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ANNUAL REPORT 2023-24

Contents

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Corporate Information

Sify Digital Services Limited

Raju Vegesna, Director

Vegesna Bala Saraswathi, Director

Kamal Nath, Whole-time Director

Arun Seth, Independent Director

Statutory Auditors
Manohar Chowdhry & Associates
Chartered Accountants
Chennai

Internal Auditors
Yoganandh & Ram LLP
Chartered Accountants
Chennai

Secretarial Auditor
V Ramasubramanian
Chennai

Ganesh Sankararaman
Chief Financial Officer

Meenakshi Jayaraman
Company Secretary

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

Bankers
State Bank of India
HDFC Bank Limited
Yes Bank Limited
Kotak Mahindra Bank Limited
IDFC First Bank Limited
HSBC Bank Limited

BOARD'S REPORT

Dear Shareholders,

The Board of Directors of your Company hereby presents the report of business and operations together with the Audited Financial Statements of your Company for the financial year ended March 31, 2024.

FINANCIAL INFORMATION

₹ in lakhs

Particulars	2023-24	2022-23
Income from operations	**97,737**	97,852
Earnings before Finance Costs, Tax, Depreciation & amortization, Other Income and exceptional items (EBITDA)	**(2,344)**	785
Depreciation and Amortization	**2,358**	2,488
Earnings before Finance Costs & Tax	**(4,303)**	(1,358)
Other Income (Including Forex Gain, Gain on sale of PPE)	**494**	345
Other Expenses (Including Forex Loss, Loss on Sale of PPE)	**8,682**	6,362
Finance Costs	**2,581**	2,191
Profit Before Tax	**(6,884)**	(3,549)
Profit After Tax	**(6,719)**	(3,735)

The turnover of the Company for the year was ₹97,737 Lakhs as against the turnover ₹97,852 Lakhs during the year 2022-23. The net loss after tax of the Company during the financial year was ₹6,719 lakhs as against the loss of ₹3,735 lakhs in previous year.

There is a significant increase in employee costs during the year. The Company is expanding its business through acquisition of new tools and learning and development initiatives to upskill the Associates.

BUSINESS REVIEW

India aims to grow the ICT sector to $1 trillion by 2025, or 20 percent of predicted GDP. According to the National Association of Software and Services Companies (NASSCOM), India's technology industry is expected to cross $245 billion in 2023 based on an 8.4 percent annual growth rate. All subsectors of the technology industry, including IT and business process management, IT-enabled services, engineering research and development, hardware, software products, and e-commerce recorded double digit growth in 2022. India imported nearly $3 billion in computer and electronic equipment (from the United States in 2022. Gartner estimates that IT spending in India will increase by 2.6 percent to over $112 billion in 2023.

The sustained growth in hosted application management and infrastructure services highlights a growing preference among enterprises for transferring their workloads to datacenters and public clouds managed by service providers. An increase in demand for system integration services is driven by enterprises' ongoing focus on technologies such as hybrid cloud, Artificial Intelligence (AI) / Machine Learning (ML), analytics, and enhancing their cybersecurity measures.

New digital technologies overwhelmingly dominate business organisations in today's modern world. Thanks to digital technologies, tasks that were once regarded as very time-consuming can now be finished quickly. Most of the physical work has also been replaced with these cutting-edge technologies, including AI, ML, and data analytics. Consequently, companies can deliver error-free results and aim for the most remarkable authenticity. Additionally, technology-backed chatbots significantly impact how customers are served and how their experiences are tailor-made. Overall, it is safe to claim that these contemporary technologies are rapidly eclipsing all economic areas. Further, more advanced technologies are expected shortly.

Undoubtedly, advancements in technology have helped people and companies alike in unfathomable ways. In actuality, the need for digital transformation is brought on by changes in people's needs and demands. As a result, to meet customer needs, firms must adopt new technologies and transform to keep in touch with the latest trends.

Additionally, these changes impact every level of an organisation and combine data from many areas to perform more efficiently, enabling them to guarantee greater productivity. Furthermore, it is expected that the public will be more aware and better informed as technology advances, making digital transformations an apparent necessity.

Your Company's suite of digital services sits complimentary to this demand where a convergence of infrastructure services will require home-bred applications to mine, analyze and interpret this data into a cohesion of functional measures that an enterprise can use to its advantage. Over time, your Company seeks to expand the suite of custom-built services that work in tandem with its services and also offer industry-grade applications in alliance with partners for discerning customers.

TECHNOLOGY TRENDS

Some of the top trends shaping the digital landscape for 2024 and beyond are:

1. No-Code and Automation-driven Efficiency

   Although businesses have already begun implementing automation following digital transformation trends, Mulesoft, a technology platform that provides integration software for connecting applications, data and devices, predicts that in coming years there will be more widespread adoption of the technology. The aim is to empower corporate leaders to achieve greater outcomes with fewer resources. Corporate instability brought on by soaring inflation, rising energy prices, tightening labor markets, and geopolitical turmoil will eventually assist them in driving efficient growth, improving productivity, and generating cost savings.

2. Composable business

   In order to respond quickly to changing market demands, many businesses are facing the challenge of outdated technology and data silos. However, Mulesoft predicts that this issue will be overcome in 2024 as more organizations adopt a composable enterprise strategy. This approach will allow teams to make use of their existing resources and capabilities in a flexible manner, allowing for efficient expansion and building of customer loyalty.

   According to Gartner, being a composable enterprise will rank as a strategic target for 60% of mainstream firms. Those using this strategy will develop new features 80% faster than their rivals.

3. Everything as a Service (XaaS)

   This well-known digital transformation technology trend is expected to manifest in fresh and unexpected ways in the coming year. Although accessing data through a digital hub is typical today, many businesses are increasingly embracing the cloud to access information whenever and wherever they need it. On an enterprise level, embracing technology makes collaboration second nature while eliminating physical hardware costs. Additionally, cloud-native applications can scale more easily and produce better results for businesses due to extensive user acceptance.

4. Developing Quantum Computing to Improve Cyber Security

   With new digital environment comes more complex threats and with that cyber security has become a top priority for those in charge. Quantum computing is one solution that can be used for revolutionary encryption and secure communication methods. Its ability to perform intricate calculations beyond those done by classical computers makes it an enticing technology.

5. Customer Data Platform (CDP) for personalization

Every interaction a customer/consumer has with your brand, from their initial social media click to online ordering, generates valuable data. A Customer Data Platform (CDP) brings all customer data together under one real-time profile, providing a unified view of the customer. This makes it easy for decision-makers to quickly analyze insights and take prompt action to drive conversions, as the data is organized and securely stored in one central database.

6. Everyday AI and ML

Customers no longer consider efficiency and quickness as extras, but are expected in every situation and interaction imaginable. The bar for excellence will keep rising beyond what can be accomplished by a human team working alone, as AI and ML become more commonplace. However, utilizing these technologies might increase the strength of your workforce.

An AI system excels when used to automate time-consuming manual processes or quickly access pertinent information, freeing up employees' time to positively influence the Company. The ML system can discover insights like which clients perform better for you faster the more data it accumulates over time.

7. Hybrid Workforce Model

Following the mandate for remote work in 2020, several businesses gradually started bringing staff back into the office during the following few years. Hybrid work has recently emerged as the most productive work schedule for many firms, thanks to a foundation for remote infrastructure. In fact, 54% of workers who do at least some of their jobs remotely say they prefer to work both in the office and from home. Additionally, approximately 60% of respondents claim to have worked in a hybrid model since COVID-19, showing that organizations may still achieve their objectives using this paradigm.

8. Total Experience (TX)

Businesses have traditionally prioritized enhancing customer experience (CX) to promote growth, protect revenue, and foster loyalty. It has become increasingly clear that improving the experience of employees (EX) is crucial to success and isn't just one of the digital transformation trends but necessity to survive the market.

Mulesoft predicts that more and more top companies will consider total experience (TX) to enhance both customer and employee journeys, particularly in areas where they converge. Utilizing current technology investments that are the cornerstone of critical customer and employee experience projects will produce superior shared experiences and drive more business value.

9. Environmental sustainability

Looking at digital transformation trends, businesses will use a composable enterprise approach in 2024 to unlock and integrate data and apps, apply automation and analytics to generate insights, and ultimately strive to drive sustainability in their operations.

Approximately, 90% of technology leaders currently acknowledge sustainability as a critical IT aim in their Company and anticipate budget increases of 10% to 20% over the following three years.

10. AIOps to Support Microservices

To help IT Ops meet these demands, AIOps solutions have been developed to apply machine learning to monitoring tools and observability data. These tools gather data, use machine learning to correlate alerts, and help network operations centres (NOCs) quickly identify root causes. Many AIOps solutions also integrate with IT service management, collaboration tools, and other automation tools to initiate conversations and provide pre-written responses. Additionally, they provide NOCs with a single access point for databases and applications running on public clouds, data centres, and edge computing.

11. Connectivity Revolution: IoT Integration

    Businesses' digital transformation journey increasingly incorporates Internet Protocol (IP) based devices and other smart objects known as 'things' or sensors or actuators constituting what is commonly referred to as the Internet of Things (IoT). In this way, data can be gathered on how processes are running, making them more efficient or even allowing for the introduction of innovative services through analysis, better yet, optimizing business processes using data collected by these interconnected gadgets.

12. Remote Work and Collaboration Accelerated Through Cloud Computing

    From scalability to flexibility towards cost-effectiveness, cloud computing has turned out to be one foundational technology for facilitating digital transformation across all industries. This allows firms to rapidly deploy and scale applications, creating an environment favorable for innovation and agility. One of the most timely and impactful use cases for cloud computing has been around enabling remote work and collaboration.

13. Big Data Analytics: Revolutionizing Environmental Sustainability

    The usefulness of big data analytics as a means of enabling companies to make informed business decisions based on large amounts of information is undeniable. This capacity is essential in various aspects, including predictive analytics, machine learning, and data visualization, which together help businesses identify patterns, trends, and insights for strategic decision-making. Today, big data analytics has found an interesting and increasingly useful application in promoting environmental sustainability.

14. AR and VR in Education: Creating Learning Paradigms

    The education sector has adopted Augmented Reality (AR) and Virtual Reality (VR) technologies as significant additions to the learning process. Some of the most current uses of these technologies include developing interactive learning environments for students at all levels. Complex academic topics are being elucidated through AR/VR, thus resulting in 3D models where students can interact with objects in subjects like science, history, and geography.

15. Precision Agriculture Edge Computing

    Edge computing brings real-time processing closer to where data originates, leading several industries into disruption, while precision agriculture represents one of the finest cases ever made across farming globally. The application of edge computing technology allows farmers to collect information on the farm with the aim of helping them take actions based on real-time data analysis conducted directly within the field, hence optimizing farming practices accordingly, leading to improved crop yields with minimized environmental costs.

