OF DIVISION II OF SCHEDULE III TO COMPANIES ACT 2013

Name of the entity	For the year ended March 31, 2022							
	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
Parent								
Sify Technologies Ltd	88%	128,200	38%	4,866	106%	(138)	38%	4,728
Indian Subsidiaries								
Sify Data and Managed Services Limited	(0)%	(361)	0%	29	0%	-	0%	29
Sify Infinit Spaces Limited	11%	16,421	67%	8,575	11%	(14)	68%	8,561
Sify Digital Services Limited	2%	2,378	6%	769	52%	(68)	6%	701
Print House (India) Private Limited#	(1)%	(876)	(5)%	(591)	0%	-	(5)%	(591)
Foreign subsidiaries								
Sify Technologies (Singapore) Pte Limited	0%	54	0%	23	(8)%	11	0%	34
Sify Technologies North America Corporation	(1)%	(928)	(7)%	(946)	(60)%	78	(7)%	(868)

(All amounts are in Indian ₹ lakhs except share data and as stated)

Name of the entity	For the year ended March 31, 2021							
	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
Parent								
Sify Technologies Ltd	93%	122,835	41%	6,294	(93)%	30	41%	6,324
Indian Subsidiaries								
Sify Data and Managed Services Limited	*	(410)	(2)%	(293)	0%	-	(2)%	(45)
Sify Infinit Spaces Limited	6%	7,860	52%	7,890	43%	(14)	52%	7,876
Sify Digital Services Limited	1%	1,677	10%	1,565	(113)%	36	10%	1,601
Print House (India) Private Limited #	*	(286)	(2)%	(286)	0%	-	(2)%	(286)
Foreign subsidiaries								
Sify Technologies (Singapore) Pte Limited	*	19	(1)%	(82)	33%	(11)	(1)%	(93)
Sify Technologies North America Corporation	*	(61)	2%	231	230%	(74)	1%	158

Refer Note 51, Accordingly the post acquisition profits and Net Assets consolidated are presented above.

* below rounding off norm adopted by the Group

As per our report of even date attached.

for **Manohar Chowdhry & Associates**
Chartered Accountants
Firm Registration No.: 001997S

K S Y Suryanandh
Partner
Membership No.: 237830

Hyderabad
April 18, 2022

For and on behalf of the Board of Directors

Raju Vegesna
Chairman and Managing Director

C B Mouli
Director

M P Vijay Kumar
Chief Financial Officer

V Ramanujan
Company Secretary

Sify Technologies Limited

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