16. 5G in Smart City Development

    There's this 5G craze going on, promising faster, more reliable, and greater-reaching internet connections than ever before. But how does this relate to smart cities? It means that a city's infrastructure will have the ability to collect data on everything happening within its borders. Sensor technology will be able to report traffic patterns, pollution levels, energy usage, and public safety incidents, just to name a few examples. With all of this information accessible at such quick speeds, decisions can finally start being made in real time, which means instantly reducing road congestion, enhancing public transportation systems, and optimizing energy consumption.

Outlook

According to International Data Corporation (IDC), IT spending in India for 2024 is expected to grow 11% year-on-year (YoY), reaching USD $44 billion in 2024.

In 2023, despite economic headwinds and uncertainty, Indian enterprises continued to invest in digital to increase customer engagement and satisfaction, launch new products and services, and improve operational efficiency to drive revenue growth and profitability. They allocated their budgets mainly to software, application development and cloud migrations, a reflection of their judiciousness to make their hardware assets work longer and elongating refresh cycles.

As India's digital economy continue to thrive in 2024 and beyond, IDC expects IT spending in India to accelerate at a compound annual growth rate (CAGR) of 9.9% over the coming years to cross the USD $59 billion mark in 2027 with the software market consistently showing double digit growth across the forecasted years. Generative AI (GenAI) will continue to accelerate AI adoption in India with more leading organizations exploring or investing in GenAI use cases. As technology leaders realize AI's pivotal role in their digital-first strategies, IDC forecasts that investments on GenAI by 2027 will be 26% of the overall AI spend in the Country or a CAGR of 101.6%.

Transfer to Reserves

The Company has not transferred any amount to the Reserves during the financial year, the accumulated loss as on March 31, 2024 stood at ₹ 8,044 Lakhs.

Dividend

In view of the loss and future expansion plans, the Company has not recommended any dividend for the year ended March 31, 2024.

Transfer of Amount to Investor Education and Protection Fund

Your Company does not have any unclaimed amount as stipulated under Section 125 of the Companies Act, 2013 ("the Act") to be transferred to IEPF.

Credit Rating

Rating Agency	Type	Rating
ICRA*	LT	A+
	ST	A1+
CARE#	LT	A+
	ST	A1+

* ICRA has re-affirmed credit rating on September 12, 2023

CARE has re-affirmed credit rating on April 1, 2024

Material Changes and Commitments affecting the financial position of the Company

There were no significant material changes and commitments affecting the financial position of the Company that occurred between the end of financial year and the date of this report.

Particulars of Loans, Guarantees and Investments

The Company has not made any loans, investments or guarantees under Section 186 of the Act during the year ended March 31, 2024.

Share Capital

During the year, the Company has increased the Authorised Share Capital from ₹210 crores to ₹250.01 crores consisting of 25,00,10,000 Equity Shares of ₹10 each with the approval of shareholders at their extraordinary general meeting held on September 21, 2023 to accommodate the issue of shares under rights offering.

a) Rights offering

Your Company has offered equity shares on a rights basis to the extent of Rs.49.98 crores to M/s. Sify Technologies Limited (STL), the Holding Company. The Company had allotted 4,99,82,499 Equity Shares of Rs.10 each to STL upon receipt of subscription money. The paid-up share capital of the Company has increased on account of the rights issue.

b) Other allotments

During the year, the Company has:

a. Not issued any preference shares

b. Not issued any equity shares with differential rights as to dividend, voting or otherwise

c. Not issued any sweat equity shares

d. Not issued any shares to trustees for the benefit of employees

e. Not issued any securities which carry a right or option to convert such securities into equity shares.

Employee Stock Option

Consequent to the Business transfer agreement, M/s. Sify Technologies Limited, the Holding Company has transferred its Digital Services Business along with the employees to your Company.

The Employee Stock Option allotted to the employees who were transferred from the Holding Company were allowed to hold their options in the Holding Company.

Directors' Responsibility Statement

Your Directors state:

i) that in the preparation of the annual accounts, the applicable accounting standards had been followed and there were no material departures therefrom;

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 loss of the Company for the year ended on that date;

iii) that they had taken proper and sufficient care for the 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 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 during the year ended March 31, 2024.

Board of Directors

During the year, Mr. C. R. Rao (DIN:02624863) resigned from the position as a Director of the Company effective July 20, 2023. The Board of Directors places on record its deep appreciation for the significant contributions made by Mr. C. R. Rao during his tenure.

The Board of Directors appointed Mr. Kamal Nath (DIN:09094350) as an Additional Director of the Company designated as a Whole-time Director of the Company effective July 20, 2023 who shall hold office up to the date of Annual General Meeting of the Company. Consequent to the appointment of Mr. Kamal Nath as a Whole-time Director, he resigned from his position as Chief Executive Officer of the Company effective July 20, 2023.

As on March 31, 2024, the Company has four Directors including one Independent Director.

During the year, the Board of Directors of your Company met 7 times. The details of the meetings and the attendance of the Directors are as follows::

Attendance of Directors:

Quarter	S. No.	Date of Board Meeting	No. of Directors entitled to attend the meeting	No. of Directors attended the meeting
Q1	1	April 24, 2023	4	4
Q2	2	July 20, 2023	4	4
Q2	3	September 19, 2023	4	4
Q3	4	October 20, 2023	4	4
Q3	5	December 22, 2023	4	3
Q4	6	January 18, 2024	4	4
Q4	7	March 25, 2024	4	4

The maximum interval between any two Meetings did not exceed 120 days as prescribed under 173 (1) of the Act and Secretarial Standard on Meetings of the Board of Directors.

Directors and Key Managerial Personnel

Key Managerial Personnel

During the financial year, Mr. V Ramanujan, Company Secretary, Key Managerial personnel resigned with effect from July 20, 2023. Subsequently, the Company had appointed Ms. Meenakshi Jayaraman as Company Secretary, Key Managerial personnel of the Company with effect from July 20, 2023.

Pursuant to the provisions of Section 203 of the Act read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following employees of the Company are the whole time Key Managerial Personnel of the Company as on March 31, 2024:

Mr. Kamal Nath	Whole-Time Director
Mr. Ganesh Sankararaman	Chief Financial Officer
Ms. Meenakshi Jayaraman	Company Secretary

Retirement by rotation

Mrs. Vegesna Bala Saraswathi (DIN 07237117), Director, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment. Your Directors recommend her re-appointment to the shareholders for approval.

Disqualification of Directors

Based on the written representations received, none of the Directors are disqualified from being appointed as Directors as specified in Section 164 (2) of the Act.

Declaration from Independent Director

Mr. Arun Seth, Independent Director (ID) has submitted his declaration of independence, as required pursuant to Section 149 (7) of the Act, confirming that he meets the criteria of independence as provided in Section 149 (6) of the Act. In the opinion of the Board, Mr. Arun Seth fulfils the conditions specified in the Act and the Rules made there under for appointment as ID including the integrity, expertise and experience and confirm that he is independent of the management and has the proficiency to serve the Company as an independent director that can strengthen the overall composition of the Board. Mr. Arun Seth has registered his name with the data bank of IDs.

Corporate Social Responsibility (CSR)

Pursuant to the provisions of Section 135 of the Act, the Company has formulated CSR policy for undertaking CSR activities as specified under Schedule VII of the Act. As per the provisions of the Act, the Company is required to spend at least 2% of the average net profits of the Company made during the three immediately preceding financial years. The average net profits of the Company during the three immediately preceding financial years is negative. Accordingly, the Company is not required to spend any amount on CSR expenditure during the year.

As the CSR spend of 2% of the average net profits of the Company does not exceed the limit of Rs.50 lakhs, the Company is exempted from the requirement of constituting the Corporate Social Responsibility Committee and the functions of CSR committee are discharged by the Board of Directors of the Company as per the provisions under the Act.

CSR Committee

The Corporate Social Responsibility Committee consists of Mr. Raju Vegesna, Mr. Arun Seth and Mr. Kamal Nath, as its Members.

During the year, the Committee met two times. The dates of the meetings are:

- April 24, 2023 and
- July 20, 2023

Attendance of members

Name of the Director	No. of Meetings held	No. of Meetings attended
Mr. C. R. Rao*	2	2
Mr. Raju Vegesna	2	2
Mr. Arun Seth	2	2
Mr. Kamal Nath*	-	-

**Due to the change in composition of the Board, the CSR Committee was reconstituted and in the place of Mr. C. R. Rao, Mr. Kamal Nath was appointed as a member in the Board meeting held on January 18, 2024.*

Statement of Performance Evaluation by the Board

In compliance with Section 134(3)(p) of the Act and the Rules made there under, the annual evaluation of the performance of the board and of individual directors were carried out during the year under review.

Related Party Transactions

Your Directors draw attention of the shareholders to Note 33 to the Financial Statements which sets out disclosures on related party transactions.

All transactions with related parties that were entered into during the financial year were in the ordinary course of business and were on an arm's length basis. There were no materially significant transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

There were no contracts or arrangements entered into with related parties during the year to be disclosed under Sections 188 (1) and 134 (3) (h) of the Act in form AOC-2.

Disclosure of Remuneration

Your Company is an unlisted public Company and hence the disclosure with respect to remuneration as required under Section 197(12) of the Act and Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable.

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.

INTERNAL FINANCIAL CONTROLS AND AUDIT

Adequacy of Internal Financial Controls

Your Company has adopted policies and procedures to evaluate the effectiveness of the Company's internal control over financial reporting. The requirements / principles laid out by COSO are in place. The Internal Financial Controls have been documented, embedded and digitized in the business processes. Internal controls are regularly tested for design, implementation and operating effectiveness.

Auditors

Statutory Auditors

M/s. Manohar Chowdhry & Associates, Chartered Accountants were appointed by the shareholders of the Company at their First Annual General Meeting held on August 16, 2021 as the Statutory Auditors for a term of Five years till the conclusion of Sixth Annual General Meeting of the Company scheduled to be held in the year 2026 at a remuneration recommended by the Board of Directors and as such they continue to hold office.

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.

There was no fraud reported by auditors of the Company as given under Section 143 (12) of the Act read with the Companies (Audit and Auditors) Rules, 2014.

Internal Auditors

Pursuant to the provisions of Section 138 of the Act read with the Rule 8 (4) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. Yoganandh & Ram LLP was appointed as the Internal Auditor of the Company by the Board of Directors of Companies at their meeting held on April 24, 2023 to conduct the Internal Audit for the financial year ended March 31, 2024.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act 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.

Report

The Report of the Secretarial Auditor in Form MR-3 for the financial year ended March 31, 2024 forms part of this report as **Annexure A**.

The Board has re-appointed Mr. V. Ramasubramanian, Practicing Company Secretary as the Secretarial Auditor of the Company for the financial year 2024-25.

The Report does not contain any qualification, reservation, adverse remark or disclaimer.

Annual Return

In accordance with Sections 134 (3) (a) and 92 (3) of the Act, the annual return in form MGT-7 is available on the weblink: www.sifytechnologies.com.

Secretarial Standards

During the year, your Company has complied with the provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India in respect of meetings of the Board of Directors and general meetings held.

Subsidiaries / Joint Ventures / Associates

Your Company does not have any Subsidiary / Joint Venture / Associate.

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 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 the development of its employees. The number of employees of the Company as on March 31, 2024 was 3,044.

Remuneration Policy

The Company is a wholly-owned subsidiary of M/s. Sify Technologies Limited and hence not covered under the provisions of Section 178 (1) of the Act. Thus, the requirement of constitution of Nomination and Renumeration Committee, formulation of remuneration policy and the criteria for determining qualifications, positive attributes and independence of a director are not applicable to the Company.

Deposits

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

Maintenance of Cost Records

The provisions relating to maintenance of Cost records are not applicable to the Company for the financial year 2023-24.

Conservation of Energy, Technology Absorption and Foreign Exchange Outgo

The particulars prescribed under clause (m) of sub section (3) of Section 134 of the Act read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 are set out below:

i. Conservation of Energy and Technology Absorption

The Company has been taking various steps to reduce the excessive consumption of energy.

There was no technology absorption during the year under review.

ii. Foreign Exchange Earnings and Outgo

Details of Foreign Exchange Earnings and outgo during the under review:

Foreign Exchange Inflow: Rs. 3,778 lakhs

Foreign Exchange Outgo: Rs. 3,827 lakhs

Risk Management

The Board of Directors of the Company has 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 Board with a full status of the risk assessment and management of the risks. The Board obtains periodical updates on identified risks, depending upon the nature, quantum and likely impact on the business.

Vigil Mechanism

In compliance with the procedure laid down under the Whistleblower Policy / Vigil mechanism as required under the Act, 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.

OTHER DISCLOSURES

Significant and material orders passed by the Regulators

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.

Change in nature of business of the Company

There is no change in the Company's business activities and its nature of business during the current financial year.

Others

- There was no instance of one-time settlement with any Bank or Financial Institution.
- There were no proceedings pending under the Insolvency and Bankruptcy Code, 2016.
- There were no mergers made by the Company during the year.
- There were no revisions in the financial statements during the year.

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 22, 2024

Raju Vegesna
Director
DIN : 00529027

Kamal Nath
Whole-time Director
DIN: 09094350

Annexure A

Form No MR-3
Secretarial Audit Report

For the Financial Year ended 31st March 2024

[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 Digital Services 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 Digital Services Limited (CIN: U72900TN2020PLC136420) (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 2024 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 2024 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made thereunder.
2. As the Company's Equity Shares are not listed in any Stock Exchanges in India, the provisions of the Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder are not applicable to the Company.
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder are not applicable to the Company.
4. During the year under review, there were no FDI into the Company and the Company has not made any ODI or ECB and hence the provisions of Foreign Exchange Management Act (FEMA), 1999 and the Rules and Regulations made thereunder are not applicable to the Company.
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) The Employees Provident Funds and Miscellaneous Provisions Act, 1952.
   b) Employees State Insurance Act, 1948.
   c) Maternity Benefit Act, 1961.
   d) The Payment of Bonus Act, 1965.
   e) The Payment of Gratuity Act, 1972.
   f) The Tamilnadu Labour Welfare Fund Act, 1972.
   g) 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 the Board Meetings and SS-2 for the General Meetings issued by the Institute of Company Secretaries of India, New Delhi, in terms of Section 118(10) 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 Directors, Woman Director and Key Managerial Personnel.

During the year under review, Mr. Kamal Nath was appointed as the Whole-time Director and Ms. J. Meenakshi was appointed as the Company Secretary, effective 20th July 2023 and both were designated as Key Managerial Personnel of the Company.

Further, Mr. C. R. Rao resigned as a Director and Mr. V. Ramanujan resigned as the Company Secretary, effective 20th July 2023.

The changes in the composition of the Board of Directors and Key Managerial Personnel that took place during the period under review were carried out in compliance with the provisions of the Act.

(ii) Constitution of Audit Committee of the Board of Directors is not applicable to the Company as required under the provisions of Section 177 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014;

(iii) Constitution of Nomination and Remuneration Committee of the Board of Directors is not applicable to the Company read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules,2014;

(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.

The average Net Profit of the Company during the three immediately preceding Financial Years is negative. Accordingly, as per the provisions of Section 135(5) and Schedule VII of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company is not required to spend any amount for CSR expenditure during the Financial Year 2023-24.

(v) Considered and approved the "Code of Business Conduct and Ethics" of the Company framed in terms of the provisions of Section 149(8) 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 Meetings, it was observed that there was no dissenting note made by any of the Directors.

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 / Preferential Issue of Shares / Debentures / Sweat Equity etc.

However, the Company has issued and allotted 4,99,82,499 Equity Shares of Rs.10/- each for cash at par on Rights Basis to M/s. Sify Technologies Limited, the Holding Company, in compliance with the provisions of Section 62(1)(a) and other applicable provisions of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014.

(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 by the Shareholders 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 within the limits approved by the shareholders by Special Resolution at the Extraordinary General Meeting held on January 29, 2021.

b) The Company has borrowed funds from Banks and Non-Banking Financial Companies, which were within the limits approved by the shareholders by Special Resolution at the Extraordinary General Meeting held on January 29, 2021.

(iv) There was no merger / amalgamation / reconstruction during the period under review.

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

V Ramasubramanian
Practising Company Secretary
ACS No: 5890
COP No: 11325
Peer Review Certificate No: 1579/2021
UDIN: A005890F000117531

Chennai
April 15, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Sify Digital Services Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Sify Digital Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, 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 material 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, 2024, the loss including other 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 ("SAs") specified under section 143(10) of the Act. 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 Receivables as at March 31, 2024 is INR 38,409 lakhs and Allowance for bad and doubtful debts charged in the Statement of Profit and Loss for the year ended March 31, 2024 is INR 400 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

S No.	Key Audit Matter	Auditor's Response
		delay in realisation of the receivables and possibility of realisation of the aged receivables. • 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, 2024.

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 Board's Report including Annexures to Board's Report 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 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.

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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 D(20)(a) (Contingent liabilities) 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 to Note D(34)(a) (Derivative Financial instruments) to the standalone 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 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 that have been considered reasonable and appropriate in the circumstances, 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 Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software (refer Note D(40) to the financial statements). Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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

K S Y Suryanandh
Partner

Place:Hyderabad Membership No:237830
Date :April 22, 2024 UDIN:24237830BKGUQK8313

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, 2024, 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 Property, Plant and Equipment 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 Property, Plant and Equipment 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) According to the information and explanations provided to us, there is no immovable property held by the Company and accordingly, reporting on clause 3(i)(c) of the Order is not applicable to the Company.

(i) (d) According to the information and explanations provided to us, the Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2024 and accordingly, reporting on clause 3(i)(d) of the Order is not applicable to the Company.

(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 D(16) to the standalone financial statements, the Company has been sanctioned working capital limits in excess of INR five crores in aggregate from banks and / or financial institutions during the year on the basis of security of current assets of the Company. Based on our examination of the records of the Company, the quarterly returns / statements filed by the Company for the quarters ending June 2023, September 2023 and December 2023 with such banks and financial institutions are in agreement with the books of account of the Company. The returns for the quarter ending March 2024 were not filed by the Company at the time of finalising the audit.

(iii) (a) During the year, the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii) (a) of the Order is not applicable to the Company.

(iii) (b) During the year, the Company has not made investments, provided guarantees, provided security and granted loans and 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)(b) of the Order is not applicable to the Company.

(iii) (c) The Company has not granted loans and 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)(c) of the Order is not applicable to the Company.

(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) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

(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) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products / services of the Company. Hence, the requirement to report on clause 3(vi) of the Order is not applicable.

(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) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

Nature of the statute	Nature of dues	Forum where Dispute is Pending	Period to which the amount relates	Amount (INR in Lakhs)
The Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	AY 2021-22	732

(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. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(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 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) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable.

(ix) (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable.

(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 complied with provisions of sections 42 and 62 of the Companies Act, 2013 in respect of the right issue of shares during the year. The funds raised, have been used for the purposes for which the funds were raised. The Company has not made any preferential allotment or private placement of fully or partially or optionally convertible debentures during the year under audit.

(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 section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.

(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) (a) 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 3(xvi)(a) of the Order is not applicable to the Company.

(xvi) (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(xvi) (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

(xvi) (d) The Group has one Core Investment Company as part of the Group.

(xvii) The Company has incurred cash losses amounting to INR 4,363 lakhs in the current year and amounting to INR 1,349 lakhs in the immediately preceding financial year respectively.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note D(41) 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 D(36) to the standalone 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 to section 135(6) of the Act. This matter has been disclosed in note D(36) to the standalone financial statements.

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

K S Y Suryanandh
Partner
Membership No:237830
UDIN:24237830BKGUQK8313

Place:Hyderabad
Date :April 22, 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in the Independent Auditor's Report of even date to the members of Sify Digital Services Limited on the standalone financial statements for the year ended March 31, 2024)

We have audited the internal financial controls over financial reporting of Sify Digital Services Limited ("the Company") as of March 31, 2024 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 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 with reference to the standalone financial statements. 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to the standalone financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, 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
Place:Hyderabad Membership No:237830
Date :April 22, 2024 UDIN:24237830BKGUQK8313

Balance Sheet as at March 31, 2024

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

	Note No. (D)	As at March 31, 2024	As at March 31, 2023
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	1	4,534	4,430
(b) Right-of-use Assets	2	793	679
(c) Capital work in progress		-	54
(d) Intangible assets	3	1,213	1,408
(e) Financial assets			
Other financial assets	4	166	79
(f) Deferred Tax assets	28	1,042	877
(g) Other non-current assets	5	4,170	2,042
		11,918	**9,569**
(2) Current assets			
(a) Inventories	6	33,933	19,419
(b) Financial assets			
(i) Trade receivables	7	38,409	39,154
(ii)Cash and bank balances	8A	8,559	4,530
(iii) Other bank balances	8B	205	152
(iv) Other financial assets	9	2,687	7
(c) Other current assets	10	5,127	8,074
		88,920	**71,336**
Total Assets		**100,838**	**80,905**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	11	24,999	20,001
(b) Other Equity	12	(8,523)	(1,614)
		16,476	**18,387**
LIABILITIES			
(1) Non - current liabilities			
(a) Financial liabilities			
(i)Borrowings	13	7,530	8,438
(ii) Lease liabilities	2	236	135
(b) Provisions	14	1,014	710
(c) Other non-current liabilities	15	410	13
		9,190	**9,296**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	14,102	15,159
(ii) Lease liabilities	2	130	56
(iii) Trade payables			
Total outstanding dues to micro enterprises and small enterprises	17	612	33
Total outstanding dues to creditors other than micro enterprises and small enterprises		39,161	23,698
(iv) Other financial liabilities	18	10,771	4,968
(b) Other current liabilities	19	10,164	9,141
(c) Provisions	14	232	167
		75,172	**53,222**
Total Equity and Liabilities		**100,838**	**80,905**

Material 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
Sify Digital Services Limited

K S Y Suryanandh
Partner
Membership No.: 237830

Raju Vegesna
Director
DIN:00529027

Kamal Nath
Whole time director
DIN:09094350

Hyderabad
April 22, 2024

Ganesh Sankararaman
Chief Financial Officer

Meenakshi Jayaraman
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2024

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

	Note No. (D)	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from operations	21	97,737	97,852
Other income	22	494	345
Total income		**98,231**	**98,197**
Expenses			
Cost of services rendered	23 A	31,616	31,812
Purchase of stock-in-trade	23 B	42,502	28,034
Changes in inventories	23 C	(14,514)	4,587
Employee benefits expense	24	31,890	26,272
Finance costs	25	2,581	2,191
Depreciation and amortisation expense	1,2 and 3	2,358	2,488
Other expenses	26	8,682	6,362
Total expenses		**105,115**	**101,746**
Profit/(Loss) before tax		**(6,884)**	**(3,549)**
Tax expense			
Current Tax		-	(15)
Deferred Tax	28	165	(171)
Profit/(Loss) after tax		**(6,719)**	**(3,735)**
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods			
Remeasurements of net defined benefit (liability)/asset		(190)	(257)
Total other comprehensive income		**(190)**	**(257)**
Total comprehensive income/(Loss) for the year		**(6,909)**	**(3,992)**
Earningsper equity share (₹ 10 paid up)			
Basic	29	(2.99)	(1.87)
Diluted		(2.99)	(1.87)

Material 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

For and on behalf of the Board of Directors
Sify Digital Services Limited

K S Y Suryanandh
Partner
Membership No.: 237830

Raju Vegesna
Director
DIN:00529027

Kamal Nath
Whole time director
DIN:09094350

Hyderabad
April 22, 2024

Ganesh Sankararaman
Chief Financial Officer

Meenakshi Jayaraman
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

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

A. Equity Share Capital

	For the year ended	
	March 31, 2024	March 31, 2023
Balance at the beginning of the year	20,001	20,001
Change in Equity Share Capital during the year	4,998	-
Balance at the end of the year	**24'999**	**20,001**

B. Other Equity

	Reserves and surplus	Other components of Equity	Total
	Retained earnings	Remeasurements of net defined benefit (liability)/asset	
2022-23			
Balance as at April 01, 2022 - (A)	2,410	(32)	**2,378**
Profit for the year	(3,735)		**(3,735)**
Other comprehensive income		(257)	**(257)**
Total comprehensive income for the year 2022-23 - (B)	**(3,735)**	**(257)**	**(3,992)**
Balance as at March 31, 2023 -[(C) = (A)+(B)]	**(1,325)**	**(289)**	**(1,614)**
2023-24			
Balance as at April 01, 2023- (A)	(1,325)	**(289)**	**(1,614)**
Profit for the period	(6,719)		**(6,719)**
Other comprehensive income		**(190)**	**(190)**
Total comprehensive income for the period 2023-24 - (B)	**(6,719)**	**(190)**	**(6,909)**
Balance as at March 31, 2024 - [(C) = (A)+(B)]	**(8,044)**	**(479)**	**(8,523)**

Material 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

K S Y Suryanandh
Partner
Membership No.: 237830

Hyderabad
April 22, 2024

For and on behalf of the Board of Directors
Sify Digital Services Limited

Raju Vegesna
Director
DIN:00529027

Kamal Nath
Whole time director
DIN:09094350

Ganesh Sankararaman
Chief Financial Officer

Meenakshi Jayaraman
Company Secretary

Cash Flow Statement for the year ended March 31, 2024

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

		For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before tax		**(6,884)**	**(3,549)**
Adjustments for :			
Depreciation and amortisation expense		2,358	2,488
Finance expenses (considered separately)		2,581	2,191
Allowance for doubtful debts		400	611
Provision for doubtful advances		47	-
Amortisation of lease prepayments		4	(4)
Unrealised foreign exchange fluctuation loss/(gain), net		163	(189)
Interest income (considered separately)		(304)	(72)
Operating profit / (loss) before working capital changes		**(1,635)**	**1,476**
(Increase)/decrease in trade receivables - current		215	(693)
(Increase)/decrease in non current trade receivables		-	20
(Increase)/decrease in inventories		(14,514)	4,587
(Increase)/decrease in other financial assets - current		(2,724)	967
(Increase)/decrease in otherfinancial assets - non current		205	(10)
(Increase)/decrease in other non current assets		(551)	(130)
(Increase)/decrease in other current assets		513	(773)
(Increase)/decrease in other bank balances		(54)	(121)
Increase/(decrease) in trade payables		16,012	3,892
Increase/(decrease) in other non current financial liabilities		-	(52)
Increase/(decrease) in other non current liabilities		396	(181)
Increase/(decrease) in other financial liabilities - current		6,123	(7,282)
Increase/(decrease) in other current liabilities		1,023	(191)
Increase/(decrease) in provisions - non current		114	(210)
Increase/(decrease) in provisions - current		65	84
Cash generated from operations		**5,188**	**1,383**
Tax (paid)/refund received		850	(2,680)
Net cash generated from operating activities	**(A)**	**6,038**	**(1,297)**

Cash Flow Statement for the year ended March 31, 2024

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

		For the year ended March 31, 2024	For the year ended March 31, 2023
Cash flow from investing activities			
Purchase of Property, Plant and Equipment		(2,353)	(3,006)
Amount paid for acquisition of right of use assets		(270)	(32)
Interest income received		8	65
Net cash used in investing activities	**(B)**	**(2,615)**	**(2,973)**
Cash flow from financing activities			
Proceeds from long-term borrowings		2,829	5,473
Repayment of long-term borrowings		(3,614)	(7,861)
Increase/(decrease) in short-term borrowings		2,500	600
Repayment of lease liabilities		(83)	(342)
Proceeds from issue of share capital		4,998	-
Interest paid		(2,593)	(2,120)
Net cash used in financing activities	**(C)**	**4,037**	**(4,250)**
Effect of exchange differences on translation of cash and cash equivalents	**(D)**	4	**7**
Net increase/(decrease) in cash and cash equivalents during the year	**(A)+(B)+(C)+(D)**	**7,464**	**(8,513)**
Cash and cash equivalents at the beginning of the year		**125**	**8,638**
Cash and cash equivalents at the end of the year [Refer Note D (8A & 8B)]		**7,589**	**125**
Non-Cash financing and investing activities			

Disclosure of changes in liabilities arising from financing activities [Refer Note D (27)]
Material 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

For and on behalf of the Board of Directors
Sify Digital Services Limited

K S Y Suryanandh
Partner
Membership No.: 237830

Raju Vegesna
Director
DIN:00529027

Kamal Nath
Whole time director
DIN:09094350

Hyderabad
April 22, 2024

Ganesh Sankararaman
Chief Financial Officer

Meenakshi Jayaraman
Company Secretary

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

A. COMPANY OVERVIEW

Sify Digital Services 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 IT services which includes Cloud and Managed services, Applications Integration services and Technology Integration services. The Company was incorporated on July 16, 2020. During the Financial year 2020-21, the Company acquired IT services business from its holding company Sify Technologies Limited vide Business Transfer Agreement dated January 28, 2021 which is effective from April 01, 2020.

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 as amended from time to time, 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 (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 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 period from April 01, 2023 to March 31, 2024 have been prepared in accordance with Ind AS duly approved by the Board of Directors at its meeting held on April 22, 2024.

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. Standards issued and not effective:

There are no standards that are notified and not yet effective as on date.

4. Functional and Presentation Currency

The financial statements are presented in Indian Rupees (₹) which is the Company's functional 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

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

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 onrevenue 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)]

C. MATERIAL 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 andthe 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 throughprofit or loss if it does not meet the criteria for classification asmeasured 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 atfair 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

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

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.

(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.

(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 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 the 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, 2023 and March 31, 2022 were as follows:

Particulars	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 year is as follows:

	Estimate ofuseful 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 class primarily consists 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 (Including Project inventory) 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 HDFClife insurance Company Limited. 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.

(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 valuationscarried out by an independent actuary at the balance sheet date.

12. Share-based payment transactions

The employees of the Company are entitled to participate in Employee Stock Option Plan (ESOP) where the employees are issued options to purchase shares of the Holding Company subject to vesting period. Accordingly, the fair value of option on the Grant date is amortised over the vesting period with a corresponding liability recognised against the Holding Company, which will issue shares on exercise.

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 IT services which includes Cloud and Managed services, Applications Integration services and Technology Integration services.

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

(a) Cloud and Managed 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 Company recognizes service revenue as the related services are performed.

Revenues from domestic and international 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 Company recognize service revenue as the related services are performed.

In the case of fixed price contract, the Company recognises revenue over a period of time based on progress towards completion of performance obligation using efforts or cost to cost measure of progress (percentage completion method of

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accounting).

The stage of completion is measured by efforts spent to estimated total efforts over the term of the contract."

(b) Technology Integration Services:

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 Company recognizes 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 fulfil the contract.

If the Company 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."

(c) Applications Integration Services:

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 Company enters into contracts with customers to serve advertisements in the portal and the Company 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 Company 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 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 Company would sell a promised good or service separately to the customer.

If the relative stand-alone selling prices are not available, the Company estimates the same. In doing so, the Company 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.

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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. 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 Company allocate transaction price to each performance obligation based on standalone transaction price. The determination of standalone transaction price involves judgment.

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 comprisesinterest 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

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the year, using tax rates enacted or substantively enacted at the reporting date.

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.Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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. 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.

(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 (issued by holding company) 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. Related Party transactions (Ind AS 24)

A) Identification of Related Parties and the Related Party Transactions

i. Every promoter, director and key managerial personnel (KMP) of the Company and itssubsidiaries/ Joint venture shall,

a. at the time of appointment;

b. periodically – as required by the Company

c. whenever there is any change in the information already submitted, provide requisite information about his / her Relatives and all firms, entities, body corporates, in which such promoter, director or KMP is interested, whether directly or indirectly, to the Company or the subsidiary/ Joint venture (as the case may be). Every such promoter, director and KMP shall also provide any additional information about the transaction, that the Board /Audit Committee may reasonably request.

B) Review and approval of Related Party Transaction

In case any Related Party Transactions are referred by the Company to the Board for its approval due to the transaction being (i) not in the ordinary course of business, or (ii) not at an arm's length price, the Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction. On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances. Any member of the Board who has any interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party Transaction.

C) Reporting of Related Party Transactions

Every contract or arrangement, which is required to be approved by the Boardunder this Policy, shall be referred to in the Board's reportalong with the justification for entering into such contract or arrangement.

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 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.

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, 2024

Particulars	ORIGINAL COST				DEPRECIATION				NET BOOK VALUE	
	As at April 1, 2023	Additions during the year	Deletions/ Adjustments during the year	As at March 31, 2024	As at April 1, 2023	Additions during the year	Deletions/ Adjustments during the year	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Owned assets										
Plant and equipment	13,757	1,344	3	15,098	9,482	1,211	3	10,690	4,408	4,275
Furniture and fittings	18			18	17			17	1	1
Office equipment	879	45		924	725	74		799	125	154
Leasehold improvements	403			403	403			403	-	-
	15,057	1,389	3	16,443	10,627	1,285	3	11,909	4,534	4,430

The following table presents the changes in property, plant and equipment during the year ended March 31, 2023

Particulars	ORIGINAL COST				DEPRECIATION				NET BOOK VALUE	
	As at April 1, 2022	Additions during the year	Deletions/ Adjustments during the year	As at March31, 2023	As at April 1, 2022	Additions during the year	Deletions/ Adjustments during the year	As at March31, 2023	As at March31, 2023	As at March 31, 2022
Owned assets										
Plant and equipment	12,210	1,636	89	13,757	8,356	1,215	89	9,482	4,275	3,854
Furniture and fittings	17	1	-	18	17	-	-	17	1	-
Office equipment	878	1	-	879	628	97	-	725	154	250
Leasehold improvements	403	-	-	403	403	-	-	403	-	-
	13,508	1,638	89	15,057	9,404	1,312	89	10,627	4,430	4,104

Notes

(a) Refer note D (20)(b) for capital commitments.

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

2. Right of Use Assets and Lease Liabilities

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2024

Particulars	ROU asset
Opening Balance	679
Additions	270
Deletions	-
Depreciation	(156)
Balance as of Mar 31, 2024	**793**

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2023

Particulars	**ROU asset**
Opening Balance	771
Additions	32
Deletions	-
Depreciation	(124)
Balance as of March 31, 2023	**679**

Lease Liabilities	As at March 31, 2024	As at March 31, 2023
Current lease liabilities	130	56
Non-current lease liabilities	236	135
Total	**366**	**191**

The movement in lease liabilities during the years ended March 31, 2024 and March 31, 2023 are given below

Particulars	March 31, 2024	March 31, 2023
Balance at the beginning of the year	191	425
Additions during the year	270	32
Deletions	-	-
Fair value adjustment	(12)	46
Payment of lease liabilities	(81)	(312)
Balance at the end of the year	**366**	**191**

a. These are primarily taken from NBFCs and are secured by lease of relevant assets.
b. These are repayable over a period of 12 to 60 months on equated monthly / quarterly instalments.
c. Refer note D(35) for the contractual maturities of lease liabilities

Amounts recognised in Statement of profit or loss account

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on lease liabilities	2	-
Expenses relating to leases of low-value assets, including short-term leases of low value assets	1,108	492

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

3.Intangible assets

The following table presents the changes in intangible assets during the year ended March 31, 2024

Particulars	ORIGINAL COST				AMORTISATION				NET BOOK VALUE	
	As at April 1, 2023	Additions during the year	Deletions/ Adjustments during the year	As at March 31, 2024	As at April 1, 2023	Additions during the year	Deletions/ Adjustments during the year	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
System software	5,515	722		6,237	4,107	917		5,024	1,213	1,408
Customer related intangibles	1,168			1,168	1,168			1,168	-	-
	6,683	**722**	**-**	**7,405**	**5,275**	**917**	**-**	**6,192**	**1,213**	**1,408**

The following table presents the changes in intangible assets during the year ended March 31, 2023

Particulars	ORIGINAL COST				AMORTISATION				NET BOOK VALUE	
	As at April 1, 2022	Additions during the year	Deletions/ Adjustments during the year	As at March31, 2023	As at April 1, 2022	Additions during the year	Deletions/ Adjustments during the year	As at March31, 2023	As at March31, 2023	As at March 31, 2022
System software	4,410	1,105	-	5,515	3,055	1,052	-	4,107	1,408	1,355
Customer related intangibles	1,168	-	-	1,168	1,168	-	-	1,168	-	-
	5,578	**1,105**	**-**	**6,683**	**4,223**	**1,052**	**-**	**5,275**	**1,408**	**1,355**

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

	As at March 31, 2024	As at March 31, 2023
4.OTHER FINANCIAL ASSETS - NON-CURRENT		
Security deposits (refer note below)	166	79
	166	**79**

Note : Security deposits over and above ₹ 50 is fair valued as per Ind AS 109

	As at March 31, 2024	As at March 31, 2023
5. OTHER NON-CURRENT ASSETS		
Prepaid expenses	2,196	1,649
Advance tax and tax deducted at source	1,974	393
	4,170	**2,042**
6. INVENTORIES		
Inventories (refer note below)	33,933	19,419
	33,933	**19,419**

Note : Includes project inventory of ₹ 30,343 (previous year: ₹ 16,924)

	As at March 31, 2024	As at March 31, 2023
7. TRADE RECEIVABLES		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	38,409	39,154
Trade receivables which have significant increase in Credit Risk	1,505	1,543
Trade Receivables - credit impaired	-	-
Total	**39,914**	**40,697**
Loss Allowance[Refer note below]	(1,505)	(1,543)
Net Trade receivables	**38,409**	**39,154**

(a) This amount also includes receivable towards customer contracts novation pursuant to BTA which is in progress and other customer receivables as on March 31, 2024 transferred from holding company ₹ 9,074 (previous year ₹ 14,455) and transferred from fellow subsidiary ₹ 1,122 (previous year ₹ Nil). Also refer note D (33).

The activity in loss allowance for doubtful receivables is given below:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance at the beginning of the year	1,543	2,252
Balance transferred through BTA	-	-
Add: Provision made during the year	400	611
Less: Bad debts written off	(438)	(1,320)
Balance at the end of the year	**1,505**	**1,543**

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

The following table presents the aging of the Trade Receivables for the year ended March 31, 2024

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		< 6 Months	6 Months - 1 Year	1 - 2 Years	2-3 Years	> 3 Years	
Trade receivables- Undisputed							
Considered good	11,684	14,044	5,652	1,850	2,224	43	35,497
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
	11,684	**14,044**	**5,652**	**1,850**	**2,224**	**43**	**35,497**
Trade receivables- Disputed							
Considered good		-	-	-	-	-	-
Which have significant increase in credit risk		-	-	-	-	-	-
Credit impaired		-	-	-	-	-	-
		-	-	-	-	-	-
Provision for bad and doubtful debts							(1,505)
Trade receivable - Unbilled							4,417
Total							38,409

The following table presents the aging of the Trade Receivables for the year ended March 31, 2023

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		< 6 Months	6 Months - 1 Year	1 - 2 Years	2-3 Years	> 3 Years	
Trade receivables- Undisputed							
Considered good	19,338	12,625	2,048	2,804	438	-	37,253
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
	19,338	**12,625**	**2,048**	**2,804**	**438**	**-**	**37,253**
Trade receivables- Disputed							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
	-						
Provision for bad and doubtful debts							(1,543)
Trade receivable - Unbilled							3,444
Total							**39,154**

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

		As at March 31, 2024	As at March 31, 2023
8. CASH AND BANK BALANCES			
8A. Cash and cash equivalents			
Balance with banks in current accounts		8,559	4,530
	(A)	**8,559**	**4,530**
8B. Other bank balances			
		205	152
Bank deposits subject to lien	**(B)**	**205**	**152**
	(A)+(B)	**8,764**	**4,682**

Bank deposits subjected to lien which are restricted cash and bank balances of ₹ 205 (Previous year ₹ 152) is reclassifed from Cashand bank balance to other Bank balances for better presentation of financial statements.

	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents for the purpose of Cash Flow Statement:		
Cash and cash equivalents as above	8,559	4,530
Less: Bank overdraft used for cash management purposes[Refer note 16 (f)]	(970)	(4,405)
	7,589	**125**
9. OTHER FINANCIAL ASSETS		
Amounts receivable from fellow-subsidiaries(Refer Note (b) below)	2,680	3
Security Deposit [Net of doubtful allowance ₹ 220 (Previous year ₹ 220) [Refer note (a) below]	-	-
Interest accrued on advances and deposits	7	4
	2,687	**7**

	For the year ended March 31, 2024	For the year ended March 31, 2023
a)The activity in allowance for doubtful advances are given below:		
Balance at the beginning of the year	220	220
Add: Additional provision during the year	-	-
Balance at the end of the year	**220**	**220**

(b) ₹ Nil (previous year ₹ Nil) is receivable from holding company and ₹ 1561 (previous year ₹ 3) is receivable from fellow subsidiary company on account of transfer of assets/liabilities, transfer of revenue and expenses, customer receipts received and vendor payments made by or for the parent company and fellow subsidiary pertaining to the services rendered by and for the company.Also Refer Note D (33)

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

	As at March 31, 2024	As at March 31, 2023
10. OTHER CURRENT ASSETS		
Advances other than capital advances:		
Balances with GST, service tax and sales tax authorities	955	-
Prepaid expenses	2,662	4,023
Advance tax and tax deducted at source (Net of Provision for Tax ₹ 840; previous year: ₹ 840)	1,307	3,741
Deferred contract costs[refer D(38)]	183	-
Other advances	20	310
	5,127	**8,074**
11. EQUITY SHARE CAPITAL		
Authorized		
25,00,10,000 (March 31, 2023: 21,00,00,000) equity shares of ₹10 each	25,001	21,000
Issued, Subscribed and fully paid		
24,99,92,499 (March 31, 2023: 20,00,10,000) equity shares of ₹10 each	24,999	20,001
	24,999	20,001

(a) The equity shares are the only class of share capital having a par value of ₹10 per share.

(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.

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

	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount paid- up	Number of shares	Amount paid- up
Number of shares outstanding at the beginning of the year	200,010,000	20,001	200,010,000	20,001
Add: Shares issued on exercise of ASOP				
Add: Right Shares issued *	49,982,499	4,998	-	-
Number of shares outstanding at the end of the year	**249,992,499**	**24,999**	**200,010,000**	**20,001**

* During the year, The Company has raised funds by issue of equity shares on Right Issue basis to Holding company M/s. Sify Technologies Limited. Shares are alloted on 03rd October 2023.

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

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

	As at March 31, 2024		As at March 31, 2023	
	Number of Shares held	% holding	Number of Shares held	% holding
Sify Technologies Limited*	249,992,499	100%	200,010,000	100%

*Includes 6 shares held by nominees of Sify Technologies Limited (Holding Company) to comply with the provisions of the Companies Act, 2013

11.3 Shareholding of Promoters

Shares held by promoters as at March 31, 2024

Name of the Promoter	No. of share	Percentage of total shares	Percentage of change during the period
Sify Technologies Limited	249,992,499	100%	0%
Total	**249,992,499**	**100%**	0%

Shares held by promoters as on year ended March 31, 2023

Name of the Promoter	No. of share	Percentage of total shares	Percentage of change during the period
Sify Technologies Limited	200,010,000	100%	0%
Total	**200,010,000**	**100%**	0%

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

		As at March 31, 2024	As at March 31, 2023
12. OTHER EQUITY			
12.1 Reserves and surplus			
Retained earnings			
Balance at the beginning of the year		(1,325)	2,410
Adjustments:			
Add: Profit/(Loss) for the year		(6,719)	(3,735)
	(A)	**(8,044)**	**(1,325)**
Remeasurement of net defined benefit(liability)/asset			
Balance at the incorporation / beginning of the year		(289)	(32)
Add: Additions during the year		(190)	(257)
	(B)	**(479)**	**(289)**
	(A)+(B)	**(8,523)**	**(1,614)**

a) 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.

b) 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.

	As at March 31, 2024	As at March 31, 2023
13. BORROWINGS		
Term Loans		
Unsecured		
From others [Refer Note (a), (b) and (c) below]	7,530	8,438
	7,530	**8,438**

a. These loans are primarily taken from NBFCs.

b. The loans bear interest rate ranging from 0.00% to 9.9% (previous year 8.3% to 9.9%) and repayable over a period of 12 to 60 months on equated monthly / quarterly instalments.

c. The current maturities of the above borrowings, carrying the aforesaid security and repayment terms are grouped under Note D (16).

The current maturities of borrowings and lease liabilities are as under:

Secured		
Current maturities of finance lease obligations	130	56
Unsecured		
Loan from others	3,432	3,554
	3,562	**3,610**

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

		As at March 31, 2024	As at March 31, 2023
14. PROVISIONS			
Provisions for employee benefits - current			
Compensated absences		232	167
	(A)	**232**	**167**
Provisions for employee benefits - non-current			
Gratuity [Refer note D (31)]		180	116
Compensated absences		834	594
	(B)	**1,014**	**710**
	(A) + (B)	**1,246**	**877**
15. OTHER NON-CURRENT LIABILITIES			
Contract liability (Unearned income)*		410	13
		410	**13**

* Refer note D (38) for the movement in Contract liability (Unearned income)

	As at March 31, 2024	As at March 31, 2023
16. SHORT TERM BORROWINGS		
Loans repayable on demand from banks – Secured[Refer notes (a) to (f) below]		
Working capital facilities	10,670	11,605
Current maturities of Long Term Loans		
Current maturities of other loans (refer Note D (13))	3,432	3,554
	14,102	**15,159**

(a) The above facilities amounting to ₹ 7,287 (previous year ₹ 7,154), 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 ₹ 6,687 (previous year ₹ 6,051) 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 ₹ 3,587 (previous year ₹ 3,951) is secured collaterally by way of equitable mortgage over the properties at Tidel Park, Chennai, Vashi 6th floor, Vile Parle at Mumbai & Hyderabad property.

(iii) exposure amounting to ₹ 600 (previous year ₹ 600) 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 the above, facilities amounting to ₹ 3,500 (previous year ₹ 4,500) are secured by pari-pasu charge on current assets and unencumbered movable fixed assets of the Company, both present and future.

(d) These working capital facilities bear interest ranging from 7.60% p.a. to 9.00% p.a. (previous year:5.4% p.a. to 9.30% p.a.)and these facilities are subject to renewal annually.

(e) The Company has adjusted the processing charges paid with respect to borrowings from banks ₹ 117 (Previous year ₹ 25)

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

	As at March 31, 2024	As at March 31, 2023
(f) Working capital facilities comprises the following:		
Bank overdraft	970	4,405
Other working capital facilities	9,700	7,200
	10,670	**11,605**

17. TRADE PAYABLES

Towards purchase of goods and services		
(A) Total outstanding dues to micro enterprises and small enterprises [refer note (b) below]	612	33
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises*	39,161	23,698
	39,773	**23,731**

* Includes :

(a) This amount include payables relating to services received from fellow subsidiary ₹ 2707 (previous year ₹ 54). This amount also includes ₹ 945(previous year ₹ 1,448) transferred from holding company on account of amount payable towards vendor contracts novation pursuant to BTA, which is in progress. Pending confirmation from vendors, the invoices have been booked in parent company and subsequently transferred. Also refer note D (33).

(b) The amount payable to Medium, Micro enterprises and Small enterprises of ₹ 612 (Previous year ₹ 33) as on March 31, 2024. Refer note D(39).

Trade Payables ageing schedule

The following table presents the aging of the Trade payables for the year ended March 31, 2024

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#	612				612
(b)Total outstanding dues of creditors other than micro enterprises and small enterprises	35,602	1,833	1,165	561	39,161
	36,214	1,833	1,165	561	39,773
Disputed Trade payables :					
(c)Total outstanding dues to micro enterprises and small enterprises	-	-	-	-	-
(d)Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
	-	-	-	-	-
Total	**36,214**	**1,833**	**1,165**	**561**	**39,773**

Out of the above, INR 612 pertains to not due as on March 31 2024

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

The following table presents the aging of the Trade payables for the year ended March 31, 2023

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 #	33	-	-	-	33
(b)Total outstanding dues of creditors other than micro enterprises and small enterprises	21,865	1,219	492	122	23,698
	21,898	1,219	492	122	23,731
Disputed Trade payables :					
(c)Total outstanding dues to micro enterprises and small enterprises	-	-	-	-	-
(d)Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
	-	-	-	-	-
Total	**21,898**	**1,219**	**492**	**122**	**23,731**

Out of the above, INR 33 pertains to not due as on March 31 2023

Note: Outstanding for above periods is from the date of Invoice.

	As at March 31, 2024	As at March 31, 2023
18. OTHER FINANCIAL LIABILITIES		
Amounts payable to holding company (refer note below)	9,926	4,051
Capital creditors	178	473
Interest accrued	146	157
Deposits from customers	159	159
Other payables	362	128
	10,771	**4,968**

Note: ₹ 9,926 (previous year ₹ 4,051) is payable to holding company and ₹ Nil (previous year ₹ Nil) payable to fellow subsidiary company on account of transfer of assets/liabilities, transfer of revenue and expenses, customer receipts received and vendor payments made by or for the parent company and fellow subsidiary pertaining to the services rendered by and for the company.

	As at March 31, 2024	As at March 31, 2023
19. OTHER CURRENT LIABILITIES		
Advances received from customers	6,519	4,428
Statutory payables	456	472
Contract liability (Unearned income)*	3,141	3,973
Other payables	48	268
	10,164	**9,141**

* Refer note D (38) for the movement in Contract liability (Unearned income)

20.CONTINGENT LIABILITIES AND COMMITMENTS

(a)Contingent liabilities

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) Capital commitments:

	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,641	1,305

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

	For the year ended March 31, 2024	For the year ended March 31, 2023
21. REVENUE FROM OPERATIONS		
Sale of Services:		
- Domestic	74,133	61,989
- Export	5,501	6,326
Sale of Products:		
- Domestic	18,103	29,537
	97,737	**97,852**

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.

To be recognised	Amount
Within one year	3,126
One to three years	124
Three years or more	301
Total	**3,551**

	For the year ended March 31, 2024	For the year ended March 31, 2023
22. OTHER INCOME		
Interest income		
From banks	11	5
Others	293	67
Other non-operating income		
Gain on foreign exchange fluctuation(Net)	-	273
Miscellaneous income	190	0
	494	**345**
23. COST OF GOODS SOLD AND SERVICES RENDERED		
23A. Cost of services rendered		
Direct costs	31,616	31,812
	31,616	**31,812**
23B. Purchases of Stock in Trade	42,502	28,034
23C. Changes in inventories - Stock in Trade		
Opening inventory	19,419	24,006
Less: closing inventory	(33,933)	(19,419)
	(14,514)	**4,587**
	59,604	**64,433**

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

	For the year ended March 31, 2024	For the year ended March 31, 2023
24. EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	29,590	24,467
Contribution to provident and other funds	1,909	1,494
Staff welfare expenses	354	271
Share-based payments to employees	37	40
	31,890	**26,272**
25. FINANCE COSTS		
Interest	2,430	2,049
Other finance costs	151	142
	2,581	**2,191**
26. OTHER EXPENSES		
Communication expenses	104	95
Rent	1,108	492
Rates and taxes	168	109
Travelling expenses	1,160	892
Power and fuel expenses	421	313
Legal and professional	2,006	751
Payment to auditors		
- For Statutory audit fees	14	13
- For Other services	1	1
Repairs and maintenance expenses		
- Plant and machinery	520	243
- Buildings	290	659
- Others	286	480
Insurance	846	503
Outsourced manpower costs	747	645
Advertisement, selling and marketing expenses	32	112
Loss on foreign exchange fluctuation (net)	95	0
Contribution towards corporate social responsibility [Refer note D (36)]	-	34
Allowance for bad and doubtful debts (refer note D(7) for bad debts written off)	400	611
Miscellaneous expenses	484	409
	8,682	**6,362**

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

27. RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES FOR THE YEAR ENDED MARCH 31, 2024

(i) Long term borrowings *

Particulars	As at April 01, 2023	Availed	Repayment	Non cash movement: Fair value adjustment	Non cash movement: Re-classification	As at March 31, 2024
Term loans from Others	11,993	2,560	(3,614)	5	18	10,962
Finance lease obligations	191	270	(83)	(12)	-	366
Total	**12,184**	**2,830**	**(3,697)**	**(7)**	**18**	**11,328**

*including current maturities

*The Company has adjusted the processing charges paidwith respect to borrowings from banks ₹ 117

(ii) Short term borrowings

Particulars	As at April 01, 2023	Net Availment	Foreign exchange movement	As at March 31, 2024
Working capital facilities excluding overdraft*	7,200	2,500	-	9,700
Other short term borrowing	-	-	-	-
Total	**7,200**	**2,500**	**-**	**9,700**

* Bank overdrafts are used for cash management purposes [Refer Note D (8)]

Reconciliation of liabilities from financing activities for the year ended March 31, 2023

(i) Long term borrowings *

Particulars	As at April 01, 2022	Availed	Repayment	Non cash movement: Fair value changes	Non cash movement: Re-classification	As at March 31, 2023
Term loans from Others	14,289	5,412	(7,861)	201	(48)	11,993
Finance lease obligations	425	62	(341)	45		191
Total	**14,714**	**5,474**	**(8,202)**	**246**	**(48)**	**12,184**

*including current maturities

*The Company has adjusted the processing charges paidwith respect to borrowings from banks ₹ 25

(ii) Short term borrowings

Particulars	As at April 01, 2022	Net repayment	Foreign exchange movement	As at March 31, 2023
Working capital facilities excluding overdraft*	6,600	600	-	7,200
Other short term borrowing	-	-	-	-
Total	**6,600**	**600**	**-**	**7,200**

* Bank overdrafts are used for cash management purposes [Refer Note D (8)]

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

	As at March 31, 2024	As at March 31, 2023

28. DEFERRED TAX ASSETS AND LIABILITIES

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

Deferred tax assets on temporary deductible differences		
Property, Plant and Equipment	623	664
Provision for employee benefits	285	245
Provision for Doubtful Advances	67	55
Accounts receivable	379	388
Payment to MSMS Vendors	95	-
	1,449	**1,352**
Deferred tax liabilities on temporary taxable differences		
Intangible assets	(303)	(352)
Finance lease obligations	(104)	(123)
	(407)	**(475)**
Net deferred tax asset recognised in Balance Sheet	**1,042**	**877**

In assessing the realizability of the deferred income tax assets, management considers whether some portion or all of deferred tax assets will be realized. The ultimate realization of the deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred tax liabilities, projected future taxable income and tax planning strategy in making this assessment. Based on the level of historical taxable income and projections of future taxable income over the periods in which deferred tax assets are deductible, management recognizes deferred tax assets on deductible temporary differences to the extent of deferred tax liabilities on taxable temporary differences. The amount of deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income are reduced. Given the above basis, deferred tax asset in relation to tax losses for FY 2023-24 is not being recognised as management does not foresee sufficient future taxable income as on the date of signing these numbers.

Movement in temporary differences

	Provision for employee benefits	Property, Plant and Equipment	Intangible assets	Finance lease obligations	Accounts receivable	Advances	Payment to MSME Vendors
Balance as at April 01, 2022	**220**	**628**	**(347)**	**(75)**	**567**	**55**	**-**
Recognised in income statement	25	36	(5)	(48)	(179)	(0)	(0)
Recognised in Equity	-	-	-	-	-	-	-
Balance as at March 31, 2023	**245**	**664**	**(352)**	**(123)**	**388**	**55**	**(0)**
Recognised in income statement	40	(41)	49	19	(10)	12	95
Recognised in Equity							
Balance as at March 31, 2024	**285**	**623**	**(303)**	**(104)**	**379**	**67**	**95**

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

	For the year ended March 31, 2024	For the year ended March 31, 2023
Income tax expense recognized in profit or loss		
Current tax expense/(reversal)	-	15
Deferred tax liability / (asset)	(165)	171
	(165)	**186**
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	(6,884)	(3,549)
Enacted tax rates in India	25.17%	25.17%
Expected tax expense/(benefit)	(1,733)	(893)
Effect of :		
Recognition of previously unrecognised deferred tax asset/ reversal of previously recognized liability on temporary differences	(17)	15
Effect of Unrecognised business loss including reversal of previously recognised DTA on business loss	1,571	1,055
Expenses that are not deductible in determining taxable profit	14	9
	(165)	**186**

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

(a)	**Weighted average number of shares**		
	Issued fully paid up ordinary shares at the beginning of the year	200,010,000	200,010,000
	Issued fully paid up ordinary shares at the end of the year	249,992,499	200,010,000
	Weighted average number of equity shares outstanding- (I)	**224,591,557**	**200,010,000**
(b)	**Basic Earning Per Share**		
	Profit attributable to the equity holders - (II)	(6,719)	(3,735)
	Basic Earning Per Share-(II)/(I)	**(2.99)**	**(1.87)**

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

	For the year ended March 31, 2024	For the year ended March 31, 2023

30. FOREIGN CURRENCY EXPOSURE

The details of foreign currency exposure as at March 31, 2024 are as follows:

Particulars	As at March 31, 2024		
	Foreign Currency	Amount in foreign currency	Amount in Indian Rupees
Amounts receivable in foreign currency on account of:			
Cash and cash equivalent	USD	*	40
Trade Receivables	GBP	1	87
	USD	59	4,932
	EUR	2	143
			5,162
Amounts payable in foreign currency on account of:			
Trade Payables			
	USD	25	2,053
			2,053

* amount below rounding off norm adopted by the Company

Particulars	As at March 31, 2023		
	Foreign Currency	Amount in foreign currency	Amount in Indian Rupees
Amounts receivable in foreign currency on account of:			
Cash and cash equivalent	USD	1	89
Trade Receivables	GBP	*	88
	USD	55	4,517
	EUR	*	62
			4,667
Amounts payable in foreign currency on account of:			
Trade Payables			
	CAD		
	USD	22	1,797
			1,797

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

31. 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, 2024	Year ended March 31, 2023
Projected benefit obligation at the beginning of the year	1,367	913
Service cost	385	275
Interest cost	100	58
Remeasurement (gain)/losses	194	222
Benefits paid	(109)	(101)
Projected benefit obligation at the end of the year	**1,937**	**1,367**

Change in the fair value of plan assets

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Fair value of plan assets at the beginning of the year	1,251	600
Interest income	92	38
Employer contributions	519	700
Benefits paid	(109)	(52)
Return on plan assets, excluding amount recognised in net interest expense	4	(35)
Fair value of plan assets at the end of the year	**1,757**	**1,251**

Amount recognised in the Balance Sheet

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Present value of projected benefit obligation at the end of the year	1,937	1,367
Fair value of plan assets at the end of the year	(1,757)	(1,251)
Funded status amount of liability recognised in the Balance Sheet	**180**	**116**

Expense recognised in the Statement of Profit and Loss

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Service cost	385	275
Interest cost	100	58
Net gratuity costs	**485**	**333**

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

Summary of actuarial assumptions

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Discount rate	7.15% p.a.	7.30% p.a.
Salary escalation rate	8.00% p.a	8.00% p.a
Average future working life time	24.69 years	24.78 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.

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 ₹582 to its gratuity fund during the year ending 31st March 2025

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

Year	As at March 31, 2024	As at March 31, 2023
1 year	328	235
2 to 5 years	1189	857
6 to 10 years	839	580
More than 10 years	521	368

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

Amount recognised in other comprehensive income for the year ended March 31, 2024 and March 31, 2023 are as follows:

	March 31, 2024	March 31, 2023
Remeasurement (gain) /loss arising from		
- change in demographic assumptions	-	(37)
- change in financial assumptions	13	132
- experience variance	181	126
- return on plan assets, excluding amount recognised in net interest expense/income	(4)	36
	190	**257**

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

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, 2024		March 31, 2023	
	Decrease	Increase	Decrease	Increase
Discount rate (-/+ 1%)	2,034	1,849	1,434	1,305
(% change compared to base due to sensitivity)	5.0%	(4.6)%	4.9%	(4.5)%
Salary Growth rate (-/+ 1%)	1,854	2,025	1,307	1,429
(% change compared to base due to sensitivity)	(4.3)%	4.5%	(4.4)%	4.6%
Attrition Rate (- / + 50% of attrition rates)	2,094	1,819	1,468	1,290
(% change compared to base due to sensitivity)	8.1%	(6.1)%	7.4%	(5.6)%
Mortality Rate (- / + 10% of mortality rates)	1,937	1,937	1,367	1,367
(% change compared to base due to sensitivity)	0.0%	0.0%	0.0%	0.0%

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 ₹ 1,516 and ₹ 1,198 for the year ended March 31, 2024 and March 31, 2023 respectively.

32. SEGMENT REPORTING

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

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

33. RELATED PARTIES AND TRANSACTIONS

(a) Related parties

The related parties where control / significant influence exists are holding company, fellow 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, 2024 and March 31, 2023 are as follows:

Particulars	Related Parties	Country of Incorporation	% of ownership interest
Ultimate Holding company	Ramanand Core Investment Company Private Limited (subsidiary of Raju Vegesna Infotech and Industries Private Limited)	India	
Holding company	Sify Technologies Limited	India	100%
Fellow Subsidiaries	Sify Technologies (Singapore) Pte. Limited	Singapore	
	Sify Technologies North America Corporation	USA	
	Sify Data and Managed Services Limited	India	
	Sify Infinit Spaces Limited	India	
	SKVR Software Solution Private Limited	India	
	Patel Auto Engineering (India) Private Limited	India	
Key Managerial Personnel #	Mr. Kamal Nath		
	Mr.Ganesh Sankararaman		
	Mrs.Meenakshi Jayaraman		
Trust controlled by KMP of holding company##	Raju Vegesna Foundation, Visakapatanam	India	

No remuneration is getting paid to Key Managerial personnel from The Company i.e Sify Digital Services Limited

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

(b) Related party transactions and balances

Following is a summary of related party transactions for the year ended March 31, 2024:

Transactions	Sify Technologies Limited	Sify Infinit Spaces Limited	Sify Technologies North America Corporation	Sify Technologies (Singapore) Pte Ltd
NBFC loan repaid	3,541	-	-	-
Receipt of services#	-	574	911	175
Purchase of goods	-	-	-	-
Rendering of services	2,215	-	2,958	-
Rent Paid	-	132	-	-
Interest received	-	-	-	-
Loan received back	-	-	-	-
Revenue transfers *	19,628	-	-	-
Expenses transfers *	21,859	132	-	-
Security Deposit	-	13	-	-
Other Income transfer	14	-	-	-
Asset Transfer	4,855	-	-	-
Amount of outstanding balances				
Advance lease rentals and refundable deposits made**				
Security Deposit				
Amount payable *	945	2,707	-	-
Advances receivable	9,926	2,708	-	-
Amount receivable *	10,196	-	-	-
Trade payable	-	-	-	-
Trade receivable	-	-	351	5
Loan given to fellow subsidiaries				

#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.

₹ 30.81(previous year ₹ 37) contributed to Raju Vegesna Foundation, Visakapatanam which is controlled by KMP of holding company.

(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, 2023:

Transactions	Sify Technologies Limited	Sify Infinit Spaces Limited	Sify Technologies North America Corporation	Sify Technologies (Singapore) Pte Ltd
Receipt of services#	-	574	-	109
Purchase of goods	-	-	-	-
Rendering of services	2,198	-	3,328	-
Rent Paid	-	132	-	-
Interest received	-	49	-	-
Loan received back	-	950	-	-
Revenue transfers *	31,225	-	-	-
Expenses transfers *	23,319	10	-	-
Other Income transfer	221	-	-	-
Asset Transfer	5,669	-	-	-
Amount of outstanding balances				
Amount payable *	5,499	54	-	-
Amount receivable *	14,455	-	-	-
Trade payable	-	-	-	30
Trade receivable	-	-	3,381	-
Loan given to fellow subsidiaries				

#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.

₹ 30.87 (previous year ₹ 37) contributed to Raju Vegesna Foundation, Visakapatanam which is controlled by KMP of holding company.

(c) Payments to directors (other than Managing Director and Executive Director)	**For the year ended March 31, 2024**	**For the year ended March 31 2023**
Sitting fees	4	2

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

34. 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. There are no forward contracts outstanding as at March 31, 2024.

b. Financial instruments by category

The carrying value and fair value of financial instruments by each category as at March 31, 2024 were as follows:

Particulars	Financial assets/ liabilities at amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/liabilities at FVTOCI	Total carrying value	Total fair value
Assets					
Trade receivables	38,409	-	-	38,409	38,409
Cash and cash equivalents	8,559	-	-	8,559	8,559
Other financial assets	2,853	-	-	2,853	2,853
Liabilities					
Borrowings from banks	9,700	-	-	9,700	9,700
Borrowings from others	10,962	-	-	10,962	10,962
Bank overdraft	970	-	-	970	970
Lease Liabilities	366	-	-	366	366
Trade payables	39,161	-	-	39,161	39,161
Other financial liabilities	10,771	-	-	10,771	10,771

The carrying value and fair value of financial instruments by each category as at March 31, 2023 were as follows:

Particulars	Financial assets/ liabilities at amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/liabilities at FVTOCI	Total carrying value	Total fair value
Assets					
Trade receivables	39,154	-	-	39,154	39,154
Cash and cash equivalents	4,682	-	-	4,682	4,682
Other financial assets	86	-	-	86	86
Liabilities					
Borrowings from banks	7,200	-	-	7,200	7,200
Borrowings from others	11,992	-	-	11,992	11,992
Bank overdraft	4,405	-	-	4,405	4,405
Lease Liabilities	191	-	-	191	191
Trade payables	23,731	-	-	23,731	23,731
Other financial liabilities	4,968	-	-	4,968	4,968

(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, 2024 and March 31, 2023 that the Company has provided as collateral for obtaining borrowing and other facilities from the bankers are as follows:

	As at March 31, 2024	As at March 31, 2023
Trade receivables	10,670	11,605
Cash and cash equivalents	205	152
	10,875	**11,757**

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

	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Financial assets at amortised cost		
Interest income on bank deposits	11	5
Interest income on other financial assets	293	67
Impairment on trade receivables	(400)	(611)
(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	(2)	(1)
Interest expenses on borrowings from banks, others and overdrafts	(2,428)	(2,048)

35. 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 Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the risk management framework. The Board of Directors are 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 Board of Directors.

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.

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

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.

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. 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, 2024 and March 31, 2023 was as follows:

	As at March 31, 2024	As at March 31, 2023
Trade receivables	38,409	39,154
Cash and cash equivalents	8,559	4,682
Other financial assets	2,853	86
	49,821	**43,922**

See note D (7) for the activity in the allowance for impairment of trade account 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.

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, 2024

	Carrying amount	Contractual cash flows	0-12 months	1-3 years	3-5 years	> 5 Years
Non-derivative financial liabilities						
Borrowings from banks	9,700	9,842	9,842	-	-	-
Borrowings from others	10,962	12,731	4,201	7,949	581	-
Bank overdraft	970	970	970	-	-	-
Lease Liabilities	366	417	159	258	-	-
Trade payables	39,161	39,161	39,161	-	-	-
Other financial liabilities	10,771	10,771	10,771	-	-	-
	71,930	**73,892**	**65,104**	**8,207**	**581**	**-**

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

As at March 31, 2023

	Carrying amount	Contractual cash flows	0-12 months	1-3 years	3-5 years	> 5 Years
Non-derivative financial liabilities						
Borrowings from banks	7,200	7,342	7,342	-	-	-
Borrowings from others	11,992	14,100	4,451	6,962	2,687	
Bank overdraft	4,405	4,405	4,405	-	-	-
Lease Liabilities	191	195	58	115	22	-
Trade payables	23,731	23,731	23,731	-	-	-
Other financial liabilities	4,968	4,968	4,968	-	-	-
	52,487	**54,741**	**44,955**	**7,077**	**2,709**	**-**

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 Board of Directors.

The Company's exposure to foreign currency risk as at March 31, 2024 was as follows:

All amounts in respective currencies as mentioned (in lakhs)

	Cash and cash equivalents	Trade receivables	Trade payables	Foreign currency loans	Net Balance Sheet exposure
USD	*	59	(25)	-	34
GBP	-	1	-	-	*
EUR	-	2	-	-	*
DHS	-	-	-	-	-

The Company's exposure to foreign currency risk as at March 31, 2023 was as follows:

All amounts in respective currencies as mentioned (in lakhs)

	Cash and cash equivalents	Trade receivables	Trade payables	Foreign currency loans	Net Balance Sheet exposure
USD	1	55	(22)	-	34
GBP	-	*	-	-	*
EUR	-	*	-	-	*
DHS	-	-	-	-	-

* Amount below rounding off norm adopted by the Company

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

A 10% strengthening of the rupee against the respective currencies as at March 31, 2024 and March 31, 2023 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.

	Other comprehensive income	Profit/(loss)
March 31, 2024	-	(315)
March 31, 2023	-	(296)

A 10% weakening of the rupee against the above currencies as at March 31, 2024 and March 31, 2023 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, 2024	Carrying amount March 31, 2023
Fixed rate instruments		
Financial assets		
- Fixed deposits with banks	-	-
Financial liabilities		
- Borrowings from banks	-	-
- Borrowings from others	10,962	11,992
Variable rate instruments		
Financial liabilities		
- Borrowings from banks	9,700	7,200
- Bank overdrafts	970	4,405

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.

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.

	Equity	Profit or (loss)
March 31, 2024	-	(23)
March 31, 2023	-	(17)

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.

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

36. 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, 2024	For the year ended March 31, 2023
Amount required to be spent by the company during the year	-	34
Amount of expenditure incurred	-	34
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-

Nature of Corporate Social Responsibility activities:

The details of Corporate Social Responsibility activities carried out by the Company are as follows:

Name of the Organisation	Nature of activity	For the year ended March 31, 2024	For the year ended March 31, 2023
Nayaki vidya mandir school (SCC)	Promotion of Education	-	3
Raju Vegesna Foundation, Visakapatanam*	Livelihood enhancement	-	31
Total		-	**34**

* The trust is controlled by Key Managerial Personnel of Holding Company

37. 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, 2024 is ₹ 16,476 (previous year: ₹ 18,387).

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, 2024	As at March 31, 2023
Debt		21,632	23,597
Less: cash and bank balances		(8,764)	(4,682)
Net debt	A	12,868	**18,915**
Equity	B	16,476	**18,387**
Net debt to Equity ratio	**A/B**	78%	**103%**

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)

38. CONTRACT BALANCES

Particulars	March 31, 2024		March 31, 2023	
Trade Receivables		38,409		39,154
Contract liabilities - Deferred Income		-		-
Current contract liabilities	3,141		3,973	
Non current contract liabilities	410		13	
Total Contract liabilities - Deferred Income		**3,551**		**3,986**

The following table provides the movement in contract liabilities (Deferred Income)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	**3,986**	**3,536**
Less: Revenue recognized during the year from the balance outstanding at the beginning of the year	4,994	2,756
Add: Invoiced during the year but revenue not recognised	4,559	3,206
Balance at the end of the year	**3,551**	**3,986**

39. 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, 2024 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 dues payable to micro, small and medium enterprises as on March 31, 2024 ₹ 612 (previous year ₹ 33). The Company has not received any claim for interest from any supplier as at the balance sheet date.

Particulars	As at March 31, 2024	As at March 31, 2023
a. the principal amount and the interest due thereon remaining unpaid at the end of accounting year	612	33
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.	-	-

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

40. AUDIT TRIAL

The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, there are no instance of audit trail feature being tampered with. [Additionally, the audit trail has been preserved as per the statutory requirements for record retention.]

41. ADDITIONAL REGULATORY INFORMATION

Clause - (i):

There is no immovable property held by the company, hence this clause is not applicable.

Clause - (ii):

The Company has not carried out any fair valuation or revaluation of of investment property or Property, Plant and Equipment and intangible assets respectively and hence this clause does not apply

Clause - (iii):

The Company has not made any loans or advances in the nature of loans to promoters, Directors, KMPs and related parties that are repayable on demand or without specifying any terms or period of repayment.

Clause - (iv):

There is no capital work in progress for the year ended March 31,2024

The following table presents the aging of the Capital Work in progress for the year ended March 31, 2023

Particulars	Amount in CWIP for a period of				Total
	< 1 Year	1 to 2 Years	2- 3 Years	> 3 Years	
Projects in progress	54	-	-	-	**54**
Projects temporarily suspended	-	-	-	-	-
Total	**54**	**-**	**-**	**-**	**54**

Clause - (v):

There are no intangibles under development.

Clause - (vi):

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 - (vii):

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 - (viii):

The Company is not declared a wilful defaulter by any bank of financial institution or other lender.

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

Clause - (ix):

The Company did not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

Clause - (x):

There are no charges or satisfaction of charge that is yet to be registered with ROC beyond the statutory period.

Clause - (xi):

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.

Clause - (xii):

Key Ratios

S. no	Ratio	Numerator	Denominator	FY 2023-24	FY 2022-23	% Variance	Reason for variance
1	Current Ratio (in times)	Current assets	Current Liabilities	1.19	1.35	(12)%	
2	Debt Equity Ratio (in times)	Total Debt = Total of current and non current term loans and lease liabilities	Shareholder's funds	0.69	0.66	5%	
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 adjustments like loss on sale of Fixed assets	Debt service = Interest & Lease Payments + Principal Repayments	(0.23)	0.13	(277)%	Due to reduction in EBITDA.
4	Return on equity ratio (in percentage)	Net Profits after taxes	Average Shareholder's Equity ((Opening+Closing)/2)	(39)%	(18)%	117%	Due to increase in loss in current year.
5	Net profit ratio (in percentage)	Net Profits after taxes	Net sales	(7)%	(4)%	75%	
6	Return on capital employed (in percentage)	EBIT	Capital Employed = Shareholder funds + Total Debt + Deferred Tax Liability	(15)%	(5)%	200%	
7	Inventory Turnover ratio (in times)	COGS = Purchase of stock-in-trade+ Change in Inventory	Average inventory is (Opening + Closing balance / 2)	1.05	1.50	(30)%	On account of reduction in COGS
8	Trade receivables turnover ratio (in times)	Sales	Average receivables is (Opening + Closing balance / 2)	2.95	2.96	(0)%	

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

S. no	Ratio	Numerator	Denominator	FY 2023-24	FY 2022-23	% Variance	Reason for variance
9	Trade payables turnover ratio (in times)	Net Credit Purchases=Cost of services rendered+Purchase of stock-in-trade+Changes in inventories	Average payables is (Opening + Closing balance / 2)	1.88	2.96	(36)%	On account of increase in trade payables
10	Net capital turnover ratio (in times)	Net Sales	Average Working capital = (Opening + Closing balance / 2)	6.01	3.73	61%	On account of loss , there is decrease in capital.
11	Debt to EBITDA (in times)	Debt	EBITDA	(4.83)	15.51	(131)%	Due to reduction in EBITDA.

Clause - (xiii):

Compliance with approved Scheme(s) of Arrangements

There are no schemes that are approved by the Competent Authority in terms of Section 230 to 237 of the Companies Act, 2013 during the year.

Clause - (xiv):

Utilisation of Borrowed funds and share premium

The Company has not advanced or loaded 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.

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 22, 2024

For and on behalf of the Board of Directors
Sify Digital Services Limited

Raju Vegesna
Director
DIN:00529027

Kamal Nath
Whole-time director
DIN:09094350

Ganesh Sankararaman
Chief Financial Officer

Meenakshi Jayaraman
Company Secretary

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